

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, May 20, 1970

Opening Prayer by Mr. Speaker.

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

The adjourned debate on the proposed motion of the Honourable Member for Logan. The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker. I wonder if I can have this matter stand. (Agreed)

MR. SPEAKER: Notices of Motions; Introduction of Bills.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point, I would like to introduce our guests this afternoon. We have in my loge to my left, Mr. Heldon Williams, Member of Parliament for Calgary North. On behalf of the members of the Legislative Assembly, I welcome you here this afternoon.

We also have 60 Grade 11 students of the Princess Elizabeth High School of Brandon East. These students are under the direction of Mr. and Mrs. Balkwill and Mrs. Green. This school is located in the constituency of the Honourable Minister of Industry and Commerce. On behalf of the members of the Legislative Assembly, I welcome you here this afternoon.

ORAL QUESTION PERIOD

MR. SPEAKER: Orders of the Day. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, before the Orders of the Day I'd like to direct a question of the Minister of Government Services. Has the Minister purchased 70 new automobiles within the last month?

HON. RUSSELL PAULLEY (Minister of Government Services) (Transcona): We may have, Mr. Speaker, I'm not sure, but I'll look it up for my honourable friend.

MR. McKENZIE: A subsequent question, Mr. Speaker. Were there trade-ins involved?

MR. PAULLEY: There are always trade-ins involved.

MR. McKENZIE: Mr. Speaker, a supplementary. Would the Minister take that question as notice as well?

MR. PAULLEY: I'm sorry, I . . .

MR. McKENZIE: I'm asking would the Minister take that question as notice?

MR. PAULLEY: Yes, I will.

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

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I'd like to address my question to either the Minister of Mines and Natural Resources or the Minister of Tourism, or both, as the case may apply, and it's with regards to sport fishing in the Province of Manitoba. It's my understanding from the Ministers that there would be information going to the sport fishing operators, letters or materials that they could in turn send to their clients, and I wonder if this has been sent out yet to the operators.

HON. PETER BURTONIAK (Minister of Tourism and Recreation) (Dauphin): Mr. Speaker, as far as the sport fishing is concerned, we have issued a release that's been sent out for this type of information.

MR. MOLGAT: Mr. Speaker, a supplementary question. Has this been sent out to the fishing camp operators so that they in turn could send something official to their prospective customers?

MR. BURTONIAK: No, it has not; it's just a matter of advertising what's involved so that people who want to come out fishing can read this in various articles.

MR. MOLGAT: Mr. Speaker, was it not the intention of the government to supply some specific printed information to tourist camp operators so that they could notify their clients who otherwise might not come to Manitoba?

MR. BURTONIAK: Well, I think that the operators are well aware of this, and if the requests are such that this would be necessary, we would be glad to supply it.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): A subsequent question. I wonder if information could be given to the Parks Branch at Clear Lake on that, because there will be a lot of enquiries through there.

MR. BURTNIAK: (Nods "Yes".)

HON. SIDNEY GREEN, Q. C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, just on the last questions that were asked by my honourable friend the Member for Ste. Rose, it was my understanding that material was going out and the press release that my honourable friend refers to probably did go out. As to just the quantities or your statement as to officialdom, my understanding is that material is being forwarded which they could then forward on to people who they wish to inform about the facilities, and I'll look into it further.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Minister of Youth and Education and ask him, with respect to the government's employment office for the summer employment of students, would the Minister consider elimination of a question on the application form which asks the applicant to specify the income of his father or his parent?

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): No, Mr. Speaker; the purpose of that question is to try to determine really the need of the student or the applicant for a job, and it's hoped that this will be the beginning of an attempt to place students in greatest need in the jobs.

MR. SHERMAN: A supplementary, Mr. Speaker. Does the Minister have any anxiety that a question of that type may be used unfairly and may prejudice the application of the applicant involved?

MR. MILLER: No, I can't see why that information would be in any way prejudicial. The question is quite simple and it gives us an indication, or the department indication, of the needs of that student towards summer employment.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): I'd like to direct my question to the Minister of Mines and Natural Resources: could the Minister inform me today if flood grain loss will be compensated for?

MR. GREEN: Mr. Speaker, I have a copy of the press release that deals with the question of compensation and I'll ask the pages to distribute it to all of the members of the Legislature.

While I'm on my feet, the Member for St. Vital asked whether the program would cover people in the Rural Municipality of Ritchot, and the answer is yes.

The Honourable Member for Ste. Rose asked me whether it was necessary for municipalities to request assistance from the government in connection with flooding in Riding Mountain and Waldersee; the answer is yes.

The Member for Emerson asked whether people should send their damage claims to the Minister or the municipality, and the answer is that they should be processed through the municipality.

The Member for Roblin asked whether information was being circulated to the municipalities; the answer is that it is and has been, and my hope is that all of them will have received this information by today or tomorrow.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question to the Honourable Minister of Industry and Commerce, I think it is. Are the companies of James Bertram and Sons, River Sawmills and Churchill Forest Industries, are they wholly owned subsidiaries of Churchill Forest Industries? Could he inform us? I think there's one more - I haven't got the name of the other one.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, my understanding is that they are not wholly owned subsidiaries but there are legal interconnections among these companies.

MR. FROESE: A supplementary: Does Churchill Forest Industries then have controlling stock of these other companies?

MR. EVANS: I don't believe we have that information.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. Has the Minister in his department purchased 70 or more new automobiles in the last 30 days?

HON. ED. SCHREYER (Premier) (Rossmere): Mr. Speaker, I'm sorry to interject in this, but the question asked by the Honourable Member for Rhineland, I wouldn't want the wrong information to be left on the record. Specifically, did the honourable member enquire about

(MR. SCHREYER cont'd.) James Bertram & Sons, or Bertram Verkauf because there's a difference?

MR. FROESE: The one at The Pas. I think it's Bertram, isn't it?

MR. SCHREYER: Mr. Speaker, I can confirm the reply given by the Honourable the Minister of Industry and Commerce, that the companies mentioned by the honourable member, James Bertram & Sons, River Sawmills and the others are not wholly owned subsidiaries of Churchill Forest Industries.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. BURTNIAK: I would just like to, Mr. Speaker, clarify or answer more fully the question that was asked in the House yesterday by the Member for Fort Rouge, I believe it is - I see she's not in her seat now; but it's in regard to the Floodway and tree planting operations. I would just like to say at this time that we have set aside five areas along the Floodway that have been reserved for recreational purposes. These are the Floodway inlet area, the Floodway on Trans Canada Highway junction, Provincial Trunk Highway No. 15, Provincial Trunk Highway No. 59 North, and also at the Floodway outlet. The trees are being planted there at the present time and we hope that on this 26-acre area by the end of the year we might be able to plant somewhere in the neighbourhood of 6,000 trees in that area.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I'd like to direct a question to the Minister of Cultural Affairs and ask him if he has had a chance to investigate the question I asked yesterday as to whether the Delta Waterfowl Research Station is on the Royal itinerary?

HON. PHILIP PETURSSON (Minister of Cultural Affairs) (Wellington): Mr. Speaker, I'll have to leave that answer over until tomorrow.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Minister of Mines and Natural Resources for clarification. Did I understand him to say that applications for flood damage would be processed through the municipalities or received by the municipalities? I believe he indicated processed and . . .

MR. GREEN: Well, the word may be wrong; I believe that the first contact is made through the municipalities. Eventually they are processed through the board that is set up for that purpose. It used to be known as the Red River Valley Flood Board but it has another name now which I can't quite recall.

MR. WATT: A further question directed to the Minister of Mines and Natural Resources. Could he tell the House how many applications have been processed and licenses have been granted for fish farming in Manitoba this year?

MR. GREEN: I'll have to take it as notice. I can tell you now that approximately 78 applications were on file roughly two weeks ago, of which approximately half had been processed at that time.

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

MR. GORDON E. JOHNSTON (Leader of the Liberal Party) (Portage la Prairie): Mr. Speaker, my question is for the Minister of Health. I would ask the Minister of Health if he has a written report with respect to the investigation into the problems relating to the Manitoba School for Boys at Portage la Prairie.

HON. RENE E. TOUPIN (Minister of Health and Social Services) (Springfield): Yes, I have, Mr. Speaker.

MR. G. JOHNSTON: Would the Minister supply the interested members of this House with a copy of that report? I would like one.

MR. TOUPIN: Yes, Mr. Speaker. I'll see that a copy of the report is submitted to the honourable member.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I would like to just pursue a question to the Minister of Education, one that the Member for Fort Garry had given a while ago. For clarification, I'm just wondering if a student applies for a job, he may have qualifications that are necessary in a particular job he gets, does this mean to say that his father's income could deprive him of that certain job?

MR. MILLER: No, Mr. Speaker, it doesn't mean that at all. It means where all things being equal, if there is a job the preference is given to the one whose income is lower.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable the Minister of Labour. Is the government considering, or will it be considering increasing the minimum wage in Manitoba to that now set by Ottawa of \$1.65?

MR. PAULLEY: In the first place, Mr. Speaker, may I say to my honourable friend that there has been speculation or an introduction of a bill in the House of Commons calling for \$1.65 as the minimum wage, presumably, according to speculative reports, on July 1st. If my honourable friend is referring to the situation in Manitoba, may I inform him that an announcement has already been made in this House of an increase in the minimum wage to \$1.50 effective the 1st of October. I'm sure my honourable friend realizes that Ottawa may be catching up or even surpassing Manitoba. It took them a long time even to make some semblance of an announcement.

MR. FROESE: Mr. Speaker, the bill was introduced in the House of Commons yesterday, according to the Globe and Mail, so it's fact.

MR. PAULLEY: My information is from one of our local papers.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to address my question to the Minister of Finance if he would permit me the privilege. Can the Minister indicate to the House the initial response to the Centennial Savings Bond Issue that's on the market today?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. John's): We don't really have any adequate response as yet. The 21st, which I believe is tomorrow, would be the first day in which there would be anything start to come in, not to us, but to the brokers. I would hope that by the beginning of the week we'll have some reaction.

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

MR. EARL MCKELLAR (Souris Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Mines and Natural Resources. I read in this paper here all the different points where they're going to give assistance to people who had flood damage. One of the municipalities which I have in my constituency had serious damage to many culverts, like about \$6,000 damage. Who should they write to, like, to see if there's any assistance coming to them?

MR. GREEN: Is the information not contained in the press release that the honourable member has been given?

MR. MCKELLAR: Mr. Speaker, no, I can't read in there anything where a municipality has any claim.

MR. GREEN: Well, I'm not assuring my honourable friend that they are entitled to anything, but they can find out from the Department of Mines and Natural Resources whether they are.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Minister of Health and Social Development. Is it the government's plan, or is the government giving any consideration to the extension of Medicare coverage to drugs and medicines?

MR. TOUPIN: This is a matter of policy, Mr. Speaker, that's definitely under consideration like many others.

MR. SPEAKER: Orders of the Day.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: Adjourned debate on second reading, the proposed motion of the Honourable . . .

MR. GREEN: Mr. Speaker, I wonder if you'd call Bill No. 17 first, please.

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

MR. EDWARD MCGILL (Brandon West): Mr. Speaker could that 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.

MR. PATRICK: Mr. Speaker, could I have this matter stand? (Agreed)

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 3. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, could I have this matter stand? (Agreed)

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

MR. FROESE: Mr. Speaker, I do not have my notes available. It's rather fast and . . . but, at any rate, I more or less have subscribed to what was stated by the Honourable Minister in his introductory remarks on second reading, and I might have something further to say when we get to Committee of the Whole, so at this time I will not detain proceedings on the bill any more, and have it pass second reading.

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

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

MR. SHERMAN: Mr. Speaker, in the absence of the honourable member, I would ask that this motion be permitted to stand in his name, but that following the accepted procedure of the House, if anyone else wishes to speak, he be permitted to do so. (Agreed)

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, in speaking to this bill, and it must be around twenty to thirty speakers, it's most hard to bring out any points without repeating and I'm one who certainly frowns on repetition in this House because I think it costs every taxpayer bucks every hour that this House is extended longer than the necessary. But I would just like to refer to the government party, it seems as though they are bringing this particular bill before the Province of Manitoba and before the people. In other words, they are wanting to satisfy their own egoism before they satisfy the people, because while it was in their election platform, I really seriously don't think the people realized what they would be getting in for in the fullness of this, because I think we only have to look at the three major companies in Manitoba, and which have been named many times, Portage, Wawanesa and Indemnity, Canadian Indemnity.

I must say I have been insured for a lot of years with two cars and a truck in my home. I have never knowingly put any money into these but the insurance companies that I have been insured with, I have been most satisfied with. I have found the promptness, that I'll probably follow a little later on, their promptness and fairness in judgment was most satisfactory, and if the government can come up with as economical a plan I'm most happy, for I'll just put it on the record, I have roughly a two-year-old truck with less than 8,000 miles. I have a '58 car - I guess it's in my wife's name; it wouldn't be . . . for me to have two cars, I can barely keep one on the road and out of the law - but my own car, that's absolutely fully insured and the whole total is roughly \$180.00, and I would like to think if the government does come in that they can come under those. I don't believe, I can't see, but then we are only guessing.

MR. RUSSELL DOERN (Elmwood): How about your motorcycles?

MR. MCGREGOR: Well I haven't got one yet but it might well force me, but if they do proceed with this bill and it's passed, what is next? I do give the Honourable Member for St. Boniface some credit. He maybe jumped on the government band wagon to protect his own business and it's smart of him if undertakers are next on the government list. Or what is next? Hardwares? Grocery stores? And are we all in favour of total government takeover. I think not. I do not think the people of Manitoba are. And I'm quite sure, in defence of some of the things the government has done, everybody isn't in favour of the insurance companies, because I think when they have a business of the size, the magnitude that they have, no one could expect everybody to be agreeable to all their claims and all their settlements, and I feel in the past we, if we were in the government, were maybe not upholding our end in forcing the insurance companies to lower the rates of some of these young people, because the young person who goes out with a complete clean record, has no accident, has no traffic infractions, he still has to pay. And I do believe that this in the past has been unfair. And I do believe that this will meet their approval, this new bill, but however, some of the rest of us are going to have to subsidize that.

Just how many millions of dollars is the government going to have to spend on new buildings and staffing these? We hear about this 15 percent saving. I wonder if we will ever really know what the saving is, because I'm scared of bureaucracy taking over a huge thing such as this, because as soon as government takes over, I'm sure we have seen it in the Medicare, the extreme escalation of the fees. When people are dealing with government they just seem to lose respect for the dollar bill. They think the government is an unlimited tap there. And I don't think I have really seen the statistics from Saskatchewan that really proves if

(MR. MCGREGOR cont'd.) there's any other dollars going into this program. Here in Manitoba we have no Auditor-General, and how is the public ever going to know the true cost of this program? How is the public ever to know the true cost without competition? I think we only have to look at Saskatchewan, and maybe we can concern our thoughts too much with Saskatchewan but it's the only example that we know where government went in and took over many businesses. We can think of the ill-fated brick factory - we know where it went; the closure of the shoe factory, and we know where those supplies were disposed of. They were sold to the penitentiary - and let's face it, Mr. Speaker, the inmates were really in no position to complain of quality or compare.

MR. HARRY SHAFRANSKY (Radisson): How about Bissett?

MR. MCGREGOR: And you can think of the woollen mills. When it wound up it was discovered the only sheep that were really fleeced were the taxpayers. The tannery met equal fate, that was run by the government. When it folded it was discovered again the taxpayer's hide was the one that had been tanned.

Maybe this is the real reason why the Manitoba Government is afraid to compete with the insurance companies, and I, who come and operate in the area of Virden and we do have a large influx of Saskatchewan people coming to Virden to do business, and occasionally -- now I'm not out disturbing people or trying to get them agitated to think the way I happen to think, but I do occasionally run across and get the message. People who have moved into Saskatchewan will say they thought they were coming into a province where insurance was cheap, was low, is low, or comments to this regard - in other words, certainly leaving the impression with me that they were disappointed when they got there and found out what they really got. And I'm sure we've seen and run into people that are here in Manitoba that will express the same opinion.

But the biggest point of all this is the service. I come here not to particularly favour any party. I believe in belonging to a party, respecting their rules and regulations, but my first duty is always to my constituents; and Virden is rural and where is the service going to come from? I have had a vast experience of accidents and my record is certainly not good, Mr. Member, not at all good, and I'm afraid if I showed you the list of the things that's happened to me, and I can experience only the last summer during the campaign. Maybe I should not admit this, but Mr. Douglas was speaking in Brandon to a particular fraternal organization that I was a member of. I went to listen to him. I was speaking to Mr. Douglas and by chance I sneezed - not at him, but I sneezed - and I blew my top button off, and I have one of these hang-on ties so I couldn't finish my masonic meeting. On the way home that night I drove square into a deer. It did me \$800-odd damage, and I really didn't know who I should have sent this to - Mr. Douglas; the NDP party? However, in any case I did and I sent it to the insurance company. I phoned them up; I borrowed a car; I went on my own unique campaigning way and means and . . . -- (Interjection) -- Well, that's just the kind of co-operation that I have always found from insurance companies.

I can think of another morning, on the second day of July, when I was racing to phone a particular department head in here. I raced to Hamiota; the sun was shining at ten o'clock in the morning and I was doing, I guess, 80 or 90. Well, I am a poor risk, I'll admit it, but well, I ran into a freight train going equally as fast. Well, I left the burnt marks on the highway far into the second summer and the RCMP asked me how fast I was going. I said "Well, I don't rightly know, Sir. My eyes did not hit the speedometer," and it was very true - I did not. He said, "Would you estimate it?" And I said, "I certainly will, but it will be a very conservative estimate." But I served demerit marks for that and rightly so. The stop light was working and it was just -- but those are the things; that insurance came along. My car, I never did see part of it. I seen some of it and I happened to be hanging in on some of it undamaged, myself . . .

MR. PAULLEY: Who was your agent?

MR. MCGREGOR: Allstate Insurance, as a matter of fact, was the company involved on that occasion. Yes I'm still with them, the Honourable Member for Portage, because I believe in playing fair honest. I said what I was doing. He certainly asked me about the booze, and I could have been very involved, but it just happened I had my children out the day before, and the day before I was farming, with the result I knew in my own -- and the first thing I said to the cop, I said, "Would you please take me to the hospital and have my blood tested, because as a member that'll be the first thing that's said," but I had spoken to him earlier in

(MR. MCGREGOR cont'd.) Hamiota and he refused to do this so I knew I was clear; but I'm saying, this is private insurance, that just couldn't be used better. If the government will do as well I'm happy, but I very very much fear this. -- (Interjection) -- Yes, possibly.

MR. PAULLEY: Just give us the opportunity.

MR. MCGREGOR: But the biggest thing is, being in the rural area, who am I going to phone? Who is going to do this job? The way it is, it's very easy. Phone your local agent - boom, boom - go about your business, and quite often -- I can think in Virden where I had one of my repairs done, the cheque was laying there before they got the parts, and I believe we as citizens of Manitoba have been too hard on insurances because when I take a car in, three years old, I don't really honestly expect a brand new bumper; a patched-up one could do. And I've told them many times in Brandon, get me the cheapest rate even though I know the insurance company is going to pay for it, and I think we all have to be a little more conscious in this area.

Another thing that I fear the Minister named and I appreciate a portion of what he said, that there would be two rates, but even then, this is not going far enough, Mr. Speaker, because I think rural people -- I'm sure my truck is two or three years old; it has 8,000 miles on it, and I'm completely covered with what I need for that truck. The new policy, I'm sure, will be much more expensive, for the truck alone, at least -- (Interjection) -- some 20 some dollars for what I need -- I lost my trend of thought there for a moment. Yes, and we are under a 50 percent discount, I believe, at the moment, Mr. Speaker, and this is not going to be so, and if any area in Manitoba is depressed it needs a break, at least it needs an honest and fair approach. The agricultural industry, I have never seen it as depressed as it is the last quite a few months, and it was coming up before this government came into power, I'm quite aware. It's a national condition that we must fight through, but we don't need any extra holes in this bucket to hold the economy of agriculture reasonably buoyant.

We see comparisons. I am sure I could bring up a list and the Minister could bring up a list, and they'd both be convincing, both of our points of view, but I think we'll leave that alone. We do hear the rate, and I don't think there's any comparison of the density in Saskatoon or Regina to the density of cars here in the Greater Winnipeg complex. We also hear of the package plan in Saskatchewan where statistics tell me there apparently you can buy this package plan either from the government or from private insurance, but the return to the people, the insurance companies have returned 64.8 cents on every dollar; the government, with the same thing, have returned 57.3 cents on every dollar, which shows private insurance are doing a better job.

We can look at the eight-year history of Saskatchewan where the private industry is \$20 million, government is \$23 million. Industry returned 8.3 cents on the dollar, government 57.7, so in this eight-year period they are almost equal. In any case, where the industry has competed with government, using Saskatchewan as an example, industry has done just a slightly better job and I question why we are getting into them, getting people so disturbed, if this is true, this very small fraction, and it has to be a costly -- it's on the opposite side, it's not on the gain side.

I wonder what the government will take over next. I wouldn't mind if they would come and take over my farm because I'm sitting here, if I look depressed I am depressed. I have a crop to put in; I have 250 acres of extremely heavy crop to take off; so if they want my farm, we sure won't want too much compensation at this hour. I don't know how I'm going to get out of here, but I'm getting out of here when the sun is right and the ground is growing up.

When we think of the policy in Saskatchewan, Mr. Douglas brought this in. He later made a bid for Ottawa and we know what treatment the Saskatchewan people gave Mr. Douglas; they finally had to find a soft seat out in B. C. to allow him, and I have a lot of respect for Mr. Douglas but apparently the people of Saskatchewan where he tried, and later his own NDP government was given the boot because possibly on account of this insurance. -- (Interjection) --

Well, I've got a frog in my throat, Mr. Speaker, and I think I'll just close with those thoughts and hope, if this excitement or anxiety on the part of the people of Manitoba, that maybe the government should be advised or urged to go to the people if necessary. If not, then go out and hold smaller meetings. So there was a meeting last night in Portage, there is a meeting in front of these buildings - this impresses some of the people, but I would like them to get out to Virden or areas in that general western side and see what the people -- if the people

(MR. MCGREGOR cont'd.) do not come out and protest. I'll be quite happy to accept this, but I'm sure the message I'm getting -- and I'm not stirring this up because I don't believe in coming in here to be a trouble monger. I believe in accepting things and trying to go with the people's wishes. And with that, Mr. Speaker, thank you.

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

MR. JACK HARDY (St. Vital): Thank you, Mr. Speaker. It is with some reluctance, Sir, that I rise this afternoon in speaking to Bill 56. I say that, Sir, because for the simple reason I don't think Bill 56 should have been introduced into this Legislature at all. I often wonder why; why was this bill in fact introduced into this Legislature? Was it for the good of the people? And if this is the case, wouldn't you say for the good of the people then how many historical events have taken place over the past number of years where legislation has been introduced for the so-called sake and for the good of the people? I'm suggesting, Mr. Speaker, that this is not in fact the case.

There is a possibility, and it's a distinct possibility, that this was a calculated risk on the part of the government to introduce this in order that they will appeal to a certain, well to a very large segment of the population, with respect to the effect it will have on the vote counting system, and also, Mr. Speaker, there is this area in which, Sir, there were certain electoral promises made, and I will admit that the government to a degree has retained or kept and in fact instituted some of these promises, but may I suggest, Mr. Speaker, that the Minister of Mines and Natural Resources indicated when we were discussing the resolution of the Honourable Member from Assiniboia, with respect to the exemption on the home owner, the \$2,000 exemption, that in fact it was a priority; there were degrees of priority established by the government and upon this priority they were going to act. Now I'm suggesting again, Mr. Speaker, where, where does automobile insurance, monopolistic automobile insurance fit into this picture?

Quite frankly, I personally cannot see that there is a very high degree of priority with respect to this particular problem. It has been suggested on many, many occasions by many members of this Assembly that there is in fact going to be a displacement of people, a displacement of people that are engaged in the insurance industry at the present time, and I am very concerned. I am very concerned that the former, or at least the present Winnipeg Auditorium is going to represent something that I don't feel should be represented, where in fact there are probably five or six hundred additional people going to be inducted into the civil service in order to carry out an election promise which I don't feel is valid whatsoever. There is also the point, there is also the point -- and unfortunately the Minister of Finance is not in his seat at the moment -- but there is a possibility, with the induction of approximately \$30 million of additional funds or for the use of these additional funds, that this in fact may be one of the reasons that we have this in front of us. And there's also, there's also the area where some on the opposite side of this House have adopted the attitude that "we're going to put these ogres out of business."

Now I've used the term "ogre". I've used it during the budget debate and I think, I think to a degree that this is also applicable in this particular area. But what I am suggesting, Mr. Speaker, is that the socialistic seduction of this society has to cease for the good of this province of Manitoba. This, in fact, is what is happening with Bill 56. This in fact is what is happening with Bill 56.

The Honourable Member for St. Boniface has indicated that he would support the government if in fact there was compensation; if there was compensation, there should be compensation to the agents themselves. On the surface I have no quarrel with compensating this segment of our population or of our industry, but why consider compensation? Why should we be in a position where in fact we have to even consider compensation? There is absolutely no reason whatsoever that this bill should have been introduced. None whatsoever. And in fact the bulk of the insurance agents themselves -- and I can't speak for them; this is only information that has been forwarded to me, that they in fact -- compensation isn't part of their character. They're individualists. They're free enterprisers. Compensation is foreign to them. But in fact the government sees fit that they would introduce some form of compensation, it's going to be extremely difficult to determine in fact what should be compensated, who should be compensated, and to what degree. I'm suggesting, Mr. Speaker, that the area of compensation should not necessarily be disregarded but that this particular Bill 56 should in fact go to Public Utilities, if in fact it is voted on in this Assembly. But without Bill 56, we would not have to

(MR. HARDY cont'd.) consider compensation; none whatsoever.

But I would suggest also, Mr. Speaker, that with the introduction of Bill 56 and the effect it is going to have on this particular segment of our working force, then in fact I can only see, I can only see that what is happening in this particular area should serve as a warning; should serve as a warning to other business ventures, other people in business, because there is nothing whatsoever to indicate that this is the end. In fact it has been suggested, Mr. Speaker, on many, many occasions, that this is the beginning, that Bill 56 is the beginning, and I would sincerely hope and I quite honestly, I quite honestly don't suggest for one moment that what I am saying or what any member on this side of the House, is going to have any effect whatsoever on the thinking and the voting of the government, but I am suggesting that it's going to serve as a warning; it's going to serve as a warning for the other areas.

The government has indicated that it is the champion of the little guy; it is the champion of the little guy. I'm suggesting now, who is the little guy? Who in fact is the little guy? This plan as proposed, and I must admit and I think all members will agree, that this proposal is such that -- really, what is involved? We don't know the mechanics of the operation. There are certain aspects that are contained here in the bill itself but there's nothing to indicate - and again I regret, Mr. Speaker, that I am being repetitious - but there is absolutely nothing to indicate what the rates are going to be, if in fact this is going to be of benefit to the car driver in Manitoba. I believe it was indicated by certain members of the front bench that there is going to be a reduction in certain areas, but by the same token there very likely could be an increase in other areas. So in fact what have we gained, really? What have we gained? And this plan to me, this plan to me is no more the insurance of the little guy than Number One Highway belongs to the little guy or anybody else in this province.

Now here again, with doing a little soul-searching, Mr. Speaker, I am a firm believer, I am a firm believer personally that there should not be one vehicle, not one individual that is driving a vehicle under The Highway Traffic Act, that should be on the highways without adequate insurance. I say this, I say this very sincerely, that there should not be one individual that is driving the highways that is not adequately covered by insurance, not particularly for the individual himself but for what in fact can be done or what he can do, he or she can do, to another person. And this I must admit, Mr. Speaker, I will fault, if in fact there is fault, some of the former colleagues, some of those that represented the previous government, that certain action was not taken in fact to bring this into effect, so that every individual driving a motor vehicle was adequately covered. I don't care whether it's for him - that's his business - but for the individual or the group that he may in effect affect.

Now I believe in 1969 there were in excess of 5,000 individuals who were in this category, that in fact were driving the highways without insurance, or certainly without adequate insurance. My honourable friend here from Assiniboia suggested this represents three percent of the driving public. This should have been overcome, and I am a firm believer, a firm believer in compulsory insurance, but I am as firmly opposed to the monopolistic type of insurance that is being suggested by the government in Bill 56. Under the proposed system, in fact, are the driving public, or is the driving public of Manitoba going to get a bargain? It's extremely difficult to assess because for the simple reason we don't really know what is contained or what will be contained in the regulations, and the regulations themselves, the actual advent of the regulations and the mechanics of the regulations, I disagree with in this particular area, and it has been suggested that there is a parallel between the regulations that are going to be introduced pursuant to Bill 56, if in fact it does become an Act, with those of the Revenue Tax Act. I say, Mr. Speaker, that there is absolutely no comparison whatsoever. None whatsoever. As a matter of fact, I think the only regulations that were introduced pursuant to the Revenue Tax Act were such, or were those that in fact did increase, did increase certain exemptions or areas of exemption, whereas in this particular instance, Mr. Speaker, quite frankly anything can happen - anything can happen. And unfortunately, we are in the position that we don't know the rates.

It has been suggested that there will be a saving of somewhere between 15 and 20 percent. This may be the case, but 15 or 20 percent of what? Fifteen or twenty percent of what? And I challenge the government right here and now to indicate what that 15 or 20 percent, if in fact this does become a realization, if they can confirm this, what this is going to represent. I suggest, Mr. Speaker, that we have reached a very sorry state of affairs in the Province of Manitoba if thirteen members of the front bench, or those representing the Cabinet, the

(MR. HARDY cont'd.) make-up of the Cabinet, can in fact bring forward the regulations that are going to affect the lives, the driving habits, of practically everyone in Manitoba. I am suggesting, Mr. Speaker, that insofar as the regulations are concerned -- and I disagree with this concept of regulations. This should be spelled out, this should be spelled out in the Act itself, that this area should be in fact part of this Assembly wherein every member of this Assembly has a voice in establishing the rates.

Now really, with respect to insurance itself, what do clients expect and what do they want? I think very simply that what they want, what they desire, is service and, really, a fair shake. I think basically this is what they want -- service and a fair shake. Now the Honourable Member from Virden indicated to you, Sir, some of his own personal associations with the insurance industry, that is the private insurance industry, and I think what he has indicated is absolutely true and it applies to every one sitting in this Legislature -- every one; because at one time or another we have -- I'm assuming, and I don't think I'm too far wrong, that every member of this Legislature has had an accident whether he's been at fault or whatever the case may be, but in fact this to a large degree would pertain to the group in this Assembly.

Now it was also indicated, and I think this has been indicated by honourable members previously, that it's primarily an 8:30 to 5:00 operation. This I have no quarrel with unless there are certain additional areas which are going to be introduced by the government wherein this can in fact be extended to supply this service to the motoring public in Manitoba. But my understanding is that in the Province of Saskatchewan -- and I disagree, Sir, that we use Saskatchewan, another jurisdiction, and make any comparison but unfortunately this is the only area in which a comparison can be made. This is the only area in which a comparison can be made for the simple reason that the Province of Saskatchewan, to my knowledge, with the possible exception of some of the states in Australia, this is the only government-operated monopolistic type of automobile insurance in existence. I think the country of France did enter into it at one time and the amount of business that is written by the French Government themselves has been on the decrease for the past number of years. So I think it would indicate, and many of the commissions and boards that have undertaken a study of automobile insurance, it would certainly indicate that this in fact is true, that there is a declination in the government operation portion of any of these plans.

Now I think it concerns many, many people; it's an inherent, I think, trait of individuals that there could in fact be a tremendous bureaucratic empire established through the introduction of government-owned automobile insurance, and I say, and I say this not facetiously, that you can beat city hall, you can in fact beat city hall, but there is no way you are going to beat the provincial government. There is no way that you are going to beat the provincial government.

Now, with respect to the plan itself, may I read an extract from Page 26 of the Report of the Manitoba Automobile Insurance Committee, Page 26, with reference to automobile insurance: "The general business is profit-motivated, but those profits which have been substantial," and this is an incorrect statement, "are turned over to the Provincial Government and the Consolidated Revenues of the province." That was fine; this was fine. "In fact some of the commission terms, particularly in the case of excess automobile insurance, exceed the rate by its competitors." Now it's indicated here on Page 26 that the profits have been substantial. May I refer you, Sir, to the financial statement of the Saskatchewan operation wherein it is indicated that \$164,000, approximately \$164,000 was realized as net profit during the year of 1969. Now this represents one-fifth of one percent, approximately one-fifth of one percent of the total amount, of the total premium of approximately \$30 million. Now I say these are approximate figures, but is in fact one-fifth of one percent, is this any criteria that should be used by a government to introduce their type of automobile insurance? One-fifth of one percent.

It's also being suggested, Mr. Speaker, that with the introduction, the new cash flow that is going to be established, or presumably going to be established, or could be established through the introduction of this plan, would make available to the provincial government some \$30 million, possibly during the months of March and April. Statistics indicate that of this \$30 million -- and I'm taking \$30 million as a hypothetical figure -- the interest earned on the premiums themselves would represent about \$1.2 million annually, and it has been suggested that these funds in fact could be made available to municipalities, local levels of government, for short term financing. Well, may I suggest, Mr. Speaker, that municipalities are in an

(MR. HARDY cont'd.) identical position at this time of year when in fact tax revenues are coming into the coffers, and actually they don't require them, they don't require them at that time. As a matter of fact, most municipalities are in the position where in fact they are loaning money on a short term basis to obtain the interest earned . . .

MR. GREEN: Rubbish.

MR. HARDY: Mr. Speaker, the Minister of Mines and Natural Resources indicated that this is rubbish. I will stand by the statement that I have made, that in that particular time of the year practically every municipality in the Province of Manitoba has monies to loan on a short term basis.

MR. GREEN: And they make money on it. Would your municipality refuse 1.2 million if they were offered it . . .

MR. HARDY: I have no intention of getting into a verbal hassle with the Minister of Mines and Natural Resources. I am stating a fact.

Now what the municipalities require, what the municipalities require is long term financing, not short term, and to this degree I will agree with the Minister of Mines and Natural Resources, nobody is going to turn down 1.2 million, or the availability of 1.2 million. This is correct. But I'm also suggesting, and I'm sure that anyone who has had anything to do with municipal government, realizes that at this point in time, at that particular point in time during the calendar year, that in fact they are in the identical position as the provincial government in that they can loan money.

But what bothers me, and there are a number of things bothering me today obviously, but an additional area which is causing me personally great concern is in the area of control, the area of control of the fund to be established for the operation of a government-operated automobile insurance program. There is nothing whatsoever to prevent a transfer of appropriation from, I'm suggesting, the Department of Municipal Affairs into this particular fund, and so I'm suggesting, Mr. Speaker, I'm suggesting that if in fact this bill is passed, does become law, that outside auditors, outside auditors are appointed for a period of five years to guide this through its embryo stage in order that the people of Manitoba and this Assembly will in fact know the actual cost of operations of any proposed government insurance. I say "proposed" but I'm assuming - or I should not say I'm assuming because quite frankly at this stage none of us are in a position to know really what in fact is going to be the outcome of Bill 56, but I am suggesting, Sir, that in this period, if in fact it does go into effect, that outside auditors should be appointed for the sake of the people of Manitoba.

Now, may I just for one moment revert back to an area of service, that is, service to the individual insured, and many many examples have been brought forward and quite frankly there is fault on both sides, whether it be a government-operated operation or whether it be a private operation. There is fault on both sides; but may I suggest, Mr. Speaker, that as an example, under the Saskatchewan plan if an accident occurs and the person is insured with the Province of Saskatchewan, and an accident occurs outside, say in the United States, then - and this also applies to other provinces in Canada, if in fact the area - the manner in which these claims are dealt with are extremely cumbersome as compared to the private operation, the private organization.

How many of us, how many of us have had an accident or in fact wanted to insure a vehicle on a Saturday, and this has been taken care of; this has been taken care of through the operations of our own individual insurance agent? Quite frankly, Mr. Speaker, I -- perhaps I'm fortunate in my associations with this group, but not once, not once have I ever been in a position - and I touch wood - not once have I been in the position where I did not have the utmost of co-operation, and as a matter of fact they really bend over backwards. It's really not because they're good guys. They are good guys, really, and I indicated to you some time ago that this group of people are very very involved in community affairs, but in addition to that they're businessmen; they're businessmen; so in fact if you have a happy customer through your automobile insurance, in many many cases this also carries over into your house insurance and any other type of insurance that you may have. So I think, I think it's worth something, it's something that should be considered insofar as the operation of the individual agents are concerned. I don't think really that my position is particularly unique, I think many many people can say the same in the manner in which they have come in contact with their insurance agents.

But, Mr. Speaker, I would agree, and I have stated this before, that there are

(MR. HARDY cont'd.) deficiencies in the present system, but I think any deficiencies that exist in the present system can be overcome by legislative changes. I agree that, at least I'm a firm believer in this, that any deficiencies that in fact do exist - and obviously there are some; obviously there are some - this can be overcome. It can be overcome and also changes have to be made in the Unsatisfied Judgment Fund. This has to be upgraded so that the mechanics aren't as cumbersome as they are, and in fact the people that are involved, the people that have to rely on the Unsatisfied Judgment Fund, can in fact come closer to it and become part of it and have a reasonable knowledge that they are going to get something out of it without long delays. Now the delays, the delays I think to a degree are being overcome in another bill that is before us, and hopefully this will overcome many of the problems - that is Bill 66.

I would also suggest, Mr. Speaker, that in order to make our present system work, and to work ideally, that the position of the Superintendent of Insurance has to be strengthened to ensure, safeguard and in many cases, in some cases perhaps adjudicate in difficult claims.

So with respect to Bill 56, Mr. Speaker, may I humbly suggest to members of this Assembly that if in fact it is voted on, and when it is voted on, it goes to the Public Utilities, and may I suggest from Public Utilities the next step is Cape Kennedy, and that it go up on the next Apollo because that is exactly where it belongs - out of this world.

In closing, Mr. Speaker, may I read an extract, and I believe this was used by the Minister of Municipal Affairs. Unfortunately he only read a portion of it, or only included a portion of it. It's from the report of the New York Superintendent of Insurance to Governor Nelson A. Rockefeller. It has to do with private enterprise with respect to this particular province. "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 government automobile insurance system as by a private one."

Unfortunately this is where the Minister stopped. "But we believe that in this country, speaking of the United States, "the interest 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 reasons are ideology, pluralism, continuity and government priority. The ideological point is simple," and may I underline this, Mr. Speaker: "Our society is predicated on the idea that individuals should have the greatest possible freedom in economic, political and social activities. Under this theory, government should take over only where the private arrangements are pernicious or ineffectual and are not amenable to form.

"The initial duty of government is reform, not absorption of private institutions that are working badly. A related belief is that 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 creativity, to encourage flexibility of response and healthy competition, and to guard the public against the terrible consequences when centralized power goes wrong. Obviously, any significant departure from the fault insurance system would cause some disruption within the insurance business, insurance regulations, the Bar and the Courts, but that does not mean we should pursue disruption for its own sake. If a satisfactory system could be operated about as well by either private enterprise or government, it would be preferable for the system to continue to be operated by private enterprise.

"Finally, from the institutional standpoint of government, the system should not be operated by government if there is a workable alternative. The propensity of government agencies ever to enlarge their jurisdiction has contributed much sadness and humour to modern life. Thoughtful students of government have expressed concern about the consequences of government taking on functions it cannot perform, or cannot perform well, or functions that might have been done by somebody else and which dilute the attention and effectiveness of government in other areas where government alone can act. Where a private enterprise appears capable of operating a good system, it is in government's interest to give private enterprise a chance to do so."

MR. SPEAKER: The Honourable Member for Gimli.

MR. JOHN C. GOTTFRIED (Gimli): Mr. Speaker, thus far the hue and cry emanating from the opponents of the proposed Automobile Insurance Act has failed to show concern for the general public, the welfare of the majority of the people whom we represent and in whose interests we are now striving to achieve a saving in the automobile insurance premium. They speak instead to serve the best interests of a minority group, the operators of the industry,

(MR. GOTTFRIED cont'd.) and this attitude was voiced by the Honourable Member from Souris-Killarney when he said, on Page 1414 of Hansard: "You have no right to challenge an industry." In this respect they proceed on the assumption that nothing in our legislation shall prejudicially affect the welfare of the automobile insurance industry. I'll repeat. He stated: "You have no right to challenge an industry," as if this Legislature must ignore the wishes of the majority of our citizens in order to protect the interests of a minority group. Let me remind those who oppose this legislation that Section 22 of The Manitoba Act guarantees the rights and privileges of minority groups only in one area . . .

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

MR. GOTTFRIED: . . . and that is . . . to the operation of denominational schools.

MR. MCKENZIE: Mr. Speaker, on a point of order. Is the honourable member reading that speech?

MR. GOTTFRIED: I'm quoting from notes and I have quite a few here. These are the only minority groups our legislation may not prejudicially affect, and what has been the record? And many of the opponents of the Automobile Insurance Act are now standing up to protect a minority group with no special rights or privileges enshrined in The Manitoba Act while they consider at length whether they should grant or deny rights and privileges which are constitutionally guaranteed to other minority groups.

Basically they have advanced these two stock objections to public control and public ownership of a utility:

1. Regimentation, with the resulting loss of liberty, as was pointed out by the Honourable Leader of the Opposition; and
2. That the extension of public control and ownership inevitably brings red tape, bureaucracy, a frozen economy, corrupt politics, waste and inefficiency.

Now, Mr. Speaker, with respect to the first objection, that of regimentation and loss of liberty, I am convinced that what the great majority of our citizens really want is a decent chance at a modest livelihood, with modest security against unforeseen misfortunes which may befall them and their families due to accident or ill health. This is what the great majority wants. Decent homes, sufficient food and clothing, and a measure of security at a reasonable price. The minority, Mr. Speaker, those who howl and gnash their teeth against regimentation, are for the most part those who regard themselves the self-chosen lords of creation, those who believe they were chosen by nature to exploit their fellow man and to exercise power. Their justification for this, Mr. Speaker, is that they consider themselves to be superior in intelligence and goodwill, as well as in native ability to boss the economic and social life. To the vast majority of the hard-working people in this province, liberty - the type they speak of - is a hollow mockery where there does not exist the income so necessary to exercise that freedom.

Now I suggest, Mr. Speaker, that the effective use of this liberty is available only to those with the necessary time in which to enjoy it, and, Mr. Speaker, I say that only a well-fed, comfortably housed and leisured individual can enjoy life and have time to lament the decline of liberty to make millions. And I say, Mr. Speaker, this is the source of the hue and cry we are now being subjected to by the honourable members of the Opposition and the insurance agents or, restating what I have just said in language more attuned to the ear of the Honourable Member from Morris, I refer here, Mr. Speaker, not to the chicken scratching or scraping at the foot of the dunghill - that is the agents - but to the roosters, feasting and crowing away at the top of the pile, enjoying their exalted position as masters of all they survey.

The second objection, Mr. Speaker, that of the extension of public control and ownership with its supposed waste and inefficiency, is in mind a most serious objection in view of the actual lack of economic and political morality one sees today. Is there no hope for our society? I submit, Mr. Speaker, that the source of this moral breakdown, the spoil system, so strenuously advocated by our honourable opponents, is rugged individualism and that its ruling principle is "every man for himself and the devil take the hindmost." Co-operation and compassion for the needs of our fellow man is completely lacking or ignored, so that it makes one wonder what is the future of the human race.

They speak of waste and inefficiency and lack of moral character as if it is inevitable, as if it is a definite characteristic of the human race. Mr. Speaker, I don't agree. There are millions who render faithful service, not for what they can make; there are thousands of good servants, teachers, ministers, and organizations such as, well, the Citizens for Public

(MR. GOTTFRIED cont'd.) Automobile Insurance, who work to serve by doing their best, not for profit.

I personally, Mr. Speaker, do not believe that the aim of most people is to make money. There is satisfaction derived from a job well done. On the contrary, Mr. Speaker, what they want is the opportunity to do their work with a modest living and security or protection against the uncertainties of life, and this is what our government proposes to accomplish to some degree with the passage of this Act. The welfare of the people of Manitoba is our chief concern, and at the present time there is little security of any sort at a reasonable cost for the vast majority, outside of Medicare.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, being the 24th or 43rd member to speak on this particular issue, it's quite difficult to find any new material and I'm certain that some of the things I might say will sound repetitious, but I simply wish to underline those that are repetitious because I am sure those will be the most important areas.

Before I begin on the meagre preparations that I came with today, I'd just like to comment on some of the things said by the previous speaker. I enjoy very much the company of the honourable member but I wish to say very honestly that his observations are a little shallow considering his profession. He says that freedom is impossible, or happiness I suppose is what he meant, unless you are well fed, and unless you are somewhat wealthy, and I wish to disagree with him. I realize that he didn't say the word "wealthy" but he intimated it all along.

MR. GOTTFRIED: Mr. Speaker, the term I mentioned was "liberty" not "freedom".

MR. GIRARD: The word was liberty rather than freedom, and really, Mr. Speaker, I can't tell you that there is a great deal of difference. I think, Mr. Speaker, that that is pure rubbish. Freedom and liberty does not depend on being fat as far as finances are concerned because . . .

MR. IAN TURNBULL (Osborne): How would you know?

MR. GIRARD: I've read about it. I've read about it, Mr. Speaker, and my observations lead me to think the same thing. As far as efficiency in government business, it is no secret; both sides contend that things are different but the facts speak for themselves. I don't think that we can defend conclusively that there is gross inefficiency or there is necessarily a great deal of efficiency in government-operated business. I tend to believe that efficiency is harder to come by when people who are working are working for someone else rather than working for themselves. Yes, he says, the Conservatives think that every man should fare for himself, and no truer words were spoken, Mr. Speaker, because that's exactly what I believe within a certain framework.

I am prepared to vote against the proposed bill, not that I was told to vote against it, not that it happens to be the thing that the Conservatives are doing, but I'm voting against it, Mr. Speaker, because I feel that it is not the right thing for Manitoba - and I'm quite sincere when I say this and I'm being non-political. First of all, I don't like the bill because it creates a monopoly. A monopoly, especially a government monopoly, is undesirable. I think that our system depends on competition and monopoly, of course, destroys that same competition. I realize that the Member for Crescentwood yesterday kind of scorned a bit at the idea of competition, but our economic system is built on that very principle and to remove that principle is really to destroy the system that we're in.

I would be prepared to consider, or reconsider my stand on this issue, should the bill be introducing a corporation that will be in competition with private enterprise. I can well understand that there are advantages to having a CNR and an Air Canada and other government corporations in competition with the private enterprise, and that, Mr. Speaker, is something that should have been done rather than creating a monopoly.

Let's make it clear at the outset that my purpose in speaking today is not in defence of the insurance agents. It is not because of them that I suggest to you that that bill ought to be scrapped. It's not because of a certain little group that I'm suggesting that the principles of this bill are not worthy of having it introduced in the House. Rather than suggest this to you, I am suggesting that I'm speaking on this particular issue for what I think is better for Manitobans as a whole, not for the insurance agents.

Neither is compulsory insurance the issue. I think it's generally understood, and the people that have spoken before me have generally acknowledged, that compulsory insurance is a thing that should have been, and I agree with the member who previously spoke, my colleague

(MR. GIRARD cont'd.) from St. Vital, who said it should have been a thing of the past. I think that public liability ought to be a thing that we have carefully insured in every case. It is not necessary, however, to create a government monopoly in order to overcome this, which is somewhat minor compared to the problems that are going to be created by the bill we are discussing at present.

What are we really doing, then, when we introduce this particular bill? I maintain that what we are doing, in fact, is having the Government of Manitoba assume the responsibility that should and rightfully be assumed by the individuals that they are governing. If we look at this carefully, Mr. Speaker, I think that we can trace back to certain individuals in our province who have been, who have had removed from them certain responsibilities that they might have been better assuming themselves.

Let's look, for instance, at the people who have been here before us. When the white man came, he set the people who were here before us on reserves, and he said to them, "Now, don't worry fellows, we'll look after you." What have we done to those people? We have looked after them in terms of finance. We have assured them, "Now, you need not worry because you'll be getting your pay cheque at the end of the month." Mr. Speaker, I'm not speaking through my hat in this issue because I have worked with those people, and I realize that what has happened all along was that these people did not have to assume responsibility. The government look after them.

Let's look at people who are now receiving Social Assistance, and I don't begrudge them, Mr. Speaker. I think that in most cases it's very justifiable and necessary in our society, but nevertheless, you will notice that it's always easier to get on this program than to get off. It's easier because when they get on this system, what we take away from them is a little bit of individual initiative. What we are in fact doing, Mr. Speaker, is having the government assume a responsibility that rightfully belongs to the individual and when we remove from the individual that responsibility, we make him a little less careful of his own decisions.

We are careful, Mr. Speaker, when we speak of school matters. I can agree wholeheartedly with the Member from Crescentwood and I enjoyed his talk yesterday on the matters of education. I can agree with him wholeheartedly that what we need in our schools is a little more freedom for the students. I realize that we have gone wrong in education, in part, because the teachers have assumed the responsibilities that rightfully belong to the students. The teachers have told these students, "Now this is what you must know and this is what you must learn and this is what is right and this is what you must be interested in," and by so doing, Mr. Speaker, I suggest that what teachers have done is remove from the student a responsibility that rightfully belongs to himself, and belongs there for his own good, and what we are doing in the insurance plan is very much the same thing. We are removing from that individual a responsibility that rightfully belongs there and by removing it, Mr. Speaker, we call it progress, but I can say it's also deterioration.

Let's take another specific example that might even be closer to home. I would suppose - and of course, because of the vagueness of the bill, I would suppose without really knowing - that the bill will have the effect of reducing the premiums now paid by the young, rather inexperienced driver because this is an area where insurance premiums run very high. You know that certain youngsters with possibly some record of some accidents, might be paying \$300 and \$400 for insurance. Now the effect of the government insurance will be to remove or equalize this kind of premium so that this poor fellow will be paying a little less, and I feel that maybe this is a step in the right direction. However, we are not going to do this without a price and the price is that we are removing from that individual a responsibility that rightfully belongs to him. We are removing from him . . .

MR. WALLY JOHANNSON (St. Matthews): Would the honourable member answer a question?

MR. GIRARD: Certainly. You're a nice guy.

MR. JOHANNSON: Thank you. That's a very nice comment. However, you were saying that the lowering of premium for a young driver would remove a responsibility that belongs rightfully to him.

MR. GIRARD: Yes.

MR. JOHANNSON: Okay. Wouldn't the best possible system, then, be to entirely do away with insurance and let him pay precisely for the damage which he himself is in law found responsible for?

MR. GIRARD: Mr. Speaker, I'm delighted that he's paying very close attention to my speech because I was coming to that. In fact I was. I'm also glad that he, I believe, acknowledges this is so. We are removing from that individual - we are removing from that individual, whether we like it or not, a responsibility that rightfully belongs to him. Now it's unrealistic, Mr. Speaker, to think that people in our society today in 1970 can assume all of their responsibilities and in particular the responsibility of injury to others which could be costly beyond one's imagination, and therefore insurance to some degree becomes necessary, as it has become necessary in other fields and especially in medicine. We well know that in spite of its removal of responsibilities from the individual that the Medicare plan is one that is necessary. The necessity of it is dictated by the fact that people are subject to illness that will be costly beyond their capabilities to pay. I suggest to you at the same time that there is a certain degree in those matters and I think that that degree of removal of responsibility has been exceeded even in the field of Medicare by the government of today.

MR. CHERNIACK: Mr. Speaker, may I just . . .

MR. GIRARD: Certainly, go ahead.

MR. CHERNIACK: I was just wondering if the honourable member believes in compulsory insurance and if that would not take away from the individual the responsibility which is rightfully his?

MR. GIRARD: Yes, Mr. Speaker, it's true I believe in compulsory insurance, I said this at the outset, and it's true, Mr. Speaker, that this removes some responsibility from the individual, and it's also true that that is a matter which is beyond the ability for one to handle himself. I thought I explained this, Mr. Speaker, in suggesting that it's impossible to have individuals assume all the responsibility in the case of insurance because -- (Interjection) -- I'll come to you -- because it is beyond one's capacity to pay in such a case. I'm not saying that insurance is not necessary, I'm not saying that there's nothing good that will come out of it; but I'm saying that you are undermining the responsibility of the individual, especially if you go beyond the necessary bounds, and by so doing you're in my view, you're in my view removing and destroying part of that individual.

MR. CY GONICK (Crescentwood): I'm just wondering if the member wouldn't agree that what he has just said is really not a matter of principle at all then but simply a matter of degree.

MR. GIRARD: I can't hear. Would you repeat that please?

MR. GONICK: I wonder if the member wouldn't agree that what he said is that on the question of responsibility that it is not a matter of principle at all with him but a matter of degree, and he's willing to go to some degree but he's worried that our definition of degree is different than his definition of degree.

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MR. GIRARD: Yes. I wish to agree with him definitely, let's have it perfectly clear. I've said and I know what I'm saying -- I'm saying that insurance is not something that we can discard and have people assume all the responsibility. But at the same time I think that the responsibility of obtaining insurance ought to be my responsibility and not that of the state.

Mr. Speaker, just to go one step further and look at other examples in the same kind of thing, it might not be necessarily dealing with individuals but I'm thinking now of compensations that are offered to enterprises of various kinds. We know that it is necessary to have compensations for individuals or for industry, and we know that it is frequently a method of prolonging the agony rather than curing the ill. I'm suggesting that again, with the same principle in mind, again what we are frequently doing is removing from individuals or from industry a responsibility that rightfully belongs to them and by removing it we remove part of them as well. Now, Mr. Speaker, I wish to go a little further . . .

MR. CHERNIACK: Would the honourable member permit a question? It seems to me the honourable member is about to leave the subject he just dealt with. Do I understand then that he's opposed to workmen's compensation?

MR. GIRARD: No. If I said this, Mr. Speaker, I think he misunderstood me. No. -- (Interjection) -- Okay.

MR. CHERNIACK: If I may clarify, and I'm certainly not entering the debate, but as I understood the honourable member he said that a form of compensation would remove from industry the responsibility for it to look after its own affairs . . .

MR. GIRARD: Okay.

MR. CHERNIACK: . . . in the case of -- and now I know I'm going beyond what he said -- in the case of, I assume, injury to an employee of industry.

MR. GIRARD: Mr. Speaker, I've deliberately, I've deliberately tried in my talk to stay away from specifics and my use of the term compensation should not have been related to the compensation insurance necessarily but rather in terms of compensation in subsidy. So I'm not dealing with the accident insurance in cases of compensation specifically. -- (Interjection) -- The principal in my school is frequently mixed up.

Now, Mr. Speaker, I wish to draw attention to another matter in the bill which to me is very significant. This government has not only removed the responsibility that rightfully belongs to the individual by introducing this kind of legislation but they have done it in such a way, Mr. Speaker, that they also removed the responsibility from this Legislature. They've introduced it in a way which left the responsibility of the decisions in fact to the Cabinet, and I cannot agree, I cannot agree, Mr. Speaker, that this is the right kind of bill to introduce in a Legislature of a democratic province. It might well be that it has been done before - and I can almost hear the Honourable Minister say, "You know we did this in such and such an Act. It's exactly the same thing as such and such an Act." Mr. Speaker, unless it's absolutely necessary, and in this case I see no necessity, it's unjustifiable, and to do what the other group might have done that was not right is hardly a legitimate excuse. I think it's a little bit of erosion of responsibility again that belongs to this House. I think though that the objective in doing it is a little different. Rather than protecting the little man like the St. Vital member mentioned, what they are doing now is a little bit of empire building.

Mr. Speaker, I suppose in every piece of legislation there can be some good found as well as some bad and there are some good things that might come out of the piece of legislation we're now discussing. As an outsider looking in for many years I've had a good deal of difficulty analyzing the political philosophies of several parties - and I include the Conservatives in this group. It was quite difficult for me to explain to anyone what I thought was really the political philosophy of the Liberals and the Conservatives although I could understand clearly those of the Independents. Mr. Speaker, this brings it out clearly and this I think is a good thing. It brings about clearly finally that the political philosophy of the NDP is that of socialization for the help of the little man. I'm not saying for a moment, Mr. Speaker, that these people are not sincere. I'm not -- (Interjection) -- I must have struck a nerve, Sir. I am not sorry to see this, Mr. Speaker, because finally Manitoba will have come to a point where they will know what they are voting for. They didn't know, Mr. Speaker, at the last election because we had an NDP Party with a social democrat leader and this somehow meant something of this but not much of this and a little bit more of that, but we weren't too clear. But now -- (Interjection) -- Yes, I agree to some degree we're getting this, Mr. Speaker, but it's coming out a little more clearly. Now I think it's time in 1970 that the political philosophy of parties that are going to govern this

(MR. GIRARD cont'd) province become a little clearer. And for this, Mr. Speaker, I'm thankful that this bill was introduced. I don't expect it's the last. I expect there will be more measures of this kind, but again I say it's a good thing that the people of Manitoba are finally getting a realistic choice between a private enterprise kind of party and then the more socialistic kind of party. I want to offer my sympathy, however, to those members who now form the party who might not be in sympathy with that kind of political philosophy.

HON. AL. MACKLING, Q.C. (Attorney-General)(St. James): Would the honourable member . . . a question? It appears, Mr. Speaker, that you were just about to leave that chain of thought. You had indicated that you had had some doubt as to, you know, what the difference was between the various parties and why you are a Conservative and not a Liberal and then you didn't go into that much further. I'd like you to expand on that as to why -- what the distinction is that you've now found between yourself and the Liberals.

MR. GIRARD: Mr. Speaker, I wish -- and I say this with all sincerity -- I wish it were clearer in my mind what the differences really are, but I would think that if the Liberals or the Conservatives were in power and I were in the House it would become more obvious.

Now I was going to offer my sympathy when the Minister interrupted or interjected, to those people in that party who are not of the political philosophy -- and I assure you, Mr. Speaker, that there must be some. There must be those in that party who have stood up in front of us here and defended the insurance, who you know, whom you know would be fighting back in the caucus room in the hope that maybe we can still save it, and maybe it will not be introduced, and maybe it could be misconstrued somehow that it will not remove from the individuals of Manitoba what rightfully belongs to them. But I'm sorry to inform those people, Mr. Speaker, I'm sorry to inform those people that the party policy and philosophy comes out clearly and they will have not only this decision to make but many subsequent decisions as well. They will have to make a choice, Mr. Speaker; they will have to say and admit -- and after all there's nothing wrong with it that I can understand -- they will have to admit that in economic terms for Manitoba we think socialism is the right thing or else they will have to leave, one of two. They can't both be private enterprisers at all times and also belong to the NDP organization.

I feel especially sorry, Mr. Speaker, and I wish he were here -- I would like to offer again sympathy to the Member from St. Boniface because I understand his situation and I know how difficult it must be for him. However, I hope that in the final analysis he will say just before he leaves, "It has been worthwhile."

MR. GONICK: I wonder if I could ask the member a question at this point, before he gets into another topic. I wonder how difficult it is for the member speaking to be in the same party as the Member from Pembina?

MR. GIRARD: Again I wish to answer in all sincerity. So far, so far we have not had very serious differences. Possibly if we were in government it might be different but it seems that I have had no difficulty at all this far.

MR. SHAFRANSKY: Would the member permit a question?

MR. GIRARD: I hope I'm not revealing caucus secrets now, I'm really not certain about this.

MR. SHAFRANSKY: Before you go on to a new thought that you seem to be so fuzzy about in all of them, would you mind giving us an answer as to why you became a Conservative. Is it because the First Premier seems to be somehow related to you?

MR. GIRARD: Mr. Speaker, . . .

MR. JAMES H. BILTON (Swan River): Mr. Speaker, on a point of order. I wonder if it occurs to you as it's occurring to me, that there's a pattern going on when anyone speaks on this side to be constantly interrupting him, and I wonder if this is fair and proper. This pattern should stop, and forthwith.

MR. GIRARD: My thoughts are not nearly as fuzzy as my words must be if the Member from Radisson has not understood. But in all sincerity I'm telling him why I'm here and not there.

There's another matter I wish to bring before this House and that is the justification of the bill, the introduction of the bill on the basis that it will save some money. Now I'm not of the opinion that it's impossible to have the bill save some money. I'm not at all of the opinion that it's impossible that the premiums on the average be lowered. I'm rather doubtful that the percentages expressed by the Premier will be real, but I'm not surprised that some reduction is spoken about. I think though that that's a pretty cheap way of getting people to sell what rightfully belongs to them.

(MR. GIRARD cont'd).

I would like to suggest to you, Mr. Speaker, that on my street there are four milk trucks that deliver milk daily.

MR. GONICK: What inefficiency.

MR. GIRARD: That's what I thought the member would say, "what inefficiency." And I'm certain that the Member from Crescentwood could in his ingenious economic terms tell us, you know, we could save money if we only nationalized or socialized those milk trucks or those dairies -- (Interjection) -- and if you could nationalize the cows we might have only one kind of milk. I would suggest to you, Mr. Speaker, that you could save money, you could have only one dairy, you could sell only one milk and you would save money. I would suggest to you, Mr. Speaker, that if all Manitobans had available to them one kind of car, one colour, that the industry could be taken over by the government and they could save money. I'm certain that if everyone had the same automobile that it's possible to have it a little cheaper; I'm certain, Mr. Speaker, that if everyone wore the same clothes you could buy them a little cheaper; but, Mr. Speaker, the people of Manitoba in the past have said, "We're prepared to pay for the choice that's given and we want to continue to pay but give us a little bit of choice and freedom." A little bit of choice and a little bit of freedom.

MR. SHAFRANSKY: What choice?

MR. GIRARD: I'll explain to you on the way home. Now I'm not one who wishes to call people evil names and then turn around and say you're a socialist, because to me one who is a socialist is simply one who believes that the economy of the country ought to be manoeuvred in some way that is different from the private enterprise. And I give those people credit for thinking. They are thinking all right. They might be on the wrong track but at least they're thinking. There is nothing wrong with the word "socialism". As a matter of fact I have some very good friends of mine who live -- (Interjection) -- some of my best friends who live a communistic kind of life and I don't degrade them for it. I'm sure that those people are sincere and happy.

Let's take for example the religious orders that have existed for many years, in fact founded Manitoba in some regards. Those people live a communistic kind of life; those people are happy. Let's look at our Hutterite friends, Mr. Speaker, and I know them well. They live a communistic kind of life and they're happy. In fact, you find that 80 or 90 percent of those who leave the Hutterite colony in their youth eventually return to it because they want this kind of life, that kind of life where the colony assumes all the responsibility of the individual; it assumes the responsibility of clothing and shelter and food. This is fine, Mr. Speaker, if they want that kind of life -- (Interjection) -- Certainly.

MR. IAN TURNBULL (Osborne): I was wondering if he was imputing to the Hutterites that they founded Manitoba. Was that the point that you just made?

MR. GIRARD: I'm hardly a historian, Mr. Speaker, but that's hardly a question. I wish simply to indicate that when people are born, raised and conditioned in an atmosphere such as that of the Hutterite colony, an economically communistic way of life, it's perfectly acceptable to them. But I suggest to you that to bring socialism to Manitoba is as foreign as you want to make it. I think it's just impossible to think of suddenly changing the system, that we lived with for so long, so drastically. Suddenly saying to the individual who has assumed his responsibility, "Look you might as well pack up because we're going to look after this and you needn't worry about it." By doing this, Mr. Speaker, you're removing a little bit of that individual.

What I want for Manitoba and for Manitobans is not high-priced insurance, it's not welfare of insurance agents that's bothering me, but what I want for Manitobans is liberty and freedom. I don't mean liberty by removing their responsibilities but I mean liberty and freedom from government intervention from laws, from restrictions. Let's give a little bit of responsibility to the individual, not protect him to the point where we compel him to be the number or the thing. Mr. Speaker, I still have confidence in Manitobans and I assure you that they can assume that responsibility.

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

MR. GIRARD: Yes.

MR. GREEN: Last night it was implied by the Manager of the Portage la Prairie Mutual Insurance Company that a Minister of the Saskatchewan Government was removed because he made statements about the insurance industry. Does he consider that a greater measure of freedom than we have in Manitoba?

MR. GIRARD: Mr. Speaker, I'm not familiar with that statement, but it could well be, Mr. Speaker.

MR. GREEN: Earl McKellar said the same thing.

MR. GIRARD: Do you doubt my word, Sir? I'm suggesting to you that I haven't heard from it. It might well be that this happened and there are reasons for it. I'm sorry I can't answer you it's right or wrong or it's free or it's not.

A MEMBER: Afraid that might happen here, Sid?

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I wish to direct the attention of members to 110 students who have just entered the gallery, Grades 7, 8 and 9 students of Rossburn School. They're under the direction of Mr. Erickson and Miss Cwertnia. This school is located in the constituency of the Honourable Member for Birtle-Russell. On behalf of the Members of the Legislative Assembly, we welcome you here this afternoon.

GOVERNMENT BILLS

MR. JOHANNSON: Mr. Speaker, I listened with a great deal of interest to the Honourable Member from Emerson. He's a very reasonable man, usually he offers us constructive advice, constructive criticism. Today, however, he gave us almost entirely an ideological argument, almost entirely. Once in a while, very infrequently, but once in a while he got down to the practical aspects of the program, but almost entirely his argument was based on ideological opposition to the government insurance plan. I don't intend to argue on that basis, I want to discuss the plan on its merits.

I was interested in hearing the Member for St. Vital read us a long excerpt from the New York Report on auto insurance, an excerpt which I believe the Honourable Member for Fort Garry read previously. The excerpt he read was one of the thirteen criteria set up by this report, one of the thirteen criteria to judge whether an auto insurance system is a good system or a bad one. These two members quoted one of those criteria because it happened to be the one criteria which supports their position. The other twelve cast a great deal of doubt on their position; these they didn't quote. Very interesting. I mention this because I intend to deal at some length with the New York Report. It's a very very good report and I think consequently it should receive some attention.

The Member for Virden once again brought up the red herring of the inefficiency of the Saskatchewan Crown corporations. I first heard that hoary old tale, oh I think about twelve years ago in United College. Gurney Evans at that time was giving us a talk on -- (Interjection) -- the former Minister of Finance.

A MEMBER: Who beat him?

MR. JOHANNSON: The Member from Crescentwood. Mr. Evans was giving us a talk on the nature of conservatism and he spent the entire hour discussing the failures of Crown corporations in Saskatchewan. That interested me in that particular field. The Member for Sturgeon Creek brought up the matter again; he mentioned the losses suffered by a box factory. His figure was wrong; I think he underestimated the loss. He also -- (Interjection) -- I don't have the exact figure but I know his figure was wrong because I have the correct one. He also mentioned a cannery which apparently went broke. Now this puzzled me. I knew there was a tannery that had gone broke but he mentioned a cannery, and again his figure was wrong. I think again he underestimated the loss.

The Honourable Member for Virden also mentioned the failures of Crown corporations. He mentioned I believe besides these two the woollen mill, and I'd like to be cooperative like the Member for Emerson usually is, so I would like to give the honourable members opposite some information on other Crown corporations in Saskatchewan that failed. I think they'd be interested in knowing that. Saskatchewan Lake and Forest Products, General Division - cumulative deficit \$20,620; the box factory - \$496,973 cumulative deficit; Big River Mill Division - \$97,425 cumulative deficit; tannery division, Saskatchewan Industries - \$73,036 cumulative deficit; the wool products division, that is the same as woollen mill - \$830,390 cumulative deficit; the leather products division, this is the shoe factory - \$82,727 cumulative deficit. There's more. Saskatchewan Fish Board - \$364,264 cumulative deficit; Saskatchewan Pulpwood Limited - \$629,138. I might add by the way that the pulpwood Crown corporation was set up by Premier Thatcher in order to help the pulp and paper industry in the Prince Albert area and it's intended to operate at a deficit in order to help private enterprise. So the

(MR. JOHANNSSON cont'd) total cumulative deficit for these Crown corporations that failed - \$2,612,506.00. Big loss. Over two and a half million dollars -- (Interjection) -- including Thatcher, yes.

Now, that I believe was three -- that's eight projects that failed. Now I'd like to talk very briefly about some of those that have been successes. There are a few. Saskatchewan Power Corporation -- this socialist enterprise wasn't set up by the CCF, it was set up by the Liberal Government, a government monopoly set up by the Liberals -- total cumulative surplus - \$86.8 million; income transferred to the Province of Saskatchewan - \$14.6 million. In other words over a hundred million dollars cumulative surplus. Saskatchewan Telecommunications - \$37.6 million cumulative surplus. The dividend which has been paid to the Province of Saskatchewan, this is for the period 1960 to 1969, I don't have the figures previously so this figure may be an underestimate - \$39.3 million. The total cumulative surplus for power and telephones - \$178.4 million. Now the honourable members opposite of course will say these were not set up by the CCF. Well that's true.

Let's deal with some of the Crown corporations that were set up by the CCF. SaskAir - cumulative surplus - \$262,000; Saskatchewan Forest Products Timber Board Division - \$8.3 million cumulative surplus; Fish Marketing Service - over \$65,000 cumulative surplus; fur marketing service - 463,000 surplus; Government Trading Service - \$79,000 surplus; Clay Products Division, Saskatchewan Minerals - 64,000 and some dollars, this is the brick factory which eventually was liquidated but there was a surplus in the end; Sodium Sulphate Division - about \$8 million. I won't go through the others but the total cumulative surplus for the Crown corporations set up by the CCF was \$30.2 million cumulative surplus. So the grand total of these accumulated surpluses and deficits would be over \$206 million.

A MEMBER: Well done Wally.

MR. JOHANNSSON: And by the way I'm prepared to table this . . .

MR. FROESE: Does that include inventory?

MR. JOHANNSSON: Pardon?

MR. FROESE: Does that include inventory?

MR. JOHANNSSON: No, no, this is accumulated surplus, which is profit, yes. This is a record then of the Crown corporations in Saskatchewan and I hate to bore the members opposite with this but we've been receiving gratuitous advice on the failures of these corporations and I thought I'd like to put a few facts straight to put the record straight.

I want to deal now with a couple of excerpts from an article entitled "Saskatchewan a Laboratory for Crown Corporations", and I want to deal only with the government insurance which is what we're discussing in Bill 56. This is published in the Free Press April 29th, 1970, article by Mary Ann Fitzgerald, and I quote: "it" - that is Saskatchewan - "has had a quarter of a century of experience with government-established owned and operated enterprise." So Saskatchewan has a lot of experience in this field. "Generally the utility service type enterprises, including power, telephones, transportation and insurance" - now note that. This author classifies insurance under utility - "and insurance have turned into money makers. The Thatcher Liberal Government promised to keep those Crown corporations which could successfully compete with private enterprise and show satisfactory profits." Well the Saskatchewan Government Insurance Office has not been liquidated by Mr. Thatcher. One more quote only: "The general insurance business was aimed at bringing rates down and according to Mr. Blakeney, one of the former CCF Ministers, it succeeded. Mr. Thatcher agreed with the compulsory automobile aspect of SGIO, but he thinks the general insurance business is borderline." And I would tend to agree with him. I agree with the compulsory aspect; I agree with Mr. Thatcher that the compulsory aspect is good, is efficient. The general insurance may be borderline.

Repeatedly in the past while we've been asked by the members opposite, most recently yesterday by the Member from River Heights, the Honourable Member from River Heights, why auto insurance is a priority for us. Time after time we're asked this question: why do you bring auto insurance in now? Why don't you bring more important pieces of legislation before the House? Well, I'd like to discuss the present system of auto insurance and what is wrong with it. And first of all I'd like to read a quote which is a description of the present system of auto insurance: "Accident compensation is often unfair. Some victims get too much" - now we're not talking about free enterprise versus socialism, we're talking about the system as it works - "Accident compensation is often unfair. Some victims get too much, some get too little, some get nothing at all. Lawsuits have clogged our courts. The average claim takes

(MR. JOHANNSON cont'd) about two and a half years just to get to trial. This is a national problem. It will become even more of a problem as we license more drivers, produce more automobiles and build more roads." Who do you think said that? Tommy Douglas? Earl Mc -- no.

A MEMBER: Karl Marx?

MR. JOHANNSON: Karl Marx? No, it was -- this statement was made by that red radical President Lyndon Baines Johnson. Special message to Congress, February 6th, 1968. Lyndon Baines Johnson, that radical, thought that something was wrong, something was wrong with the present insurance system. I would like to discuss a number of aspects of the present system, to point out what is wrong with it and to point out the very valid reasons why something must be done about it. Now at present I'm dealing primarily with the insurance system which covers bodily injury, that is injury to persons. The present system of private enterprise faults auto insurance, the present system leaves approximately one person out of four uncompensated when they have car accidents and are injured. That is one out of every four victims of bodily injury in car accidents is left uncompensated. This is confirmed by the Osgoode Hall study in Ontario; it's found to be the case across the United States and in the State of New York, and of course the same insurance system prevails in all of North America. In fact the Ontario report indicates that even a higher percentage of people are uncompensated. So the present system leaves people uncompensated.

A second fault of the present system is the delays inherent in it. The victim, the average victim of bodily injury has to wait a very long time before he receives compensation. In the State of New York, in the United States, the average victim must wait for over a year before he receives any compensation. And what's even worse, the greater the injury the longer the delay. For serious injury the delays very frequently are more than five years before there's any compensation for bodily injury.

Unpredictability is a third fault of the present system. The New York report describes the present fault liability system for compensating victims of auto accidents as being part bizarre and part lottery. Most cases are settled by bargaining between claims adjusters and victims or their lawyers; a few are settled in court, that is a small percentage, but the awards are very, very unpredictable.

The fourth fault of the system is a misallocation of benefits and this is one of the really serious criticisms of the present system. Small claims are usually overpaid, and the simple reason for this is that a small claim has a nuisance value and in order to get rid of it to close the file an insurance adjuster to avoid the expense of a court case, will give a generous settlement. He will give a settlement which is more than the economic loss involved and that excess above economic loss he calls general damages for pain and suffering. It's in most cases simply a nuisance settlement.

The large claim is almost always underpaid because the company will resist vigorously paying the claim. It's worth its while to resist because it usually has greater bargaining power than the individual who has suffered a serious injury. The result is that you have an inhumanity within the present system.

Six. The present system is a hindrance to rehabilitation. For rehabilitation to take place a victim must receive compensation quickly, he must be assured of receiving it over a period of time so that there is no undue suffering because of economic loss. The present system pays claims slowly and in the event, or in the case of very serious injury it pays them far more slowly and generally underpays very severely the large claim.

No. 7, inefficiency. The present system is inherently inefficient. I'm talking about the system of auto insurance that prevails in Manitoba, in the provinces of Canada and in North America. I'm not calling the people in the industry ogres, I don't even think of them as such. They're human beings. I happen to have worked in the auto insurance industry for over a year and I know the people that I worked with were human beings, some of whom I still have fond memories of. So I have even some friends who have worked in the insurance industry. In fact, one of my best friends is an insurance agent. However, the one thing that I do remember very vividly about the period of a little over a year in which I worked in insurance, was the unbelievable inefficiency of the system. Thereafter I had a great deal of difficulty accepting glorified statements about the efficiency of private enterprise because I had seen one aspect of it in operation. Now perhaps I saw one of the most inefficient aspects of free enterprise in operation I don't know, but what I saw was inefficiency.

MR. J. DOUGLAS WATT (Arthur): . . . a question at this time? My question to the honourable member is are they within 15 percent of efficiency? -- (Interjection) -- Are they within 15 percent of efficiency?

MR. JOHANNSSON: Your question is are they within 15 percent less efficient than another system? Well let me proceed. I said the present insurance system is inherently inefficient and the problem with the system is that too much of the premium dollar that enters the mechanism sticks to it and doesn't get to the accident victim. Too little of the premium dollar in other words flows out to the accident victim of the premium dollar that enters the mechanism. This is not due to the fact, this is not due to the fact that the people in the insurance industry are necessarily lazy. I'm not saying they are. It's not due to the fact that they are profit mongers necessarily. I'm not saying that. They're not ogres. The problem with the system . . .

MR. PATRICK: Would you permit a question? Can you tell me what the expense ratio in relation to the premiums collected is for SGIO in Saskatchewan? Do you know?

MR. JOHANNSSON: Are you talking about the Automobile Accident Insurance Act Fund, or are you talking about the general business? Which one.

MR. PATRICK: The combined.

MR. JOHANNSSON: Combined? Well I worked it out and using a weighted average, for the two, the cost factor or administrative costs for the Automobile Accident Insurance Act Fund, in other words, for the compulsory coverage, is 15 percent. Fifteen cents out of the dollar - and that's a 25 year experience. The figure which you gave, the Tribune gave, and which I will accept until it's corrected, 57 percent for the general business. Now about 70 percent roughly or more of the auto business in Saskatchewan is in the compulsory field -- (Interjection) -- Well if you can tell me differently I'd like to hear another time.

MR. PATRICK: . . . percent, the statement of the Saskatchewan Government Insurance Office. -- (Interjection) --

MR. JOHANNSSON: I'm talking about the government's compulsory program being 70 percent, but I figure, using a weighted average, the combined administrative costs would probably be about 23 percent.

MR. PATRICK: 36.17 percent.

MR. JOHANNSSON: Well I doubt that. I'd have to be shown the figures. Later, . . . I'm talking right now.

MR. PATRICK: Would you permit another question?

MR. JOHANNSSON: Okay, one more.

MR. PATRICK: Can you tell me what the expense ratio is for Wawanesa Insurance company?

MR. JOHANNSSON: Pardon.

MR. PATRICK: Can you tell me what the expense ratio would be in relation to the premium dollars collected for Wawanesa Insurance Company?

MR. JOHANNSSON: 26 I'm told.

MR. PATRICK: 29.

MR. JOHANNSSON: I know the figures for the American industry, the administrative cost there is roughly 50 to 56 percent of the premium dollar. The figures for Manitoba, and this includes all Manitoba companies, I understand is about 37 - 38 percent. -- (Interjection) -- You're taking one part of the Manitoba picture. I'm talking about the entire Manitoba picture. -- (Interjection) -- I'm talking about the entire picture of private insurance in Manitoba and if you can correct my figures on that, I stand to be corrected.

The New York report did an interesting analysis of what happens to the premium dollar in New York, and granted the New York auto insurance industry seems to be somewhat more inefficient than the Manitoba one, more inefficient. -- (Interjection) -- Yes, they're more advanced than the Manitoba system, they get more of the premium dollar.

MR. WATT: Would the member permit another question?

MR. JOHANNSSON: Now I was going to give you the example given by the New York report. This is the report of the Superintendent of Insurance in New York to Governor Nelson Rockefeller. The report gives an example of what happens to a premium dollar in New York and the analysis is interesting. Administrative costs. The insurance companies and the agents together take 33 cents out of the premium dollar, 33 cents. Now this is not, judging by the report this doesn't involve necessarily a great deal of profit. The profit of insurance companies comes from their investments not their underwriting. Also included in administrative costs, lawyers and claims investigators, 23 cents of the premium dollar. -- (Interjection) --

(MR. JOHANNSSON cont'd).

Lawyers should get more? Well the lawyers undoubtedly feel that way. So combined the administrative costs in the state of New York is 56 cents out of the premium dollar. Now that leaves 44 cents of the dollar for benefits in New York; 8 cents is paid in redundant benefits, benefits which are already covered by other more efficient plans. For example, in New York State the administrative costs of social security, a government welfare system, social security, 3 cents on the dollar, 3 cents. The auto insurance industry there takes 56 cents out of the premium dollar. Eight cents is paid in redundant benefits, in other words, in benefits that are already covered by other plans which in most cases are more efficient than the auto industry, so this benefit is of low priority. 21.5 cents is paid in general damages, pain and suffering. This in most cases is simply a nuisance award; the small claim is overpaid to get rid of it to close the file. 21.5 cents is paid in general damages. Compensation for net economic loss 14.5 cents. Out of every dollar that the consumer pays into the private insurance industry it gets 14.5 cents in compensation for net economic loss. That's really a remarkable record; efficiency raised to its highest pitch in a free enterprise system. For every \$6, pardon me for every \$7 that the consumer puts into the mechanism one dribbles out at the other end of the mechanism. -- (Interjection) -- Yes, it's good business, but for whom? Now granted the private insurance industry in Manitoba may be more efficient but there is a great deal of waste in the system.

An eighth fault of this present system, the system tends to encourage over-reaching and dishonesty. Cases are settled on a case to case basis, faults must be determined and fault is a very easy concept which is very difficult to establish. General damages is a very vague concept. The system involves an insurance company bargaining with a victim who is insured by another company, whom they will never see again, so they have no need to be nice in order to get repeat business. Their only objective is to settle a claim as cheaply as possible. The system encourages a victim to be greedy to get as much out of the system as he can.

Now the Honourable Member for Virden sounds to me like a very honest chap, when he gets his car fixed he only wants a bare minimum done to it, he doesn't want to rook the insurance company. Unfortunately many people do try to rook insurance companies, and insurance companies by this system are encouraged to give too generous awards for small claims and too small awards for large claims.

The system is unstable also, this is another fault; it is very difficult for one company to necessarily predict the claims record for its risks in any given year. It's a very risky proposition. You can perhaps predict for an entire country, an entire province, but in the one company's piece of the total market it is difficult to predict the risk record, the loss record, and as a result the companies resort to restrictive underwriting, they cancel policies on very minor pretexts.

Ten - the high premium rate. I have already discussed the efficiency of the present system. The Consumer gets very little for his money and in a period of rising prices, in a period of inflation, he often finds it difficult to pay for his insurance. Now the industry pleads that the costs of labour are increasing rapidly, the costs of medical care are increasing rapidly, the costs of car repair are increasing rapidly. That's true, they're correct, these are increasing rapidly. However, the problem with the insurance industry is that it is so inefficient that for every premium dollar paid out in benefits, a large number have to enter the . . . and are lost in the system.

Now I want to indicate only one other fault in the present system.

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

MR. JOHANNSSON: Yes I'll be finished very shortly. The Honourable Member for Assiniboia suggested what I would consider are a number of palliatives to patch up the present system. Unfortunately, palliatives will only make the present system more complex and costly. He, the honourable member, suggested four changes could be made in the present system without resorting to a government auto insurance plan. One was a rate review board; two, raise the minimum liability limit; three, a mandatory no-fault clause in all insurance policies; and four, compulsory insurance. I'd like to comment very briefly on each of these.

(1) The Rate Review Board. Rate Review Boards have been tried all across the United States and they have a notorious record for failure.

(2) Raising the minimum liability limits. This is no solution at all because one of the basic problems of the system is the liability system, and by raising the limits you simply increase, if anything, the inefficiency and the inequity of the system.

(MR. JOHANNSSON cont'd).

(3) He suggested an overlay of no-fault coverage on liability coverage which is optional in Manitoba plans today, and I was looking at my own insurance policy - which is with Wawanesa by the way -- (Interjection) -- I'm a very unpolitical fellow. The policy provides for a no-fault coverage of a maximum of \$5,000, \$35.00 a week in benefits - a maximum \$35.00 a week in benefits. The price of this is an additional \$10.00 approximately, \$7.00 for this no-fault coverage plus 2, 3 or 4 for medical payments which must come with the no-fault coverage - correct? So you're paying \$10.00 more for this coverage and included in that is medical coverage which is redundant, which is a very low priority seeing we already have medicare and hospitalization in the province. So the sole effect of his proposition to make this overlay of no-fault coverage is to increase the cost of insurance for the consumer without removing the inefficiencies and the inequities of the liability system.

Fourth item - compulsory insurance. This simply provides a captive market for private insurance companies, and I think, as the Minister said, that if the government is going to make insurance compulsory it has an obligation to ensure that the consumer gets the insurance at the lowest price possible.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I wonder would the member now permit a question? Mr. Speaker, in the light of the 40 minute lecture that we've had on business efficiency, I'd like to ask the honourable member who has just spoken how many members there are on the government side of the House, who now propose to take over the insurance industry in the province, who are now operating an efficient business on their own?

MR. JOHANNSSON: I can suggest, first of all, the Member from Crescentwood who I understand is a member of the Chamber of Commerce also. -- (Interjection) -- He's an honorary member, he says. -- (Interjection) -- . . . by the Minister of Mines and Natural Resources.

MR. SPEAKER: Agreed that the motion stand in the name of the Honourable Member for Lakeside? (Agreed.) The proposed motion of the Honourable Minister of Mines and Natural Resources, Bill No. 65. The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, having listened to the Minister the other day with a great deal of interest, I am pleased to see Bill 65 before the House, and as a member of the Task Force I must say that the contents of this bill to a large degree is something that the people of Northern Manitoba, and particularly in the remote regions of the province, have been asking for.

The Minister has said that this is a skeleton and that the meat will be added later. That I look forward to also. I believe the Minister when he says this. I believe he's dedicated to improving the lot of the people in Northern Manitoba. Some of the changes and proposals in the bill, which I am prepared to support, I feel must be approached with care, for many of the native people, as I've said before, are sensitive and this is entirely a new field of endeavour, and with that care, Mr. Speaker, I'm sure that nothing but success will come of the effort.

I believe that the people, the local native people, should handle their own affairs, form their small council and be prepared to take on the responsibility of being part of our society, and in travelling around the north I found from time to time that the people seemed to be anxious, but their lack of knowledge of exactly what . . .

MR. BOROWSKI: Mr. Speaker, I wonder if the member's reading his speech again.

A MEMBER: Here it is Joe, take a look.

MR. BILTON: Mr. Speaker, I indicated to you earlier this afternoon that interruptions from that side of the House for the most part are unwarranted, and I believe when a member has the floor that he has a perfect right to expect the attention of the House without interruption at any time. If any of the honourable gentlemen wish to make a speech on the subject it's their privilege to do so, but as I said a little while ago, this continual pattern that's being set up in asking members questions for one sole reason and one sole reason only, which I am not going to even attempt to relate because it must be obvious to everyone, does nothing for the decorum of this House, and I, Sir, and I'm sure you, too, would like to see an improvement in that direction.

As I indicated a few moments ago, Mr. Speaker, miracles cannot be expected in the beginning from this bill, and I trust that the foundation that's outlined in this bill will be followed through with understanding and care. But you know, Mr. Speaker, there were 49 resolutions brought to this House by a Task Force appointed by this House, and I feel that if

(MR. BILTON cont'd) the \$30 million we're talking about under the heading of insurance were put into Northern Manitoba, as well they might be, a great deal more would be accomplished by this administration, because this bill - this bill is not committing the government to assess but rather organization. There's nothing here that shows any intent toward monetary assistance or development in the north.

Again, I'm looking forward to the meat that the Minister speaks of and I am prepared to support the bill and see it go to committee, Mr. Speaker.

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

MR. BEARD: I think I'll vote against it, Mr. Speaker. -- (Interjections) -- that's no notes. If you'll finish your argument, I'll get along with them.

I agree with the Minister, he's trying to get around a very knotty problem, we'll say, and he's doing a reasonably good job I suppose in trying to accomplish this. I trust that the people will be satisfied with this type of process, or this type of attack, I suppose, on the problem itself. If in fact it does accomplish the point of giving more confidence to Northern Affairs, then certainly I believe that would be what is in the back of this government's mind and I would go along with it. I would have liked to have seen more in it, just as other members of the Task Force and I suppose other people in Northern Manitoba would have hoped there would be more to it, and I presume that in years to come there will be more.

In doing it, I compliment government in taking this type of approach. It is out in the open now whereas it was being done to some extent illegally. It is now a legal process that is taking place and will set a precedent in my mind in that finally we have broken through the northern curtain to the extent that everything that lies in the north or is done in the north does not have to be done exactly the same way as it is done in the south, because if we wait for that then we'll wait for an eternity because certainly the two areas are just as different as the distance that lies between the northern and southern parts of this province. So it is important that we be able to allow people to have their own mayors and councils and that they have money to make their own mistakes, and I would hope that of course there would be government reins, as the Minister has suggested, that would control the number of times they can make the same mistake because you've got to learn eventually, and when you're using money from the public purse you've got to keep in mind that it is not only your money but it is others' money as well.

I do not wish to preach on this particular part of it and I suppose this would be what others in this particular part of the province would be saying, not a member from the north, but I do recognize that some will be asking where did all this money go to, and by and large we'll find that it went to bringing a community from 50 years behind times to a hope of catching up to what we enjoy in the rest of the Province of Manitoba. But if we do that, it isn't going to be with a pittance that we're going to be able to do it. There's going to be a need to put a lot of money into a lot of areas, and they're just as widely spread about the province, the centre and the northern part of Manitoba, as the distance and the acreage or the square miles that that part does cover and which is probably two-thirds of the province in size. But it is an investment and it isn't an expense, and I am glad that we have made this first faltering step - I would say that in a complimentary way rather than in a critical way - it's a beginning. I'm enthusiastic because I think that once it is started then it can't be held back.

I think that the original concept of Northern Affairs was a good one. I think that the Northern Affairs bill itself will have to be looked at time and time again, because just as a town was proposed, or a plan was proposed to the Town of Thompson 10 or 12 years ago, nobody could have anticipated what it would be today. We can not anticipate where the development is going to come next in Northern Manitoba but we can assure the people in the rest of this province that it will come, and that is more than you can be assured in southern Manitoba, because Winnipeg is becoming a collecting point for the rest of southern Manitobans and they're huddled together in their little Winnipeg area and they're getting a little annoyed about tramping on each other's toes and such on, and then you get talking about pollution, etc., and you have to have bills to look after the privacy of people, but in the north there's room for a lot more people and I would like to see government decentralize to the extent that we have the equivalent in the north that you have in the south. In fact, I think maybe if it wasn't for this building I'd be suggesting the capital be moved further into the central part of the province -- (Interjection) -- Churchill. You could do worse, at least they've got a port up there and that's more than Winnipeg has - and it's not polluted either incidentally—but that's I suppose because the people of Winnipeg don't live up there.

(MR. BEARD cont'd) .

But getting back to the serious nature of this bill, I support it but I'm discouraged, as I am sure many more people will be, over the amount of monies that will be available to support the programs under the Northern Affairs bill. I suppose I could say at this time that I think that if we didn't have other bills such as Bill 56 in front of us that we could use -- a great deal of development funds would be available to use in northern development. -- (Interjection) -- Well, call it hogwash, money or whatever it may be, but it's there and it's a nice thing to have.

But as long as we find progress of a nature in which there will be money, more and more each year, towards the development of these communities, then I think you'll find that on the other end of the scale that you'll find less and less demand by these communities for monies in other ways in which we seem content to pay it out on these welfare, social services, health programs and educational programs, the costs that are contributed to directly by people in the south and not in many cases in the north, that you will find that if you invest in the north that these people will bring a return that is much greater than really the investment that government has put into it. So the faster the government gets the money into Northern Manitoba I think the greater the return and the more satisfaction that all of us will find in the development of this great Province of Manitoba.

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

MR. FROESE: Mr. Speaker, just a few words in connection with this bill. It may be, as mentioned by the Member for Churchill, that some of the monies that the government will receive from the government insurance plan once it is in operation can be used for that purpose of developing the north and providing funds for these people. I'm not saying that this will happen, but since the government has a majority I assume that the plan will go through. Am I to understand that the only grant that will be made to these communities will be the \$8.00 per capita grant that is made to municipalities? What other grants will be made available to these community councils?

Then I note, too, that the term of office is a one-year term. Why is it that the government is just planning such a short term for these people elected to these community councils? It seems odd to me that they would not be elected for a longer period of time.

I certainly have no objection to the bill passing, in fact I would wish these people more than just luck. I do hope that something will be accomplished over the years to come and that through this legislation something good can come about.

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

MR. RON McBRYDE (The Pas): I move, seconded by the Honourable Member from Flin Flon, 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 Finance, Bill No. 66. The Honourable Member for St. Vital.

MR. HARDY: I wonder if I might have the indulgence of the House to have this matter stand. (Agreed.)

MR. SPEAKER: The proposed motion of the Honourable Attorney-General, Bill No. 67. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, I beg the indulgence of the House to let this matter stand. (Agreed.)

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 49. The Honourable Member for St. Vital.

MR. HARDY: Thank you, Mr. Speaker. In rising in connection with Bill 49, after perusing Bill 49 and the implications contained therein and in view of the fact that the Boundaries Commission undoubtedly, with hope, will be bringing in certain recommendations and certain findings within the next short period, may I advise the House that the members of our party will support this bill.

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

MR. SPEAKER: The proposed motion of the Honourable Minister of Agriculture, Bill No. 53. The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, could I have the indulgence of the House to have this matter stand. (Agreed.)

MR. SPEAKER: Second readings. Bill No. 50. The Honourable Minister of Labour.

MR. PAULLEY presented Bill No. 50, An Act to amend The Fire Departments Arbitration Act, for second reading. (To be referred to the Industrial Relations Committee.)

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, the bill is really self-explanatory. There is a Fire Fighters Association in Canada of which the fire fighters of Manitoba are a part. Our present Act refers to firemen rather than fire fighters; that's one purpose of the Act.

The most important part of the Act is that under the present legislation where there is a board of arbitration set up, that the board has within 42 days from the date the board is appointed to make its report. But this actually takes place after December -- can conceivably take place after December 31st. In other words, they have 42 days after December 31st in order to make a report on the arbitration. Now then the purport is so that if the board of arbitration fails to make an agreement or there's no agreement prior to that, there's no necessity for waiting until the end of the year before the appointment, rather, of the arbitration board on December 31st.

Then there's another important section of the bill that deals that where there is no agreement between the fire department and municipal council, the provisions of the Labour Relations Act will apply insofar as any arbitration proceedings are concerned.

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

MR. SPEAKER: Adjourned debates on second reading. The proposed motion of the Honourable Attorney-General, Bill No. 72. The Honourable Member for River Heights.

MR. SHERMAN: . . . stand, Mr. Speaker? (Agreed.)

MR. SPEAKER: Bill No. 77. The Honourable Minister of Labour.

MR. PAULLEY presented Bill no. 77, The Payment of Wages Act, for second reading. (To be referred to The Industrial Relations Committee.)

MR. SPEAKER presented the motion.

MR. PAULLEY: The purpose of this bill, Mr. Speaker, is to sort of streamline the recovery of wages due to an employee through a board established by the Lieutenant-Governor-in-Council. The board can be the Labour Relations Board or a separate board set up by the Lieutenant-Governor-in-Council. At the present time, after due investigation it is established that wages are due to an employee, legal proceedings must take place through the courts to issue an order for recovery to the employee. The purposes of this legislation is instead of having it to go through legal proceedings in the initial instance for the recovery it can be referred to a board as designated, and as I referred to, so that action can take place without the necessity of the employee concerned having to retain legal counsel at individual cost.

I want to assure my honourable legal friends that the desire is not principally to put lawyers out of business and have them declared redundant, but anyway our interest is in having streamlining of the wages recovery for the employee so that they will have an opportunity more quickly than is the present situation here in Manitoba.

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

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that debate be adjourned.

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

MR. SPEAKER: It is now 5:30; the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.