

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Monday, May 25, 1970

Opening Prayer by Mr. Speaker.

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

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for St. Boniface. The Honourable Member for Rhineland. Stand? (Agreed.)

Notices of Motion; Introduction of Bills. The Honourable Member for Churchill. Stand? (Agreed.)

INTRODUCTION OF BILLS

MR. EDWARD MCGILL (Brandon West) introduced Bill No. 102, The Beverage Container Refund Act.

MR. SPEAKER: The Honourable Member for Elmwood. Stand? (Agreed.) The Honourable Minister of Education.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): In the absence of the Honourable Minister of Education introduced Bill No. 104, an Act to amend The Public Schools Act; and Bill No. 105, an Act to amend The Education Department Act. (Recommended by the Lieutenant-Governor.)

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona) introduced Bill No. 94, The Expropriation Act. (Recommended by the Lieutenant-Governor.)

HON. AL. MACKLING, Q.C. (Attorney-General)(St. James) introduced Bill No. 109, The Dental Mechanics Act. (Recommended by the Lieutenant-Governor.)

MR. PETER FOX (Kildonan) introduced Bill No. 87, The Manitoba Dental Services Corporation Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to draw the attention of the honourable members to the gallery where the pupils of Sherwood School are hosting 50 pupils from the Hartney School. The Hartney students are under the direction of Mr. Seafort and Mrs. Fast. The Sherwood School is located in the constituency of the Honourable Member for Elmwood; the Hartney School is located in the constituency of the Honourable Member for Arthur. And 19 Grade 6 students of the Wawanesa School. These students are under the direction of Mr. Sigurdson. This school is located in the constituency of the Honourable Member for Souris-Killarney. And 25 Grade 6 students of the Whitemouth Elementary School. These students are under the direction of Mr. Peter Sawatzky. This school is located in the constituency of the Honourable Minister of Health and Social Services. On behalf of all the honourable members of the Legislative Assembly, I welcome you here this afternoon.

The Honourable Minister of Industry and Commerce.

STATEMENT

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Inkster): Mr. Speaker, I'd like to take this opportunity of welcoming the announcement made today by Mr. H. C. Abney, Vice President of Marketing of Jordan Wines Limited, and Calvert, a subsidiary of the House of Seagrams, with respect to the establishment of a winery and the expansion of the Calvert's operation at Gimli, Manitoba. This expansion will amount to an investment of about \$1 1/2 million at minimum and will create a total of 35 to 40 new jobs in the Interlake area of Manitoba, essentially in the Gimli region. I'd like to take this opportunity of welcoming this news, of welcoming this proposed expansion and to point out that the expansion may make possible now the feasibility of a glass manufacturing establishment in the province as well. I think this is the type of expansion we want in the province and I think it shows that the business community does have confidence in the province and the future of the economic development of this area.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, I may say that we on this side welcome the statement of the Honourable Minister of Industry and Commerce. I think we anticipated that there would in fact be expansion that would in fact take place at Gimli. It's

(MR. SPIVAK cont'd) . . . . encouraging to hear the announcement and to know that this is taking place. I think that we on this side recognize that there is a very real possibility of a glass factory in fact being developed in Manitoba, directly as a result of the usage that will be required by the distillery if it in fact commences its bottling operations in Manitoba.

I may say for those who have received criticism in the past few months for attempting to try and induce and entice distilleries and others to come into Manitoba and to be located in areas outside of Winnipeg, and I may say that that criticism has come from some members on the other side, to those of us who in fact felt that the activities and the total investment with respect to these kind of projects were necessary, not only because it would develop construction jobs during the time of its development in building, but also permanent jobs in the rural areas for those people who would have to leave the farm or in the case of the fishermen who would in fact become redundant. We welcome the fact that there is continued investment, continued expansion in a region that requires expansion and requires new investment and it would sort of justify the efforts, and I may say that they were involved efforts, and in a reasonably complex manner to be able to develop industrial activity. It proves I think a point once again making things happen in Manitoba is a difficult task but it can happen, it can happen provided there is a will to make it happen and provided that we're not confused by ideological conflicts constantly, but rather that we get on with the job of trying to attract industrial activity, because that activity will in turn spin off other activity; and we have the best example this afternoon.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I, too, would like to congratulate the Minister on his efforts in helping to obtain some expansion in one of our distilleries. I hope that the expansion in the distillery won't mean that the natives of Manitoba have been driven to drink more heavily for other reasons, but I hope that we'll be exporting the product and bringing much needed dollars back to Manitoba.

#### INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I would like to direct the attention of the Honourable Members to my gallery where we have with us this afternoon Mr. Abney, the Vice President in charge of Marketing the Jordan Wines Limited and Mr. Griffen, the Executive Vice-President of the House of Seagrams. On behalf of the members of the Legislative Assembly, I welcome you this afternoon.

The Honourable Member for Morris.

#### ORAL QUESTION PERIOD

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I should like to direct my question to the Minister of Industry and Commerce, and ask him if he could tell the House to what extent The Manitoba Development Fund or the Provincial Government were involved in the establishment of the plant at Gimli. Secondly, I should also like to ask him if licenses to produce wines have also been granted to Barnes Limited who are expecting to locate in Morris?

MR. EVANS: Mr. Speaker, I welcome the question of the honourable representative of the Morris constituency. First of all, I would point out that there is no financing being done through the Manitoba Development Fund of the proposed development in the Gimli area. In other words, this is a venture, an expansion which is completely financed by the company concerned.

The Department of Industry and Commerce has done over the past few months a number of market studies relating to the feasibility of establishing wineries in Manitoba, and such information was made available to all parties, to all companies interested and concerned, including this group that's interested in the Morris area. Secondly, I would state that there is no policy of exclusion, I would hope - I've had discussions with the group that's interested in pursuing a winery in the Morris area. I had discussions last week and we hope indeed that they will proceed with their development. We are putting no road blocks in their way; in fact if there's anything we can do to assist in their development we certainly will do so; but there is no exclusive policy being followed by the Department of Industry and Commerce or by the government.

MR. JORGENSON: I'm not afraid to mention the name of the company, it's Barnes Wines, and the Minister apparently is afraid. But I should also like to ask him if he has a reply to my question of Friday dealing with the complex that he announced to be established at Brandon. Was

(MR. JORGENSEN cont'd) . . . . . the Manitoba Development Fund involved in the development of Macey Foods Limited in Brandon? I asked him that question Friday; he said he would take it as notice. I wonder if he has the answer now.

MR. EVANS: Mr. Speaker, the Macey Foods Limited people did receive a loan from the Manitoba Development Funds, yes.

MR. JORGENSEN: Well, I'd like to ask my next question of the Minister of Agriculture. It seems that the production of the product that will be going into the plant will be coming, will be . . .

MR. SPEAKER: Has the honourable member a question?

MR. JORGENSEN: Yes I have, Sir . . . is integrated with the Macey's Food Plant, and I wonder if the Minister of Agriculture has given his approval to this vertically integrated operation that's going on in Brandon?

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I'd like to ask a question of the Minister of Government Services. I notice that the Hansard for Thursday last, Thursday evening, only arrives on our desk today. I'm wondering if there's a reason for this delay and why it should not have been on our desks on Friday afternoon.

MR. PAULLEY: I don't know of any particular reason, Mr. Speaker, except possibly the members are talking more than they did and it's taking the staff longer to compile Hansard.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I was attempting to give the First Minister an opportunity to return to this chair. I was hoping to direct a question to the First Minister - simply this, to ask him if it is in his judgment a policy that his administration will pursue to support vertically integrated operations with public funds in the future?

HON. ED. SCHREYER (Premier)(Rossmere): Mr. Speaker, if the honourable member would give me an example of where we are using public funds to foster agricultural production by non bona fide farm operators, I would be very interested to hear of it.

MR. ENNS: A subsequent question, Mr. Speaker, by way of clarification. I believe the Honourable Member for Morris just indicated one in the reply by the Minister of Industry and Commerce, just indicated the example - Macey Foods Limited in Brandon.

MR. SCHREYER: Needless to say, Mr. Speaker, I'll be very anxious to look into it.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I should like to ask the Attorney-General, if he, notwithstanding the admonitions I received in today's press from Magistrate Baryluk if he has anything to report on the matter I drew to his attention the other day.

MR. MACKLING: I'm not familiar with any admonitions on anyone, but as I indicated I am looking into the matter. I will be getting transcripts of the evidence which will indicate to me concisely what was said, and following that I will be speaking directly with the Magistrate and the Crown Attorney involved. To that extent I report progress.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he can indicate whether the studies completed by the Department of Industry and Commerce would warrant or justify more than one winery being built in Manitoba?

MR. EVANS: Mr. Speaker, the question itself is a very difficult question for anyone to answer, even people who spend months and months on a question in research. I think it's - you know - it depends upon the entrepreneurship of the companies involved, it depends on the various cost factors, it depends upon trends in market demand and so on. I would say this, that I perhaps should have said this in my announcement because it's something I'm very pleased with, and that is that the Jordan development at Gimli expects to produce and sell wine throughout the entire western Canadian market, not for Manitoba alone. My own feeling is, and I think it's the feeling of a number of members in our department, that there is room for two good companies in Manitoba; and I think we've got a very good company in that one that we just announced for Gimli.

MR. SPIVAK: A supplementary question, Mr. Speaker. I wonder if the Minister would indicate whether the group for Morris were informed of the likelihood of another winery being announced prior to their completing their negotiations?

MR. EVANS: Whether the group in the Morris area were informed? Well, I believe that the . . .

MR. SPIVAK: By the department.

MR. EVANS: By the department? Well this is a very difficult question for me to answer, but I did have discussions with this group last week. They were informed by us unofficially sometime previously and I had a very good discussion with them last week and they said they were proceeding full speed ahead. I certainly hope they do.

MR. SPIVAK: A supplementary question, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, I feel I should rise on a point of order, and it's not possible to put my point in order in a few words. What seems to be involved here is a line of questioning by the Member for River Heights of a kind that normally I suggest is not in order. He's asking for an indication of internal operations of a line department. I don't know the particular rules here, but I'm sure that my friend the Honourable Member for Morris, and the Honourable Member for Fort Garry would agree, the line of questioning, the kind of which would not be allowed in other jurisdictions, and I suggest is out of order here as well. While I'm on my feet, may I suggest to my honourable friend, seeing he's so curious, that the two propositions put forward by the two respective companies in question - one company insisted on exclusivity, the other one didn't. That makes a big difference.

MR. SPIVAK: Mr. Speaker, on the point of order. I think the questions were appropriate and I think that we've had an example of how appropriate they are because the First Minister in his explanation on the point of order in fact gave us information that we ourselves were not aware of. Our purpose on this side, Mr. Speaker, is to be able to obtain accurate information from the government to be able to judge government policy and to be able to make an evaluation of it. So therefore I suggest that the questions were perfectly in order and I think that the next question is perfectly in order, and I'd like to address it to the Minister of Industry and Commerce . . .

A MEMBER: More witch hunt?

MR. SPIVAK: No, not a witch hunt. I'd like to know - the witch hunts that I have observed, Mr. Speaker . . .

MR. SPEAKER: Order, order, please. If the honourable member has a question to put I would appreciate hearing it, and then it'll be up to the Chair to determine whether it's in order or not.

MR. SPIVAK: Mr. Speaker, I was really speaking on the point of order, and rather than deal with the question because I would assume the Minister's estimates will be coming up and there will be an appropriate time to make my comments on it then, I'll forego the question to make the comment and ask the question during estimates. But I must say Mr. Speaker, that with respect to the First Minister's rising in the debate on the point of order, that he's incorrect. It is perfectly correct for us on this side to ask for accurate information to be given from the other side, particularly in view of the announcement today on a specific matter by the Minister and his explanation and the few political comments that he made during his explanation.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Speaker, while we're on the subject of alcohol I'd like to pass around the House a card that we've developed in conjunction with the Greater Winnipeg Safety Council. It's to "know your limit" blood alcohol chart. I'm sure that the Member for River Heights and his friends would find a lot of use for it and probably some members on this side of the House. It's a high quality long wearing card, and I'd like to recommend it to all. It has pretty specific details how much you can drink under particular conditions. We're going to put these cards at the border points, also the Tourist Branch is going to handle them, hand them out to tourists who are not familiar with the law that we have -- (Interjection) -- and the Liquor Commission and in River Heights, yes. Not in schools; they don't drink in schools.

I'd like to take this opportunity Mr. Speaker, to thank the Greater Winnipeg Safety Council. They did the bulk of the work at no charge to the government and I think they deserve a great deal of credit for putting in time free of charge.

MR. SPIVAK: Point of privilege, Mr. Speaker. The reference was made to the Member for River Heights. I must suggest that I'm sorry that the card was not completed so that the Honourable Minister of Transportation could have had it in his possession during his long stay on the outside of the building for several months.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, a question I direct to the Minister of Transportation. In view of his statement - and I welcome the statement, of course, - but in view of his further clarification that the Greater Winnipeg Safety Council provided the card at their expense, I wonder, is the question in order, has the provincial government withdrawn the financial support this organization formerly enjoyed from the provincial government?

MR. BOROWSKI: Mr. Speaker, I think the member misunderstands. They did all the work, the art work and the contents of this card. We paid for the card out of our department and we did not withdraw the financial support. We, I believe, gave them \$5,000 more this year than what was provided for last year for their Defensive Driving and for their Zero Eight Program which is still I believe in effect.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, my question is for the First Minister. The re-audit that was being conducted by the late Mr. Stuart of the C.F.I. operations. My question is: has the second audit been completed, and if it has been completed, can the House be expected to be provided with a copy of the report?

MR. SCHREYER: Mr. Speaker, there has been some time lost as a result of having to designate some other person to carry forward with the audit work. It is being carried forward now by the Provincial Auditor's office. As to when a final report can be expected from that office in the matter, I'm unable to say at the moment. I suspect perhaps in 30 days.

MR. G. JOHNSTON: The Minister didn't answer my second question. Would members of the House be provided with a copy of the report when it is presented to the First Minister?

MR. SCHREYER: Well, Mr. Speaker, the Honourable Member from Portage knows well the attitude of the government in that respect; we are inclined to make more reports available rather than less to honourable members. I shouldn't put a time limit on there. I said in approximately 30 days. I suspect that it'll be necessary to have a periodic audit performed by the Provincial Auditor's office until such time as the actual construction is completed, which may not be until September or October.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Thank you, Mr. Speaker. I have a question of the Minister of Agriculture. Would the Minister or his government be in a position to indicate to the House if anything, or any portion of Skinner's Nursery has been taken care of in memory of this great man?

MR. USKIW: I'm not sure what the honourable friend means, Mr. Speaker.

MR. McKENZIE: May I clarify the point, Mr. Speaker? I asked the Minister if his department or the government has indicated in any way that they are going to purchase or keep part of Skinner's Nursery in memory of this great man?

MR. USKIW: I believe there was some discussion some time ago, Mr. Speaker. I'm not familiar with the facts but I'll take the question as notice and bring my honourable friend up to date.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I'd like to direct a question to the Minister of Mines and Natural Resources. In view of the last bulletin with regard to the flooding and the compensation that could be obtained from the organization that is being appointed, is it possible for someone who is along the Rat River, which incidentally has not been mentioned as one of the areas recognized, to obtain compensation for this kind of flooding, if such has occurred?

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, if the Rat River was not included in the Order-in-Council, then it would not now be possible; but if my honourable friend wishes to bring to the attention of my department matters which he feels should entitle this location to the same treatment as is being afforded in other areas, then I'd be happy to hear from him.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: A supplementary to the Minister. I hope the Minister would take the Valley River at Grandview into consideration if he is going to review the flooding . . .

MR. GREEN: I want to make it clear that when the department looked at the situation, they tried, and I emphasize that word, "tried", to take all areas into consideration and when I gave my previous answer to the Honourable Member for Emerson, I didn't mean to imply that it wasn't taken into consideration but the factors which caused the department to include

(MR. GREEN cont'd) . . . . . the other areas were apparently not thought to be of sufficient urgency in those areas to also include that river. If my honourable friend wishes to impress upon the department factors relating to the Valley River to which he's just referred, I'm sure that we'll be happy to hear from him.

MR. SCHREYER: Mr. Speaker, I wonder if the Member for Grandview could give the Minister of Mines and Resources and myself - the Member for Roblin - if he could assure the Minister of Mines and Resources and myself that the Valley River is in fact a river. I've been told that it's really nothing more than a creek, and therefore, . . .

MR. MCKENZIE: Well, in the spring it certainly is a flowing river. Mr. Speaker, I have a question of the Minister of Health. I'm wondering if the Minister is in a position now to answer my question which I raised on Friday re the cause of pollution in the backwater near Vermillion River on Highway 20 north of Dauphin?

HON. RENE E. TOUPIN (Minister of Health and Social Services)(Springfield): No, Mr. Speaker; this is still being investigated.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): I wonder if the Honourable Member for Roblin would permit a question? Is it not known that the Valley River is better known as the Great Bar River in that country . . .

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I direct my question to the Attorney-General. Regarding the breathalyzer test. In view of the fact that it's being contested in British Columbia, is it legal in Manitoba at the present time?

MR. MACKLING: I think I've indicated, Mr. Speaker, from time to time that until the decision has been made by the Supreme Court that the law stands. However, the proceedings in respect to persons charged under the section have not been finally completed. In some instances the charges that were laid have been left without the prosecution being completed because it would be unfair under the circumstance of the law presently being challenged. But, nevertheless, charges that were laid are still there and when final adjudication has been made by the Supreme Court, those cases will be disposed of fairly quickly.

#### STATEMENT

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I wonder if I could have leave to make a short statement? (Agreed.)

Mr. Speaker, yesterday, there was a major Rock Festival, Manitoba's first. It was held out at Niverville, and I think it's in order for the Legislature to pay some recognition to the fact that 10,000 young people plus -- (Interjection) -- Yes, I was stuck in the mud, and I was there. Mr. Speaker, there was a sizeable crowd of young people there who first of all participated in the best manner, they were well behaved, they thoroughly enjoyed themselves and I think they made this a great success. There was a charitable outcome, namely that the people who were attending paid a \$1.00 fee which went to the Lynn Doerksen Oxygenator Fund and I would simply say that there is some credit due to the, first of all the young people who were there, to the organizers of this Niverville Rock Festival which turned into sort of a Mud Festival later on, to the bands who participated and gave of their services free, and then later on after a kind of a rain-mud disaster effect, the R. C. M. P. who went in there and helped organize things, the police, the local farmers, some of whom went out with their tractors and the townspeople. Mr. Speaker, I think that this deserves some recognition by the members of this House.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, if I may also just say a few words, with leave. Seeing that the Town of Niverville is in my constituency, and seeing as things happened as they did, a lot of the constituents of La Verendrye said last night, a higher hand is still looking after things in the constituency of La Verendrye.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I think it would be well for the Member for La Verendrye to indicate whether or not he was present at the Rock Festival which took place in his constituency; and also whether he would not agree judging by the description of events just given by the Member for Elmwood, whether this particular event might not be better referred to as a Tractor Rock Festival.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Labour.

MOTIONS FOR PAPERS

MR. PAULLEY: I wonder, Mr. Speaker, if before the Orders of the Day I may have the opportunity of distributing a copy of the Annual Wage and Salary Survey for the year 1969 ending in September, and forwarding a copy to the Clerk for the little Green Book. Copies are available to the members of the House. (Little green box.)

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

MR. GREEN: Mr. Speaker, I'd like to lay on the table Return to an Order of the House No. 18 in answer to a motion made by the Honourable the Member for Portage la Prairie.

MR. SPEAKER: Orders for Return. The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, I beg to move, seconded by the Member for Assiniboia, that an Order of the House do issue for a return showing the following with respect to the 63 new businesses which had come to Manitoba in 1969. 1. Names and addresses of the above companies. 2 . . .

MR. SPEAKER: Order, please. I'm looking at my Order Paper and I believe that one is set down for Tuesday, but there's one following that appears to be on for today.

MR. G. JOHNSTON: Sorry, Mr. Speaker. I beg to move, seconded by the Member for Assiniboia that an Order of the House do issue for a return showing the following information: 1. The number of feasibility studies being conducted by the government at the present time. 2. Terms of reference of subject matter being studied in each case. 3. Date each study was commissioned or instituted. 4. Number of studies completed and referred to the government since June 25, 1969. 5. Names and addresses of firms or individuals conducting the feasibility studies in each case. 6. Where studies have been completed, state the fee and/or total cost in each case.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I rise not to oppose the motion but rather to attempt to get some understanding with respect to it. I suggest to the Honourable Member for Portage that it is possible to provide the information which he seeks here but it does require some clear definition as to what is meant by "feasibility study". There are feasibility studies, as such, on various industrial development possibility projects and proposals. There are also quite a number of internal studies being conducted by various departments of the government with respect to industrial development and other matters, social development and the like. If the Member for Portage is moving this motion giving the word "feasibility study" the broadest general interpretation we can accept it, but I would urge him to exercise patience. It will take some time.

MR. SPEAKER: Order, please. I'm wondering whether it may not be preferable in that event to have this set down for Tuesday if - I'm just concerned about . . .

MR. SCHREYER: If I put it on the Point of Order then, Mr. Speaker. I'm not rising to oppose the motion; we're inclined to accept it. I'm just exploring with the member the possibility of getting some better definition to the word "feasibility study" because there are feasibility studies external, internal, by consultants, etc. If the member is prepared to give it the general interpretation, we can accept it now, without difficulty.

MR. G. JOHNSTON: . . . could be stood till tomorrow?

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Call Bill No. 38, please. Page four.

MR. SPEAKER: Adjourned debate on second reading on the proposed motion of the Honourable Minister of Mines and Natural Resources. Bill No. 38. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I want to thank honourable members for the opinions that they have expressed relative to this legislation. In particular, I want to say that I am encouraged that there have been no serious suggestions that the terms of the regulations go too far or that the Bill seeks more ministerial authority than members would give to any minister no matter what administration was in power. Really what my main concern was when I was introducing the Bill was whether or not the powers being sought by ministerial authority were too

(MR. GREEN cont'd) . . . broad, but my impression from the remarks is that they were not.

The reason, Mr. Speaker, I wasn't able to immediately respond to the members who spoke on the Bill is that the Member for Morris had made quite a meaningful participation in the debate and I was hoping that I would be able to have some satisfactory answers for his questions. I do believe that the main thrust of his speech related to some drainage problems which have been created by water control programs which he says that the government has initiated, and in view of the fact, Mr. Speaker, that the Bill doesn't really refer to that type of problem, I think it would be preferable if I attempted to deal with those issues when we get to the departmental estimates, which we will be getting to very shortly. But in any event I want the honourable member to know that all of his views are being looked at very carefully by the department. The problems that he says are being created are being reviewed and also the suggested recommendations are being looked at. I may say, without prejudice to any final recommendation that might be made on this issue, that although there was a recommendation that was made many years ago, I'm informed it's 25 years ago, that that particular recommendation has not received what could be considered unqualified support nor the kind of support that has yet caused it to be adopted by the staff of the department.

I'd like to indicate, Mr. Speaker, that the member raised the question with regard to farm site . . . It's my information that these run at an approximate cost of \$1,000; that although this sum has been available to farmers or people who are subjected to problems, that apparently the response has not been overwhelming and although some programs have taken place, it's not of a nature which has indicated to us that this is a real answer to the problem. However, I don't mean to discount it. I'm merely indicating to the honourable member that there has not been a widespread response to that particular offer at the present time.

The member essentially approved what the bill stands for. I think that he used much of his time to provide us with meaningful information with regard to specific problems which were really highlighted at that time by the flood situation which had been created.

I also want to thank him for his suggestions relative to discussions of this matter with municipal officials. It's my impression that the Bill has been in the works for some time and has been discussed with municipal people and has met with general approval. However, as the member himself has indicated, the matter will come up in the Law Amendments Committee and the department feels that if the Union of Manitoba Municipalities is contacted with respect to this committee that it's probably the best group to deal with it on a general basis.

The Member for Lakeside asked for assurance that the Bill is substantially of the nature that was being recommended to the Legislature when he left this portfolio - that is my information, that it is substantially of that nature.

The Member for Riel asked whether sections of the Bill could be used to allow action on the Sturgeon-Weir Diversion and the problems connected with the possible control structures on Reindeer Lake. My answer to those questions is "yes" in both cases, that this will permit us to deal with those questions on an interprovincial basis. However, this is coincidental; it has nothing to do with the Bill being brought forward at this time. As I indicated, the Bill does give us the power to enter into those type of interprovincial water control studies and control devices.

The Member for Rhineland, who is not here, was quite concerned as to whether or not the Bill does in some way infringe upon what would normally be municipal authority by giving the provincial government the right to prevent the issuing of building permits in certain areas and it would appear to me, Mr. Speaker, that indeed the Bill does that very thing. However, it's been found necessary by the province to create certain areas as flood prone areas and to prevent building there because if building does take place in those areas, we are inevitably then called upon to provide compensation because the province permitted that kind of construction to take place. So Mr. Speaker, the very nature of the Bill is to try to remedy that type of problem in which it is felt there is a provincial over-all supervision required, and for that reason the Bill would have some effect on the hitherto unfringed upon right of a municipality to issue a building permit to construct anywhere within the municipality.

Now I appreciate, Mr. Speaker, that I haven't dealt with all of the matters that were raised by honourable members but I think that in some cases, and particularly with respect to the remarks of the Honourable Member for Morris, this is intended to provide us with a comprehensive viewpoint which he presented on problems which exist in his area and in other

(MR. GREEN cont'd) . . . . . parts of Manitoba without reference to the details of the Bill itself and I hope that we will justify my honourable friend's remarks by giving meaningful study to the positions which he has taken. With that Mr. Speaker, I would urge that the House give passage to this Bill so that it could go on to committee.

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

MR. GREEN: Would you call Bill 17, Mr. Speaker, and following that . . .

MR. SPEAKER: Proposed motion of the Honourable Minister of Mines and Natural Resources. Bill No. 17. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I beg the indulgence of the House to permit this matter to stand? (Agreed.)

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. Bill No. 7. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I looked at the Bill and there is nothing contentious in it so I do not wish to hold up proceedings of the House and I'm prepared to let the Bill go on second reading.

MR. SPEAKER: Are you ready for the question?

MR. CLAYDON: Mr. Speaker, I move, seconded by the Honourable Member from Morris that debate be adjourned.

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

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. This is a very extensive Bill. It's been taken from The Municipal Act as it was explained. I have been through it. There's no real changes from Committee and I think it should go to committee now so that there can be any hearings from any local authorities who wish to present themselves at the Bill. For that reason, Mr. Speaker, I would say this Bill can be passed as far as our side is concerned.

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

MR. PATRICK: Mr. Speaker, I just want to make a few comments as a member of that committee. I feel that the committee did excellent work in respect to the Local Elections Act and many of the things that the committee had decided on I'm sure will be agreeable to most members in this House - such things as lowering the municipal age to 18 to make it coincide with, the same as the Provincial Elections Act, and allowing leaseholders of Crown lands to be able to vote in municipal elections. I think this is a forward type of looking legislation which is perhaps somewhat overdue. Many of the things that have been done by the committee I think is excellent and I'd like to say that all the members of the committee worked quite hard, were very conscientious about this Legislation Act and I'm prepared for our party to let it go to second reading and Law Amendments Committee.

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

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

MR. ENNS: Thank you, Mr. Speaker. On Friday last we had an occasion to enjoy one of the Minister of Mines and Natural Resources efforts in this House, and while we were not dealing with Bill 56, Mr. Speaker, I believe it was on the Minister of Industry and Commerce's estimates that the Honourable Minister rose to speak. Somewhere in the middle we got pretty deeply involved in auto insurance and Bill 56, and while it's difficult for me to resume the fervor with which the Honourable Minister spoke at that time, I wanted to assure him that he had a profound effect upon me at that particular time.

He spoke with evangelistic zeal on the matter of the 2,000 jobs that are in dispute. I just about had a feeling of him throwing out a lifeline to me, to use the old gospel expression, and I wanted to indicate to him had I had an opportunity to speak at that same time that I was just about prepared to accept it and hold on. In fact, Mr. Speaker, even in rereading the efforts of Friday night and when you consider that we're not really dealing simply with auto insurance but that the Minister of Agriculture could perhaps quadruple the number of veterinarians or agricultural representatives throughout the province; that the Minister of Youth and Education could hire an extra 2,000 teachers throughout the Province of Manitoba and reduce our classroom figures from 30 to 15; or that the Minister of Health could cure once and for all the ills that bedog the citizens of Manitoba and supply the necessary nurses and staff and what

(MR. ENNS cont'd) . . . . have you, all this, Mr. Speaker, the Honourable Minister of Mines and Natural Resources was laying out to us in a very forceful style as what could be accomplished through the saving of turning those 2,000 useless jobs, as he refers to them, to productive jobs in the public service.

Well, Mr. Speaker, on that basis, you know, I have to admit a total ignorance. I was moved, as I say, to just about to leave the embryo of my party here in both ranks and declare my unreserved and wholehearted support for government automobile insurance. I really thought, Mr. Speaker, up to this point, that we were dealing with the possibility of perhaps saving the public 15 or 20 percent, whichever figure the Honourable Minister of Municipal Affairs likes to use best in terms of premium dollars invested in the auto insurance industry, and had no idea prior to Friday night what all would be accomplished by this venture on the part of the government into public ownership.

Well, Mr. Speaker, that was Friday night. Since then we've had a rather dampish, cool weekend to reflect and come back to sober judgment and I would like to commence a few remarks on Bill 56 and the general question of the advisability of the government entering into this phase of public ownership in the economic life of the Province of Manitoba.

MR. GREEN: Mr. Speaker, a point of information. Not that it takes away from my honourable friend's remarks, but it was Thursday night, not Friday night; so if my honourable friend did not have a lost weekend, at least there's a lost Friday.

MR. ENNS: Thank you, Mr. Speaker. I request from you, Mr. Speaker, some latitude that you would allow me. I request it specifically because of the nature of the Bill before us. It's become patently clear to anybody within this Chamber and without that it's very difficult to discuss anything less than broad general principles surrounding the issue of government auto insurance with the kind of Bill that we have before us. I think it's not only evident to those in this House but indeed to many people outside the Chamber and the public at large. I say this with some regret because I think we'd be having a far more worthwhile or intelligent debate on the question of Bill 56 than we have had up to date, and I really suspect I won't change that batting average any, but it's the nature of the Bill before us. We're left therefore, to discuss the general nature of the kind of a Bill which is wide open to different interpretations its different members in this Chamber would choose to take, in the absence of having any significant detail around which we could focus our discussions more appropriately to the matter of auto insurance and auto insurance alone.

Mr. Speaker, the members of the opposition, or the members opposite I should say, members of the government seem to take particular enjoyment from time to time to point out the number of Crown corporations that were established by the previous administration of which for a short period of time I was part of. Mr. Speaker, I think it's then not out of order to discuss for a brief moment the Crown corporations or some of the Crown corporations that we in fact did establish, and the criteria or the standards which moved us into setting up Crown corporations. We can think of the immediate ones that come to mind, the Manitoba Crop Insurance Corporation which was established, or the Agricultural Credit Corporation that was established by the previous administration. Even operations such as the Manitoba Hog Marketing Commission or I suppose the Manitoba Vegetable Marketing Commission could be construed in this general light of government setting up corporations to work within the business community to provide a particular service. But, Mr. Speaker, the very fact that during the eight or nine year tenure of Tory regime in this province these corporations were set up, should dispel any suggestion, particularly a suggestion that comes across the way from time to time that we have some particular hang-ups about the establishment of Crown corporations. Mr. Speaker, we have none at all, if that particular Crown corporation fills a particular need that is not now being serviced or being serviced very poorly. Let's look at the situation for a moment that moved us back in 1960 or '59, '60, '61, to move into the area of crop insurance generally through Manitoba. The hard and simple fact was that this type of service was simply not available to farmers in Manitoba, never mind the rest of the country. There was only very limited participation by private industry with respect to insuring farm crops, namely hail insurance.

Mr. Speaker, in the development of modern agriculture when it became a practice to have invested more and more dollars into putting in the crop as opposed to the agriculture of just a decade ago where a farmer at most was out a bit of tillage work and his seed; but with the introduction of modern agriculture where the cost per acre figure mounted very sharply with the introduction of fertilizers, chemical sprays and better high quality seeds, etcetra, and the

(MR. ENNS cont'd) . . . . different tilling practices involving higher and more expensive machinery costs, the total dollar invested by the farmer in putting in his crop was much greater than a decade ago, so some protection had to be devised to safeguard that investment if in fact a farmer was going to be encouraged and led into continuing this kind of farming.

Mr. Speaker, there was no protection available. At that time the Progressive Conservative administration had no concerns, no qualms at all about providing in this instance, the Manitoba farmer with a Crown corporation that would provide this service in the absence of any other service being provided. Mr. Speaker, very much the same criteria can be applied to the credit corporations. When the credit corporation was first conceived or thought of by the previous administration, the simple fact again was that the private lending agencies, the banks and other private lending agencies simply refused or were not interested in providing long-term credit for Manitoba farmers, credit that was specifically required at that time in the development of agriculture as a tremendous land assembly was taking place, land assembly that was necessary to take advantage of again the modern agricultural techniques but required long-term capital. Again, Mr. Speaker, the Progressive Conservative administration of that day had no qualms, no ideological problems or hang-ups about formulating and setting up a Crown corporation to provide long-term credit to the farmers of Manitoba in this instance.

Mr. Speaker, even in the incidence of hog marketing in this province - and I want to assure you, Mr. Speaker, I'll get off my agricultural bent in a little while - but it's the question that was raised by the members opposite in their referral -- and most of them have, you know, when we raise the spectre of a Crown corporation in the auto insurance industry, they seem to imply that, you know, that we've got something against Crown corporations and that we have an unholy feeling that Crown corporations are evil and that they can't work and that they provide if anything a disservice to the people of Manitoba. Well, of course, it's ridiculous to suggest that and I'm taking some pains, Mr. Speaker, to correct this impression.

In the case of the Hog Marketing Commission which is a separate entity, it is a corporate entity unto itself, we had - and I use this example because there was marketing facilities provided by the private sector in the marketing of hogs in Manitoba. However, in the latter fifties and early sixties it became very evident that a majority, a large number of hog producers in Manitoba were highly unsatisfied with the manner and way in which their hogs were being marketed in the Province of Manitoba. This Legislature at that time, under the Chairmanship of the late Harry Shewman, the former Member for Morris, made an exhaustive study of the situation, brought forward recommendations which were acted upon by the previous administration to drastically alter the method of hog marketing in Manitoba in direct competition to some extent with the existing industry. I refer to the existing industry at that time as being the packers and the services provided by the public stockyards under the aegis of the CPR and so forth. But again, Mr. Speaker, there was no hesitation on our part to trample on the toes of private industry or to trample on the toes of vested interest groups as those that could be held by the CPR in their ownership and management of the public stockyards which we often liked to kind of build up as being somewhat similar to the famous stockyards of Chicago, the other great meat packing industry city here in North America. The fact of the matter is that service wasn't being applied and the government of the day, a Progressive Conservative Government of the day, introduced, with little delay, a new system of marketing, namely the Hog Marketing Commission, which took some 70 percent of the business away directly from the private sectors that heretofore had control or sale of this particular agricultural produce.

Mr. Speaker, I could carry on, I could speak I suppose at greater depth about the two truly great Crown utilities, the Telephone System and Manitoba Hydro. These are the kind of utilities that we commonly think about when we talk about public ownership. I thought I'd take a moment's time of this debate to refer to these specific endeavours in the agricultural field which while they've been mentioned have not been examined in any way as to bring out the reasons for government intervention or government action primarily because the private sector was not doing the job, secondly the private sector perhaps is not interested in doing the job, or there were other reasons that compelled the government of the day to do it, and the point of the matter that I want to raise is that there was no hesitation on the part of the Progressive Conservative administration at that time to take that action by itself.

Mr. Speaker, what is the situation with the auto insurance industry in Manitoba? We have, you know, so many instant opinions available to us - depending on, you know, how quickly you read your mail in the morning, or how hard you read your mail when you come to

(MR. ENNS cont'd) . . . . the Legislative Building here - of all kinds, and I suppose if we ever had a confused public, indeed even a confused group of legislators, then the situation certainly has to exist about Bill 56. This is one of the most severe criticisms that I have to offer to the gentlemen opposite, that they have done precious little, they have done precious little, to help us or to alleviate the lack of sound information that we really require on this issue and that certainly hasn't been forthcoming.

We know that most of the cars, virtually all of the cars in Manitoba are insured. We also know that a small percentage, I don't know, two, three, seven percent, six percent, are insured in a very unsatisfactory manner - I'm referring specifically to the measure that I suppose is partly our responsibility, the \$25.00, the Unsatisfied Judgment Fund which is no longer acceptable, no longer acceptable to the needs of the motorist or the protection of the Manitoban today. I have no problems admitting to that. We know also that a significant number of Manitobans or motorists are not happy, or feel they're not happy with the present situation in auto insurance. We also know that a significant number of motorists are reasonably happy with their auto insurance coverage as it now exists. So, Mr. Speaker, where do we really come down then on judgment on this matter and where do we make that, you know, that distinctive definition of what's indeed in the public interest and what's in the interest of all Manitobans, leave aside for a moment the vested interest, the private auto insurers.

I've already attempted to indicate to you, Mr. Speaker, in my brief remarks about the other Crown corporations that governments have gone into from time to time. I suggest to you that the criteria followed in the establishment of those Crown corporations obviously is not one that is essential or one that this government feels in any way necessary to adhere to. And that, of course, shouldn't surprise us, Mr. Speaker, because there is a very fundamental philosophical difference in our approach to it. We approach the creation of Crown corporations to fulfill a need. They propose a Crown corporation because they see a distinct advantage from their point of view not only to the public that that corporation hopes to serve but also through the Treasury to the people at large. Although Mr. Speaker, you know, if this was a fact that had been clearly and demonstratively indicated to, not only us in this Chamber but to the public at large, then surely there really would not be this confusion, the amount of bitterness and recrimination that is taking place outside the Chamber on the question of this particular step on the part of a government into the private sector. I would suggest to you, Mr. Speaker, I suggest to you that while members opposite, and particularly certain members, have taken great pains, taken great pains to sell government auto insurance solely on the basis of the dollar savings that it will provide the driving motorists and the benefits that will accrue to the public at large in Manitoba, that these savings be in the hands, that the money, the premium dollar collected, the additional benefits that would accrue through the government and thus through the people of Manitoba, from the fact that the public would have through their treasury bench the premium dollars collected totalling to whatever millions of dollars they may be.

Mr. Speaker, I challenged this concept in an earlier speech a few Thursday's ago. I recognize, Mr. Speaker, that one has to, particularly on this side, tread very lightly on this subject because of the extreme sensitivity displayed on the part of the government benches, and this particular government particularly, when one attempts to introduce at this stage the ideological situation that really and truly is the central issue that we're talking about. Because, Mr. Speaker, I submit to you that there are gentlemen opposite that would promote government automobile insurance whether it costs 15, 20 or 30 or 40 or 50 percent more; that they support the principle of public ownership, not simply on the basis of providing a better service or providing a service at less cost and a better service at that. This is what they may believe. They've failed miserably to indicate to us in any substantive way by facts and figures, through any exhaustive study on the part of a non-partisan legislative committee group or even other outside group into the actual facts and figures of what is the automobile insurance situation here in Manitoba. Quite frankly, Mr. Speaker, they did not trust themselves to undertake that kind of a study.

Mr. Speaker, let me assure them that I have compassion for their position in this instance, because there's no question in my mind that people who voted and supported the New Democratic Party on June 25th understood very clearly that government automobile insurance was a major part of the platform upon which all those gentlemen opposite were elected. I further accept the view that quite frankly, had the government taken the attitude, had displayed the courage to simply announce on Day One or Day Two that we are going to have government

(MR. ENNS cont'd) . . . . . automobile insurance as soon as we can assemble the necessary staff and get the wheels rolling, and that was it. Mr. Speaker, I find it very difficult to criticize the government for pursuing, you know, an election promise. That kind of approach would not have lessened any opposition I suppose from this side; would not have lessened any opposition from the industry. But Mr. Speaker, it would have in my opinion, it would have in my opinion, in my opinion would have been an honest approach; and it's with considerable regret that I come back to the members opposite.

I think I called my honourable friend the Member for Inkster -- pardon me, the Minister of Mines and Natural Resources, the Honourable House Leader, and through him to indeed a good number, the general attitude of that government; that they are fundamentally not being honest with the people of Manitoba on their approach to the kind of a socialistic society that they envisage for the people of Manitoba. I quarrel not one minute with their right to impose that kind of a society on the people of Manitoba as a democratically elected government. I quarrel very deeply and very sincerely with you in the manner and the way in which you are going about it.

Now the Honourable Minister of Mines and Natural Resources can very succinctly, very clearly and very convincingly tell you that he's not really concerned about whether I call him a socialist or whether he is a socialist or what he is. He looks at every program as it's presented to him; he examines it from every corner and if in his judgment and his opinion it's a good and sound program, it's a program that he has no difficulty in endorsing and promoting to be accepted either by his government or the people of Manitoba. Well Mr. Speaker, without attempting to, you know, reinsert some of the tenor of the debate that took place during the Budget Speech - but I have to, Mr. Speaker, if I believe honestly and sincerely in what I'm saying - you know, that is of course the classic approach that Socialists have so often taken, and taking that one bite at a time leads to the next bite, to the next bite in the hope that the patient that's being nibbled on will never fully appreciate the size of the bite in its totality until it's too late to do anything about it.

Mr. Speaker, I'm suggesting to you that the manner and the way in which the government chose to promote the cause of government automobile insurance supports the supposition that I just made; firstly, recognizing that it would have to do a fairly massive public education system to gain acceptance for this program. Because, Mr. Speaker, I'm sure that they are as close to the feeling outside as anybody else, that they probably believed in such things as the Tribune opinion poll published some time ago in February which indicated to them that they enjoyed fairly significant support, rising support in many areas; but also must have indicated to them that on the question of auto insurance we had a very divided people, a very unclear situation, a very unclear picture. So they recognized immediately that a relatively sophisticated effort at public education would have to be entertained or would have to be undertaken to pursue this course.

The Honourable Minister of Municipal Affairs called for an emergency meeting on a Sunday - call went out to the activists within the group - and they must have debated now how can we best con the people of Manitoba into accepting the government proposal for automobile insurance. Well, Mr. Speaker, if I thought for a moment that the subsequent action of that committee did not earn the word "con", I would withdraw it, I would withdraw it immediately, and without attempting to repeat myself on a speech that I made on a previous occasion on the manner and the way in which these activists were carefully tutored, carefully instructed in how to present the case of government automobile insurance to the people of Manitoba. Now as anything remotely resembling part of the New Democratic Party platform and its promises; not as anything remotely resembling a socialist program, but simply as the Minister of Mines and Natural Resources is prone to say, a good sound basis of better service, at less cost. But proven by whom, Mr. Speaker? Proven by whom, Mr. Speaker?

MR. IAN TURNBULL (Osborne): On a point of order, Mr. Speaker, some weeks ago, I think you asked the Member from St. Vital to withdraw the word or phrase "con job" and I'm sure the rules that apply to that member also apply to the Member from Lakeside.

MR. ENNS: Mr. Speaker, I'm not aware of the word "con" being a non-parliamentary word. If it is, I suppose maybe the House Leader could help me out. It's my impression that if a person is a liar and I call him a liar and it's demonstrated that he is a liar, that there's no retraction required. -- (Interjection) -- There is? Well maybe I could turn to my Honourable Friend from Fort Garry to help me out with some flowing language that would cover

(MR. ENNS cont'd) . . . . . the word "con" at this particular time. I am inhibited in this style . . .

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I was going to say, on a point of order, "con" is actually a Spanish word meaning "with" as in Chili Con Carne. There's nothing unparliamentary about that at all.

MR. ENNS: Thanks a lot, my friend.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. John's): On a point of order. I'd just like to direct the Honourable Member from Fort Garry's attention to the fact that "con" also refers to a "confidence man" and that if what the Honourable Member for Lakeside is referring to, is that the government is trying to bring the people into its confidence then I presume that one shouldn't object too violently.

MR. ENNS: Well, Mr. Speaker, I don't particularly care how these academics want to play around with the word "con". I know what it means and you know what it means.

MR. TURNBULL: What does it mean?

MR. ENNS: If my learned friend from Osborne needs a dictionary, he probably won't find it in there. Mr. Speaker, what I was attempting to say before we had this interjection, certainly the suggestion that I implied, that is this government's deliberate attempt to promote the automobile insurance scheme in a manner that certainly is open to them to do, but one that does not, does not in my judgment meet with the forthrightness of a party that stands on principle, that has stated that principle in their election platform, and certainly government automobile insurance was one of them, and that it would carry it out when it became elected. I find this change, this move from here to there so remarkable in their conduct in this case.

Mr. Speaker, I raise another question, and I raise it with equal temerity, -- is that the right word? -- that that is with fear because one of my colleagues is of course facing a law suit for having the audacity of calling a teacher an NDP supporter or something like that. We have, you know, very clearly defined what you can call people and what you can't call people. You can call me as I said once before, a fascist or even quote books from "Mein Kampf" at us here, but we call a teacher an NDP and we face a law suit in this province.

MR. TURNBULL: That's not the reason for the suit.

MR. ENNS: So I speak with some temerity, Mr. Minister of Finance on the next subject that I want to indicate to you, how further this government and in my mind demean themselves in attempting to promote the cause of automobile insurance through the use of the school room, through the use of how many I don't know, but certainly certain and some teachers of the Province of Manitoba. Pardon?

MR. WALLY JOHANNSON (St. Matthews): What's your evidence, Harry?

MR. ENNS: Well now, Mr. Speaker, I should like to indicate to them that this government feels beset upon by the private industry, particularly of course the auto insurance industry, by business in general, they have a feeling that the business is closing ranks on this issue and it's free enterprise versus socialist kind of a situation developing and that they are being unfairly treated by the business leaders and businessmen, or some of the business people in the community.

Mr. Speaker, one really should take the time to note just a few of the things that this government and their ministers have been saying about business generally in the last seven or eight months. And we have of course, you know, the latest statement which the Honourable the Minister of Labour threw at us the other day when he referred to the "dogs of private enterprise have had their day", the dogs of private enterprise have had their day. Now the Honourable Member from Crescentwood isn't in there, but I do some reading in Mao's books and it seems to me that the "running dogs" is a phrase that currently you run into all the time when Mao's communists talk about capitalism; it's always the "running dogs of Capitalists" the running dogs of this. I suggest to my honourable friend the Minister of Labour, that perhaps it was a slip of the lip to use that particular phrase, but then you see we have our sensitivities too with respect to being called dogs, and I'm sure that businessmen of this community have their sensitivities by being called dogs. I suggest to you, Mr. Speaker, could you, and can anybody ever remember, the ten years of say a Conservative or Liberal administration getting away with calling anybody, anybody in the organized labour movement, dogs or anything approaching that? Mr. Speaker, the Honourable Minister of Transportation wishes to rise. . .

MR. BOROWSKI: Mr. Speaker, on a point of information. A statement was made - are you quoting it from Hansard and if so could we have the page number please?

MR. ENNS: Yes, Mr. Speaker, we can certainly provide you with the page number that that statement was made on.

MR. JOHANNSON: Now.

MR. ENNS: No, I don't have to provide it to you now; you can look it up in Hansard. I'll provide it to you after I've made my speech. I spoke that from my memory because I sat just opposite to him because you will recall that I interjected at that time on several occasions to underline the fact that he really thinks the dogs of private enterprise have had their day.

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

MR. ENNS: Well Mr. Speaker, I think there has to be some consideration of the interjections that I've suffered. Then of course we have the by now famous statement of the Honourable Minister of Transportation that refers to the Chambers of Commerce as misguided fools. Now of course the Chambers of Commerce represents virtually every business activity in Manitoba. You know not just that foreign owned controlled American Imperialist, but also the plumber in my home town. But to the Minister of Transportation these are all misguided fools. Streetwalkers was another way that the Honourable Minister - and now, Mr. Speaker, we've been accustomed to the Honourable Minister of Transportation's colloquial use of language, but I suggest to you, whether it's taken out of context or not, the business community that reads this are having some difficulty in tuning in. And when they're called streetwalkers and misguided fools, there's a reason for hostility to start to develop.

Mr. Speaker, the comments of the Honourable Member for Crescentwood are legion and I don't have to repeat them, but the comment that I was particularly looking for is one by the First Minister. And with the limited time - I have a whole raft of them, you could go through the whole. The First Minister was asked, May 15th, 1970, on the auto insurance industry, and he was asked, "the automobile insurance is the only business Manitoba's New Democratic government will take over for the time being?" But he indicated, Manitobans shouldn't take it for granted such a policy would stand indefinitely. I'm not committing myself for the next five years was how he put it. Asked if he wouldn't make Manitoba businessmen a bit nervous, the Premier replied it might, but I'm not counting on their support, in any case. Mr. Speaker, it's in this kind of an attitude, in this kind of a climate generated by this government, not by us, not by us, but generated by the remarks of what are supposed to be responsible cabinet ministers, that have flared or created the hostile environment into which you have now got the onerous responsibility of trying to introduce what perhaps may be, if I had the facts, a sound and good public program.

Mr. Speaker, I needn't remind the honourable members on this side how easy it is to alienate certain groups of people or segments of people. I can recall in the last session, the time that we were in administration, my colleague, the Honourable Member from Riel was going to introduce several pieces of legislation, legislation that involved the field of education and legislation which quite honestly although it was legislation responsibly asked for and sought by those responsible for education in this province, namely the trustees, but quite fairly in fairness to the teachers, could be interpreted from their point of view as being anti-teacher or legislation that had some detrimental effect on what the teachers considered certain specific unalienable rights that they wished to continue to enjoy. Mr. Speaker, what happened, what happened is known to all. Instant alienation on a significant proportion on the part of the teaching profession against the then government, against the then particular Minister. Mr. Speaker, I use this only to demonstrate, that this can happen among a group of professional or so-called professional people who after all are not in the money grabbing business of private enterprise but who would like to consider as being a pretty select group of Manitoba individuals and who can become instantly alienated the moment some government introduces some legislation that could be interpreted as being restrictive on themselves. Mr. Speaker, and you ask why the business community is being instantly alienated -- the use of the word "instant" isn't even correct -- it's a deliberate cultivation on the part of this Socialist government to gain the hostility of the business community that is beyond comprehension at this particular time.

Mr. Speaker, as I mentioned it's into this context that the auto insurance bill is being introduced to the Manitoba scene; they've made no effort to clear the facts, to substantiate their case. Certainly that commission, three man, as they agree, biased group of individuals, biased in favour of auto insurance, with the one member of that committee already put on permanent staff - already on permanent staff. Mr. Blackburn is hired at some \$20,384 a month I understand. Now it's rather surprising, we've all learned to accept the fact that for instance

(MR. ENNS cont'd) . . . . the Chairmanship of Manitoba Hydro is a permanent position although we only have a temporary Chairman hired for that particular job. But for the auto insurance corporation we've already got a permanent employee and he was one-third of the committee that was going to visit the communities of Wawanesa, Portage, Brandon, people in Winnipeg and discuss the feasibility of entering into a government automobile insurance. Well if he came to any other conclusion he'd be talking himself out of a job, Mr. Speaker.

Mr. Speaker, I recognize my time is up and I will not abuse the privileges of the House. I simply want to say that the government has failed miserably, miserably, to provide the pertinent information on this vital matter to the people. They have themselves chosen a course that makes it a most difficult thing to present at this particular time, and Mr. Speaker, they would be well advised to reconsider, to reconsider and to pull back Bill 56 before it gets any further at this stage of the game. Thank you.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I'm delighted to have had the opportunity to follow the Honourable Member for Lakeside so that I do have an opportunity to reflect on some of the wisdom that he enunciated in the few minutes that he did direct himself to the topic itself.

He reflected with us for some time - and I thought some justifiable pride - on some of the accomplishments he determined that his previous administration had shown in adoption of policies which certainly contributed to a more positive role for government in the society of his administration. He reflected on the role of the Agricultural Credit Corporation, the Crop Insurance Corporation established, as he indicated, by Tory regimes.

Now no one will quarrel with him when he suggest that these were positive steps. I think they were steps which the previous government took haltingly, persuaded at length by the former opposition parties, because I think they joined in an endeavour to finally persuade a reluctant administration, of which he was a part, to take these steps. But he says the comparison obviously was much in their favour. He said in respect to crop insurance there was only a limited participation by private industry. Well then, why didn't they merely encourage private industry to more properly service the field which was being neglected by that private industry? Well, surely they could have done that because no one, no one on the Opposition side of the former House, when they were in government, were insisting that farmers had to insure, had to insure their crops, so the government of that day could take it or leave it alone. There was no duty put upon the government to satisfy the need for equitable crop insurance premiums. Surely his own parallel backfires on him. But what they did, what they did was introduce compulsory crop insurance in certain areas, declaring districts -- (Interjection) -- just a minute - declaring districts, districts under -- (Interjection) -- well, you'll have your opportunity at rebuttal.

MR. ENNS: I'm just trying to help you out. We still have no compulsory crop insurance.

MR. MACKLING: They introduced legislation which provided for districts, and all of this legislation was done by regulation. Look at your Crop Insurance Act and let the Honourable Member from River Heights and the Honourable Leader of the Opposition look at the technique that your former administration used in 1959 when they introduced the Act. Their skeletal legislation -- (Interjection) -- the districts were compulsory. The districts. It's all right. You brought in that Crop Insurance and if you're uneasy about it -- (Interjection) -- Yes, compulsory districts were set up and that's what I said. But you see, you said that you introduced Crop Insurance because the private industry wasn't doing a job there: wasn't doing a job. You could have morally persuaded private industry to do a better job. -- (Interjection)-- Oh no, it wasn't your job. They said there was only a limited participation by private industry, so what they failed to do before, they now suggest we should do today. I say that looking at the legislation which they introduced, it was skeletal legislation. The Lieutenant-Governor-in-Council was to provide for all the rate structuring and all the particulars that the Opposition demands that we ought to do today.

You referred to the Hog Marketing Corporation, and now you are going to talk about compulsory. Well, there were private marketing organizations. Why didn't they do what they're saying we ought to be doing now? Cooperate in some way, making sure the private system worked. Well, the answer obviously is the private system didn't work and they brought in compulsory marketing legislation which people in our society have accepted. I know that it was a bitter pill for some of the honourable members on the other side to swallow, but it was good legislation and they accepted it finally and it provided compulsory marketing.

(MR. MACKLING cont'd)

But what did they do in respect to automobile insurance? They set up a committee that sat and sat and sat. Surely there was a problem, there was a problem in society, and the only reason why hog marketing was introduced was because there was a problem in society, but with automobile insurance they recognized the problem, they set up a committee and they did nothing. They had no hesitation about trampling on the toes of the private marketing organizations in respect to hogs, but when it comes to the automobile insurance industry, they could sit and think about it ad infinitum. -- (Interjection) -- The facts are very straight. Now he said the criterion, the difference in the criterion between their previous administration in respect to the marketing legislation, compulsory marketing legislation, the Crop Insurance district legislation and so on, was that that was on the basis of need and the legislation which we're introducing is suggested that we're going to save people money, and apparently there's something unhealthy about that kind of an approach to this government.

But I'm suggesting that once this government - and it's significant that the Honourable Member for Lakeside was one of the few members from the Opposition side who have spoken who really didn't say how he would vote on this Bill. He suggested there were things bad about Bill 56 but he didn't even say what most of the honourable members of the Opposition had the intestinal fortitude to say, and that was that they were in favour of compulsory automobile insurance. But he didn't even have the strength of his convictions to say that, and I suggest that once he had said that, he realized that the onus then would shift. Once the government says, and once some of the honourable members opposite say that a person must carry automobile insurance in order to drive on a highway, then a duty rests with that government to ensure that that motorist can buy automobile insurance, the minimum basic coverages which society demands that he cover, at the minimum cost. If that is a government that is pragmatic and is concerned about people and concerned about how much the people have to spend for that basic coverage which the government insists they carry, then that kind of pragmatic government I am very proud to be a party of. -- (Interjection) --

Mr. Speaker, if I seem to ignore the chatter from opposite, I do it mindful of the time, the time that is running and the fact that they have had their opportunity to speak, and if they've forgotten about some of the choice things they ought to have said, that is my real regret but I don't think I can profit too much by it now.

Mr. Speaker, there have been many endeavours in the course of this debate to kind of deflect a serious consideration of the whole question of automobile insurance and compulsory automobile insurance, and I must admit that today I was disappointed in the Minister from Lakeside because - pardon me, the former Minister from Lakeside - because others of his colleagues did him much better than he did today, and I had thought that I would consider him to be the master of diversion at a fairly high level. He seems to excel in considerations of high level diversion, but he is not alone on that side and others have exhibited a much better performance in this field than he did today.

But the real issue, Mr. Speaker, is not between the side issues and the diversions, the political spectrums that have been talked about in this debate so far. The real issue certainly isn't with this government and the automobile insurance agents, most of whom, as the honourable member in charge of the introduction of this legislation has indicated, are people of principle, people of integrity, people who work hard and have a diversity of business and a resilience and can adjust to the changing mood and the changing pattern of society as has been the case with many many thousands, and hundreds of thousands of people whose vocations have been changed somewhat - some greater, some less - by introduction of legislation. The real issue certainly is not with people that I spoke of on the steps of the Legislature or others, the real issue has to be with the private insurance industry.

If I choose to ignore some of the comments that have been made by some of the speakers on the other side and direct my attention to some of the comments made by the Honourable Leader of the Opposition, it doesn't reflect a disinterest on my part in some of the things that they have said nor does it necessarily mean that I weigh that heavily the arguments that were submitted by the Leader of the Opposition, but he did, of many who have spoken, at least considered the legislation and there wasn't too much by way of complete sidetrack of the issue. The Honourable Leader of the Opposition obviously had a speech prepared in anticipation of what the Honourable Municipal Affairs Minister was going to say and he really didn't have time to adjust, and I can understand, but some of the information that he was given - and he

(MR. MACKLING cont'd.) . . . . indicated that he'd had some legal counsel - certainly wasn't very good so I hope that the price he paid for it wasn't too high. But I want to assure the Honourable Leader of the Opposition that the absence of specifics in the legislation were certainly considered in a very searching manner by members of the House on this side, in Cabinet, and that's why there are specific commitments, specific commitments given by the Minister of Municipal Affairs as to the basic coverages. I might say that in reflecting on legislation of this type, his own administration's example of the crop insurance scheme ought to be considered very sincerely by him before he criticizes too much more.

When the plan comes into force, all drivers and owners registered will have indemnity coverage protecting themselves from claims and, conversely, persons injured by such drivers or owners will also be compensated. As well, there will be no-fault payments or benefits payable to the owner or driver but these will have to be spelled out in the regulations. Provincial residents who become accident victims will be entitled to receive compensation up to the limits of the plan, even where the driver-owner of the offending vehicle had no insurance at all. Even a breach of condition by the driver or owner of an offending vehicle will not preclude the victim from receiving compensation. These provisions, spelled out with particularity in the Bill, will replace the Unsatisfied Judgment Fund to that extent.

In his remarks the Honourable Leader of the Opposition had some very strong words about the right of appeal provided in the Bill, but obviously he must have been misinformed as to what the right of appeal sections were dealing with. They were dealing with surcharges or additional assessment of insurance premiums, and certainly had nothing to do with taking away the right of a person to an adjudication of his rights before a judicial body. The Honourable Leader of the Opposition seemed to suggest that the Bill allows the government to prevent a Manitoba motorist injured by non-residents from claiming damages against those non-residents. This, you know, is utter nonsense. In fact, all the Bill does is allow the Lieutenant-Governor-in-Council to decide whether non-residents can claim against the plan for benefits or insurance money. It does not prevent non-residents who suffer a loss or injury in Manitoba as a result of a motor vehicle accident from suing the person responsible. The ordinary common law proposition of a non-resident has not been touched.

Mr. Speaker, the Honourable the Leader of the Opposition also seems to feel that the Bill allows the government to take away a victim's right to sue an uninsured driver or owner. This is a complete misreading of the Bill. What it does do is decide what amount may be paid under any plan to the victim. If nothing is payable under any plan to the victim, which I might add is highly unlikely, the victim can still sue the person or persons responsible for the loss or injury and have normal recourse to the courts for this purpose.

Mr. Speaker, I think it is passing strange that when the insurance companies create classes of drivers in Manitoba, determine coverages, revoke policies, assess additional premiums or surcharges and set out at will increase premium rates, we do not hear the members opposite complain or scream about dictatorial power. The insurance business is fine when their friends are reaping the profits, but it is time to moan and groan when the people might call the tune.

All of a sudden, Mr. Speaker, the Honourable the Leader of the Opposition is interested in invasions of privacy. He's concerned that police officers must submit copies of reports, statements obtained by them under the Highway Traffic Act to the insurance corporation. He doesn't seem to realize that these reports and statements are for the most part available now to insurers of persons involved in an accident. And they're mandatory for most accidents.

The honourable member is also concerned about the requirement that doctors who attend upon a person injured in an automobile accident must report to the corporation respecting the injury suffered by that person. The honourable gentleman suggests the corporation may dictate the facts to be reported. Now this is really carrying it too far. This is just an incredible suggestion because medical reports may be requested and supplied now. The arrangement that medical reports be supplied to the insurer will facilitate a quick and accurate settlement and avoid duplication of medical investigation. Every insured person who makes a personal injury claim now must submit to the insurance company's own doctor for examination under the present system. The method proposed for obtaining medical reports under the plan is fair and more equitable because the insured person chooses his own doctor. This is certainly analogous to the present requirements of the Highway Traffic Act requiring body repair firms, for example, to report on the claims that have been made or the work that has been made for automobiles as a result of an accident.

(MR. MACKLING cont'd.)

The employer's report is needed to verify an insured's earnings which will affect his claim for loss of wages. Before an insured can obtain payment for loss of wages, he must prove that loss under the present system. If an insured was covered for loss of wages, which is unlikely, he would be obliged to authorize the employer to release the information. Without such verification no recovery can be obtained. The Bill provides a simple and fast way of doing the same things. It is just one of the plan's features which speeds up the handling of claims to the benefit of the insured.

The government appreciates any constructive criticism that can be provided to it by any member of the Opposition, and we can advise that we are presently considering an amendment to that section of the Bill relating to access to government and departmental records which would restrict the access of the corporation to the documents, books, reports and records of the Department of Transportation, The Highway Traffic and Motor Transport Board, the Taxi Board of Greater Winnipeg and the records of the Registrar of Motor Vehicles. Access to these records is essential to the proper administration of the plan.

. . . . . continued on next page

(MR. MACKLING cont'd.) Mr. Speaker, the Honourable Leader of the Opposition expressed surprise that reports and statements received by the corporation pursuant to the mandatory sections of the bill might be made available for inspection by any person or insurance company who pays or may be liable to pay the damages caused by a motor vehicle accident. Since this provision is in line with the present state of the law respecting disclosure of mandatory reports given under the compulsion of the Highway Traffic Act, we can see no departure from normal practice.

As I indicated, there are sections of the Bill, some of which seemed on some further consideration to require some further amendments, slight in nature, that really doesn't deviate from the main principles of the Bill, but I for one have read some sections of the Bill and feel that some wording might be altered to retain the sense of the section but alter an apparent harshness and severity of the language.

But, Mr. Speaker, a consideration of this issue has to centre around a consideration of not the insurance agent and a concern for their status in Manitoba, but a consideration of the automobile insurance industry. No other industry has been made the subject of as many investigations, royal commissions and studies as has been the automobile insurance industry. Over the last few years almost every province, and the majority of the states in the United States, has at one time or another delved into the operations of this giant industry, and no matter what recommendations came forth from all of the studies, one conclusion is universal to them all. Without exception, it is agreed that the private automobile insurance industry is failing to deliver the goods. There is no question in my mind, Mr. Speaker, that the issue we have before us deals with a system which is indeed sick.

What, Mr. Speaker, are some of the symptoms of this sickness. The first is uncompensated victims. The present insurance system is based on establishing fault in any accident and therefore by its own theory it is not supposed to pay benefits to everyone who suffered loss in an automobile accident. For example, in the State of New York, which has very strict insurance regulations, one out of every four persons suffering bodily injury in an automobile accident receives nothing whatsoever from the fault insurance system. Even with our Unsatisfied Judgment Fund many injured people go uncompensated in Manitoba.

Mr. Speaker, let's deal with a particular case. Let's deal with a case study as the sociologist would choose to call it. Since coming to office, I as Attorney-General have from time to time seen cases of automobile insurance claims settled by the Unsatisfied Judgment Fund and then a proposal has been made that the amount of the judgment be reduced and a settlement accepted by Lieutenant-Governor-in-Council. This is a precedent that apparently has been established for many many years, and one of the cases that had been brought to my attention was the case of a young man who in 1955 - he was then 21 years of age - purchased a car. It was his understanding when he purchased the car, and he had this assurance, that the car was completely insured.

Well, in September, a scant month after he had purchased the car, this young man was involved in an automobile accident in the Virden area. The driver of the other car involved was fatally injured. The other passenger in the other car was very seriously injured. The young fellow who had bought the car - he was 21 then - was quite seriously injured as well. While he was in hospital recuperating, his automobile insurance accident policy was delivered to him, and lo and behold, it covered collision damages only. No public liability or property damage -- (Interjection) -- No, never mind, just a minute. When he inquired as to the premium he paid, well apparently he paid a little bit too much for the collision coverage and he had a refund coming to him. It was all very strange, but the insurance company that was involved in this case apparently were able to satisfy all concerned that there was nothing unusual about this, there had been a mistake in the amount of the premium that was initially paid for collision coverage only, but this young man was not covered by PL and PD and as a consequence a claim was attached to the fund, the fund paid out something in excess of \$8,000, \$9,000.00. The young man couldn't pay this judgment. He wrote long letters to the previous administration from time to time - and I read some of them, some of them pretty pathetic letters - asking for reinstatement of his driving privileges and he was without a car for 14 years.

The fact of the matter is that that young man appeared to be a hard-working person. The letters of the previous administration, or those that were involved with it, seemed to reflect a note of sympathy toward him but he didn't have his driving privileges for 14 years. Well, the end of the story is that for some reason or other - it's no fault of mine, it's no fault of the previous administration obviously - someone had made a mistake and the judgment wasn't

(MR. MACKLING cont'd.) . . . . re-sued at the end of the ten years - that's some several years ago - and so the Province of Manitoba had a judgment on its books which couldn't be enforced. So the young man was again pleading for reinstatement of his driving privileges and he offered a modest settlement. There was nothing to be gained, nothing absolutely to be gained from continuing the penalty against this young man, so a modest settlement was arrived at and he has his driving privileges after 14 years.

But I say that an automobile insurance company selling insurance in this province should not have been given the right to sell collision insurance only, not at all, but that's the kind of thing that has been going on in this country for far too long. As a practising . . .

MR. EARL MCKELLAR (Souris-Killarney): May I ask the honourable member a question?

MR. MACKLING: . . . as a practising lawyer in the City of St. James - Assiniboia, I have had occasion to deal with many claims, many claims with private insurance companies and I had one or two with SGIO, and I want to confess here that the biggest claim that I settled without litigating was with SGIO for the largest amount of money, and it was all by telephone or by letter.

MR. MCKELLAR: Wonderful.

MR. MACKLING: Yes, that's right. It was a very healthy departure from some of the very vexatious and trying pieces of litigation I had with private insurance.

MR. MCKELLAR: Wonderful, wonderful. The more you work, the more you get.

MR. MACKLING: Yes. Now one of the other very chronic areas of distress in this industry is delay. Where the present insurance system does pay something it pays very slowly, and my honourable colleagues who happen to have -- and the Honourable Member from River Heights, I am sure, has had some understanding of the frustrating delays that are practised by insurance companies. Not the agents are at fault, not the adjusters - they have their instructions - but the insurance industry practices delay. Injured victims of automobile accidents face average delays in collecting on an automobile liability insurance claim that are ten times as long as the delays in collecting under collision, home owners or burglary insurance, and forty times as long as delays under accident or health insurance. The average delay in paying the larger automobile personal injury claims in Manitoba is at least one year. A typical large claim waits longer than a typical small claim, and, while waiting, the victim usually gets nothing from the fault insurance system. And all the time he's waiting, the insurance industry is suggesting that he settle for something much less than he ought to in order that maybe he can get his car back, so that he can get it repaired and working, because he can't afford, he can't afford to have his car repaired, and so they hold the carrot out that your car will be repaired if you merely sign the releases.

The delays are long both in and out of court. The cases that do go to trial, which involve the largest claims of all, encounter truly incredible delays, as much as four or five years, but even for claims that do not go to trial the fault insurance system takes a long time to pay. It is beginning to appear that automobile litigation is a major cause of court congestion, but the easy converse that court congestion is the major cause of delay in automobile liability payments may not be true at all. The reasons for delay are probably deeper. The fault insurance system involves abstract rules, indefinite measures of damages, and an antagonistic claim situation. By whatever mixture of judicial decisions and negotiated settlements utilized to dispose of claims, large delays would seem to be unavoidable. Only a small percentage of automobile liability claims are decided by court. The vast majority are settled in a proliferation of forums outside the judiciary, typical and unrecorded private sessions between the claimant or his attorney and insurance adjusters. The fact is that the adjustment of claims is not an objective decision-making process where a disinterested third party with power to impose its decision on the other two find the facts, interprets the law and thereupon decides who is right and how much is owed, rather it is a bargaining process in which the antagonist tries to get an advantage one of the other.

The standards of liability and of measurement of damage are so abstract as to give wide latitude to the bargaining process in any given case. While the facts on the law are not without relevance to the bargaining, it would be naive to suppose they are the only or even the strongest influences. Thus under the present system, the present insurance system, determinations are made either by an overburdened judiciary on stale facts or else on insurance adjusters in a bargaining process.

MR. SPIVAK: and tired lawyers.

MR. MACKLING: Yes, tired lawyers, and some of them I'm looking at - one of them

(MR. MACKLING cont'd.) . . . I'm looking at right now.

The other very serious and sad part of this industry is the malapportionment of benefits. Even where and when it pays, the present insurance system does so without any apparent regard for priorities except those of the insured. Many small claims receive overpayment. By contrast, accident victims suffering large economic losses almost without exception do not receive sufficient compensation. For example, a leading empirical study revealed that out of auto accident victims with small economic losses, one-third were significantly overpaid, receiving through the fault insurance system at least one and a half times their economic loss, but only 18 percent of them were underpaid receiving less than three-quarters of their economic loss.

The reason for this seemingly nonsensical discrimination is not hard to find. In the typical small claim it is easier and even worth more for the insurance company to close the claim quickly even if overpayment results. Such is not the case with large claims involving serious injuries and consequently underpayment invariably results. Because of its complexity and its reliance on establishing fault, the present insurance system is inherently expensive to operate. The administrative costs of operating take up to a disproportionate share of the premium dollar, and up to forty cents of the premium dollar. The very fact that there are so many companies or groups of companies selling car insurance leads to added acquisition and administrative expense. The unnecessary extravagance of the operating costs of existing insurance system, and its wantonness in mismatching limited resources with serious human needs, would be enough to bring down the whole system even if there were nothing else wrong with it. I can assure you, Mr. Speaker, that there is much more wrong with it.

I suggest, Mr. Speaker, that the fault insurance system encourages dishonesty in over-reaching by both claimants and insurers. Despite efforts by the courts and regulatory agencies, no way has been found of applying continuous, fair and effective social control over the claims' practices of automobile liability insurers. One reason is that the insurer is dealing with thousands of claimants as adversaries the company never expects to see again, and is doing so in situations that afford no clear line between rigorous bargaining and downright dishonesty. The delays in bargaining procedures with the existing insurance system encourages and favours the strong over the weak. A personal injury case often puts an injured individual against a multi-million dollar insurance company. Too often, especially where injuries are serious, the insurer can simply wait out the insured victim to obtain a more favourable settlement.

In general, the highly abstract standard of liability called "fault", and the indeterminate measure of damages called "general damages" or "pain and suffering", offer rich rewards to the claimant who will lie, the attorney who will inflame, the adjuster who will chisel and the insurance company which will stall or intimidate. An obvious result is unfair apportionment of benefits and inflated prices of insurance. Another and even more pernicious consequence may be an erosion of public confidence in the private insurance business, the Bar, the courts and the law itself.

MR. SHERMAN: How about the bureaucrats?

MR. MACKLING: In fact the insurance companies are prepared to show that nearly every year they have lost money, writing in liability insurance and that the rate increases they set are merely what they say they need to stay solvent. So it would seem that the high and rising liability insurance rates are justified - or are they? If it were in fact true that the insurance industry was losing money, as is frequently maintained by it, on its underwriting of automobile insurance, then I can see no reason why the insurance interests would be objecting to the government taking this unprofitable enterprise off their hands.

And this was said in such clear and simple terms by a caller on one of the direct line programs. I happened to have the benefit of listening to Mr. Haslam's program one morning when my friend the Honourable Minister of Transport was on Mr. Haslam's program and this gentleman phoned up and in his own way he said: "Joe," he said, "you know, there's something that's bothering me about all this automobile insurance business. These companies, you know, they raised my rates," he said, "they raised my rates several times now, and when I complain they're always telling me, they're always telling me it's a lousy business." He said, "Now why are they resisting you guys taking over?" And, you know, that's the essence of the duplicity of the insurance industry that has cried over the years, poor mouth about automobile insurance, but now they're fighting tenaciously to preserve the people from

(MR. MACKLING cont'd.) . . . . self-help, from a course of automobile insurance which will guarantee, so far as the government can do, that there will be minimum cost to the basic coverages.

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

MR. MACKLING: Thank you very much. Referring to the automobile insurance company and its attitude toward costs, I'd like to refer, Mr. Speaker, to one of the comments by one of the senators of the United States who was considering the attitude of the insurance industry there, in a study that was made in New York. Senator Phillip A. Hart, Chairman of the Senate Anti-Trust and Monopoly Sub-Committee which investigated the auto insurance industry, stated in his speech to an insurance group in Chicago in October '68 that "the net investment income of auto insurance companies in the United States from 1958 to 1967 was more than \$7 billion." Senator Hart remarked, "When someone turns one pocket inside out to show you how empty it is but has \$7 billion in the other pocket, it is difficult to take the claim of poverty too seriously."

But, Mr. Speaker, I don't have to go to the United States to demonstrate that the insurance industry's cries of poverty are totally unfounded. I only have to refer to the transcripts of the hearings by our own Automobile Insurance Committee on the occasion when Mr. Brown, the Secretary and General Manager of Portage la Prairie Mutual Insurance Company, presented his brief to that committee. The Chairman of the committee asked about a loss that year, and Mr. Brown said, "We had a loss" - that was in 1968, 1968 operations - "We had a loss, we had an underwriting loss between 80 and 120 thousand dollars." And then he was asked, can you give us information to disclose what investment earnings your company made in 1968? And his answer: investment earnings in 1968 - \$370,000. on those investments.

Obviously, Mr. Speaker, the insurance system, when it has been crying gloom and doom about a terrible industry where they make such marginal profits, has not been fair and frank with the buying public in advising that they don't take into consideration the many hundreds of thousands of dollars, and with the larger companies and with the larger jurisdictions, millions of dollars that they obtained from the investments of those proceeds. Those proceeds are held for as long as they can hold them at investment, and that's why they stall and frustrate claims. The longer that they hold the money, the more money the insurance company makes on it investments. They don't want to pay those large sums of money out to people who have claims against the company because then the volume of money that they have out for investment will be substantially reduced. So it isn't just a weakness on the part of the industry that they don't expedite their claim service more promptly. I suggest, Mr. Speaker, - - no, on the other hand, it's a deliberate course of action to stall and delay to maximize the return to the insurance industry.

I suggest, Mr. Speaker, that it's high time members of the other side of the House started to pay attention to the principles involved in this debate and the principles that are involved is that -- the main principle involved is that this government, as a political party before election, had indicated a response to a public concern in respect to automobile insurance, and they said that, if elected, we will consider the establishment of public automobile insurance. And that wasn't an idle promise, that was a considered promise because it was possible to see in Saskatchewan the positive benefits from a system that has worked and is continuing to work despite the fact that a new government feels a little uncomfortable with it. But the fact of the matter is that it's working there, it's working well for those people, and we say that the principles have shown in that system that that system works to the benefit of the people and hasn't worked to the complete loss of the insurance industry in Saskatchewan. There are as many now, in fact far more agents in Saskatchewan than there were in 1946 when that plan was introduced.

So I suggest, Mr. Speaker, that when the honourable members of the Opposition deal with the merits of the question, then they are in grave difficulty because they stand and they say we're in favour of compulsory automobile insurance, then I say the compulsion rests with them to come up with a scheme, the onus is on them as it is with us, to provide a scheme for the people of the Province of Manitoba to ensure maximum benefits at minimum cost. And that's what this government intends to do.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wonder if the Minister would consider a question at this time? He was saying that it's easier to settle claims. It is well known in the industry, in the insurance industry - and I'm also talking from experience -- (Interjection) -- bodily, yes.

(MR. PATRICK cont'd.) . . . . Would you agree or disagree that bodily injury settlements for similar injuries are for much less figures or for much less amounts in Saskatchewan with the Saskatchewan government insurance than within the private industry throughout the whole of Canada. This is a common knowledge and I'm speaking from facts and I can give you some. Why is it so?

MR. MACKLING: Well, you've asked a question and you're entitled to a full answer. I referred to a case that I had involving a very substantial claim. This accident involved a Manitoba motorist in Saskatchewan. There was no question about fault, the other party - although there might have been some question and there was a question about whether or not the company could obtain indemnity by suing the driver of the other vehicle because I think the other vehicle was operated by someone whose ability to operate was impaired - but nevertheless there was an absolute liability in that province, as there has been here in respect to anyone that is insured, and this vehicle bore Saskatchewan license plates so there was an automatic absolute liability, that vehicle was insured.

I compared - and this was a minimal hearing loss - I compared claims that had been reported right throughout Canada. This is a Claims Reporting Service that is provided under various law reports, and one of the latest reporting services I followed, and I found that their settlement reports reflected not just Manitoba standards but Canadian standards, and I checked for cases also in Manitoba and elsewhere. My approach to the Saskatchewan government was by letter and then by telephone and I - you know, you follow a similar pattern in Manitoba - I was amazed with the despatch in which they treated these enquiries and these letters and phone calls. And like a lawyer, another lawyer on the other side would in Manitoba, they demanded to see what standards I was following, and like you would in practice, I showed them the criteria that had been established in other cases, similar cases. And there wasn't any quibbling. They settled on the amount that I demanded; all costs and everything.

Now I had another instance, it was a much smaller claim, and I don't think there was too much time disparity between the settlement of both of those claims. I've had similar claims in Manitoba of less in amount which dragged on many many months, and after I'd finished with the insurance adjuster I spent many many months with the insurance company's legal representative and further delays, examinations by doctors and so on. In the case that I referred to, the Saskatchewan Government Insurance Office took the reports that I submitted from a competent ear specialist here in Manitoba. There was no question about his integrity or his ability; there was no question about -- (Interjection) -- Well I haven't suggested that anyone . .

MR. SHERMAN: Oh yes.

MR. MACKLING: All right, this is an ancillary question anyway and I'll answer that in a moment and thanks very much. So there was no question about their ready acceptance of this documentation.

Now in respect to the - - I have an ancillary question apparently, Mr. Speaker. I've suggested that the whole industry has said: you know, this is a losing business; it's a terrible business. -- (Interjection) -- That's right. And I say that they've been deliberately dishonest because they've been making money, they've been making money hand over fist in this business.

MR. SHERMAN: You've charged the whole industry with dishonesty.

MR. MACKLING: That's right, the private automobile insurance industry, no question.

MR. SHERMAN: Read your own words, if you can stand them.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: I have a supplementary question. For the first part, I don't believe I was completely answered because I'm sure that if the Attorney-General would check with his own colleagues in law . . .

MR. SPEAKER: Does the honourable member have a question?

MR. PATRICK: Yes, I have. The Attorney-General has mentioned that the Saskatchewan SGIC is much more competitive and can provide better rates. Why is it that of local based Winnipeg companies, or Manitoba companies and many others according to the Superintendent of Insurance statistics, that are filed with the superintendents of each province, that SGIO is much higher in way of expense ratio to premiums written than many of the other companies, and for instance I'll just quote one. SGIO takes 36.1 percent of the premium dollar . . .

MR. GREEN: On a point of order, Mr. Speaker . . .

MR. PATRICK: . . . Wawanesa takes 29, 29 percent. Well, how can you rationalize?

MR. GREEN: Mr. Speaker, apparently the honourable member hasn't heard me. I was

(MR. GREEN cont'd.) . . . . . rising on a point of order but he kept on talking and I sat down. Well, Mr. Speaker, on a point of order -- Mr. Speaker, may I ask that the honourable member who shouted "sit down," be aware that a person on a point of order is entitled to seek the floor.

MR. SPEAKER: The Honourable Minister has the floor.

MR. GREEN: Mr. Speaker, a member who asks a question is entitled to seek a clarification from the Minister but is not entitled to use the question period as an opportunity for making points which should be made in debate. That's my point of order.

MR. PATRICK: Mr. Speaker, on the same point of order . . .

MR. MACKLING: He's got a lot of mistruth on the record and now I want to straighten it out. If the question was out of order why I think that the answer ought to be -- I ought to be able to give the answer. The agents -- some of these agents, it's really not the agents speaking, it's the industry. The industry are feeding them with a lot of fact. Oh yes, the honourable member shakes his head. But, you know, the industry has a propaganda machine working and they're suggesting to the agents that they raise these questions. The agents refer to the expense ratios for 1969 of the SGIO.

MR. WALTER WEIR (Leader of the Opposition) (Minnedosa): . . recognize a member on a point of privilege, I'm sure.

MR. MACKLING: You did?

MR. WEIR: Yes.

MR. GREEN: I didn't hear a point of privilege being put.

MR. MACKLING: I didn't hear anything about privilege. Did you rise on a question of privilege? -- (Interjection) -- Just rose, and I had the floor. I'd appreciate the Honourable Leader of the Opposition not admonishing me because he had no point of privilege.

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

MR. MACKLING: All right, now I'll sit down.

MR. PATRICK: I was not quoting from any agent propaganda sheets, I was stating according to the statements filed with the Superintendent of Insurance offices of the different companies. That's the figures they use.

MR. SPEAKER: . . . had a point of privilege, may have a point of clarification. The Honourable Minister.

MR. MACKLING: Excuse me.

MR. SPEAKER: May the Honourable Minister continue answering the question that . . .

MR. MACKLING: Thank you, I will. The honourable member said that the agents have referred to the ratios, cost ratios between the private companies and the SGIO in 1969. These so-called facts are not relevant to the compulsory government automobile insurance plan because the expense ratio of 36.17 percent for SGIO includes their expenses for their entire general insurance operation, including fire, liability, Inland Marine and other casualty lines, but specifically excludes any relationship to the compulsory automobile insurance plan. The expense ratio of 29.8 percent for Wawanesa is based on their entire -- on their entire Canadian business of approximately 40 million. In the Province of Quebec, Wawanesa is a direct writer paying no agency commissions.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I wonder if the Honourable Minister would entertain another question? In his discussion on the topic he indicated that -- in your discussion you indicated that the Saskatchewan plan had been studied by many provinces and many states. I wonder if you'd like to clarify as to why in your mind they have not implemented the same kind of plan.

MR. MACKLING: Well I can assure the honourable member that when the Saskatchewan government introduced the hospitalization scheme there was great resistance, great resistance of people who had established interests against this plan, and that resistance continued for a very lengthy period of time. But finally, finally when enough people in Canada recognized the validity of that argument, then reluctant old-line parties finally accepted the logic of this program. And the same thing happened in connection with the Medicare Program. The doctors in the Province of Saskatchewan waged a tremendous battle against introduction of that program, as the honourable member knows, just as the insurance industry waged a tremendous fight in connection with the introduction of the Canada Pension Plan by a Liberal government. But simply because organizations have fought with success to frustrate the development of people's programs, doesn't mean to say that that's the criteria that should be accepted by this government.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, the Honourable the Attorney-General raised the question of Crop insurance and he always exhibits his awareness of agricultural problems. Is he also aware of the fact then that the insurance for Crop Insurance would not be acceptable to any farmers in Manitoba if the federal and provincial governments did not pick up the administration tab as a direct subsidy to the agricultural industry?

MR. MACKLING: Mr. Speaker, as usual, the Honourable Member for Lakeside is trying to outdo the Honourable Member for River Heights in supposition. You are supposing that to be the case and I am not going to suppose for you whether your assumptions or suppositions are right or wrong, but what I suggested to you was that the previous administration, the previous Conservative administration in 1959 had made arbitrary decisions that the crop districts and the regulations in connection with crop insurance would be made by Order-in-Council by regulation, and they have no reason to argue at length with the technique that's being used in this Bill.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Would the Attorney-General submit to one further question, Mr. Speaker? In his remarks with reference to the private automobile insurance industry, did the Attorney-General clearly intend to leave an allegation of dishonesty hanging over a complete industry?

MR. MACKLING: I indicated, Mr. Speaker, that the private insurance industry is sick - that's right -- that for many many decades that it pleaded that this was a terrible, terrible section of their insurance industry, this automobile insurance section, because they were continually losing money. Yet the fact of the matter is that when they have been faced with questions as to what the totality of their earnings are, the fact is that they've made a lot of money, and I say that indicates to me dishonesty on the part of that private insurance industry.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Would the Minister permit another question, Mr. Speaker? I wonder if the honourable member is aware of any claims from SGIO that have not been settled?

MR. MACKLING: Well, I'm certain, Mr. Speaker, that there must be claims at this very date, at this very date that have just occurred. I'm sure that the statistics would indicate there are accidents occurring almost every half hour or so in various parts of the North American Continent. As a matter of fact, if we look beyond the borders of Manitoba and we go south, I'm sure that the statistics would indicate that there are claims occurring almost every minute or every second. So I would dearly love to have that sort of telecommunications mind that could answer this question for my honourable friend but I confess I haven't.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have two questions. They are not related. The first question -- I wonder if the Attorney-General can inform the House whether the Legislative Counsel assisted either in the drafting of the Act or saw the Act before the Cabinet caucus determined it.

MR. MACKLING: Mr. Speaker, government employs civil servants from time to time to do various tasks, and I'm sure that when the honourable member was a member of the previous government he did likewise, and I don't think I would be overly concerned to ask him which one of the civil servants did do what work on what Bill.

MR. SPIVAK: Mr. Speaker, the Attorney-General misunderstood the point of the question. He suggested that possibly the Leader of the Opposition received bad counsel. I wonder if he could suggest who counselled him on the legal matters that he's presented today.

MR. MACKLING: Well, I may have misinterpreted what the Honourable Leader of the Opposition said, but he indicated that he had had one of his legal friends advise him as to some aspects of the Bill - and that's a matter of record on Hansard - and I indicate that from his remarks I think the legal friend must have misunderstood sections of the Bill. -- (Interjection) -- Oh, not at all? Well, obviously you still misunderstand.

MR. SPIVAK: I take it that the Legislative Counsel didn't advise the Attorney-General. I wonder if the Attorney-General can inform the House whether he is aware of the number of people whose jobs were affected at the time Saskatchewan introduced its compulsory monopolistic plan.

MR. MACKLING: I frankly don't have that information. I don't see the relevance of it if I did have it though. If I thought there was 200 or 300 or 500, I don't think that that would be

(MR. MACKLING cont'd.) . . . . necessarily significant. In respect to the question of job relevance in Manitoba, the Premier has indicated that a formula of compensation, some technique of compensation certainly would be considered and I don't intend to speak at length on that.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I just ask one more question. The Honourable Minister did answer my question before that it didn't include the basic and he's correct. The question is, according to the statements filed with the Superintendent of Insurance, SGIO is very expensive and the cost ratio is very high compared to the Manitoba companies. It's higher bonds, and in fact everything else. What would make SGIO so very competitive and offer better rates in auto since they are very high and very expensive in other fields?

MR. MACKLING: Well, from what I'm given to understand, the suggestion that is made by my honourable friend is just not fact. The fact is that the ratio of return is much better in Saskatchewan. I don't know - you see, I've heard it said many times that people can do all sorts of things with figures and some people can do lots of things with - and I suppose the Honourable Member from Souris-Killarney is maybe considered to be an expert too, I don't know - but the fact of the matter is that when you have a monopoly situation in respect to a particular service, whether it be Hydro, Telephone, which, you know, most people seem to accept, whether it be a mass transportation system, the efficiencies and economies that are possible make for the lowest possible administrative cost, and under the watchful eye of government and a very capable and a hopefully - hopefully - a very capable Opposition, then those rates will be maintained at a minimal amount.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a supplementary question to the Minister. Are there any policy holders in Saskatchewan who are paying two administration costs?

MR. MACKLING: Well, again I wish I could recount just how many there are. I have no idea but I'm sure there must be. I'm sure there must be people who, like the Honourable Member from Roblin, are interested in preserving private enterprise at all costs and perhaps may maintain two or three policies with private companies in competition with one another. I don't know.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. GILDAS MOLGAT (STE. ROSE): Mr. Speaker, I'd like to ask the Minister a question if I may. Did I understand him correctly in replying to a question now to state that the savings would come from the monopoly aspect of the program?

MR. MACKLING: Mr. Speaker, there's no question but that's part of it, because when you eliminate a lot of the cost of commissions paid, when you co-ordinate the services, you maximize the efficiencies that result in any monopoly-type operation.

MR. SPEAKER: Honourable members may be aware that this exercise has been continuing for 20 minutes.

MR. JORGENSEN: I rise on a point of order, Mr. Speaker. In connection . . .

MR. SPEAKER: There's no point of order on a point of the Speaker being on his feet. Honourable members may be aware of the fact that this exercise has continued for 20 minutes and there is a rule that no member may speak twice to a question except in explanation of a material part of his speech in which he may have been misquoted or misunderstood. I reminded honourable members of this point some time ago, and regretfully I must say that this rule is observed more in the breach than in practice. I would urge honourable members to revert to the form of debate of the type that our rules are meant to provide for rather than the form of panel discussion which has been continuing for the last 20-odd minutes.

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

MR. JORGENSEN: Well I was just wondering, Mr. Speaker, if I may just comment a little further on the point of order that you raised because -- (Interjection) -- Well, I'm simply trying to be helpful because I do think that this line of questioning that has been going on, as you say, is somewhat exaggerated. I think there is a rule, Sir, that says that a member after having exhausted his 40 minutes cannot take the floor again unless it's by leave, so therefore any questions that will be asked have to be granted by leave or within the 40 minutes allocated to a particular member.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Speaker. We seem to have arrived

(MR. FERGUSON cont'd.) . . . . at a subject that seems to be tickling everyone's imagination and I'd like to say a few words on it. It has been 20 years, Mr. Speaker, since I was last involved in a beer parlour brawl, but over the years I've aged a little and mellowed a little and got a little out of condition also. However, this proposed Bill 56 does arouse a little of the old ire in the way it has been presented to the people of Manitoba, and the arrogant manner that it's been presented, it does kind of get your back up a little bit.

I would like to bring up a few points, Mr. Speaker. At the present time when I receive my renewal for insurance and it's dropped, why I'm quite happy. I don't complain and occasionally it has dropped. If it has gone up, I go to my dealer or my agent and want to know why it has gone up and normally it's explained to me. Now under the proposed setup, if I seek any information, I go to ask anyone any questions, there's a \$10.00 tab before anyone will talk to me. Possibly the government is suggesting that they can't make an error.

Now it's been suggested in the pamphlet distributed by a certain committee that under a government monopoly members of the public will have easier access to recover losses because all you'll have to do is consult their MP's or their MLA's. The pamphlet reads: "Public Control - You Are the Boss." I'd like to quote a little of this: "With public insurance you will be the boss. If you don't like some features of the plan you will be able to write your MLA or pressure the government." Well, Mr. Speaker, I would say, no thank you. I have problems enough in my constituency with the flood damages, with the wet spring, with the general depression, lack of cash in the country, and I don't particularly have time at my disposal to become an adjuster for a Crown corporation. I would just like to thank the Minister; I'd also like to say, no thank you.

As far as writing your MLA's, my constituents are already doing this. I would suggest, or say that I have received, I would say, roughly 100 letters and they have not been pro; they have been certainly against; and I'm quite sure my colleagues have received the same amount or possibly more. Now I'd like to repeat again: thank you for your offer, Mr. Pawley, but no thank you.

Another thing that comes up at this time is the direct personal contact that you have with your agent. In my own particular case, if I want to go into town on Saturday night I can go around and do my business. If I happen to make a deal on a car after hours or something I can phone my agent, or if on any occasion that he happens to be around I can contact him and get my information. I'm not saying that this has to be done all the time but I think it is quite an argument when you take a straight government office that will be open from 9:00 to 5:00 and it'll be closed when the door goes shut. Lack of contact with the customer is lost. -- (Interjection) Oh, I'm sorry, it's 4:30, the Honourable Member for Assiniboia says.

I represent a rural constituency that's been well served by competent, courteous agents and they participate in all of the activities that go on in the community, in the sports, in the churches, and raising their families, etc. There are agents in all of the larger towns in my constituency. They're representing the various companies and are providing a freedom of choice to the individual to purchase whatever and wherever you may desire.

Now we've been told time and again that this government is not a Socialist government. However, in the 10 months since they have been in power, we have seen them take over possibly a 25 percent interest in an implement company, a similar percentage in a navigation firm, and rumour has it that there is some negotiation going on in a life insurance company. At this rate of takeover it will not take too many sessions or too many years until we've lost all of our freedom. I think you pretty nearly have to say that this is creeping Socialism at its best.

Over the years there's been a gradual erosion of freedom of choice and compulsory monopolistic companies have been substituted. We have in the farming industry a compulsory Wheat Board which requires roughly 50 cents a bushel to handle grain. I understand that the Fish Marketing Board is taking a 600 percent mark up in the marketing of tullibee as quoted in the press. Now we're going to be faced with a compulsory board in insurance. My experience has been that once a Crown corporation has been established and the network of civil servants and bureaucracy is established, there certainly has been no saving, no saving in any that I've ever had any experience with during my course of business.

Like most people, I feel there certainly has been room for improvement in the private companies. They could have improved their service to the public. Foremost in my mind would have to be the young male driver. He's in a group that is penalized simply because he belongs to an age group, and he's possibly unwillingly part of this group under the present setup but this is the way it is.

(MR. FERGUSON cont'd.)

Now this is similar to the present government's method where the industry will be crucified without a trial or without giving it a competitive advantage against itself. This I think is one of the unfair parts of this legislation, that if the government is as efficient as it is supposedly, why doesn't it pick up the whole bundle of the insurance, not just the choice segments of it, or establish themselves on a competitive basis?

Now this group, this age group is recognized as one of the poorest risks, but I think they could have been compensated possibly on the fact that they were put on an incentive program up to a degree, that if at the end of three years, say, they didn't have an accident, that they could receive a payment back or a little remuneration to compensate for the fact that they hadn't had any accidents. I feel that the government was in a position to legislate the inequities out of the insurance industry without destroying the industry and the people connected with it. Only a fool, Mr. Speaker, I think believes that total destruction has to take place before improvements can be made.

I'm not going to go into any great discussion, I'm not this familiar with all the pros and cons of it. However, I would like to quote from the Vice Premier of Saskatchewan in the May 20th Free Press, and I quote, Mr. Speaker: "The Number 2 man in Saskatchewan's Liberal government believes most of Saskatchewan citizens are satisfied with the province's compulsory public run car insurance program but he isn't too sure the same kind of plan would best meet the needs of Manitoba's motorists. David Gordon Stewart, Saskatchewan's Deputy Premier and Provincial Treasurer, was replying to a question following an address on Tuesday night at the International Inn before members of the Sales and Marketing Executives of Winnipeg. 'The accident ratio in large urban centres such as Winnipeg has a direct bearing on car insurance rates,' he said. He explained that Saskatchewan's largest city has a population of 140,000. 'We do more driving in sparsely settled areas. It may be cheaper and it should be cheaper,' said Mr. Stewart. 'The Liberal Government is not proposing to get rid of the insurance policies brought in by the previous administration since it is now part of the scene,' he added. 'When you scramble an egg it is not easy to put it back. Government auto insurance' he said, 'has some good features but it is not without its drawbacks.' According to Mr. Stewart, in the 24 years of provincial insurance, for half of this period the insurance corporation has sustained deficits, with some profits being returned to the Saskatchewan Government in the remaining years. Mr. Stewart said that surpluses in recent years had been due in large part to surcharges against accident-prone motorists."

The last few weeks, Mr. Speaker, have made me a firm believer in the old cliché that "figures never lie but liars often figure." My only reference to rates will be a letter published in the Neepawa Press by one of my constituents who had been visiting in Saskatchewan, and I quote again, Mr. Speaker: "In introducing the proposed car insurance plan the NDP Government has promised premiums at least 15 to 20 percent cheaper than what we now pay and has referred to the Saskatchewan Government Insurance Plan as a precedent. Therefore, while in Saskatchewan last week, I went to a Saskatchewan Government Insurance Agency to see how much I would have to pay there for the same insurance coverage that I now have here.

"The results were very interesting. For the minimum compulsory Saskatchewan Insurance I would have to pay a premium of \$94.00. This is payable at the Motor Vehicle Office when obtaining registration and plates. For the optional extra policy to bring my coverage up to what it is now, I would have to pay a premium of \$44.00. This extra coverage is not available at the Motor Vehicle Office and must be purchased separately through other outlets. The total premiums for the two policies under Saskatchewan's low price generous government plan would thus be \$138.00. My present premium paid to a greedy private insurance company in Manitoba is \$135.00 for the same coverage. Mr. Schreyer must be much better at mathematics than I am, because try as I might, I simply cannot find Saskatchewan's 15 to 20 percent saving.

"Carrying the comparison a little further, when I got back to Neepawa, I called the local agency that carries my insurance and asked what my present premium would be if I had only the minimum coverage required under the Saskatchewan plan. It would be \$95.00 as opposed to Saskatchewan's \$94.00. My mathematics again fails me in trying to find the 15 to 20 percent saving.

"I also spoke to an acquaintance in Regina on my way home. He works in the Saskatchewan Government Insurance Office, yet even he admitted that Saskatchewan's premium rates are basically no cheaper than ours. It is also interesting to note that the NDP Government, by its

(MR. FERGUSON cont'd.). . . own admission, has only looked into the general theory and principle of government car insurance and has not got down to the specifics as setting or steady-ing premium rates. How then, and on what basis, can Mr. Schreyer possibly promise that premiums will be 15 to 20 percent cheaper."

Well, Mr. Speaker, I like most people am interested in getting my value for my dollar. However, I have never had any personal satisfaction or a feeling of a job well done when I have been dealing with government agencies on any level. The red tape, and as I said a while ago the bureaucracy, makes doing business just about an impossible task unless it's by personal contact or going -- (Interjection) -- Try dealing with the Wheat Board.

MR. GREEN: Tell us what happens.

MR. FERGUSON: It would take half a day.

MR. GREEN: It would take half a day.

MR. FERGUSON: I'll bring you a sheaf of letters.

MR. GREEN: Yes, tell us.

MR. FERGUSON: I refer you to an article in the Free Press of May 19th entitled: "Car Care." The writer paints a picture of a motorist who had an accident - I'll quote again, Mr. Speaker. "He no longer must await the pleasure of an adjuster coming to see him, all he has to do is hire a tow truck (at whose expense? No one seems to know) and get his damaged car to a government office (located where? No one seems to know) and he can pick up a generous settlement. He can then take his tow truck and car to a body shop who may or may not agree that the government settlement was generous." In my constituency I can see a motorist being forced to pick up his payment in Portage, return to Gladstone to have his car repaired, and if the Gladstone body shop is not satisfied with the price he will have the option of going I guess to Gladstone, Langruth, Neepawa or Swan River. He may not be happy but at least he'll be well travelled.

Now, Mr. Speaker, my ancestors have been in this country for a lot of years. They have fought floods, drought, locusts, Indians, and just about everything that has come up, and they came through it all and they prospered, and in this generation of rapidly accelerating socialism and government take-over, I feel that we stand in a position that we could lose all the freedoms that basically this country and the people that settled it came here to avoid. We now seem to be heading straight into it again. Our present government here seems to feel that they have to be on a collision course with private enterprise and I just don't like it.

MR. GREEN: Did you have public automobile insurance in Ireland that your ancestors left?

MR. FERGUSON: No, they had it on horses. I am fully convinced that the people of Manitoba, like my ancestors, do not wish to be legislated into a one-class society and I think that if we don't watch and if we don't get up on our horses and fight this thing that this is what will happen. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable House Leader of the Liberal Party.

MR. McKELLAR: Mr. Speaker, I'd like to say a few words at this time. As the hour is getting closer to 5:30, I'll just open my remarks and then I'll carry on at 8:00 o'clock.

This afternoon we heard a speech from the Honourable Attorney-General - I don't see him in his seat right now, I guess he's left - but it showed, if that didn't prove to the people of Manitoba one thing, that lawyers should stay where they are and not interfere with other matters of business. He talked about insurance, he talked about insurance, and he doesn't know one fact about insurance, and I'm going to try to prove that to him by 8:30 this evening. This is one of the sad things about all this debate. Not one member of the opposite side there is a businessman except the Member for Crescentwood. Not one man invested five cents in a private business....

MR. GREEN: You don't know what you're talking about.

MR. McKELLAR: . . . and yet they're telling the businessmen of the Province of Manitoba what they should do. We heard from the Attorney-General this afternoon that the Portage Mutual Board of Directors didn't know what they were doing; they were making a profit. And who was one of the directors? The former Premier of the Province of Manitoba, the Honourable D. L. Campbell. Can he not be trusted? Can he not be trusted? Cannot Mr. O. Brown, the General Manager of the Portage Mutual, not be trusted? -- (Interjection) -- Well, I'd like to ask that question. He was accused of making a profit this afternoon. I want to tell you

(MR. McKELLAR cont'd.) . . . . people right now the Superintendent of Insurance for the Dominion of Canada, they have to work under him and they cannot do anything without his permission.

MR. GREEN: Can he be trusted?

MR. McKELLAR: For a man who doesn't know nothing about insurance, you'd be better to keep quiet.

MR. GREEN: I'm talking about the Superintendent, the Superintendent of Insurance.

MR. McKELLAR: I want to tell you, Mr. Speaker . . . .

MR. GREEN: He works for the people. Can he be trusted?

MR. McKELLAR: Sure he's trusted.

MR. GREEN: Yes, that's right, that's right.

MR. SPEAKER: . . . . the Honourable Member for Souris-Killarney has the floor.

MR. McKELLAR: That's right, yeah. And I want to say to the members here that we do have a Superintendent of Insurance in the Province of Manitoba and his name is Mr. Fred Swaine, if you haven't heard of him by now. He's the man that the insurance companies have to deal with and they look up to this man; he's a man that can be trusted. But what are you going to do when you get into the insurance business? You by-pass this man; you by-pass him just as Saskatchewan do up there. They don't even have to consider the Superintendent of Insurance. Only under the SGIO do they have to, which is the package policy which you buy. These are some of the facts that the public should know, that you're not even considering Mr. Fred Swaine. This is the man, if you have a problem in the insurance industry, this is the man you go to at the present time. -- (Interjection) -- This is the ombudsman for the insurance industry and always has been the ombudsman, but you people don't understand that. I want to tell you right now that you better talk to this man and get some ideas of what the insurance industry is all about.

Now we've heard all about the -- (Interjection) -- You're a great believer in people aren't you? Do you know who owns -- (Interjection) -- I want to tell you something if you'll shut up for a change. I got the floor here. I want to tell you about the three companies who have their home base right in the Province of Manitoba, and I want to tell you about the make-up of the two mutual companies in the Province of Manitoba. In fact there's another one, Red River Mutual. I want to tell you who the owners are of these companies. I want to tell you who they are - and there was a couple of men in the back row said they had policies - they're the owners of the Wawanesa Mutual Insurance Company. They are the owners. They have the privilege of going to the annual meetings and elect directors, and if you don't go you can't elect your directors. Did you ever realize that, that the policy holder was a shareholder of that particular company?

And the same thing applies to Portage Mutual, and I think they got 27,000, close to that, shareholders of the Portage Mutual in the Province of Manitoba. These are the people that run their company, and if they don't think that management is doing their job, you know what they do? They elect their own Board of Directors. And I want to tell you that the Portage Mutual Insurance Company, where my honourable seatmate here, three-quarters of the directors of the Portage Mutual I think come from his constituency. And they're good men; I know them all personally and he knows them all personally and they're men that can be trusted. They're farmers, they're businessmen, and they're men in that community who have lived there and generations before have, practically around third generation on the Board of Directors, and I can name them but I wouldn't take the time of the House here. These are the men who are running these companies, and yet, what have we here? We have the member, the Attorney-General here today saying the insurance industry was sick and he's mentioning Wawanesa and Portage when he's doing that. I don't like this kind of reference to these companies, these honourable companies.

The Portage started in 1884, long before the Attorney-General was ever born. He doesn't even remember those days. The Wawanesa in 1896. These are companies that are respected all across Canada and I'm telling you right now the Wawanesa is the biggest mutual insurance company in Canada, and the Portage is coming on very fast. They have mostly restricted themselves to the Prairie Provinces and have now gone to Ontario. But these are the companies -- and I want to tell you another company, and in all your statements you've never mentioned one company, and that's the Co-op Fire and Casualty. Is that not a company that can be respected? I always thought that you people, the socialists, were always friends of the

(MR. McKELLAR cont'd.) . . . . co-operative people, and yet you're condemning them every time you get up on your floor to speak against the companies. You're saying that the Co-op is sick. Well, I'm telling you the Co-op are not sick and I got the facts right in my desk here to prove it.

MR. MACKLING: On a point of privilege, Mr. Speaker, the honourable member has said that I have said that the Co-op - he mentioned the Co-op - was sick.

MR. McKELLAR: You did.

MR. MACKLING: I referred to the private automobile insurance industry and I didn't mention the word co-operative at all.

MR. McKELLAR: Mr. Speaker, it's close to 5:30, and if I answered that right now I'd be going until 6:00 o'clock, so if you call it 5:30, I'll be glad to continue at 8:00 o'clock.

MR. SPEAKER: It's 5:30. I'm leaving the Chair to return at 8:00 o'clock.