

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Tuesday, May 19, 1970

MR. SPEAKER: I should like to direct the attention of the Honourable Members to the gallery, where we have with us 12 ladies from the Windsor Park United Church. Their guide is Mrs. Loraine McTavish. The church is located in the constituency of the Honourable Member for Radisson. On behalf of the members of the Legislative Assembly, we welcome you here this evening.

The Honourable the First Minister.

MR. SCHREYER: Mr. Speaker, the order of business for this evening, if I could refer Honourable Members to Page 11 of Orders of the Day and ask you to call the bills listed under adjourned debates of second reading starting with Bill No. 17, adjournment standing in the name of the Honourable Member for Brandon West.

ORDERS OF THE DAY - GOVERNMENT BILLS

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

MR. MCGILL: Mr. Speaker, could this matter be permitted to stand? (Agreed.)

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. Bill No. 7. The Honourable Member for Assiniboia. Stand? (Agreed.)

The proposed motion of the Honourable Minister of Municipal Affairs. Bill No. 3. The Honourable Member for Sturgeon Creek. Stand? (Agreed.)

The proposed motion of the Honourable Attorney-General. Bill No. 60. The Honourable Member for Rhineland.

The proposed motion of the Honourable Minister of Municipal Affairs. Bill No. 56. The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. Much has been said, Mr. Speaker, about the philosophical conflict, the philosophical clash implicit in the proposed legislation before us in the form of Bill 56 and where the respective parties and their adherence in this House and in this province stand with respect to the philosophical direction both social and political contained therein. Much has also been said about the whole question of freedom of choice and the threat to freedom of choice as constituted in the bill before us, at least in the view of those of us in the Progressive Conservative Party. Much has been said about the licence to be given the government if this legislation is passed, the scope and latitude that would devolve upon the government in the area of automobile insurance and in the area of protection and coverage afforded Manitobans in any automobile insurance program administered by the government; and much has been said too about the potential threat to individual privacy implicit in the wording of the bill.

The leader of my party a few days ago delivered a very articulate and cogent critique on the threat to the right of the individual to protection of his privacy implicit in the bill, and it was a point and an argument that at that stage in our deliberations certainly required making. All the aspects of the legislation are crucially important, Mr. Speaker, all of them deserve at least the attention they've been given so far and in the view of many of us even fuller attention and scrutiny; they demand even closer examination and criticism, but it's not my intention to address myself to any of those specific fields or specific aspects of the subject tonight. I don't suggest that we have by any means exhausted the possibilities and the potentials for examination of those aspects and I don't suggest that I myself personally have exhausted or examined my own potential for examination and debate in the vein to which I've referred, but I don't want to spend the few minutes available to me this evening at this stage of the debate on further exploration of those aspects of the subject, important as they are.

I want to speak about another aspect of the proposed legislation that is equally as important as any of those to which members have already addressed themselves and perhaps even more to the point, Sir. I'm speaking about the human factor, the human interest aspect of the legislation both from the point of view of the government itself, from the point of view of individual agents who have existed as private entrepreneurs in the industry over these past many years in the province, and from the point of view of the individual Manitoba motor vehicle operator who wants the best coverage and the best protection he can get consistent with his own democratic values. -- (Interjection) -- Yes, I will, Sir.

MR. SCHREYER: Mr. Speaker, before the Honourable Member goes on to this other aspect of his remarks, I'd like to ask him a question relating to his earlier reference to so-called potential or allegation for invasion of privacy. I'd like to ask him this - is he of the opinion that the kind of information that is being sought under the terms of this bill for use by the insurance corporation - does he regard that kind of information as being any different than the kind of information that is available now to the auto insurance industry upon payment of a fee of 50 cents or a dollar to the Motor Vehicle Branch? Is he aware that it's really the same kind of information that is being referred to under the terms of the bill?

MR. SHERMAN: Well, Mr. Speaker, I accept the First Minister's point but my concern is with precisely the kind of information that would be sought by any government corporation administering this program and would be made available to them by regulation. We really are somewhat in the dark in terms of bringing a knowledgeable assessment of this question to bear, in terms of bringing a knowledgeable insight and perspective to it because I think the First Minister will concede that under the legislation as it's presently worded the latitude and rights of the government and therefore the government corporation administering the program are vaguely wide, if not widely vague, and there is a potential and an opportunity there for infringement of basic rights in the hands of the wrong persons. Those wrong persons I don't suggest necessarily occupy the Treasury benches at the present time. It might be that in some future year, under some future administration, of some other party, that there is a latitude for exploitation there and infringement upon the rights of the individual that will be very costly and very dangerous, and it's precisely because of the vagueness of it that I'm concerned.

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

MR. SHERMAN: Yes.

MR. SCHREYER: What would be the honourable member's position if the legislation were so drawn up that on this particular point the kind of information that would be available to the public Auto Insurance Corporation would be exactly the same kind of information that is now available to the auto insurance industry on payment of a nominal fee? If that limitation were there, what would be the honourable member's position?

MR. SHERMAN: My position on that, Mr. Speaker, would be one of accordance with the regulation, with the legislation. If the government can define its investigative scope and its rights in this whole field of examination and investigation, and the purview goes no wider than that presently available to practitioners in the private industry, I would be in agreement.

But referring to my basic point, Mr. Speaker, the aspect that I want to address myself to on this proposed legislation in these few minutes this evening is the whole question of the workability of the plan or the non-workability of the plan, the government proposition as the case may be, and the effect and the impact it has on the sectors of the community I have already mentioned, not only the industry itself but those people who operator motor vehicles and want the best coverage consistent with their rights that they can get.

My point this evening, Mr. Speaker, is that the government scheme, the government program in my view cannot on the record and on past performance be made to work to the benefit of Manitobans. My point, Sir, is that we will be worse off under a government administered, government sponsored program of the type proposed by the present administration than we currently are under the competitive free enterprise system in the industry with all its faults, to which we now by practice if not by philosophical commitment, subscribe.

Mr. Speaker, the government has suggested that a Saskatchewan type plan is better for Manitoba than the freedom of choice system already in existence or than any other system or program that might be contemplated. The fact is that the Saskatchewan plan has been investigated on many occasions by different authorities and administrations and deliberately avoided, deliberately repudiated because it's been found wanting. The Saskatchewan plan has been investigated by Nova Scotia in 1955 and 1965, by Ontario in 1963, by California in 1967, by British Columbia in 1968 and by Alberta in 1970, and these authorities and areas and administrations and others, after investigation, have chosen not to adopt it, Sir. The government suggests that a government controlled insurance program consistently shows a better return for the premium dollar than private industry. The fact is, Mr. Speaker, that S. G. I. O.'s published statement for 1969 shows an expense ratio to premiums written as 36.17 percent and Wawanesa's published statement for the identical period states their's to be 29.8 percent.

MR. PAWLEY: Are you referring to the compulsory basic plan or the competitive portion of the S. G. I. O. ?

MR. SHERMAN: It's my understanding, Mr. Speaker, that I'm referring to the over-all, the whole comprehensive program, both parts . . .

MR. PAWLEY: Could I ask a supplementary question? Would you be prepared to review your answer now in light of statements you've made, to ascertain whether it's indeed accurate or not?

MR. SHERMAN: I'm sorry. Would the Minister repeat that question? Could the Minister repeat that question, Mr. Speaker, I didn't get it.

MR. PAWLEY: Am I correct in gathering from your answer that you are suggesting this was the combined for the compulsory and the competitive?

MR. SHERMAN: Of course where Wawanesa is concerned it's naturally a competitive.

MR. PAWLEY: . . . in connection with the Saskatchewan Government Insurance Office.

MR. SHERMAN: My understanding is that, on the basis of my information, that this is combined for the compulsory and competitive. I will explore the point and discuss it further with the Minister, but it is my understanding that it's the combined figure.

MR. PAWLEY: I think you should.

MR. SHERMAN: Mr. Speaker, there are many reasons that have been advanced for the government's desire to introduce a plan of this type but it seems to me that basically the practical pragmatic and fundamental reason is that it will provide an availability of ready cash which is always desirable in any administration. It will provide an annual cash flow of something in the neighborhood of \$30 million and this is a financial facility not to be sneezed at. This is a financial facility not to be overlooked and not to be repudiated if it can be made available to the administration in office. It's a very attractive situation to have that kind of cash flow ready and available for the immediate capital projects that need undertaking; but I suggest that if this is the basic rationale for introducing the program that it's a poor substitute for an industry that has contributed so much to the economy of Manitoba in terms of livelihood, in terms of corporate income taxes, in terms of personal income taxes and in terms of jobs.

There are a number of anomalies it strikes me in the government proposition and I'd like to discuss three or four in the next few minutes, Mr. Speaker. One of them is in the area of economies or efficiencies. Economies and efficiencies seem to provide good reason for undertakings of this sort no matter what the government of the day. Certainly we're all conscious of the need for economies and efficiencies in our province and in the nation at large; but I would ask to what extent there really are going to be economies and efficiencies available to the Province of Manitoba and the people of Manitoba under the proposed government program.

During the sittings of the Manitoba government committee on automobile insurance, the committee that was chaired by the Minister of Municipal Affairs, Mr. Blackburn supplied a figure representing the approximate total of S. G. I. O. employees and I don't have the exact figure in front of me and stand in line to be corrected by the Minister, Mr. Speaker, but it came to something like 600 persons, it was something in the neighborhood of 600 persons, and it was pointed out at that time by Mr. Harley Vannan, well known now for his forthright statements and representations on behalf of the private industry, it was pointed out that this figure represents something in the neighborhood of 100 more persons - 100 more employees than Mr. Vannan's company, Canadian Indemnity, currently employs to serve all its clients all over North America. So one is left with the gnawing question as to what kind of economies, what kind of rationale of efficiencies are we likely to end up with in this province under a program such as that proposed in Bill 56. The question of the government's mandate to introduce a program of this kind deserves some examination I think. And I don't speak of the electoral mandate, I don't refer in this instance to the percentage of the popular vote which the governments acquired last June 25th, but I refer to the submissions in the forms of briefs, presentations, representations of that kind made before the committee, made before the government committee headed by the Minister of Municipal Affairs, and the cross-examination of the witnesses that appeared before that committee to submit those briefs and presentations.

Mr. Speaker, as near as I can determine from my research of the committee hearings, there were 46 representations made to the committee that could be described as submissions, briefs or presentations cross-examined by the committee. I note that in the report, the government report, or the committee report that subsequently resulted from the committee deliberations, it's noted that the committee said it heard 56 briefs and not 46 - 56 briefs, submissions or presentations of the type that I'm referring to. But my own research discloses that in terms of briefs, submissions or presentations that elicited cross-examination and

(MR. SHERMAN cont'd) produced cross-examination, there were only 46 such representations made; 25 of them, Mr. Speaker, were not in favour of a government monopolistic automobile insurance plan, 10 of them were in favour and 11 of them had no particular comment on that subject either way.

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

MR. SHERMAN: Yes.

MR. PAWLEY: Would the honourable member wish to inform the House the membership that was represented by the 10 submissions that he referred to as being in favour of the government plan. He mentions not having a mandate from the submissions.

MR. SHERMAN: Well, I don't know whether I can give the Minister the precise breakdown of those ten but I can give him a breakdown of the 46, Mr. Speaker, and I was just about to do that. Of those 46, 15 representations were by individuals; 6 were made by labour groups; 6 were made either by insurance agents or insurance agents' associations; 5 were made by lawyers or lawyers' associations; 5 were made by insurance companies or insurance companies' associations; 3 were made by independent adjustors or adjustors' associations; 3 were from Chambers of Commerce; and 3 were categorized as miscellaneous for a total of 46. Now the committee's report, as I say, refers to 56, and I'm not sure where that other 10 may be located, but in any event they didn't produce or elicit or generate cross-examination.

The committee's report also points out that if the committee heard from 2,920 persons under the category of general public, one is intrigued by the question, Mr. Speaker, as to what this particular category consisted of, what this total of 2,920 persons was made up of. Was that 2,920 signatures on postcards or on typed one-paragraph forms or signatures on a petition or what? Or were there actually 2,920 specific individuals who made particularized representations to the committee? The inference that one has to draw is that it would have to be something in the category that I referred to first in my latest remarks, that is the category of just general signatories to petitions or cards or forms.

Mr. Speaker, the subject of maximums, maximums in terms of coverage and protection, demands at least passing reference in any conscientious scrutiny of the proposed legislation. The proposed government plan establishes maximum amounts of protection and coverage whereas under the present private system there are of course no maximums, the sky is the limit in the sense that one can aspire to as much coverage and protection as he feels capable of supporting financially, and I suggest that this thus becomes another area in which under a government program the individual would be boxed into a situation that might in a great many cases be not individually desirable.

There is the whole question of service, not only from the point of view of that given by the individual agent but the service and the service difficulties that confront people when they have to deal with a monolithic and bureaucratic organization that necessarily works on a rigid schedule of hours and has little flexibility for meeting specific individual problems. It's interesting, I think, to check on the S.G.I.O. drive-in claim centres, particularly on Monday mornings and particularly in centres like Regina, Mr. Speaker, and particularly in busy driving periods like the summertime. I'm told that in the claims centres in cities like Regina on summer Mondays drivers often have to wait in line for as long as three hours to have their claims examined, much less processed, but to have their claims examined and their representations heard.

I'm informed further that if your car isn't movable as a consequence of whatever trouble, whatever accident you were in, you, the operator, pay the tow charge to have it towed into line so that you can wait the necessary number of hours to be serviced. I think that picayune as some of these things may seem, it's important that for the sake of the widest possible knowledge of the motoring public and of the vehicle-owning public of Manitoba in this debate that these things be underlined and made known, that some of these difficulties be illuminated, because in the morass of debate over philosophy - and I certainly have not been reticent about getting into that aspect of the debate, I concede, Mr. Speaker - but in the morass of that aspect of the debate some of the minor, nagging, picayune problems that may seem trivial are overlooked and forgotten, but these are the problems that nag at and bother and harass the individual, the individual automobile owner when he is harnessed by and steered into a rigid government-operated bureaucratic program of the type contemplated in this legislation.

Mr. Speaker, I think the record of the industry in Manitoba, in any event, speaks for itself and manifests an industry and an enterprise that is deserving of much more humane and

(MR. SHERMAN cont'd) much more charitable consideration than that given it by the committee which investigated the question of automobile insurance during the fall and winter months here, than that being given by the administration at the present time.

I would like for the record, Mr. Speaker, to quote from one or two reports which I think make very compelling points on the subject of the independent industry, the individual free enterprise operation of the industry, and the first to which I want to refer is from a report of the New York Superintendent of Insurance which was made to Governor Nelson Rockefeller and I quote as follows, Mr. Speaker: "From the point of view of citizens generally, the automobile accident reparation system should be operated by private enterprise. The needs of the victim and the consumer could be as well met by a governmental automobile insurance system as by a private one, but we believe that in this country the interests of society as a whole would be better served by a reparation system operated by private enterprise with minimum operational (as distinguished from regulatory) involvement by government. The initial duty of government is reform, not absorption of private institutions that are working badly. Decentralized, variegated, responsive and smaller units of power are preferable to a monolithic and centralized monopoly of power. The reason is not efficiency; it is the desire to stimulate individual free activity, to encourage flexibility of response and healthy competition, and to guard the public against the terrible consequences when centralized power goes wrong."

Mr. Speaker, The Wootton Report had as many and as dramatic and effective things to say about the private industry's fulfillment of its responsibilities and its capacity to meet its challenges as are implicit in those paragraphs from the Report of the New York Superintendent of Insurance. In the concluding paragraphs of the Report of the British Columbia Royal Commission, the so-called Wootton Report on Automobile Insurance, we find the following charge, Sir, and I quote again: "Conclusion - Taking all of these facts into consideration" - that of course is a reference to all the foregoing in the report - "the Commissioners have concluded that

"(a) The 1946 social and economic environment of Saskatchewan, which was significant to the introduction of the very workable government plan of automobile insurance, is quite different from that which exists in British Columbia today.

"(b) Under an exclusive governmental fund there would likely be rigidities and more limited innovation which would more than offset reductions in the percentage of the premium dollar siphoned away in expenses.

"(c) The magnitude of the savings will in any event be significantly reduced under the new approach to compensation recommended in this report.

"(d) There are external diseconomies inherent in the introduction of an exclusive government fund for automobile compensation, including a reduction in the servicing available to the consumers of other lines of insurance." And finally that

"(e) Effective competition is in fact obtainable in automobile insurance and that the industry is not a natural monopoly. The injection of such competition and its preservation is possible and will result in great improvements in efficiency and fairer pricing."

Those words are from the Wootton Report, so-called, Mr. Speaker, and of course as all members in this Chamber know, the result of the extensive and intensive examination of the whole question of automobile insurance in British Columbia was a compulsory system of insurance, to which I subscribe with every fibre of my being, but one that is left in the hands of the private operators and is the responsibility of private industry to run and administer.

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

MR. SHERMAN: Yes.

MR. PAWLEY: Were the findings of the Wootton Commission actually implemented in the Province of British Columbia?

MR. SHERMAN: Were the findings of the Wootton Commission actually . . .

MR. PAWLEY: Were they actually implemented by way of legislation in the Province of British Columbia?

MR. SHERMAN: Well no, but the report of the Wootton Commission, I think, stakes out the guidelines under which the industry now operates and under which the whole field of automobile insurance is administered in British Columbia. I think I'm correct in saying that it's a compulsory commitment on the part of a motor vehicle operator or owner but it's administered by private industry, and it was the final conclusions that I referred to a few minutes ago that I say have now articulated themselves in the setup in British Columbia.

(MR. SHERMAN cont'd).

Mr. Speaker, there are a number of individual situations and circumstances that one could draw upon from one's own knowledge of individual agents and individual operators. I'm sure that some of the case histories, as it were, that have been brought to my attention in discussing this subject with different people in the last two or three months differ not very widely from the individual situations and case histories that have made themselves known to members on all sides of this House, but I would like to make at least passing reference in the few minutes remaining to me to one or two of them to point up and underscore some of the individual difficulties that confront operators in this industry now caught in this state of anxiety and indecision as a consequence of the legislation before us.

I talked to one man who has operated his own private automobile insurance business for many years, Mr. Speaker, and who had 1300 square feet of office space on Pembina Highway for which he was paying \$4.20 a square foot and on which he had a five year lease. He paid \$4.20 a square foot in rent, and then of course there was the normal tax escalation built into his costs every year, but his lease expired in December of 1968 and the rental agent for the office space was negotiating with him for renewal. The price at that point went up from \$4.20 a square foot to \$5.00 a square foot. Well, that particular agent did not renegotiate a lease for himself and did not sign up again for that 1300 square feet of space. He's now operating out of different premises. But if he had done so he would be stuck today, a year and a half later, with a lease on 1300 square feet of space to support a business which really has no equity or no value for him at the bank or in the business community at large under the present state of indecision existing in the whole field of automobile insurance. Where would he be today, Sir, if he had signed up and renewed that lease? I'm keeping an eye on the clock, Mr. Speaker, and I think that I have . . .

MR. SPEAKER: The honourable member has five minutes remaining.

MR. SHERMAN: There is another agent that I've talked to, Mr. Speaker, who bought an automobile insurance business on April 1, 1969 and he literally mortgaged his soul to get it. He borrowed money from the bank, he took out a long term mortgage, and his son gave up another business in which he was active to come in with him. Today, that operator is fraught and wrought with anxiety and worry and concern over his present circumstances and over his future.

The question arises as to the value of these individual agents and the service they perform. Well, my own experience, Mr. Speaker - and I've taken some pains to look at my own automobile insurance policy and to examine alternatives available to me - but my own experience, Sir, is that for the coverage that I have at the present time on a 1968 Meteor two-door hardtop, which consists of \$100,000 public liability and property damage; \$5,000 death dismemberment and total disability; \$25.00 deductible on comprehensive; and \$100.00 deductible on collision or upset; my rate is one of five that could be available to me by shopping around and dealing with different companies and working through individual agents who broker for different companies. And I'm not paying the cheapest rate that I could get, which may strike my honourable friends opposite as being absurd, but I'm only paying the second cheapest rate I could get because under the rate I've got, working with the agent that I've got, I have considerations in terms of credit, in terms of deferred payment that I've found very valuable over the years. If I were to go to the company that would give me the cheapest rate, I would have to pay my account in full within 15 days.

And just let me say, Mr. Speaker, and I notice that you're urging me on, but I would like just for the record to compare the rates that could be available to me. I presently, for that kind of coverage that I have described in the House, Mr. Speaker, am paying \$136.00, which may seem high, but I have young people in my family and use my car for different purposes other than personal use. I'm paying \$136.00. There is a rate that I could get with the same type of coverage, a rate of \$104.40 which I've contemplated getting, but as I've said, I prefer the deferred payment benefits available to me under my present arrangement and so I haven't been in any hurry to change. Another company would offer me a rate of \$133.00 on that coverage; another one \$147.00; and another one \$153.00; so in other words I'm giving you five rates, Sir, ranging from \$153.00 down to \$104.40, and I presently am taking the fourth one down the list of \$136.00.

Now those rates vary for various reasons, because some companies have greater claims against them, some companies have greater expenses in terms of overhead, in terms of staff,

(MR. SHERMAN cont'd) in terms of the areas in which they operate in the country and in the continent at large, and this of course is the free market system. But my point is that this is the spectrum of choice that is available to me and to the Minister and to the First Minister and to every Manitoban under the currently existing program, and under a compulsory monopolistic state-induced and state-supervised program, that precious right of freedom of choice, that precious spectrum of opportunity and differential would not be available.

Hence, Sir, I reiterate the point I made in the opening stages of my remarks, that my feeling and my case this evening is not a philosophical one, it's simply that, on the record, a government operated monopolistic program cannot do for the drivers and for the people of Manitoba what private industry and private enterprise can do. The people of Manitoba are better off under private enterprise and under private industry. Some of these minor points that have not been brought out and that don't loom large in the headline aspect of the debate, I think need underscoring and illumination and that's my reason for dwelling in these specific mathematics.

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I would first like to set a few matters straight in my contribution on Bill No. 56, and I would refer to statements made by the Honourable Member for Sturgeon Creek, and it's unfortunate he's not here this evening but perhaps he will read them in Hansard. These are statements, Mr. Speaker, that he made regarding automobile insurance in the Province of Saskatchewan. The honourable member stated in Hansard of May 14th, on Page 1915, that the Saskatchewan government has had many losses and rates are continually going up right through to the last five years.

I would like to refer the Honourable Member for Sturgeon Creek to the part of a speech made by the Honourable Dave Boldt, the Minister of Automobile Insurance, or the Minister in charge of automobile insurance in the Province of Saskatchewan, in which he says criticism of government auto insurance that really astonishes him is the statement made by some insurance industry pundits that Saskatchewan rates are higher than other territory. Mr. Boldt, Mr. Speaker, is in a position to know better than this. "Saskatchewan government auto insurance rates," he stated, "will not increase in 1970 for private passenger cars and farm trucks, and this makes the third successive year that the line has been held in Saskatchewan." Now, I would say, Mr. Speaker, and I would ask the Honourable Member for Sturgeon Creek to ponder this for a bit and then tell us where this has happened elsewhere in North America in the past three years.

There are some other inaccuracies in the statements made by the honourable member. On Page 1913 of Hansard, in referring to the committee that recommended compulsory auto insurance, he said that one member of the committee was a man who had set up the government plan in Saskatchewan. Well this is not so, Mr. Speaker. The Honourable Minister of Municipal Affairs, the Chairman of the Committee and the other two members, Mr. R. D. Blackburn and Mr. Frank C. Pagan, did not set up the government automobile insurance plan in Saskatchewan. So there's another inaccuracy.

Mr. Speaker, the other day, I believe it was Friday, the Honourable Member for Wolseley on Page 1939 of Hansard stated: "I have never in my life known a government agency to be more efficient than a private industry." Mr. Speaker, this is a sweeping condemnation of the civil servants, at whatever level of government. The Honourable Member categorically condemns federal, provincial and local civil servants, many of whom are dedicated and hard-working people. He condemns employees of the Canadian National Railroad, a Crown corporation, the Manitoba and City Hydro which are Crown corporations, and Manitoba Telephones; he condemns them for being inefficient. And also, Mr. Speaker, the honourable member condemns civil servants in the provincial government in this sweeping statement.

I would like to pose a question to the Honourable Member for River Heights - unfortunately he's not here either this evening. I would like to pose a question to the Honourable Member for River Heights. Does he agree that civil servants in the Department of Industry and Commerce are or were inefficient? Was the former Deputy Minister inefficient? And also, would this apply to other departments?

Now during the debate the Honourable Member for Wolseley mentioned that he had spent six years in the Canadian Armed Forces. Having also had that experience, Mr. Speaker, I'm sure he will agree with me that the Canadian Government Armed Services, a government operated monopoly, conducted one of the finest and most efficient operations in this country

(MR. JENKINS cont'd) or any other and it's still doing so.

In the debate on Bill No. 56 on Page 1887 of Hansard of May 13th, the Honourable Leader of the Opposition stated that the bill authorizes the corporation that will be set up. It authorizes the corporation itself to pry into the privacy of private citizens involved in accidents, whether it be medical records, hospital records, police files, social welfare records or the tapping of private telephones.

Well, Mr. Speaker, I have news for the Honourable Leader of the Official Opposition. Under the present system such methods are already used by the insurance companies to determine their rate structure. In an article in the Labour Statesman of November 1967, David A. Randall, a former automobile insurance adjuster and author of a successful book, "Dollars on the Highway" - and I'll table this if you wish - Mr. Randall said insurance rates are inflated for yet another reason - confidential reports on insurers. It's a real cloak and dagger operation that the insurance companies mount. They don't ask reliable persons to vouch for potential insurers, moral habits, financial backgrounds, general health, they ask your neighbours of all people. Insurance companies seem to like their role of snooping, prying and spying into people's lives. Evidently, Mr. Speaker, the Honourable Leader of the Official Opposition feels that it's quite all right for insurance companies to pry and spy upon potential customers, but he would deny - he would deny the government corporation the right to determine the facts of people involved in accidents from reliable sources.

Concern, Mr. Speaker, has also been voiced by opponents of Bill No. 56 that Medicare and hospitalization would subsidize auto insurance. This would not be the case here in Manitoba, although this is what has happened, probably is still happening in British Columbia, where the private insurance industry is running compulsory auto insurance with the B. C. Government's blessing. Again, Mr. Speaker, I would like to refer to Mr. Randall's statement of November 1967 when he said the British Columbia Hospital Insurance Service, which is a government agency, has paid vast amounts of money for medical care for automobile accident victims. These vast amounts should have been repaid to the service by the insurance companies involved, but Mr. Randall stated that in his experience in the field the actual amount repaid has never been questioned by anyone, let alone the B. C. government. The cost of medical and hospitalization for accident victims in Manitoba will be borne and paid for by the compulsory government operated auto insurance plan. People who do not drive will not have to subsidize the government auto insurance plan.

Mr. Speaker, again I would like to refer to Hansard and also to two statements made by two members, honourable members of this House, dealing with compulsory auto insurance. On May 13th, on Page 1920 of Hansard, the Honourable Member for Sturgeon Creek, in reply to a question put to him by the Honourable Member for River Heights, said he was not opposed to compulsory insurance any more than he was opposed to compulsory education at certain ages and levels. He's opposed to government monopoly run compulsory insurance and is for freedom of choice in any shape or form. And I say here right now, Mr. Speaker, that there are two choices, there are two freedoms of choice involved. The freedom of choice of the public to choose the company of their choice, but there's also the freedom of choice of the auto insurance industry not to insure the motorist, and the latter choice is the one that I will deal with here.

Mr. Speaker, the Consumers Report of January 1968 - for the honourable members I will table it - and it says, "It is no longer possible to overlook the basic flaws in automobile liability insurance. The nature of complaints has been well publicized. Insurance companies cancel policies on the flimsiest of pretext, or, without explanation, refuse to renew them. Motorists with previously unsullied driving record may lose their coverage because of one major accident or one too many minor claims, or they may be left uninsured when a company severs its ties with an agent or decides not to underwrite cars in a neighborhood with a high accident rate. People have also had policies cancelled because they were divorced, behind in their debts, parents of teenagers, inducted into the army, or for no stated reason at all. Furthermore, insurance companies are becoming terribly selective about whom they will insure in the first place. Agents are instructed variously to look at twice, or even refuse a prospect who is young, old, has a frivolous nickname like Shorty, works as a musician, a barber, a doctor, undertaker, or even, so it seems, a Minister of God. The job of an agent is to skim the cream off the market, the cream being the middle class, the middle-aged suburbanite with no children of a driving age, with hardly any accidents on his record and preferably with lots of non-automotive insurance needs.

MR. SPIVAK: I wonder if the honourable member would permit a question?

MR. JENKINS: When I'm finished. Mr. Speaker, the Honourable Member for Assiniboia on Page 1503 of Hansard on May 1st says if we, the government, are so concerned and interested, why not set up a Crown corporation, but say all right we'll compete, and if we're more efficient, let others fall by the wayside. These are the arguments, Mr. Speaker, advanced by the opposition members. They are for a compulsory scheme but let the insurance industry run it. In other words, Mr. Speaker, let us deliver over 400,000 licensed motorists in Manitoba to the auto insurance industry. This is what the opposition is prepared to do to the citizens of Manitoba. Governments have tried it in B. C., New York, New Jersey and other places. It just hasn't worked out and we do not intend to let the sad experience of other jurisdictions happen here. What the motoring public of Manitoba can expect, if this type of compulsory auto insurance were adopted, can best be summed by the comments of Allan Fotheringham in the Vancouver Sun of December 13th, 1969, when he said "not only had the B. C. provincial government double-crossed the motorist on auto insurance, but B. C. Attorney-General Les Peterson had been double-crossed by the auto insurance industry."

MR. BILTON: That's one man's opinion.

MR. JENKINS: After being ordered into compulsory no-fault insurance by the British Columbia government, the private insurance industry in British Columbia raised its rate \$22.00, and B. C. Attorney-General Les Peterson, in introducing the Bill on second reading on March 29, 1969, had stated that, as an over-all average, the motorist in British Columbia would receive about a \$24.00 decrease in premium. Well, Mr. Speaker, by turning administration of compulsory auto insurance over to the tender mercies of the private insurance industry in British Columbia, the motorists were subsequently faced with a 25 percent increase in premiums. This, Mr. Speaker, is an example of what the motoring public can expect under a compulsory auto insurance plan run by the private insurance industry. In other words, Mr. Speaker, it just didn't work; the insurance industry's answer was to hike the rates.

There's another aspect of automobile insurance, Mr. Speaker, that has not been touched upon in debate so far. The unmarried, under 25 driver who is penalized for one thing, for simply being young. Mr. Speaker, I have a young constituent who is 21, unmarried, has been driving for 2 1/2 years with no accidents or claims. He received his insurance policy renewal and his rate increase for six months is 33 percent - 33 percent - that's his increase. There are many young drivers in Manitoba who possess excellent driving records who, as a class, are penalized for one reason, their youth, before they even start their driving career. Under the proposed compulsory government auto insurance the young driver will be judged on his driving record like any other motorist and will be covered for his auto insurance needs at a reasonable cost, thus providing greater protection not only for himself but for the rest of the motoring public, especially since the Unsatisfied Judgment claim system will be abolished. This latter should have been called, incidentally, the "Unsatisfactory" Judgment Claims Fund since it protected neither the victim nor the one at fault, but it was the only form of auto insurance some drivers could afford because of the high costs of auto insurance rates.

We of the government side are convinced that compulsory government operated auto insurance will result in better insurance protection at at least 15 to 20 percent less cost. This has been proved in Saskatchewan. I think here's your proof; and it's been proved over a period of 24 years. And Saskatchewan's Premier Thatcher, staunch free enterpriser that he is, he has not yet been able to find a better substitute for that province's compulsory auto insurance. In fact he even challenged the industry to come and give him one that was better and he's still waiting. As a matter of fact, Mr. Thatcher was recently criticized by H. B. Vannan, an official of the Insurance Bureau of Canada who accused the Saskatchewan Premier of contemplating his navel instead of doing battle for the private insurance people in Manitoba in their struggle against the New Democratic Government.

Mr. Speaker, the demonstration that took place in front of this Legislature on April 29th emphasized only one thing - the rights of the insurance agents and companies. The demonstrators were not concerned with the rights of Manitoba motorists - over 400,000 of them, Mr. Speaker - to a better value for their insurance dollar. The demonstrators' comments were this: "My business, my job, my freedom to be in the insurance business is threatened by government auto insurance." Not one of the demonstrators was willing to concede that the motorist in the Province of Manitoba had rights also. And one of their spokesman, Graeme T. Haig, a lawyer, said Just because the NDP had promised the voters government auto insurance

(MR. JENKINS cont'd) was no reason that they should go ahead with it. Maybe this is all right for the Liberals and the Conservatives over there. You can make election promises and when you're elected not keep them, but this government makes promises, we're going to keep them.

Mr. Speaker, this is the stand that the Opposition has taken also. They've even gone further, Mr. Speaker. The Opposition now wants to determine if and when we introduce our election promises and even the sequence in which we will introduce them. Mr. Speaker, the First Minister has said, and it has been reiterated by the Minister of Municipal Affairs, that compensation will be considered for those whose basic livelihood is threatened by the introduction of government auto insurance. This is fair enough. The government has no wish to deny such legitimate claims, but these will have to be proved -- (Interjection) -- and what about the boilermakers and the blacksmiths and others that were out because they were told that they were featherbedding? Nobody worried about those people.

MR. McKELLAR: Were they put out of a job by the government? No.

MR. JENKINS: What the government is concerned with here is that the demands of this very small minority will not take precedence over the wishes of the majority of people in Manitoba who elected this government and its policies. The major responsibility, Mr. Speaker, of representative government is to enact their election promises. This government was given a mandate by the people of Manitoba and we are prepared to get on with the job. We are ready to stand or fall on this issue and let the electorate of Manitoba be our judge, be it now or three years from now.

MR. SPIVAK: Mr. Speaker, I wonder if the honourable member will submit to a question now? One so far. I wonder if the honourable member can inform the House whether he knows of one case, he personally knows of one case, of a person who found it impossible to obtain auto insurance when he required it?

MR. JENKINS: Mr. Speaker, I have known of cases of people who have had to run hither, yon and there trying to get auto insurance because they have been refused, and not because they've had bad driving records either.

MR. SPIVAK: Mr. Speaker, just a supplementary. Again - but my question -

MR. JENKINS: One question only. I'm not here to be cross-examined by a poor man's...

MR. SPIVAK: I wonder if the honourable member would answer my question then. I won't repeat it. I would just like an answer - one case of a person who has been refused and has not been able to find ultimately auto insurance coverage. -- (Interjection) -- I asked him; he's the one that made the statement.

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

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I don't rise to make a lengthy speech tonight nor do I rise to start to make comparisons in cost of insurance and coverage between Manitoba and Saskatchewan, because I'm really not that knowledgeable actually in what the facts actually are as to actual costs except for my own personal experience. I happen to live on the Saskatchewan border and I happen to have friends and I happen to have relatives from that side of the border in Saskatchewan who drive automobiles and trucks that are valued about the same as that that I drive and I have discussed from time to time over the years their costs and I find them very little different actually. Very little different, Mr. Speaker. The only difference that I find in Saskatchewan is that there is one industry there that is now - I was going to say redundant - it is non-existent in Saskatchewan. So that is all that I am going to say as far as rights are concerned, Mr. Speaker.

But I do want to speak for a few minutes on priorities, actually, and what I like to term this Bill 56 as "Operation Demolition". And I want to say a few words on Pavlov's dogs. I think maybe it might be a good time to discuss Pavlov's dogs tonight, Mr. Speaker. Priorities have been introduced into this House tonight in the process of demolition in the Province of Manitoba by the government, and Pavlov's dogs have also been introduced to the House and I'll talk about Pavlov's dogs a little bit later, but I want to talk about priorities first.

We now are considering a Bill that will completely wipe out a major industry in the Province of Manitoba. And what percentage of the cost of operating automobiles in the Province of Manitoba does the insurance business comprise? I listened to the Member for - is it Winnipeg Centre? - this afternoon, who mentioned just off the top of his head, I believe, that roughly about \$1,200 is the cost of operating an automobile on the highways in the Province of Manitoba. I think that he's conservative in that figure. I believe that it's more. My own figures roughly come to about oh, \$1,500 that the average automobile driver in this province pays for his capital investment, for his total cost of operation including insurance. What percent of that cost of insurance or what amount, what is the average insurance paid by the average motorist? \$100.00? Is it less? We'll say it's \$100.00. So we're talking, Mr. Speaker, in the demolition of an industry, we're talking about a saving, that is not proven, of 15 percent, of nine percent of the total cost of operating an automobile, so we're getting down in the area of about one percent, or is it less? There's nobody really can tell what it is going to be because we're talking here not about percentages but about a principle in a Bill and we're talking about the principle of demolition. And I want to ask the government, I want to ask the Minister of Municipal Affairs, why does the government start on one of the major industries in this province, one of the major provincial based industries. Why don't we start, for instance, in the rubber industry. I'm talking about tires. Why does the government not consider that the cost of tires that it takes to roll my car over the highways for a year is more than the cost of my insurance? You know, we could talk to the labour unions about this for instance. Where is the cost of tires involved? Is it in the cost of the rubber? Is it in the cost of transportation? Is it the cost of processing? Why are we not starting on the tire industry? Or are we going to? The First Minister has pointed out that the government have no intentions of going any further, at this time. No intention of going any further at this time, but when are they going to start on the tire industry? Are they going to take over the tire industry? Are they going to start manufacturing? Is there going to be a provincial based tire manufacturing set up in the Province of Manitoba? No. My honourable friend the Minister of Transportation says no, they are not going to. They are just after one company right now. One at a time.

I wonder what about the gas, the fuel industry in the province? Over the Province of Manitoba we have hundreds and hundreds of service stations. You know we could do without them, really couldn't we, if the government wanted to nationalize them? Why are we not going after Gulf or Esso or any of these companies actually that are engaged in providing a service up and down our highways, good highways, even if the Minister of Transportation called them Tory Cowpaths, I still say that up to the point where we left off that they still were still good highways. I'm informed now that actually the highways are deteriorating. I'm informed of this. I see it as I drive over the highways. But I'm just asking my honourable friends, what about the gas industry? Who is next in line in the process of demolition? Nobody wants to say. My honourable friend, the First Minister has said at the moment we are not going to touch anybody else. It's the insurance industry. Is it one percent of the total cost of operating automobiles on the highways of the Province of Manitoba? Is it one and a half, or is it half of one

(MR. WATT cont'd.). . . . percent? My honourable friend doesn't say. But he has said that at the moment we are after this one industry, and I am asking why not start on something that is bigger?

What about the cost of replacing a fender on an automobile at the moment? What about the cost? Information that I have is that it costs about \$250.00 to replace one fender. Why should we not nationalize? Why not nationalize the automobile industry in the Province of Manitoba.

MR. SCHREYER: Are you asking? Do you want an answer?

MR. WATT: I've had your answer. Your answer has been and your answer is now that at the present time we concentrate on the one industry; we demolish the one industry. And once we have consolidated and we have got our people taxed to pay, to replace what it had cost the Province of Manitoba to demolish that industry, then probably the tire companies will be next, probably the electrical people will be next. It doesn't make sense to my honourable friend. No. It doesn't, I know. It doesn't make sense to him because basically he is a Socialist and where the offspring of Marxists are concerned, nothing really makes sense. No? He doesn't agree with that. I know he won't agree with it, Mr. Speaker. I think you would agree with it since you disassociated yourself when you became Speaker of the Socialist Party, I think that you would agree with it. -- (Interjection) --

MR. SCHREYER: I'm about as much of a Marxist as my honourable friend, and he knows it.

MR. WATT: I'm just asking my honourable friend questions in my speech, Mr. Speaker. I pointed out at the outset that I was not going to start in comparative figures as far as costs were concerned of insurance in Saskatchewan, under Saskatchewan monopoly, government monopoly as compared with free enterprise in the Province of Manitoba. I just pointed out at the outset of my remarks that across the line in Saskatchewan my friends and my relatives across there see very little difference in their costs over there as far as their insurance is concerned, except that they have lost their industry. No, no difference. So I'm asking my friends opposite these questions, who is next on the line, and I think basically that is what the people in the Province of Manitoba are asking. If government monopoly on automobile insurance is forced on us at this time by a minority government, what will be next?

I said at the outset of my remarks, Mr. Speaker, that I was going to talk about priorities and where we go from automobile government monopoly on automobile insurance, that I wanted to talk too for a few minutes about Pavlov's dogs, and as I said at the outset I did not introduce Pavlov and his dogs into this House. The First Minister did. -- (Interjection) -- Ask the First Minister. I'm really not conversant with what goes on behind the Iron Curtain but I understand since the Minister has introduced Pavlov and his dogs into this House -- Pavlov is some Russian apparently that did for some reason or other win a Nobel Prize about 50 or 60 years ago, but he also had a bunch of dogs, and apparently these dogs were trained, and we certainly have got plenty of trained friends on that side of the House, and my learned friends over here will agree with me. -- (Interjection) -- I don't say that they are not all trained over there because I think there are some learned people on that side of the House, but I wish they were all in here so I could select them out and point out which are trained and which are learned. But I want to say this to you, that I am not familiar with Pavlov and his dogs. I read about them after I heard the First Minister introduce them into the House and I thought, My God, who is Pavlov and what about these dogs? And it turns out that Pavlov, apparently some Russian, had trained a bunch of dogs, and they jumped and they drooled and they barked and they ran every time a bell rang. -- (Interjection) -- Now let's take a look around that side of the House because we've got a vote coming up here shortly that will decide whether Manitoba will go into monopolies on our industries and how - now just a minute. I want to say this, Mr. Speaker, that I don't really believe - I think the First Minister is gentleman enough that he did not introduce Pavlov and his dogs, he didn't introduce the term "dogs" really in the derogatory manner. I don't think he directed that across to me on this side of the House nor to my friends, my colleagues here, not in a derogatory manner, I don't believe he did, but I think he was using it as something to indicate that we jumped every time that somebody snapped a

MR. SCHREYER: Mr. Speaker, I'm wondering if the honourable member would remind me just in what context I used that expression because I don't recall using it in description of my honourable friends opposite. I just don't recall that.

MR. WATT: Could we just have a recess for a minute, Mr. Speaker, while I

MR. PAULLEY: It might be advisable for a recess for my honourable friend to collect his thoughts.

MR. WATT: It's on my own time, Mr. Speaker. -- (Interjection) -- No, I can't find it right now but I assure the Honourable First Minister that I can find it for him.

So I say, Mr. Speaker, that in the instance that he used the term Pavlov's dog, that probably to some extent we were or could be considered to be dogs in the context of what I have said to my honourable friend, that he did not send across here in a derogatory manner, and so I use the same term when I'm talking to the dogs on that side in the same context and I hope that honourable members will accept.

What I want to know, Mr. Speaker, is how well trained -- first, who is Pavlov on that side of the House, because before you've got dogs you've got to have a Pavlov. Right? Is it the Member for Crescentwood up there? Has he been doing the training or is it the absent Minister of Mines and Natural Resources or is it the First Minister? Who is Pavlov over there? And when it comes to the vote in this House, it's the Pavlov, whoever he is over there, how many of the dogs are going to follow him? Have they been well enough trained? What about the Member for Rupertsland? I wonder how he'll do on this issue?

MR. ENNS: He's not well trained.

MR. WATT: Anybody got any idea how the Member for Rupertsland is going to vote in this issue? -- (Interjection) -- My guess is that he hasn't, that Pavlov has not offered him enough meat so he doesn't jump when the bell rings.

MR. ENNS: He's wearing a tie now.

MR. WATT: And I wonder about the Member for St. Boniface. Does the Member for St. Boniface yet know who Pavlov is?

MR. DESJARDINS: That's right. I haven't the faintest idea, but I wish you'd talk about pussycats for awhile, I'm getting fed up....

MR. WATT: Perhaps it's the First Minister, he's been behind the Iron Curtain.

MR. DESJARDINS: Which one?

MR. WATT: I'm not quite sure. Maybe it's the Member for Crescentwood.

MR. DESJARDINS: Tell me when you find out.

MR. WATT: Or maybe it is the First Minister or the Minister of Mines and Natural Resources that has been behind the Iron Curtain. I'm not quite sure who it is, but we're all curious on this side of the House, aren't we? We're all curious to know if the Member for St. Boniface has had sufficient bait offered him so when Pavlov rings his bell that the Member for St. Boniface will stand up and vote.... Manitoba no other province or no other state in the North American continent.

A MEMBER: If you know Pavlov, all you need is a bell.

MR. WATT: Will you sit down in your seat. If you want to talk go round to your seat.

Well, Mr. Speaker, I really don't come to this interesting session tonight with the figures that some of my honourable and learned friends have brought in here tonight, but I talk about the principle of the Bill. That's all we've got to offer; that's all the government's got to offer is the principle. The Member for The Pas, reading out of Hansard, was quoting Sterling Lyon the other day on a speech that he made on regulations and tried to draw comparisons. He said this is only a normal natural Bill coming into the House and that we've seen many before or in effect. The Province of Manitoba has never seen a Bill like Bill 56 in the history of 100 years - never before. Never before has the House been divided as it is now. Never before has the House been divided on a major issue in the Province of Manitoba that we are on Bill 56.

MR. SCHREYER: Nonsense.

MR. DESJARDINS: Want to bet?

MR. WATT: I don't want to bet right now. I haven't got the type of money that you raise on your plantation. I'm not a betting man. I say that there was never a Bill of the importance that applies to every person in the Province of Manitoba than what is before this Legislature right now.

MR. DESJARDINS: That's not true; that's not true.

MR. WATT: That's before this House with a government that has not got a mandate and that depends on one member, a supporter of that government, one supporter of that government from St. Boniface. Does he know if he's going to jump when the bell rings?

MR. DESJARDINS: I don't know. I get the same pay....

MR. WATT: When Pavlov rings the bell? It remains to be seen, Mr. Speaker. I just say to my honourable friend, talk to whoever was behind the Iron Curtain, whoever brought

(MR. WATT cont'd.). . . . back the story and brought it to the House about Pavlov and his dogs. And I'm not suggesting for one minute that the Member for St. Boniface is a dog; it's the First Minister that did. It was the First Minister that brought it into the House.

MR. DESJARDINS: That's kind of white of you. I was hoping there for a while.

MR. WATT: Thank you, Mr. Speaker.

MR. DESJARDINS: Don't go any lower than that, that's low enough. I'll settle for a dog.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I regret that I was not here to hear all of the remarks of my honourable friend the Member for Arthur, but I want to assure him that despite any suggestion in relation to Pavlov and dogs, I want to assure him, Mr. Speaker, and all of the members of this Assembly, we're not a bunch of puppies. I want to assure my honourable friend that those of us on this side of the House have approached this whole question of automobile insurance after due consideration, without dictation and an open mind. And I want to say, Mr. Speaker, when we're talking of minds, at least on this side of the House we have minds that are capable of discrimination and investigation and I wonder whether or not, Mr. Speaker, we could attribute the same process of evaluation to my honourable friends opposite.

My honourable friend the Member for Arthur has made references in the last moment or two to the importance of this Bill and also to the peculiar situation, in his opinion, and not in the opinion of anyone else, that the government now finds itself in insofar as support. I don't know whether or not my honourable friend - and I hope my friend from Roblin will just keep quiet for a moment or two - I wonder whether or not my honourable friend the Member for Arthur, when he speaks of the importance of this Bill and the direction of this government, recalls a statement made in this House by a former Premier of the Province of Manitoba in respect of a \$63 million construction of the Red River Floodway and the statement of the former Leader of the once important Progressive Conservative Party of Manitoba, the Honourable Dufferin Roblin, when he said, in the face of criticism of an expenditure of \$63 million, that, "if necessary, we'll go it alone." If I recall correctly at that particular time, Mr. Speaker, the situation in the House was somewhat similar to what it is at the present time. -- (Interjection) -- Oh, no? Were you here my honourable friend? Was the bobolink from River Heights here? -- (Interjection) -- He was not. Was my honourable friend who attempts to be the imitation of Diefenbaker, was he here? Then I respectfully suggest, I respectfully suggest to my honourable friends opposite that they go back and read a little bit of history in this House as to what happened once.

MR. WATT: Could I ask a question of the honourable member?

MR. PAULLEY: After I'm finished. After I'm finished. I didn't interrupt my honourable friend when he was talking of dogs and Pavlov and the like, and I'm sure that my honourable friend will give me the same courtesy as was given to him from this side of the House during his dissertation or whatever it was that he was giving to us a few moments ago.

But I want to say, Mr. Speaker, I've listened with a great deal of interest to the babbling of the likes of the Member from Morris. . . .

MR. WARNER H. JORGENSEN (Morris): I didn't say anything.

MR. PAULLEY: No, you haven't, and in that, Mr. Speaker, I agree with my honourable friend the Member for Morris that he hasn't said anything since he entered this House.

MR. JORGENSEN: Wait till I get into the debate.

MR. PAULLEY: In his gesticulations and the likes of that I would attribute to him some expertise, but as far as contributions in the House, I agree with what he has just said, he hasn't said anything since he became a member of the House, and I'm sure, Mr. Speaker, that you will not fault me because these are not my words, they are the words of the Honourable Member for Morris.

MR. McKELLAR: Mr. Speaker, could I ask the honourable member a question?

MR. PAULLEY: After I'm finished. As I said, Mr. Speaker, I have listened with a great deal of interest to the participation -- (Interjections) -- Well, when the rabbling, babbling members opposite will just keep quiet, maybe I can continue. But I have really listened with a great deal of interest to the rambling babblism of my friends opposite, and if I'm coining a phrase, it is of their construction and not mine because they are attempting, Mr. Speaker, to suggest that this government is entering into something new insofar as automobile insurance is concerned.

MR. SHERMAN: That's the last thing we suggest.

MR. PAULLEY: I've had the opportunity, as my honourable friend from Souris-Killarney is aware, I've had the opportunity in this House to fight for and to propose a look at the automobile insurance industry in Manitoba ever since I first became a member of this House back in 1953 - and I'm not bragging now because I happen to be one who has served longer than anybody else in this House - but this is nothing new, Mr. Speaker, this is nothing new, Mr. Speaker, insofar as the philosophy and the direction of the CCF Party and the New Democratic Party in government, and for my honourable friends to now talk about "give us time," heavens to Betsy, Mr. Speaker, ever since there was a New Democratic Party, ever since there was a CCF Party in the Province of Manitoba, we've been fighting for what we're going to do in this session of the Legislature, and that is to institute a system of government operated automobile insurance that has as its basic policy the protection, the protection of motorists, of pedestrians, and all of the people concerned in the Province of Manitoba. This is our objective.

My honourable friends now, if news reports are correct, are now making suggestions that rather than the government proceed with Bill 56, that they should give the industry an opportunity of reassessing their deficiencies that are so historic in Manitoba. I say, Mr. Speaker, that the automobile insurance industry in Manitoba have had the opportunity. -- (Interjection) -- I'll tell my honourable friend the deficiencies. If he would only read the report.

MR. SPIVAK: I read the report. Now you tell us the deficiencies.

MR. PAULLEY: My honourable friend hasn't read anything except the platform of the -- I almost was going to say the Progressive Conservative Party, but even now the young Progressives are beginning to say, don't call us Conservatives and don't associate ourselves with the likes of the Honourable Member for River Heights. They want to disassociate themselves now and I can say this particularly -- (Interjection) -- Oh, it is a shame as far as you reactionaries on that side of the House are concerned, but I do, Mr. Speaker, give to the young people of the Conservative Party a little bit of credit because they realize the deficiencies of the Honourable Member for River Heights and the Honourable Member for Fort Garry and the rest of the ilk that are on that side of the House at the present time.

MR. SHERMAN: You forgot the Member for Morris.

MR. PAULLEY: The only thing, Mr. Speaker, I would suggest is it's darned near time that you fellows realized your deficiencies and mend your ways in order to become a little progressive. As a matter of fact, Mr. Speaker, there was a time in the 100 years of Confederation, or association of Manitoba with Confederation, that the Conservative Party were a little progressive.

MR. BILTON: Did you hear the bell, Russ?

MR. PAULLEY: And I go back to the grandfather of the former Premier of Manitoba, Rodmond Roblin, who took over telephones and the like. They were progressive fellows, but boy, if he ever came back today would he hang his head with the direction that is being received now from that bunch of tripe on the other side.

A MEMBER: Oh now, Russ.

MR. PAULLEY: Talk of monopoly in insurance, Mr. Speaker? I have in my office a filing cabinet that is filled with representations that have been made over the years by the automobile insurance industry -- (Interjection) -- I admit, Mr. Speaker, my honourable friend from Souris-Lansdowne has said that we haven't seen anything yet, and I'm going to tell you, maybe he's right.

MR. SHERMAN: Tell us about aid to separate schools, Russ.

MR. PAULLEY: I'll tell you that when we get down to that resolution, and in that instance, Mr. Speaker, I want to say to my honourable friend the Member for Fort Garry, I'll just be as honest in that as I am being honest in this, and I suggest to my honourable friend that if he were but as honest in this as he may be in aid to private schools, he would change the story that he may be preaching at the present time in respect of automobile insurance. So I challenge my honourable friend to be honest in this House, as I claim that I have been over the years that I have been in this House, and that I have carried on the fight for the type of government automobile insurance that is contained within the Bill that is before us at the present time.

My honourable friend the Member for Arthur a few moments ago was talking about the question of monopoly in automobile insurance.

MR. MCKENZIE: Government monopoly.

MR. PAULLEY: This has been said -- (Interjection) -- yes, that's right. My honourable friend from Roblin chips in, as he's wont to do, and I question sometimes, Mr. Speaker, my honourable friend that when he chips in whether it's done after some mental assessment or whether it's just because my honourable friend is so ready to chip in and be just a little bit chippy without any consideration of the mental process and I'm sure my honourable friend was blest, originally, with some intellect. What happened in his age of maturity I don't know and maybe sometime he can come along and tell us about it. But we talked of the monopoly in insurance.

I don't have to remind my honourable friends opposite or the Liberal Party insofar as monopolies are concerned, that the Conservatives under Rodmond Roblin brought in monopolies in the Telephone System, that D. L. Campbell, when he was Premier of the Province of Manitoba, brought in monopoly insofar as Hydro is concerned, with Manitoba Hydro, and allowed the other competitive agency, the Winnipeg Hydro Corporation which is publicly owned, to carry on. Do I need to remind my Liberal friends that back in 1958 just prior to the election of 1958, that the former Minister of Health and Welfare, Bobby Bend,

MR. ENNS: What's that name again?

MR. PAULLEY: Bobby Bend that nearly beat you, and I don't know whether or not he shouldn't have done because maybe it would have been better for Manitoba, but I leave that to you, my dear friend. But Bobby Bend as Minister of Health and Welfare in 1958 just prior to the election at that time brought in a system of publicly operated hospitalization insurance for the Province of Manitoba - a monopoly. Has my honourable friend the Member for Arthur forgotten that? Can I remind my honourable friend that the Conservative Government of Manitoba, the Conservatives, Mr. Speaker,

MR. WATT: What was the industry at that time?

MR. PAULLEY: Pardon?

MR. WATT: What was the industry?

MR. PAULLEY: What industry? The Blue Cross operated by the doctors. And then, Mr. Speaker, can I remind my honourable friend the Member for Arthur that it was a Conservative administration who are so much the proponents of free enterprise brought in Medicare in the Province of Manitoba, and you're proud that you did it, and you fought bitterly some of the members of the Liberal Party who said that they should be retained in the area of free enterprise. But you rammed it through, you rammed it through

MR. ENNS: With your support.

MR. PAULLEY: Yes, my support because I believe

MR. ENNS: So did we.

MR. PAULLEY: I believe in government enterprise on behalf of all of the people of the Province of Manitoba, and at that time even my honourable friend the Member for Lakeside agreed that because it was in the interests of the people of Manitoba, and now because they're on that side of the House, because of the control of the automobile insurance industry my honourable friend is taking a different tactic entirely.

MR. MCKENZIE: I can pick my own doctor.

MR. PAULLEY: Yes, Bennett's right, you can pick your own doctor. But maybe your doctor won't want to pick you; there's a difference. And my honourable friends now in this debate -- well, no comment. Now my honourable friend the Member for Arthur is talking about demolishing an industry. What poppycock, what absolute nonsense.

MR. WATT: Where's it going?

MR. PAULLEY: What is the purpose of the industry? What is the purpose of the automobile insurance industry? The purpose of the automobile insurance industry is for the protection of those who are injured as a result of accidents on the highways. The other day when I was listening to some of the tripe that has been emanating from that side of the House, reference was made to the circumstances under which government automobile insurance was brought into effect in the Province of Manitoba -- you just keep your rambling until you take part in the debate. And the reason was because the situation then prevailed in Saskatchewan as it is here in Manitoba.

MR. MCKELLAR: There was no cars then 10,000

MR. PAULLEY: That is wrong and my honourable friend knows it. And I want to say to my honourable friend, we understand each other. He was one of my biggest opponents when I introduced resolution after resolution in this House to set up a committee of enquiry into the

(MR. PAULLEY cont'd.). . . . automobile insurance industry and very reluctantly my honourable friend the Member for Souris-Lansdowne, and also a former Liberal, the Member for Neepawa at that time, came to an agreement, let's set up a committee of this House to enquire into the operation of automobile insurance in Manitoba. And why did they agree to it, Mr. Speaker? I say, I know why they agreed to it because they knew darn well that they had a majority on the committee and that the report on the committee would be according to the dictates of those who are so-called proponents of the free enterprise system, to the detriment of the people and the population of Manitoba. That's why they agreed. But the boot's on the other foot today, Mr. Speaker, that after we got a majority . . . yes, we've got a majority.

MR. ENNS: . . . set up the committee.

MR. PAULLEY: . . . that's right, Mr. Speaker, we have got a majority, an intelligent majority who is concerned with people here in Manitoba, and we're not concerned with vested interest in the Province of Manitoba. Yesterday, over the weekend, according to tonight's paper, I noted that the Chamber of Commerce in their conclave at Flin Flon have suggested that we should form a committee to go out and fight the proposition of New Democratic Government in Manitoba in the interest of free enterprise. But even there, Mr. Speaker, there is the qualifying phrase that if after the assessments and after the fight the conclusion is reached that there are changes necessary in automobile insurance legislation in the Province of Manitoba, then we will consider the same.

I also want to say, Mr. Speaker, reference is made to investigations that have been conducted in other jurisdictions as well. I don't know how many of my honourable friends opposite have read the Wootton Report to the Legislature of B. C. And what did they say? And I'm sure that Mr. Justice Wootton is not a proponent of Socialism and basically I would suggest that he's a proponent of the so-called free enterprise system whatever the dickens that is. But what did he say in his report? He says in effect the automobile insurance industry is on trial. I said this in this House 15 years ago and nothing was done about it. But Mr. Justice Wootton has now come to the conclusion that this is a fact. But what did he say. Basically he said three things. He said that the automobile insurance industry in B. C. is on trial; it's got to mend its ways; that no longer should we in B. C. allow the automobile insurance agency, insofar as its rates are concerned, to run rampant over a captive premium payer - and surely, we are captive. And then he said -- oh, I recommend to my honourable friend instead of babbling he does a little study. . . .

MR. McKENZIE: What did Nova Scotia say?

MR. PAULLEY: Then Mr. Justice Wootton said . . .

MR. McKENZIE: What did California say?

MR. PAULLEY: . . . to the government of British Columbia in his report, he said allow them another day, let the dog have his day once again, and if he does not comply with reason then the government take over. Well, Mr. Speaker, I suggest here in Manitoba that the dog has had his day. . . .

MR. McKENZIE: That's not the way he said it.

MR. PAULLEY: . . . I suggest that the dog has had his day and he has failed miserably; he has failed the people and the automobile drivers and owners in the Province of Manitoba. I don't think, Mr. Speaker, that we should have to go through the same process here, here in the Province of Manitoba, that Mr. Justice Wootton had suggested in British Columbia. I suggest that we have had enough information -- (Interjection) -- I suggest to my honourable friend the Member for Lakeside who apparently is blabbering away. . . .

MR. ENNS: Have all the dogs in private enterprise had their day?

MR. PAULLEY: Pardon?

MR. ENNS: Have all the dogs in private enterprise had their day?

MR. PAULLEY: I would say that the automobile insurance industry has had its day, and I want to suggest to my honourable friend the Member for Lakeside that he should read some of the submissions that have been made to previous automobile insurance committees in this House. I can appreciate the babblings of my honourable friend and the ramblings, I've listened to him before, completely unknowledgeable of what the situation really is in Manitoba or, for that matter, Mr. Speaker, I would suggest anywhere else, because I doubt very much whether or not the Member for Lakeside has really taken the time to consider the presentations that have over the last 15 years been made to various committees of this House. But if my honourable friend would like to receive the benefits of the representations, I'd be more than pleased.

MR. SPIVAK: Send your filing cabinet over.

MR. PAULLEY: That's right, and I would suggest to my honourable friend the Member for River Heights that he take off the rose-coloured glasses that he wants to wear because it does appear to me, Mr. Speaker, that when he is wearing those rose-coloured glasses that his intellect is blackened out. So I suggest to my honourable friend that rather than his approach to this that he become a little realistic. We've been talking about -- we've been talking about vested interest in the automobile insurance industry and there has been some suggestion that we should not prejudice ourselves insofar as personal interests. Another feature of the investigations of Mr. Wootton. . . .

MR. SHERMAN: Beautiful writer.

MR. PAULLEY: Mr. Justice Wootton in B. C. - an observation - it might be worthwhile for us to consider that the incidence of litigation in automobile insurance claims, which is quite prevalent today, becomes relatively insignificant under a government automobile insurance industry. Now I'm not suggesting to my honourable friend that he may have a vested interest because of his association with some fraternity, I'm not suggesting that, but I do suggest to my honourable friend that it may be as well that he reads that. I would suggest also to my honourable friend that he read the report of the Ontario special committee of the Legislature that investigated into the matter of automobile insurance that raised the same point. I would suggest to my honourable learned friend that he also take a look at the investigation by the legislative committee of Nova Scotia that raised the same point, and I would also suggest to my honourable friend that he may take a look at the report of the investigation into the automobile industry in North Dakota that raised the same point -- oh well, so the story goes, and I say, Mr. Speaker, in all deference to my free enterprising friends opposite, that a considerable amount of the cost reflected in automobile insurance premium is because of the factor of litigation.

MR. McKELLAR: You're still going to have it.

MR. PAULLEY: We don't have to have it and they don't have it under a provincial scheme such as Saskatchewan. My honourable friend, my honourable friend the Member for Souris-Lansdowne really knows this, and I want to say to my friend, give us an opportunity to. . . .

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

MR. PAULLEY: Sit down. I suggest to my honourable friend the Member for Souris-Lansdowne, and also suggest to members opposite, basically what they have been saying in this debate to us in this House is to give the automobile insurance industry an opportunity to reassess the error of their way and to give them the time to mend their linen.

MR. BILTON: No, no. You're on the wrong track.

MR. PAULLEY: And I say, Mr. Speaker, to the gentlemen opposite, why don't you take the opposite and more practical view? Why don't you give public enterprise an opportunity to put into effect legislation that will mend the linen, and if we fail, if we fail as a government to improve the situation prevailing in automobile insurance. . . .

MR. BILTON: You're not too sure.

MR. PAULLEY: . . . then make recommendations to this House and I'm sure that this government will be prepared to consider it.

So I say, Mr. Speaker, in the years that I sat opposite, and in particular the years when I sat where the Honourable Member for Souris-Lansdowne, my plea was give us, or give the government an opportunity to put on the statute books an alternative to the present - at that time - chaotic situation prevailing in respect of automobile insurance, and the plea there was and then was, basically, there's nothing wrong. Now I say to my honourable friend the Member for Souris-Lansdowne, put the boot on the other foot and give this government an opportunity to bring in an alternative to what has prevailed over the years, and I challenge him to take the same approach in reverse that we took when we were on that side of the House.

My honourable friend the Member for River Heights comes up with this poppycock, what about the jobs?

MR. SPIVAK: Yes, what about the jobs?

MR. PAULLEY: We're supplying more jobs in Manitoba now with the least unemployment rate in the whole history, on comparative basis, that. . . .

MR. SPIVAK: There's 17,000 unemployed.

MR. PAULLEY: Yes, there's 17,000 unemployed.

MR. SPIVAK: That's 5,000 more than last year.

MR. PAULLEY: And I say, Mr. Speaker, to my honourable friend, that if we adopt a government operated automobile insurance policy. . . .

MR. SPIVAK: There'll be 20,000.

MR. PAULLEY: . . . it doesn't have to increase the unemployment rate, because - and I say this to my honourable friend if he will just listen for a moment - I say this to my honourable friend, that there will be so much faith generated within this province because of the progressive forward looking government that people will flock from all sides into the Province of Manitoba and that they'll bring in the wherewithal that there will be no one lose their job. And talk about jobs - talk about jobs, my honourable friend, when he was the Minister of Industry and Commerce, was so wont to send outside of the Province of Manitoba the printing of every document, almost every document that had his name on it. And you know, Mr. Speaker, to my honourable friend, may I say to him that over at Fort Osborne Barracks in the drill hall that we've still got tons of newsprint under the signature of my honourable friend, the former Minister of Industry and Commerce, labelled: Lithographed in Toronto and Timbuctoo and everybody but Manitoba. And this, Mr. Speaker, is the character that today is condemning this government because it wants to do something for Manitoba and Manitobans.

MR. SPIVAK: 17,000 jobs are needed now.

MR. PAULLEY: How hypocritical can you be? How can you, who apparently coined the phrase, or one of your departmental officials coined the phrase "Growing to Beat '70", stand up now in this House, in the light of what has been revealed since the people of Manitoba kicked you out -- (Interjection) -- We didn't have the opportunity while we were in opposition of really checking in to what transpired in particular in the Department of Industry and Commerce as we have now, but, Mr. Speaker, I'd like to invite you, and even some of the colleagues of my honourable friend the former Minister of Industry and Commerce, to come with me into some of the back rooms and find literature and propaganda and pamphlets that were printed outside of Manitoba under the direction of the Honourable Member for River Heights who is now crying: "What about jobs for Manitobans?" And my honourable friend is well aware of it; my honourable friend knows it . . .

MR. SPIVAK: On a point of privilege, Mr. Speaker.

MR. PAULLEY: No point of privilege at all.

MR. SPIVAK: On a point of privilege, Mr. Speaker, on a point of privilege. The Honourable Minister has made reference to myself and directed particular items that are supposedly under my signature, or ordered under my signature, and I think that he has an obligation to name them.

MR. PAULLEY: I gave an invitation to you, Sir, and to the colleagues of my honourable friends opposite, to come with me and I will do it.

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

MR. PAULLEY: You have no point of privilege.

MR. SPIVAK: Mr. Speaker, on a point of privilege, the honourable member has specifically named me and specifically referred to items or material ordered under my signature and I ask him now to name them. Not for you to review it, but for him to name it.

MR. PAULLEY: Well, if my honourable friend wants to be more specific, I'd say half of the tripe that was issued by the Department of Industry and Commerce when my honourable friend happened to be in the category of Minister of Industry and Commerce, and my honourable friend knows full well of what I . . .

MR. SPIVAK: Mr. Speaker, if the honourable member will allow me, what I think he's referring to is newspapers purchased. Is that correct? Newspapers purchased by the department?

MR. PAULLEY: I said documents. I said tripe that my honourable friend issued while he was the Minister of Industry and Commerce, and I extended, Mr. Speaker, an invitation to you and to his colleagues to meet with me and I will show the blasted tripe that was produced outside of Manitoba by my honourable friend who is now crying for jobs for Manitobans.

MR. SPEAKER: Are you ready for the question?

MR. SPIVAK: Mr. Speaker, on a point of privilege, I believe -- (Interjection) -- Yes, on a point of privilege. I believe the Honourable Minister has an obligation to at least inform the House what publications he's referring to. I do not know what he's referring to and I think he has to name them.

MR. McKENZIE: Mr. Speaker, will the honourable member permit a question?

MR. PAULLEY: I'm in your hands, Mr. Speaker.

MR. SPEAKER: It is now 10:00 o'clock. Are you ready . . .

MR. ENNS: Mr. Speaker, I beg to move, seconded by the Honourable Member for River Heights, that debate on this bill be adjourned.

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

MR. SPEAKER: It is now 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.