

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
10:00 o'clock, Tuesday, June 4, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery, where we have 65 students of Grade 6 standing of the Beaver Lodge School. These students are under the direction of Mrs. Wright. This school is located in the constituency of the Honourable Member for Charleswood.

And we also have 14 students of Grade 5 standing of the Immaculate of St. Mary's School. These students are under the direction of Mr. Dziedzic. This school is located in the constituency of the Honourable Member for Point Douglas.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Minnedosa.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, I beg to present the first report of the Standing Committee on Public Accounts.

MR. CLERK: Your Committee met on Tuesday, March 5, 1974, for organization, and appointed Mr. Blake as Chairman. Your Committee agreed that for the remainder of the session the Quorum of this Committee shall consist of seven members.

Your Committee also met on Thursday, March 14, 1974; Tuesday, April 9, 1974, and Monday, June 3, 1974.

Your Committee has examined The Provincial Auditor's Report and the Public Accounts of the Province for the fiscal year which ended the 31st day of March, 1973, as published and finds that the receipts and expenditures of the moneys have been carefully set forth and all moneys properly accounted for.

Your Committee received, or has been assured that it will receive, all information desired by any member from the Minister, Heads of Departments and members of the Provincial Auditor's staff with respect to receipts, expenditures and other matters pertaining to the business of the Province. The fullest opportunity was accorded to all members of the Committee to examine vouchers or any documents called for and no restriction was placed upon the line of examination.

MR. SPEAKER: And it will be recorded. The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Rhineland that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements or Tabling of Reports; Notices of Motions; Introductions of Bills; The Honourable Attorney-General.

INTRODUCTION OF BILLS

HON. HOWARD PAWLEY, Q. C. (Attorney-General) (Selkirk) introduced Bill No. 87, an Act to amend The Animal Husbandry Act.

ORAL QUESTION PERIOD

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, my question is for the Minister of Health. Could he confirm that due to a serious shortage of nursing staff and the inability to hire new nurses a new ward in the Deer Lodge Hospital is now being closed.

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): No, Mr. Speaker, I can't confirm anything about the Deer Lodge Hospital, that's a Federal hospital. I really don't know.

MR. ASPER: Mr. Speaker, I wonder if the Minister then would inquire - I'm not suggesting that he breach federal jurisdiction but the reason given . . .

## ORAL QUESTIONS

MR. SPEAKER: Question.

MR. ASPER: Well, has the Minister then seen a notice from Dr. MacDonell of the Deer Lodge to all members of the staff at Deer Lodge in which he advises that the nursing shortage has caused them to close a ward.

MR. MILLER: Mr. Speaker, no, I haven't seen that notice, the notice was not sent to me; it wouldn't be sent to me, I'd have no way of receiving that particular notice. It has been mentioned in this House before that this summer there will be a closing down of some beds because of the traditional summer period when nursing staff go on holidays, plus the fact that there is a shortage of nurses.

MR. ASPER: To the same Minister, Mr. Speaker. Could he indicate whether he has any program that's aimed at increasing the supply of nurses or encouraging those who are now working from leaving, inasmuch as 16 nurses are leaving the Deer Lodge Hospital to leave the profession.

MR. MILLER: Mr. Speaker, one of the major reasons for the apparent shortage of nurses is the fact that the dates of graduation have changed. As I mentioned earlier in the House, perhaps the member wasn't here, although the graduation exercises are held in June, the exams are not written until August and so there's been a shift in the timing of when they will be made available to enter into full-time work at the hospitals.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Industry and Commerce. It relates to the Air Canada overhaul base and letters that are now being published which indicate that overhaul work . . .

MR. SPEAKER: Question please.

MR. SPIVAK: . . . that overhaul work will not be leaving Montreal. I wonder if he's in a position to confirm the nature of the overhaul work that will be provided in the new hangar facilities to be erected in Winnipeg. Will it be real overhaul or will it be just light maintenance and the destroying of aircraft?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Well I believe the reference to no diminution, or whatever the expression is, of work in Montreal is referring to the fact that the Boeing aircraft are a net addition to the Air Canada fleet. And it's a different type of aircraft than the Douglas type which has been predominant in the Air Canada fleet and requires different procedures, but we have not been advised in writing exactly what type of work will be done at this Air Canada facility proposed for Winnipeg, to what degree there will be major overhaul. My information is that it will be of the nature of line maintenance which of course includes such things as changing engines and the like, but we have not any specifics on the degree to which heavy overhaul will be done of these Boeing aircraft or indeed any type of Air Canada aircraft in Winnipeg. We have the general statement that you have been able to read as well as I in the newspapers.

MR. SPIVAK: Well, I wonder then if the Minister can indicate whether it's the government's intention to confirm with the Federal Government the exact nature of the work to be done in Winnipeg and to determine whether in fact there will be any overhaul work of the 727s done in Winnipeg.

MR. EVANS: Well, as with most things, Mr. Speaker, we will be pursuing the matter.

MR. SPIVAK: I wonder then is the Minister in a position really to confirm that the statements and the representations made by the Prime Minister are correct with respect to the nature of work to be done in Manitoba.

MR. EVANS: You know, I should take the Prime Minister of this country at his word. He made a public statement outlining what he intended and the Government of Canada intended to do in Winnipeg with regard to Air Canada, and I think we have to take him as the Prime Minister of this country at his word. But as I indicate, we will be pursuing the matter and obtaining as much detail as we possibly can.

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

MR. ASPER: To the Minister responsible for Colleges and Universities, Mr. Speaker. Has the study, the Statistics Canada Report issued this week which indicates that only 58 per cent of the teachers . . .

## ORAL QUESTIONS

MR. SPEAKER: Order please. Again, I remind honourable members I wish they would ask precise questions without prefacing them with a lot of information, which is contrary to our rules. I'm sure the honourable member's aware of that.

MR. ASPER: Well, Mr. Speaker, in order for the Minister to know what report I'm asking him about, I'm trying to describe it. The question to the Minister is: Do the American teaching positions at the universities in Manitoba amount to as high as 27 percent, as is indicated in the Statistics Canada release on Canadian teaching in Canadian universities.

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

MR. DONALD W. CRAIK (Riel): I direct a question to the Minister of Tourism. Can he indicate whether there is any change in the fees to be charged to cottage owners on Crown lands this year?

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, the only way that I can answer such a question is to say that at this time I have no recommendation before my colleagues in Cabinet, and yet that could definitely be a policy decision that could be taken in the future. I can not assure my honourable friend that this will not happen in the future, but it is not before Cabinet, it is not contemplated on my part for the time being.

MR. CRAIK: Mr. Speaker, a supplementary question. In view of the fact that the fee statements are usually out at this time of year, can he indicate whether they are to be sent out in the near future and if there are any changes contemplated in them.

MR. TOUPIN: Mr. Speaker, in regards to the fees in question, they should be out at this time; if they're not, they will be.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. I'd like to ask the House Leader a question. How many more bills is there to be introduced this session?

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Well, Mr. Speaker, there will just be a few more as I understand it.

MR. HENDERSON: I have a further question. Is there going to be a bill brought in to amend the Mineral Acreage Tax Act?

MR. GREEN: I don't believe so, Mr. Speaker. That Act is so well drafted now, why should it be changed?

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. My question is to the Honourable Minister of the Public Insurance Corporation, and I wonder if he can inform the House how many auto body shops the Government intends to operate in the province.

MR. SPEAKER: The Honourable Minister.

HON. BILLIE URUSKI (Minister responsible for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, depending on the extent of the research we do, in what areas of the province we will do it in.

MR. BLAKE: Mr. Speaker, could the Minister inform the House if they plan on establishing their own shops or will they be purchasing some existing shops. Mr. Speaker, I wonder if he could give us some indication of what type of vehicles they will be doing their research on. Will they be existing wrecks or will they be . . .

MR. SPEAKER: Order please. I wonder if that question wouldn't be more suitable when that bill is discussed in Committee. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. Referring to my question last week to which the First Minister replied, does the Minister have a full report of the losing flood battle the farmers in The Pas are experiencing and are faced with disaster.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the way in which that question is worded would involve now a total debate as to whether the farmers are suffering a disaster. I understand, Mr. Speaker, that there was a dyke in the area of the Pasquia settlement that was severed and it has now been repaired, and that the situation is attempted to be corrected; that I could not say that the farmers in The Pas are in a worse situation or a better situation than many farmers in the Province of Manitoba as the result of water conditions this year.

## ORAL QUESTIONS

MR. BILTON: My information is quite different. I have a supplementary, Mr. Speaker. The local people in The Pas are being told by the Local Government Representative that no pumps are available in the province. Is this true?

MR. GREEN: Well, Mr. Speaker, I'd have to take that question as notice and check on it.

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

MR. ASPER: Mr. Speaker, my question is to the Minister responsible for Universities and Colleges. In view of the fact that there are several hundred Manitoba licenced teachers unable to find work, could he indicate whether he has any program which will make available to Manitoba teachers teaching jobs at the Universities in Manitoba to improve their position over the present 58 percent?

MR. CHERNIACK: Would he consider it Human Rights' legislation?

MR. SPEAKER: The Honourable Minister of Universities and Colleges.

HON. BEN HANUSCHAK (Minister of Education, Minister of Colleges and Universities Affairs) (Burrows): Mr. Chairman, I'm not aware of the several hundred unemployed teachers in the Province of Manitoba, so not being aware of them I can't answer the rest of the honourable member's question.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I presume, Mr. Speaker, that we can now proceed to the Orders of the Day. Mr. Speaker, I wonder if you would proceed with Bill No. 64 first, please.

BILL NO. 64

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Thank you, Mr. Speaker. As I look at this bill, one of the first things that comes into my mind is why are the government going into the banking business. And right after that comes into my mind, are they not in enough trouble? Are they not in enough trouble? Are they not trying to run too many corporations now which they're doing a darn poor job of. And why are they going into another? Is there such a big need? Are banks not doing the job - and credit unions? Out in my area they're doing a terrific job. In fact, I often think that we're almost over-serviced now. So I don't see the need. There might be difference in other parts of the country but in our part of the country there's absolutely no need. And if there is a need in the north, why doesn't the government - or I can't see if there's the need there first, why credit unions themselves won't go in our banks. And if the government feels that they aren't, they could assist them in some way.

But I can't see the Government going in there alone, because if it isn't going to attract the others under its present system we're going to do nothing but lose money again; and if we lose money this is going to come out of the tax payers. I also see with the Government going into the banking business that if they lose money it will be coming out of the treasury, which means that the people that belong to credit unions which have went through quite a struggle getting them organized - and they're doing a terrific job - are really having their own tax dollars fighting them. They'll be competing again their own dollars in business.

And will it be fair competition if the government go into it? Will it be fair competition? I can't see how it will. Will the treasury branches, will they be handling all of the Government business? And will they be making loans to the Manitoba Development Corporation where they've got an automatic cash flow? They will be handling, I presume, all the public utilities? Will they be making loans more general through their treasury branches at the time of elections? This is another thing that could happen.

They could be doing these things. And is there a need for it? I don't believe there's a need that the banks aren't servicing. And when I think of the trouble that we're in now with CFI, with the government running it - I'm not saying that it was altogether of their own choice, but it's a terrible headache to them. They've Saunders Aircraft which they're running, and it's losing money all the time. They're into the automobile insurance, they're going into general insurance. And all of these are giving you nothing but a headache. How much trouble do you want? You know, how much trouble do you want? Are you never going to quit? You're digging your own grave. And you're into trouble with your extended health plans - and you're into a guaranteed annual income deal now. How many things are you into? You're wanting to

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(MR. HENDERSON cont'd) . . . . go into the buying of land and leasing back, you're wanting to run that business - and you haven't been doing a very good job of any of them.

The only two public utilities that are really doing well, and they've been public utilities for a long time, are the Telephone and the Hydro, which are a different sort of a thing. So what keeps coming into my mind is, why? Why are you doing it? Now it's true that banks have to make some money, and if you're in there you're going to have to make some money too. Because you're going to have to pay your staff I would say more than they're getting in credit unions, because the type of salaries that people work for in credit unions they won't work for in a treasury branch, and I'm darn sure they won't work as hard. I never saw government employees working as hard as people that are devoted to their work yet.

I can see treasury branches watching the door and locking it right at four thirty; I can see the credit unions staying open until six and on Saturdays. They've been doing everything they can to accommodate the people. And this is what credit unions are - they are organized by the people, for the people, and if there's any earning then they reduce their cost of loans or else they give out some other form of help in the way of, shall we say, reducing interest or they take bigger risk and if they happen to lose, but they're doing it to help the people. In fact, I know of credit unions that have helped an industry get going that was successful, who the banks turned down. And you needn't laugh about that, because the government turned them down too. But the credit union in that particular locality came to their assistance and the business made a go of it. Now, what would your chartered banks do? What would they do? I can't see that we need these chartered banks run by government employees at all. And I wonder how we can stop it. It's brought in here the last. I just wish that the rural people had time to know what was going on because I know there's an awful lot of credit unions in the rural area and the people have done more in the rural area to set these up. I know they're going to be very upset about it but they aren't going to know about it until it's all passed - because I know the farm people right now, their main concern has been flood and now they're trying to get their crops in, they haven't time to bother doing anything about it. I just wish that they'd take time off to write the Minister of Finance and the Premier a letter, and I'll bet you he'll be stacked with letters, but they aren't going to know about it till it's all passed and then it's too late. I don't know why the government is proceeding in such a hurry. Even if you did think you could run it wouldn't be a darn good idea to try and straighten up some of the other messes you're in already without getting into something else before you've got them straightened away. I don't see how you can handle it at all now.

I can see competition to a certain extent, but like in my area where you have so many banks and so many credit unions already, if we have another branch or treasury branch go in there and it's going to try to accommodate the people, it's going to have to be paying the salaries and it's got to steal some of the business from the credit union or from the local people. You are going to have your own tax dollars fighting you because this is what you'll have; the people that belong to the credit union that are paying taxes and that, they are going to have their dollars going in towards a treasury branch. I wonder will it be kept separate or will be taken over from the treasury. I can't see these branches being set up and operating; I can see a big cost of a start-up as you could call it; I can see maybe five years going before they could make money. So I just can't see why you're going into them with all the banks we have, and I keep saying why would they do that and I can't find an answer. I'd like somebody to explain to me what they really want; is it wanting to run everything, do they really believe the government's got to have their sticky fingers into everything, having to have their man get paid salaries in between all the time before it can go back. How could they do anything better in a local area than a credit union? I can see where they could possibly criticize the banks somewhat but how can they criticize a credit union and the job they're doing. Have they given the credit unions a chance to go in and expand their work in the north?--(Interjection)--They have? And they've turned it down - and you're saying that they have turned it down to go into the North? Well how can you go in there then and make money if they feel that they can't go in and make money, and is it going to be subsidized from the treasury? I have a feeling if the co-ops won't go in and set it up, I can't see you fellows going in there and making money, not for the life of me. So I just wonder, you know, why you don't straighten out those other ones that you're in difficulty with and get them going straight, give this another year to at any rate give the people time to be aware of it.

## BILL 64

MR. SPEAKER: Order please.

MR. HENDERSON: Well, Mr. Speaker, I just wish that the public had more time to be aware of this bill. I'm sure that there'd be more letters come to the Premier and the Minister of Finance than he'd have any idea of receiving. I certainly hope that the press will convey it to local people that what they should do to turn this Act back is to write to the Premier and to the Minister of Finance, because in this House we're just playing a numbers game. It don't matter what we say or what we do, when it comes down to it, if there isn't pressure from the outside when a bill is brought in, it will go through. Because your mind's made up, and you know the number in the House, and so it's a numbers game when it's all said and done, and there's only one way it can be turned back. And I just hope that the people would take time off to write to the Premier and to the Minister of Finance because otherwise this bill is going to be rushed through, it's going to be forced on the people whether they want it or not. I never heard the NDP candidate in my area saying that they were going to go into treasury branches.

And by the way, the other thing that's really bad about it, which I almost forgot to mention, was I happened to read the first manifesto that you people had for the seventies, the manifesto or your "Guidelines for the Seventies."--(Interjection)--Well if it was stolen I don't know where it came from, it must have come from over there and it had some damn bad things in it, it's no wonder that you have to refer to it as stolen because you probably wouldn't like it out. And in your Guidelines for the Seventies you had in there that the government were going to be setting up these treasury branches and you had in there that there wouldn't even be need of credit unions because you said the government would be providing these services for them through their treasury branches.

MR. SPEAKER: The Honourable Minister of Finance state his point of order.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Yes, Mr. Speaker. This matter and this point was canvassed when the Honourable Member for Minnedosa spoke and it was made clear that - I believe it was made clear - that if there is a quotation from Guidelines of the Seventies then it should be so stated and so referred. I am asking that the honourable member be required or made--(Interjection)--yes, until you let me finish it - to give us the quotation and the location on the page of the quotation he's referring to in order to identify what he's talking about.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Well thanks, Mr. Speaker. First of all I must say that I wasn't here when the Member from Minnedosa spoke so I didn't hear those remarks. However I have read those Guidelines for the Seventies and I haven't got them with me but I feel sure that the ones I had read were in there, so there must have been two ways of interpreting it, and when I saw it that sure stuck with me. So I believe it's in there some place. I'll try and see if I can get a copy of that and I'd like another chance then to give you the page where it's on.

So I just don't know, you see, I see all this coming - why is the need for it? And then I go back to thinking of your Guidelines for the Seventies and it is that the treasury branches are going to take over, and they're not going to need the co-ops either I think it said, or the credit unions because the government, who they say are the people, are going to do it.

Now there's a difference between co-operatives where they compare with others and where they have open membership and, you know, you can come or go and all the rest of it, towards the government taking over and getting monopolies and having their type of a treasury branch which is not fair competition. This is really wrong. I just wish there was something that I could do to turn you back at this time because I know that this is going to hurt all the people in the credit union, there's a lot of good people in the credit union; in fact I would think that up until this time possibly that many of the people in the credit union and the co-ops have been somewhat inclined to support your party. But this sort of a thing is something that they're dead against and they're going to see you people for what you are if you go and do this. I just hope that if you do it, it's one of the things that will lead to your defeat in the next election.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Mr. Speaker, I would like to move, seconded by the Honourable Member from Gladstone that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

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MR. GREEN: Mr. Speaker, could you proceed to the Consumer Protection Act.

MR. SPEAKER: Bill No. 71.

MR. HENDERSON: Mr. Speaker, could I have this stand?

MR. GREEN: The Statute Law Amendment Act (1974), Mr. Speaker.

MR. SPEAKER: Bill No. 77. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Stand, Mr. Speaker.

MR. GREEN: Well, Mr. Speaker, No. 74, The Manitoba Trading Corporation Act.

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

MR. EVANS presented Bill No. 74, The Manitoba Trading Corporation Act for second reading.

MOTION presented.

BILL NO. 74

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, I think it may be an understatement for me to say that probably one of the greatest obstacles to economic expansion in the Province of Manitoba historically, going back even to the times when Winnipeg was a fledgling community over a hundred years ago, the problem of economic expansion - and it's well documented - has historically been, and particularly during times of economic recession, but it's been historically the lack of a large or larger market. The size of the market available to our Manitoba manufacturers in particular has limited the development of the size of the Manitoba economy; and to some extent has therefore limited the level of income which is available to our citizens. And what we are proposing in the Manitoba Trading Corporation Act, Bill No. 74, is to actively support small and medium sized companies in Manitoba to assist them in obtaining that larger market that we speak of. Through this Act we will be placing more emphasis on trade development than we have been able to place in the past. We have of course been active in various elements of trade promotion and documentation and assistance on general information on tariffs, foreign tariffs for our businessmen, but through this Act we hope to be able to in a very positive and a very active way support those Manitoba companies that require assistance in selling to export markets and hopefully therefore providing more employment for our people in Manitoba. Assistance, Mr. Speaker, which is practical assistance, including basic steps in export transactions, such as first of all the marketing of this merchandise, including selling and export markets. And incidentally we would define export markets not only outside of Canada but also outside of the Province of Manitoba, anywhere outside of Manitoba.

Secondly, another basic step would be documentation, shipping, insurance, credit and collection and all the special requirements of making an export shipment. We will therefore be providing this type of assistance.

And thirdly, the financing of export sales. And to accomplish this new legislation, we propose to extend the services of the already existing Manitoba Export Corporation and we trust that this extension of the powers of the Export Corporation will enable us to be more effective in the future. It is not intended to directly subsidize Manitoba's exports. In assisting Manitoba firms to export it will be the responsibility of the Trading Corporation to recover its costs of operations through commissions and profitable trading. It is the intention to carry out very careful transactions and not to engage in speculative transactions. Specifically, the trading corporation will solicit orders for Manitoba merchandise in markets outside of Manitoba by fielding its own sales force. Secondly, we will appoint sales agents in various parts of the world to represent Manitoba firms. Thirdly, we will provide financing for extending credit terms to foreign buyers. Fourthly, we may arrange documentation and transportation. I'm not suggesting, Mr. Speaker, that this is not being done now, but this is provided for in the Act. Five, organize export consortia to enable industry groups to take advantage of export market potential. Six, to engage in compensation trade that is reciprocal, or counter trade with soft currency less developed countries and east block countries.

I must add, Mr. Speaker, a trading corporation as such, acting as an agency of the Manitoba Government will be in a much better position to deal more effectively with trading corporations of those nations than would our own particular private companies. It is characteristic of eastern block countries and it is characteristic of developing nations to have government trading corporations. And we know from our discussions with some of our businessmen

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(MR. EVANS cont'd) . . . . who have attempted to sell in these countries that there is some difficulties and some hesitancy on the part of those countries in dealing with private companies. By offering the trading corporations that we are now talking about, by offering the trading corporation to the Manitoba businessman as a vehicle to assist him in his transactions or in his trade potential with those countries, I think we are in a very effective way assisting him or her in obtaining that particular order or series of orders. We will be able to offer Manitoba manufacturers in effect the services of an export merchant, purchasing products and merchandiser services from Manitoba suppliers and selling such products and merchandise or services in markets outside of Manitoba making a profit on the transaction. I must emphasize, Mr. Speaker, that the purchase of products from Manitoba companies will only take place when an order has been obtained in some part of the world, so that virtually we are purchasing items that we will have been able to presell, therefore minimizing the risks involved. Secondly, we will act as an export commission agent selling Manitoba products and merchandise or services on behalf of Manitoba suppliers in markets outside of the province and charging the suppliers a commission for arranging the transaction. We have already had indications from many small and medium sized Manitoba manufacturers who are desirous to work with the proposed trading corporation, and the services of such operation will be offered to all of our Manitoba manufacturers who have products with some export potential.

There are a number of items that we know that do have some potential in markets abroad. These are items that are rather unique and items that have very high value in relation to the transport costs involved. We talk about high value goods, and if we concentrate in this area we're in a better position to overcome the disadvantage of transportation costs - and we're thinking of items such as sound systems, security systems, high quality bicycles, unique products such as wild rice on behalf of the Indian Rice Producers Corporation. And there are many other items that we could discuss as having some potential.

In effect, Mr. Speaker, the organization that we're talking of, the Manitoba Trading Corporation, will have a number of travelling salesmen - and not only will we intend them to obtain orders and assist our potential exporters, Manitoba exporters, but also we would hope that through them we would obtain an even greater degree of co-operation from Canadian commercial offices abroad. I know members opposite, I believe the Leader of the Liberal Party in particular felt that we should be spending dollars on setting up Manitoba commercial offices in various major cities of the world. We have rejected this procedure, because it is a very very costly procedure to establish offices in places such as London, New York, Tokyo and so on. However, our experience tells us that we can get useful service, we do get excellent co-operation from the Canadian Trade Offices of the Federal Department of Industry, Trade and Commerce if they are approached and if they are made aware of our particular problems. We would hope therefore that these travelling salesmen will therefore be in a position to allow Manitoba to more effectively use the Federal Foreign Trade Service.

Mr. Speaker, perhaps members opposite will have numbers of questions or comments to make and I hope I will be able to reply satisfactorily to those questions and/or comments when we close debate on this bill. Thank you.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): I move, seconded by the Member from Brandon West, that debate be adjourned.

MOTION presented.

MR. SPEAKER: The Honourable Member for St. James wish to speak ahead.

MR. GEORGE MINAKER (St. James): No, Mr. Speaker, I wonder if the Honourable Minister would entertain a question at this time.

MR. SPEAKER: Well let me put the question, and then the honourable member can ask a question.

MOTION presented and carried.

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

MR. MINAKER: Thank you, Mr. Speaker. I wonder if the Honourable Minister could advise with regards to the travelling salesmen in the buying and selling of products that would be manufactured in Manitoba, would it be on a commission basis or would it be a straight buy and purchase from the companies producing the goods and then selling at whatever the market would bear at the present time. Has that policy or regulation been decided upon?



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MR. SPEAKER: The Honourable Minister.

MR. EVANS: I'm not sure because of the noise around me that I heard the entire question - it related to the type of commission that was levied. Mr. Speaker, we haven't worked out all the details. We hope to have the most effective arrangement that is possible and maybe we should try out one or two. I might also add that it is our intention, if you read the Act, it is our intention that the employees of this corporation may also be strictly employees of the corporation working on a contract or a fee basis, so that this would be more in keeping with the normal practice of a lot of salesmen that are employed by private companies. In other words, they are paid in relationship to the service, to the sales effort that they put in and to the results of their sales effort.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, will you call Bill No. 83, please.

MR. SPEAKER: Proposed motion of the Honourable Minister in charge of Auto Insurance. The Honourable Minister of Mines. I should like to inform the honourable minister he had used 12 minutes of his time so therefore he has approximately 28 minutes - that was allowing for interruptions.

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MR. GREEN: Well, Mr. Speaker, I started to speak on this matter yesterday and wasn't really given an opportunity of proceeding. I regret that the Honourable the Leader of the Opposition is not in his chair, although I must say that I probably should have mixed feelings, because if he was here I probably wouldn't be able to put in a word edgewise, as was the case yesterday. I did yesterday start to discuss, Mr. Speaker, the Honourable the Leader of the Opposition's speech, and the thing that I wanted to proceed with was largely his suggestion that there was some type of dishonesty on the part of the position of the Government in dealing with the fire insurance program, fire and general insurance program. And I had begun, Mr. Speaker, to indicate that the Leader of the Opposition was not a very good lecturer from the point of view of dealing with the question of dishonesty because, Mr. Speaker, his entire address was based on a dishonest position and I intend, Mr. Speaker, to deal with some of those questions and to try to indicate it even to the satisfaction of those people who normally would support him.

Now he started off, Mr. Speaker, - or not he started off - but the basic premise that he operated on with regard to figures, and I will repeat it as he presented it, that the private industry wrote \$3 billion in premiums and had a loss ratio which he accepted from the Minister in charge of Autopac of 138 million, and he said that that was four percent. He said Manitoba Government wrote \$40 million in premiums and had a loss ratio of \$10 million, which was 25 percent. And, Mr. Speaker, there is absolutely no question that he presented those figures as comparable because at no time did he indicate that there was any factor in the two presentations which represented other than automobile insurance coverage. When I indicated this to the House, the Honourable the Leader of the Opposition protested very strongly and said that the \$3 billion did not relate to auto insurance premiums and then further protested that the 138 million was not merely an auto loss, and therefore the figures really had no relationship to each other and should not be presented in the manner in which he presented them.

Now, Mr. Speaker, there is fortuitously - there is fortuitously an article in yesterday's or today's, I'm not sure, Globe and Mail which says: "Motorists Face Premium Rise of 6 to 18 percent on July 1st. Motorists across Canada will be facing automobile insurance premium increases of about 6 to 18 percent when their companies implement their 1974 rating programs on July 1st." That's the feature head story. Then there's a sub story: "Higher rate is tied to large 1973 deficits." I've just indicated that the auto insurance premiums are going up, that the higher rate is tied to large 1973 deficits. "Insurance industry sources say auto insurance premium rate increases are required as soon as possible to help offset . . ." "Insurance industry sources say auto insurance premium rate increases are required as soon as possible to help offset large deficits in 1973 when the industry reported a record underwriting loss of \$135.8 million. They say the trend of rising losses is continuing into '74, largely as a result of inflationary pressure on medical expenses, auto replacement parts and auto body shop wage scales. As a result there is concern in the industry that if the comparatively low rates continue into '74 the pricing of insurance markets that accompany deteriorating

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(MR. GREEN cont'd) . . . . loss experience of '73 will accelerate. One source said the Canadian Underwriting Association has assured the Ontario Department of Insurance that it will be able to guarantee a market provided that the rate increases are approved. A CUA spokesman said many companies are currently reporting that loss ratios, that is the ratio of claims payments to premium income expressed as a percentage, are running about 97 to 103 percent loss ratio. " Are running at about 97 to 103 percent, which I think means - and I'll stand to be corrected - that for every 50 cents that they receive in premiums they are paying out \$1.03. Excuse me, they are paying out - every 50 cents they receive they would be paying out 51-1/2 cents. Every dollar that they receive they are paying out \$1.03. So that that is what they are saying in regard to existing loss ratio.--(Interjection)--Yes, without including the administrative costs.

Some companies have reported larger writing losses in the first quarter of '74 than they had in 1973. Well, Mr. Speaker, you know any elector - because the Honourable the Leader of the Opposition is concerned with unfair statements on the electorate - any elector who would read this statement: "That the higher auto rates are tied to '73 deficits. The insurance industry sources say auto insurance premium rate increases are required as soon as possible to help offset large deficits in '73 when the industry reported a record underwriting loss of \$135.8 million." Anybody would associate that with the auto insurance deficit. Now I am still not certain that it relates to the auto insurance deficit, but if it relates to the total industry deficit, Mr. Speaker, then I would submit to you that the industry is misleading; or secondly, that the auto insurance portion of that deficit is probably the largest part. And therefore for the Honourable the Leader of the Opposition to say that the Manitoba situation is 25 percent losses and the industry position is four percent losses is, Mr. Speaker, an exercise in dishonesty. And that is the position that he put before the House yesterday.

Now, Mr. Speaker, my latest figures - and I quote these now as not being gospel figures, I welcome their correction if they are corrected. The latest figures I have show that the auto industry premiums were one billion 300 thousand dollars - one billion 300 thousand dollars - the Honourable Leader of the Opposition is nodding that they were one billion 300 thousand dollars for Canada; that doesn't include Manitoba and Saskatchewan. If you take Manitoba and Saskatchewan and say that the premiums are approximately a million dollars, both provinces being the same, a million people in each, we would take as a rough calculation that two million people would pay \$100 million in premiums, which is \$50 million for each province. The balance of the people in Canada, which is 20 million people, paid one billion, 300 thousand dollars in premiums. Is that right? That's by the industry's own figure. In two provinces, two million people \$50 million each per province. In the other provinces, 20 million people pay one billion, 300 thousand . . .

A MEMBER: Three hundred million.

MR. GREEN: Three hundred million dollars. So in Manitoba and Saskatchewan it's \$50 million per million people and in the rest of the country, where we have one billion, 300 million dollars, you divide that by 20, you get 115--excuse me, \$65 million per million people. Which is, as indicated, 15 percent less than what is paid in the other provinces - 30 percent less than what is paid in the other provinces, because it's 15 over 50; that's right, 30 percent less than what is paid in the other provinces.

Now, Mr. Speaker, those figures are not clinical because automobile insurance rates depend on the number of roads, the number of vehicles, other things of that kind. But none of those figures could bring it up by 30 percent. None of those factors could bring it up by 30 percent. But the fact is that in the provinces of Manitoba and Saskatchewan, the people, globally, and this is what we always said, globally, are paying 30 percent less on the average for automobile insurance coverage. And don't forget we're including Nova Scotia, we're including New Brunswick, we're including Alberta, we're including Newfoundland, we're including places where the rate would be even less than accident rate, or less highways than the Province of Manitoba. And we have from the figures published by the industry themselves that there is 30 percent less paid for automobile insurance in the Provinces of Manitoba and Saskatchewan than is the average across the country.--(Interjection)--Well the honourable member says that that is nonsense.--(Interjection)--Pardon me.

MR. SPEAKER: Order please.

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MR. GREEN: Of course, Mr. Speaker, I have indicated - you know, I have just said it because I'm not going to play the dishonest game of my honourable friend. I have--(Interjection)--no, if you had been listening you would have heard me say that there are highway differences, that there are number of vehicle differences, that there are many differences but none of them, in my opinion, would account for a 30 percent difference. And when we are talking across the country, we are talking about Nova Scotia, we are talking about New Brunswick, we are talking about Newfoundland, we are talking about Prince Edward Island, we are--oh, the honourable member waves his hand, whenever his statement is shown to be nonsense he dismisses it by waving his hands. But he gets before this House, Mr. Speaker, he comes before the House and his definition of an honest statistic is to say that in Manitoba, without qualification, without talking about what are the differences in figures, his definition as being honest as against what I have just said which he calls nonsense, is that in the industry as a whole they wrote three billion, and lost 138, which is four percent; and in Manitoba they wrote 40 million and lost 10 percent, which is 25 percent.

That, Mr. Speaker, is an honest statement on the part of the Leader of the Opposition, whereas if I say and indicate that Manitobans paid 30 percent on an average less, and that included in that average one has to account for things such as the number of vehicles, the number of highways, the number of wage rates and things of that nature, but many of those things equal out, what did the honourable member do to that statement? He dismisses it with a wave of his hand. Because he can't stand an honest statement, Mr. Speaker. He cannot stand it. He cannot accept it. He cannot digest it. And therefore he dismisses it.

Now, Mr. Speaker, the other question is, that the industry says that the higher rate is tied to large 1973 deficits; but the honourable member came in yesterday and said that there is no deficit in the auto insurance industry. Mr. Speaker, the honourable member came in and said if they take into account their interest and investment income - which by the way goes back perhaps 50 years, building up and investing - but if they take that into account, then they haven't lost anything, they've made money. Well, Mr. Speaker, if they made money, why are they charging an increase in automobile insurance premiums. Mr. Speaker, that is what we have been saying for years. Because you cannot have it both ways. You cannot show them to be a model of efficiency and losing money, and then say that they didn't lose money, they made money but they still need the 6 to 18 percent increase. Now, what we have said, Mr. Speaker, and we were saying it all along, I said it when I was a member of the committee that dealt with this question; that you cannot measure profits in automobile insurance by the margin of profit on the policy. You have to measure it by what the industry makes as a result of the money roll-over.

And here we have the Leader of the Opposition condemning, more eloquently than I was ever able to do so, that the auto industry in Canada has made profits under policy holders and is claiming a loss in order to increase premiums. Now what would happen if the Premier of this province did that? What if the Premier of this province said that we lost money on automobile insurance, we have a hidden investment income profit but because we lost money we are going to increase the premium. The honourable member would come in here and he would say that the Premier misled the province, that he cheated the people of Manitoba, he charged extra premiums when they were making a profit. He didn't tell the people that he was charging extra premiums when they were making a profit and therefore he has no mandate to go to the people and ask them for re-election. Well, Mr. Speaker, no such thing was done with regard to the auto insurance plan that we are operating. It was always indicated that the investment income would accrue to the benefit of the policyholders, the people who put up that investment income. And that is, that is what the Honourable the Leader of the Opposition calls a dishonest position.

Now, Mr. Speaker, what was the real dishonest position. I would say that everything that the honourable member said was a dishonest position; but the worst of his dishonesty was when he said Mr. Speaker - I'm going to try to accurately report it. He said that he is willing to support free competition in the fire insurance industry - and he underlined it "free competition" - and we'll support that proposition if the province moves into competitive free automobile insurance. That was his position. Mr. Speaker, that is a dishonest position. Because the honourable member doesn't support the government involvement in auto insurance. The honourable member doesn't support the government involvement in fire insurance. The

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(MR. GREEN cont'd) . . . . honourable member was a member of the previous Conservative administration. Under no circumstances would they have gone to competitive fire insurance. Under no circumstances would they go to competitive automobile insurance. And for the honourable member to say that he would support a government position of going into the automobile insurance on a free basis, is the height of dishonesty. Because it has never been a position of the Conservative Party. It has never been a position of my honourable friend. It would not be supported by the members who are sitting behind him - and the honourable, the Member for Sturgeon Creek is nodding his head vigorously up and down, indicating that they would not support such a position - and the honourable member did that, Mr. Speaker, not as an indication of sincerity, as an indication of a trick, a dishonest trick.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON:(Sturgeon Creek): Mr. Speaker, on a point of privilege. The member is right in saying I was nodding my head up and down, but not at him. I was nodding something else to the Minister of Autopac.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please, order please. I wonder if I may have a moment of the House's time to indicate that we have 30 students from the Ruth Hooker School of Grade 5 standing in the gallery. They are under the direction of Mr. Kuly. This school is located in the constituency of Selkirk - the Honourable Attorney-General. And we also have 60 students of Arborg Junior High of Grade 9 standing, under the direction of Mr. Aitken and Mr. Gula. This school is located in the constituency of the Honourable Member for St. George, the Minister in charge of Public Insurance Corporation.

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MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I accept the honourable member's interpretation. I want to say that significantly, Mr. Speaker, he indicated that he was nodding his head at the Minister of Autopac, significantly he did not indicate otherwise than what I said, vis-a-vis the question of whether the Conservative Party as a position, would as a party go into competitive auto insurance or go into competitive fire insurance. It was never their position. Their position was that they would undo the existing auto insurance program and make it competitive. But no conservative party anywhere, including the Province of Manitoba as a program has indicated that it would move into the auto insurance industry. As a matter of fact they said everything to the contrary. What can be more demonstrative of a dishonest position than the fact that the Member for Pembina - I mean, we're discussing two bills in the House today. One is Treasury Branches, one is Auto Insurance.

The treasury branches means a competitive entry into the financial fields which are now occupied by banks and credit unions. Are the Conservative Party saying, yes, go ahead on a competitive basis into banks and credit unions? Of course not. And if we were, if we had, is the honourable member really suggesting - because we'll find out where the dishonesty lies - if the Province of Manitoba had said in 1972 that they were going into competitive auto insurance if the honourable member says that they said they would accept it, Mr. Speaker, that was a dishonest position. That was a dishonest position, Mr. Speaker, and I am suggesting to you that I can prove it was a dishonest position. It's a dishonest position because of the position that they are taking today. They said that they would accept it if they would have accepted competitive fire insurance in 1971. Then by the same logic, by the same position, they should accept competitive treasury banks today. And they are not accepting competitive treasury banks today; they are saying stay out of business. And the Member for Pembina told us why, and other members have told us why. That the government has got no business involving itself in those fields of the economy which are now served and they are now served . . . and the Leader of the Opposition would have said, we can just hear him saying it Mr. Speaker: Does anybody have one ounce of doubt that if we would have introduced to start with, competitive auto insurance in 1972, is there a person in Manitoba who doubts that the Leader of the Opposition would have got up and said "You are not proving that the industry is not well served, You are not proving that there are not complaints. You are not showing that they are charging too much. You are not showing that they cannot be regulated, and therefore the government

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(MR. GREEN cont'd) . . . . has got no business going into fire insurance." There isn't a person in Manitoba, and certainly the members of the back bench of the party know that that's what he would have said. So I say it is a dishonest position. It is a position which intends to be a trick, that we will accept auto insurance, or fire insurance on a competitive basis if the government will open up the auto insurance and make it competitive. The honourable member knows full well that both he and his party are against the government involving itself in these fields, whether it be on a competitive basis or a monopolistic basis. So that, Mr. Speaker, let us not get from the Leader of the Opposition this pious lesson in honesty, what he calls the government hypocrisy. If there has been a demonstration of hypocrisy in this House, it is the demonstration that was put on by the Leader of the Opposition for three hours yesterday when he repeated himself on numerous occasions.

Mr. Speaker, the honourable member said that the reason that the government wants to go into fire insurance is to camouflage the financial statement of the auto insurance program. The honourable member knows full well that this party and this government has indicated an intention to move in the direction of having some role to play in the financial institutions, and that one of those financial institutions was the auto insurance industry, and that the fire insurance industry was a natural counterpart. This had nothing to do with camouflage. The honourable member really is trying to go back to his own position in government when the art of camouflage was practiced and therefore what he did he tries to attribute to everybody else. What was camouflage, Mr. Speaker? Camouflage was the government saying about the Manitoba Development Corporation - the Conservative Government - that we are unable to know or say what is going on. That was the art of camouflage as practiced by the Conservative administration.

The art of camouflage as practiced by the Conservative administration was where a Minister of the Crown got up and said, these people do not need government money, they have financial sources of their own. Mr. Speaker, that was the art of camouflage. Mr. Speaker, the honourable member said that the First Minister indicated that he did negotiate changes in the agreement. The First Minister had the honesty in the spring of that year, the spring of that year, of the same year, to get up before the House and say that I believed that I had negotiated changes in this agreement, that I have now found that the suggested changes are not forthcoming. There was a statement issued to the House. The honourable member would choose to forget it, choose to ignore it. The First Minister got up in the House, indicated that the people who had said that they would make changes put in dollar figures which really made the situation that there was no changes at all and therefore there was no agreement signed on the changes that these people had undertaken to make. And there was a statement made to the House, fully disclosed, in an honest way such as is really incomprehensible to the Leader of the Opposition, or if he heard it he would push his hand away and pretend that he never heard it so he wouldn't have to argue on that basis.

Mr. Speaker, Mr. Speaker, the statement that the Premier made in the House is recorded in Hansard. It is on the record. It is on the record. Mr. Speaker, there is nothing in the Premier's statement that is incorrect. It can be fully documented, it can be fully documented that there were no changes in the agreement. It can be fully documented that they discussed changes. It can be fully documented that we prepared changes. But it can be also fully documented that when it came to discuss the actual implementation of the 33 percent equity, which all of us thought that they were putting up, that it was not there. But, Mr. Speaker, that to the honourable member is dishonest, and to him it is honest for a Minister of the Crown with respect to that type of transaction to get up and say that these people do not require any public money, they have money of their own, or they have their own sources, of finances, that is honest.

The honourable member says that the people of Manitoba were somehow misled about the fact that Autopac would run a deficit, or could run a deficit, and he referred to several occasions where the First Minister indicated that he thought that the auto insurance premiums would not have to be raised for a certain period of time. Mr. Speaker, the honourable member knows full well that when those statements were made they represented the honest forecasting of the Premier of the Province of Manitoba. But the Leader of the Opposition says that they constituted an undertaking that the premiums would not be raised. Now, Mr. Speaker, let me tell the honourable member, the Leader of the Opposition, that if that's what he thought,

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(MR. GREEN cont'd) . . . . that I have to tell him that the people of the Province of Manitoba as a whole are much more intelligent than the Leader of the Opposition gives them credit for. The people of Manitoba, you know, they're not operators of insurance companies but they understand certain basics, and they understand that this is the way insurance works, that everybody puts in a certain amount of money, that a fund is built up, that claims are then made, and that when those claims are made, the money is paid out. Apparently the Leader of the Opposition doesn't know this, so I'd like him to listen, because this is the principle of insurance, that the fund is built up, that claims are made, then the money that is put in is paid out again. And the people of the Province of Manitoba know that one of three things can happen: One, that more money can be paid out than is taken in, in which case you have a deficit; secondly, that less money is paid out than is taken in, in which case you have a surplus; or thirdly, that exactly the same amount of money is taken out, paid out, as is taken in, in which case you have the least probable of actuarial proposition that they will be right on to the cent as to how much they predicted would happen.

I do not believe that it has ever happened in the insurance industry that the actuaries have been so clever, as apparently the Leader of the Opposition believes that he can be, that the identical amount of money that was collected to pay insurance was paid out in insurance claims. But the Honourable Leader of the Opposition thinks that the people of Manitoba know, or believe, that our actuaries were so smart that they would come up with the one in ten hundred billion shot that the exact amount that was paid out would be taken in.

Now the people know, the people know that there can be a deficit; the people know that there can be a surplus, and I would say, Mr. Speaker, that on the side of desire that they would prefer that you bet on a deficit than on a surplus because what would have happened, Mr. Speaker, if we would have shown a \$3 million surplus. Would the Leader of the Opposition have come in and say, Autopac is a success; Autopac is a model of efficiency; Autopac is a model of how government can well manage business. You know what he'd say, Mr. Speaker; the people of Manitoba have been cheated out of \$3 million in automobile insurance because the government overcharged them on their premium. Is there a doubt, Mr. Speaker, listening to the Leader of the Opposition, is there a doubt that that's what he would have done? So, Mr. Speaker, the balance is taken not on overcharging but on--if there is a doubt it went to undercharging. And the people of Manitoba know with this industry that whatever happens - and I'll be through in a minute, Mr. Speaker, - that whatever happens with regard to the automobile insurance claims that if there was a \$10 million deficit that by and large, by and large, although it's not 100 percent, that as premiums are collected again, that that deficit is going to be made up by the people who should have paid an additional premium so that the deficit would not have occurred. In other words, that if the actuaries had figured it out that the \$10 million would have been paid by them, it will still be paid by them but in an ensuing year, and some year it will be that they paid more premiums than was required for the pay-out than less premiums that was required for the pay-out. What they know for certain is that nobody is making a buck on their premiums.

Mr. Speaker, what the Leader of the Opposition demonstrated for certain yesterday that in every other province where the public does not have the ownership and control that there are people who are making a buck on their premiums even when they claim to be losing money. Because the Honourable Leader of the Opposition came into the House, said, yes they showed \$138 million but that's really camouflage, because really they didn't lose anything, they made a profit on the investment income, and the increase in premium has nothing to do with the fact of the same people making up the losses that occur, the increase in premium is made up by something that the people of Manitoba will never experience with their Autopac program, provided it is kept in the same way as it is now, and that is, that the people who put up the money got . . . the 100 percent benefit, whether it be in insurance premiums, insurance claims paid out, or whether it be in investment income that they are entitled to. And if anything, the honourable member demonstrated that more than could have been demonstrated by the Minister responsible for the department concerned.

Now, Mr. Speaker, I see that you're anxiously asking me to abide by the time.

MR. SPEAKER: The honourable member's time is up.

MR. GREEN: I trust perhaps that there will be another occasion when I can participate in this debate because there were numerous dishonest statements made by the Leader of the Opposition and though I've dealt with a great number, I've only dealt with a small fraction of the total.

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MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I trust that if the Minister of Mines and Natural Resources does get another opportunity to speak in this debate that he will address himself to the bill that's before us, namely the bill that takes the government into fields other than automobile insurance. Because in the full time that he's spent in talking, he said very very little about -- he said very very little, if anything, about fire insurance, Mr. Speaker.

MR. SPEAKER: Order please. Let me indicate to the honourable member when he's making those kind of remarks he's reflecting on the Chair. I allowed the latitude that I thought was entitled to this particular bill in respect to principle. And if the honourable member would have been -- Order please. If the honourable member would have been here yesterday he would have heard that his leader was talking on the same vein. So therefore the latitude is to all members of this House. If the honourable member is not happy with it, he should then take an issue with me and not with the members of the House. The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I do believe that when the government presents a piece of legislation as important as this, and we have a very brief introduction on behalf of the Minister who presents the bill --(Interjection)-- Mr. Speaker, I'm getting some noises across the way; I've heard every minute of the debate on this bill so far, including both Ministers of the Crown that have now spoken.

Now the second Minister that spoke, Mr. Speaker, hasn't added anything in terms of the government's argument for a defence for presenting to this House legislation that allows us to go into the insurance field in areas that it's now involved in. And of course that's what the name of the game's all about, we're faced with three massive bills that take us into new areas that the government has not been involved in before, and all of this coming in the dying days of the legislative session. --(Interjection)-- Well, Mr. Speaker, the Minister says not dying, we can stay here forever. That's fine. We can. Certainly we can. Figuratively we can but in practical terms this is just not reasonable or legitimate to bring in to a session in what is generally considered to be the tail end of the session, the important legislation that could just as easily have been prepared and brought in for digestion, Mr. Speaker..

MR. SPEAKER: Order please.

MR. CRAIK: . . . not only by members of the Legislature but by the public of Manitoba over a longer period of time.

Well, Mr. Speaker, first of all the major issue here is the question of honest and dishonesty in the presentation of figures. I find it very very strange that a person who can mouth such strong arguments as the Minister of Mines and Natural Resources, would have used the figures he has used to attempt to discredit the claims and the statements made by the Leader of the Opposition yesterday. The Minister in charge of Autopac stood up and said that the losses in the insurance industry in 1973, automobile insurance industry, were over \$130 million. This was picked up by the Minister of Mines and Natural Resources, Mr. Speaker, who has said now several times, the losses in the automobile insurance industry in 1973 in Canada were in excess of \$130 million. Mr. Speaker, if this is the second check type of approach of the government, I suggest that their foundation for what they're attempting to do is not very well prepared. The figures given by the Leader of the Opposition yesterday were accurate figures based on fact.

Mr. Speaker, you know, we have the government presenting misleading and false information to the House, and I'm going to tell you it is, and I'll retract it if they can prove it otherwise. Because the industry itself, Mr. Speaker --(Interjection)-- Well, Mr. Speaker, my goodness the statements that I have made have been minor in relation, minor in attack in relation to what's been said.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: On a point of order. The Honourable the Member for Riel already knows what I'm going to speak about because he knows he was using language which you have cautioned as being unparliamentary. Mr. Speaker, I will indicate to you that I was here listening to the House Leader also using language which I consider to be not in accord with the document which you distributed this morning. I did not interrupt him because he was speaking in the kind of language that was used by the Leader of the Opposition yesterday, and even less so in my impression. However, Mr. Speaker, out of consideration for your taking

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(MR. CHERNIACK cont'd). . . the trouble to distribute this document, which lies on our desks this morning for the first time this session, I am wondering whether we can't all somehow get back onto what we accept, or do not accept, as being the method, the parliamentary expressions to be used. Now as I say, I think that the House Leader transgressed against the sheet distributed, so did the Leader of the Opposition yesterday. Maybe we can start afresh or maybe we can't. It's up to us.

MR. SPEAKER: The point is well taken, but the Chair has the difficulty of dealing with adults who are mature and who can, and do, only reflect upon themselves. I have no powers with which to change that course which they want to take in this House. I can only request that they act like parliamentarians and like honourable members of this Legislative Assembly. The Honourable Member for Riel.

MR. CRAIK: Thank you, Mr. Speaker. I appreciate the interjection of the Minister of Finance as well because history shows in the Legislature usually when people start shouting, and all of us are following the same category once in a while, that it usually doesn't present as good an argument as one that is presented in the more factual and cooler manner.

I want to say that in connection with the facts and figures that have been presented, the insurance industry in Canada, according to their official documents, did lose \$133.8 million in 1973. But that was all types of insurance other than life, and that includes the property, automobile and casualty. The losses, Mr. Speaker, or the total premiums written of the total was three billion, as stated by the Leader of the Opposition.

A MEMBER: Falsely.

MR. CRAIK: Falsely, of course, Mr. Speaker, in the eyes of the government that's what the Leader of the Opposition said. Mr. Speaker, I'm telling you what the Leader of the Opposition said. I didn't say anything about what the Minister of Mines has said at this point, and I don't recognize him as a . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I never indicated that the \$3 billion was a false figure. I accepted the \$3 billion as an accurate figure.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on a point of order. The Honourable Minister has said that the \$132 million was the loss in auto insurance.

MR. GREEN: Mr. Speaker, the honourable member now is talking about something else. I said that I had gotten that figure from the Minister in charge of Auto Insurance, and then I read the same figure this morning and indicated that the way it is worded it appears to be a loss in auto insurance. Okay.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, we really have one - I think the First Minister should have then had the astuteness to correct the Second Minister when he used the information wrongly. Mr. Speaker, if that's where they're getting their facts and figures for justifying going into a business, then it's not very well founded. That's the point I'm trying to make.

Now it's been stated accurately by the Leader of the Opposition that the industry in 1973 sold in premiums \$3 billion. Their losses in total for all of that was 133, which works out in the order of a four percent loss. Now, Mr. Speaker, the automobile is less than half, the automobile is less than half of that in terms of the total premiums written, and less than half in terms of the losses. --(Interjection)-- Yes, Mr. Speaker. The only information you can go on in this is the loss ratios that are stated for the three categories of writing, and the change in loss ratio is lower even in automobile than it is in the others. So, Mr. Speaker, the losses in automobile are less than that, and probably are a third of that, which probably at least indicates that the loss for the industry in Canada was less than four percent. The loss in Manitoba, as the Leader of the Opposition has pointed out, was 25.

Now, Mr. Speaker, there was a lot of time spent proving the Leader of the Opposition as being dishonest on these figures. Mr. Speaker, if anything they're on the safe side. Now the only rebuttal we've had to this is that the Minister of Mines takes the total figures for Canada, adds two million people for Manitoba and Saskatchewan, or works out that automobiles should cost about 65 million per million people per year, based on national figures, and therefore Manitoba is in the ballpark. But what he is doing - he probably is right. Manitoba's actual figures in 1974 may well be 65 million for automobile, but that means you're going to



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(MR. CRAIK cont'd) . . . compare Manitoba to Toronto when you do that, or the whole entire rest of Canada, or those areas dominated by large urban areas.

So, Mr. Speaker, what we have is a tacit admission here that Autopac can be justified on the basis that if it's in the same region as the costs average in Canada, that Autopac's okay. But that's not the reason they went into the business. However, Mr. Speaker, I don't want to deal with this. I simply want to clear up the fact that the statements made by the Leader of the Opposition were right on, safely stated, and the two Ministers of the Crown have presented wrong information to the House. --(Interjection)-- Wrong information to the House, Mr. Speaker. And they're the people that are bringing in this bill, not us. --(Interjection)--

MR. SPEAKER: Order please.

A MEMBER: The Minister responsible for Autopac, he's getting the information right now.

MR. CRAIK: Well, Mr. Speaker, the First Minister stood up the other day and he attacked the Member for Fort Rouge for suggesting that there should be a ministry and bureaucracy set up in the area of Urban Affairs. And the First Minister made a fairly strong reply to this and a very fairly, convincing reply. He said, why should we set up a second-guessing department when we have priorities for the employment of people in government to do the things we want to do in government? Why should we set up a Civil Service bureaucracy that is going to examine and second-guess those things that other people are already delegated with the responsibility for? And it was a good solid argument, Mr. Speaker. And they replied very satisfactorily in the Urban Affairs Department.

But, Mr. Speaker, what we have now are three major bills before the House. All of them could be called second-guessing bills. You've got a second-guessing bill in general insurance, you got a second-guessing bill on the banking system with the Treasury Branches and you got a second-guessing bill in the mining industry. All of these are going to require substantial employment of people to develop them, to set up government bureaucracies to get up into a business that other people are already in. So, Mr. Speaker, where's the continuity? Is it solidly based on the fact in all of these cases that the government is convinced that all of these industries are operating incorrectly and not in accordance with the best interests of the people of Manitoba? Well, Mr. Speaker, to listen to the First Minister's arguments, you would think that they could hardly justify it on those grounds.

Let me come back to fire insurance at this point. The government as I said has not given any solid rationale, cost benefit study, or any other type of a legitimate argument for entering fields of insurance other than the ones they're in. It's a fact, Mr. Speaker, if you use the figures that were presented by the industry, which have been quoted as being the government's reason for justifying Autopac, that is the \$133 million losses last year. The largest losses were in the areas that the government is now proposing to enter. It was not in automobile, it was in the very areas that the government proposes to enter in the insurance business. The government last year stood up and said that the hail storm was the priority reason for the increase in Autopac rates. They didn't say the whole ten million or the eight million or anything else, whatever they admitted at the time. But they said that the hail storm was a prime reason. Mr. Speaker, in the committees we find that the hail storm probably caused a million to two million dollars worth of damage, according to the Manager of Autopac. So if you think the hailstorm caused damage to cars, what do you think it did to other property, Mr. Speaker? If you really want to mount an argument for getting out of other types of insurance, you just multiply the damage to cars caused by hail. Mr. Speaker, if you have a hail storm, would you expect your car to be damaged in relation to your house? Where would you look first for damage? You'd look at your house, and you'd be right, because that's where your damage is and that's where the major losses were for those people who are primarily occupied in the insurance business in Western Canada, in Manitoba and Saskatchewan and Alberta. So they're going to get into an area that would be a much greater loss leader for them than their automobile insurance was. No rationale. No cost benefit study. A statement by this Minister that gets up and says, but the industry has not been responsible - the industry is irresponsible, or not responsible, whatever his comments are. Well, Mr. Speaker, the justification is just not there. And to reiterate the question of the Member for Pembina this morning, he says what for? Where is your justification? Why? Are you not in enough trouble already? Do you really think that this is a social measure, a social measure that's really

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(MR. CRAIK cont'd). . . going to be of benefit to the people? Where are your complaints? Where is your list of complaints? The member says that the MLAs, the members of the Legislature, have representation to them made by people who are dissatisfied with insurance. Mr. Speaker, if I have one complaint on insurance, general insurance, to ten complaints on Autopac it would be a very high ratio because I don't have that, Mr. Speaker - and I ask any other MLA, member of the Legislature, whether the ratio of complaints or question marks or queries that are related to all types of insurance whether or not most of them aren't related to Autopac or automobile insurance prior to Autopac, Mr. Speaker. It's always been the automobile industry that has dominated the concerns of people in the insurance industry.

Mr. Speaker, we have a justification of sorts by the Minister this morning that the industry announces through a Globe and Mail report that rates are going up six to eighteen percent. Then I think that we should have some reply as to how much the rates are going to go up for Autopac again. It would seem that a 25 percent rate increase is considerably higher than six to eighteen, and apparently we are facing again the losses in 1974. --(Interjection)--

Well, Mr. Speaker, we have another point here. I'm glad the Minister has made his interjection here, because he talks about the industry - says it keeps losing money, but in actual fact the volume goes up so they make more money. Well I think that they ought to again in their cost benefit study - rather than getting stuck up on this doctrinaire position and presenting ill-founded information - why don't they analyze where the cash flow comes from in the operation of the insurance business? They don't seem to want to accept the fact that the investment income aspect of the insurance industry, a well established industry, is a significant part of the operation of the business. So that when the industry says it has a loss, the government says they didn't have a loss - that's all, you know, that's all junk. We don't accept that. We don't buy that, Mr. Speaker. But look at the facts, look at the bar graphs for all the years from 1957 right through, and you can see that they tend to average out just about on zero. And the reason is, that's because most of the industry is mature and has a solid investment income that takes them through the peaks and valleys of operation. But as soon as the government moves in, what they're going to do, is they simply lose that. So that money just goes elsewhere.

Mr. Speaker, I'll suggest to them, at least if you do decide that next year you're going to go into the life insurance business, for goodness sakes look at that aspect of it, because I suspect that there's not a life insurance company in Canada that doesn't really break even on the basis of its investment income. Now at least look at it when you move into the life insurance business, and we fully expect that you will. Not because there's any good reason for you to do it, except that it will satisfy your doctrinaire desires and aims - and that perhaps, Mr. Speaker, may not come this year, but once they put it in the door we'll get it next year. This year we have, Mr. Speaker, again a very honest position put forward by the government saying we're not going into compulsory general insurance, we're going into competitive general insurance to keep the industry honest.

And then by way of a suggestion from the Leader of the Opposition yesterday, we find that they're going to get the good business by getting the government business. Well, Mr. Speaker, are they going to get the government business on a competitive bid basis?

A MEMBER: No way.

MR. CRAIK: Are they? Mr. Speaker, obviously they're not. They're not going to even do like Saskatchewan. They're not going to let out their buildings on a competitive bid basis, they know darned well they'll get beat. What they're going to use is taxpayer money to subsidize by charging what rates they want to against government business to make the books look good for their fire insurance business.

Well, Mr. Speaker, it's the same thing - to a certain extent, the same thing has happened in Autopac. The cost of vehicle insurance for the Crown Corporations escalated significantly, markedly, in the first year that Autopac came in: Manitoba Telephone System, Manitoba Hydro; Manitoba Telephone System has not yet answered the request, but has suggested that the increased costs are in the order of \$70,000 a year. We're still waiting for the replies from them. What about Manitoba Hydro? All of these things where they had fleet rates before, were taken off; they were given individual rates; the money all goes into Autopac but we pay on our Hydro bill for it, it doesn't show up on Autopac. Now we're going to get the government, confirmed by the silence, Mr. Speaker, of both Ministers - the government

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(MR. CRAIK cont'd). . . is going to get the good business by selling fire insurance to government buildings, but it's not going to be a competitive bid basis, Mr. Speaker; it's going to be a pre-set rate, Mr. Speaker, that gives them a good solid base of business. No competition, Mr. Speaker. Okay. Extend that, Mr. Speaker. What government buildings? Does this include schools as well? Universities? Hospitals? Mr. Speaker, if that is what the government is going to do, make no mistake they've taken the guts out of the insurance business, part of the guts. Part of the guts of the insurance business is pulled right out, and it's going to be used as a subsidization program for their business. Well, Mr. Speaker, is that an honest statement for the government to stand up and say, "We are going into the competitive general insurance business in competition with the companies because we're going to keep honest?" How can you keep the companies honest if you're not honest yourself in an intellectual sense? How are you going to be the referee and play the game at the same time? And lay out the ground rules in order to both referee and to play? How can you be both the prosecutor and the judge? How are you going to run an insurance office that checks on the companies at the same time you're in the business, laying out your own ground rules, carrying the ball some of the time, you know, moving the yardsticks the other part of the time? Is that really an honest statement that you are going to keep the industry honest when you're so damn dishonest intellectually in saying that, that it just staggers you - boggles the imagination, to use a common phrase.

Mr. Speaker, all of it leads to that great social goal, the great pinnacle of achievement that keeps coming clearer all the time from the government, don't delegate responsibility in society. The ultimate of every red blooded Canadian should now be to get himself elected and then get into the Cabinet because they're going to be 17 Cabinet Ministers and we are going to run society, and everybody should aspire to that. But by no means do you delegate responsibility to anybody in the insurance industry, the mining industry or the banking industry. Don't do that. That contravenes the great goal of socialism. So, Mr. Speaker, I've never been one to get really concerned about this socialism versus free enterprise argument. I've never seen it in quite as clear terms, Mr. Speaker, until you get three bills, three bills, Mr. Speaker, in the House - three bills in the dying days of session that lay out the second guessing bills, the second guessing bills that put the mining industry into a position of being much less better off than it would be under a Public Utilities Board; puts the credit unions into a position where the new and young credit unions are virtually cut off, will be, it's a fact of life - and the insurance bill that is presented on the basis of being competition, but in fact is a loaded competition that gives the government sole monopoly on some of the largest and most important business in the Province of Manitoba, far more extensive than what I believe is even an operation in Saskatchewan at the present time. All of these measures, Mr. Speaker, how can you not look at all of these measures, put them together and not come up with the conclusion that this has just got to be an undefended but doctrinaire drive towards their social goal of a government take-over; government take-over, government monopoly, power - not to the people, Mr. Speaker, but power to the Cabinet, power to the 17 Cabinet Ministers, or 16, whatever the number happens to be - but Mr. Speaker, by all means give us power and let us exercise it, and we'll tell the people what is best for them.

Mr. Speaker, I've covered a number of points here. I want to cover one more. There was an accusation yesterday by the Minister, again an honest statement by the Minister, that the cost ratio of the operation of private companies was 40 percent, whereas the government was 15 percent. Mr. Speaker - again, Mr. Speaker, are we really supposed to sit and listen to that? This comes from one of those people who has reached the pinnacle of power. He's now a person that's supposed to be believed by the people of Manitoba. He's a Minister. He's a Minister, Mr. Speaker. And the First Minister of course, when he makes a statement, is considered credible. And a regular Minister to a certain degree is considered credible as well; but a member of the opposition or a John Doe citizen, sorry, he's somewhere else on the ladder, his statements aren't quite as credible. But regardless of who the First Minister is or a regular Minister is, when they make a statement people do tend to believe them, because under the parliamentary system of responsible government there is an onus to be direct and forward, and straightforward with the people in statements. But when he stands up and says "We operate on a 15 percent loss ratio, and the industry is taking up to 40 percent". He said the industry is 35 to 40 percent. Is that honest? You really think that's honest? --(Interjection)-- You really do? Well, Mr. Speaker, then it just shows you that the trust of

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(MR. CRAIK cont'd) . . . the people is ill-placed, misplaced, Mr. Speaker. They make statements, \$133 million loss in the automobile industry that they find out later, base a whole case on it; and if not it represents all sorts of losses, less than half of it is automobiles. They say that the industry operates at a 40 percent loss ratio, where the Insurance Act of Canada puts out the statistics every year and will give you the averages, Mr. Speaker. They make these outlandish statements and they really don't care as long as the argument they present justifies their position.

MR. SPEAKER: Order please.

MR. CRAIK: And, Mr. Speaker, in all of this, Mr. Speaker, with the numbers they have the power, they can do what they want to do, and they'll do it, Mr. Speaker. Even with that they feel they have to bend to using misinformation to justify an argument.

MR. SPEAKER: The Honourable Minister. The Minister of the Public Insurance Corporation.

MR. URUSKI: Yes. On a point of privilege, Mr. Speaker. I never used the figure that the loss ratio of the industry is 35 to 40 percent. I have used the figure 35 to 40 percent in their administrative costs.

MR. SPEAKER: The Honourable Member for Riel is finished? Thank you. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, certainly this debate cannot help but make one reminiscent of the debate of 1970-1971 in this Chamber when the Province of Manitoba proceeded to implement a public automobile insurance program. I think it's important at this time to remind ourselves of some of the statements which were uttered in 1970-1971 by those in those days that opposed the implementation of a public automobile insurance program. You will recall, Mr. Speaker, that there was a tremendous lobby that was organized and developed, not only just in Manitoba but with assistance elsewhere throughout Canada and other parts of North America, to attempt to prevent the development of a public automobile insurance program. And I can recall statements that were made in this Chamber during that period, and I think it's wise that again we remind ourselves of some of the dishonest comments that were made, and incorrect forecasts that were made by Leaders of the Opposition and their supporters during that debate.

MR. SPEAKER: Order please. I wonder if I may appeal to the members. I know that the first two or three speakers possibly didn't have a chance to read what I placed on their desks this morning but the others have had a chance. Words such as "dishonest", if they will look at their sheet, are not used. I would hope that we would get together on this business of acting -- ORDER PLEASE. If the honourable member wishes to make comment will he wait till I'm done or else leave.

Now let us get together and act like parliamentarians. Those who have no desire to do that, would they kindly inform the Chair so that I will then know how to deal with them. I wish that we would get down to the business of this House and carry it out efficiently and gentlemanly and honourably. That's what we were elected to do. And those who have no desire, would they kindly remove themselves so that the rest of us who want to can get on with the job.

The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I will try to think of another descriptive phrase beside the one which apparently is considered an unparliamentary one. --(Interjection)-- It's been suggested "lack of candor", and that's possibly better.

June the 3rd, 1971, the Leader of the Opposition spoke to a group of students at Red River Community College, and what he said in that address back in 1971 was to some degree repeated again yesterday despite the fact that the innuendo and the misstatements of fact issued back in 1971 have been proven to be incorrect. I want to place on the record, Mr. Speaker, those comments that were made by the Leader of the Opposition back in 1971 in that address, and they were comments that he had also issued within this Chamber. And so that we can be reminded now as to who was misinformed at that time, the Leader of the Opposition, and I want to give him the benefit of the doubt here, there was a misstatement in the paper, but it forecast that 11,000, which he meant to say 1,100, I think it was an error in the paper, 1,100 insurance industry personnel would lose their livelihood. I want to say very categorically that that again was the use of the tool of fear to frighten hundreds of

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(MR. PAWLEY cont'd) . . . personnel in Manitoba that they would lose their livelihood, the date, June 3, 1971. The fact is, Mr. Speaker, that the number in fact that did find any need for instance to apply for transitional assistance, employees, insurance company employees, was much less than 1,100 individuals, and in fact the record will clearly indicate that there were very few, that in fact that can say with any sense of integrity that they lost their jobs because of the development of public automobile insurance in Manitoba.

In addition the Leader of the Opposition at that time, had suggested that, again innuendo - I don't know why he introduced this because he had no basis for introducing this into his address at that time, but an American insurance company will be co-assuring the government plan. He also stated that we would be hiding legal costs through the Department of the Attorney-General, hiding legal costs through the Department of the Attorney-General like, he said, Mr. Speaker, they do in the Province of Saskatchewan. Again of course the passage of time has proven just how false that was.

He also indicated that we would be hiding medicare costs under the new public program. Again, Mr. Speaker, it is of course quite clear and obvious, as we stated in 1971, that there'd be no change in respect to the adoption of workmen's compensation and medicare, that those costs would be included within the plan operated by the Public Automobile Insurance Program.

He had suggested, Mr. Speaker, that a number of insurance agents had declared or will declare bankruptcy. Mr. Speaker, let it be very clear on record that there was absolutely no reason that any agent ought to have gone into bankruptcy in the Province of Manitoba because of the implementation of public automobile insurance, none whatsoever.

In addition, Mr. Speaker, within this House, other statements were issued. The campaign of fear was introduced in the attempts to combat the development of public automobile insurance. What were some of those statements that were made within this House? One - and I think that we all recall these statements very very vividly. One was that the rural drivers would be forced to subsidize the urban drivers; that there would be a flat rate system introduced in the Province of Manitoba that would result in the farmers and the rural people having to subsidize their urban cousins. That was a falsehood.

There was a statement also issued that, and again and again it was repeated within this House and outside this House, that the Manitoba Public Insurance Corporation would not be paying taxes to the Province of Manitoba, the two percent charge that is charged to other insurance companies. Again a complete and total falsehood proved by the passage of time.

It was suggested over and over again that well the public plan is going to be subsidized by the government. Again that has been a complete and total falsehood.

It has been stated that the system of operation of settling claims would be inefficient, and it was a reflection upon the development of claim centres in the City of Winnipeg. Well we have constructed three claim centres and in the process of constructing a fourth claim centre.

But interestingly, Mr. Speaker, only a few weeks ago I was reading an article in the Toronto Globe and Mail when the Insurance Bureau of Canada announced, Mr. Speaker, that they were going to implement claim centres in the City of Toronto, they had suddenly realized that claim centres could do a better job of handling the settlement of claims than the traditional method which they have been operating under for many many years because of costs and service. That back in 1970, 1971, they suggested that the system we were developing to deal with claims would be inefficient, but now, Mr. Speaker, the private insurance industry themselves have proudly announced that they're going to follow in the steps of what this government did back in 1970, 1971.

Mr. Speaker, they refused in 1970, 1971, to discuss the concept of no-fault, the universal provision of a layer of no-fault benefit coverage. We stated openly and clearly in 1970 - 71 that we were leading the way insofar as insurance coverage was concerned throughout Canada, and that other jurisdictions within Canada would follow in respect to not only public automobile insurance but the development of a layer of no-fault coverage. Mr. Speaker, they didn't want to debate no-fault back in 1970, 1971. If you check the records of debate in this House, with the exception of the Honourable Member for Assiniboia, other members avoided, maneuvered from discussing to any extent, with any seriousness, the importance of the development of a different and a humane and a more no-fault system of handling insurance coverage in Manitoba, with the exception, may I say, of the Honourable Member for Assiniboia, who very properly suggested in 1970, 1971 if anything, we ought to have been going further in

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(MR. PAWLEY Cont'd) . . . . the direction of providing no-fault. But what has happened, what has happened is that the Insurance Bureau of Canada, Mr. Speaker, has announced and has developed a program, has developed a program in which they are providing for injury and death benefits, and are asking governments to implement a program which is worthy of our support in this House as a move towards the providing of injury and death benefits on a no-fault basis.

The Member for Portage la Prairie keeps speaking from his seat but I've noticed, Mr. Speaker, that the Member for Portage la Prairie can never discuss automobile insurance with any rationality because he's so clouded by his own emotional reaction to the issue.

Mr. Speaker, in addition . . .

MR. GORDON E. JOHNSTON (Portage la Prairie): Will the Minister permit a question?

MR. PAWLEY: When I'm finished. Mr. Speaker, in addition a lot is said about the losses, supposed loss or deficit by the Public Automobile Insurance Program last year. I have before me since the Member for Portage la Prairie has been wishing to enter into this debate, an article from the Portage la Prairie paper of February 14, 1974, and the headline is "Mutual premiums up, record loss noted". And do you know, Mr. Speaker, what the reason that was given to the shareholders of Portage la Prairie Mutual for their loss on February 14, 1974? Could you guess? Hail storm and wind storms. That was the reason that was given. And yet, Mr. Speaker, when we mentioned that we had had problems from hail storms of last summer, June, July and August, was there any suggestion that we did not have a worthy reason for our losses? No. But the manager at Portage la Prairie refers to the losses and the company's annual meeting was told that the extraordinary series of wind and hail storms in Manitoba and Eastern Saskatchewan had resulted in reported claims amounting to more than \$1 million.

The policyholders pay for those claims just as the policyholders pay for those claims under public automobile insurance programs, and I do not know when the Honourable Member for Portage la Prairie and others will recognize that fact.

A MEMBER: Who paid the 10 million last year?

MR. SPEAKER: Order please.

MR. PAWLEY: The automobile insurance people will pay just as Portage la Prairie and Wawanesa . . .

MR. SPEAKER: Order please. The Honourable Member for Portage will have an opportunity in his own time.

MR. PAWLEY: Mr. Speaker, when public automobile insurance was introduced it was emphasized with complete validity and accuracy that a program of insurance coverage was required in Manitoba that would ensure that every motorist would be required to have within his coverage sufficient financial responsibility to protect those that might be injured, or would die, or would suffer other damages from that motorist's damage. That was a very important principle that was enunciated. It was felt after a very - and I say very serious and substantial thought by this government, that the only way that this could be done was by the development of a compulsory public automobile insurance program in which the insurance would be conterminous with the license plate. So that when one acquired a license plate, the insurance was part of that license plate. And, Mr. Speaker, the number of uninsured motorists in Manitoba at the present time, I would estimate liberally less than one-half of one percent. And if you trace back to the records of 1970, you will find that the estimates of uninsured motorists in Manitoba ranged from five to ten percent. Let me say, Mr. Speaker, for that very reason only, public automobile insurance has been a program which we ought all to be proud of in the Province of Manitoba.

When it comes to fire insurance, it's a different matter. Fire insurance is an area where if one suffers a loss then that loss is that own person's responsibility.

But I remember also, Mr. Speaker, the slogans of 1970, 1971. "Freedom of Choice - let each and every individual have the opportunity in Manitoba to buy the insurance coverage of their choice." And as I say I do not think that that argument had validity with a program that ought to be compulsory. Fire insurance is not a compulsory program nor should it be required to be compulsory. But surely, Mr. Speaker, every homeowner in Manitoba ought to have the freedom of choice to decide whether they purchase their house insurance from a government

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(MR. PAWLEY Cont'd) . . . . corporation or from a private insurance corporation. And I suspect, Mr. Speaker, that a goodly percentage of Manitobans will prefer to buy their fire and homeowner insurance from the Manitoba Public Insurance Corporation.

But, Mr. Speaker, we find that the shoes have now changed and honourable members are no longer interested in Manitobans having freedom of choice as to where they purchase their fire insurance and general insurance in Manitoba, because they don't want the Manitoba Public Insurance Corporation to sell that insurance. And when it comes to a vote in this Legislature, I daresay that each and every member across the way will vote against giving Manitobans the opportunity to purchase their insurance in the event of their desire to do so from the Manitoba Public Insurance Corporation. So I say to them let them cease their idle phraseology and let them remain consistent throughout.

MR. SPEAKER: Order please.

MR. PAWLEY: So that I say, Mr. Speaker, that the challenge rests with them, the challenge rests with them to remain consistent with the principles that they earlier pronounced with such vigor and strength in this House. Freedom of choice. Freedom of choice.

I recall - and now, Mr. Speaker, I would like to just mention that I had the opportunity to discuss on many different occasions with insurance agents in Manitoba the issue of whether or not the Province of Manitoba should be an underwriter in respect to fire and general insurance, and I want to say this to Members that I suspect that there'll be very few agents that will express opposition to the entry of the Manitoba Public Insurance Corporation into the general and fire insurance. Mr. Speaker, during the course of this debate I have not heard, nor do I imagine very few members have heard, from any number of agents protesting the entry of the Manitoba Public Insurance Corporation into the general and fire insurance. But I want to say to honourable members that I have had many agents who have suggested, that have suggested that we ought to enter into that field, same agents, same agents, Mr. Speaker, that opposed the entry of the Manitoba Government into automobile insurance are now saying we think it would be in the interests of our consumers if there was this range of portfolio provided to our consumers. Many, Mr. Speaker.

I can recall, Mr. Speaker, speaking to an agent in a boundary town just near the boundary of Saskatchewan-Manitoba, and he opposed the entry of government into public automobile insurance but he said to me, when in the hell are you fellows going to provide fire insurance in Manitoba? And he mentioned to me that when it comes for instance to the providing of fire insurance for various commercial undertakings that it was much easier, much more efficient to place the same lines of insurance if you happen to be located in the Province of Saskatchewan just across the line, than he was finding it just across the line in the Province of Manitoba. He indicated that he felt that the service would be improved if he had the same opportunity, the same freedom, to place that insurance through a Public Insurance Corporation as they were able to do just across the line in the Province of Saskatchewan. And I mention this instance, Mr. Speaker, and I emphasize it is not an isolated representation that was made to me by agents in the Province of Manitoba, that there were considerable number of such representations made by insurance agents to myself, and I am sure by the Minister for Autopac at the present time, that he has received many such representations by agents in the Province of Manitoba. They will tell you, Mr. Speaker, that there are certain lines and areas of coverage that they would like to see the Manitoba Public Insurance Corporation provide that they find difficulty in placing at the present time, and the Honourable Minister responsible for Automobile Insurance could certainly outline some of those areas. It's true in commercial, in some farm areas, and certainly insofar as bonds and some other areas of that nature.

Mr. Speaker, I think that one can say without a question of a doubt, and I would issue a challenge to honourable members, that since the Public Automobile Insurance program was implemented in Manitoba that rates have not gone up to an extent that was greater than the increase of rates in automobile insurance elsewhere in Canada percentagewise. And I think, Mr. Speaker, that it can be safely said that rates in Manitoba have gone up at a slower pace than anywhere else in Canada, anywhere else in Canada since 1970, 1971 in Manitoba - bar no province. Rates have gone up at a lesser place in Manitoba than elsewhere, and that in fact, Mr. Speaker, that the recent announcement of this week that rates are going to be increased by 6 to 18 percent elsewhere in Canada by private automobile insurance underwriters, should indicate again the validity of the direction in which this Government went in respect to Public Automobile Insurance.

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(MR. PAWLEY Cont'd)

But we always said, Mr. Speaker, and I emphasize, and I can recall stating this during the debate in Public Automobile Insurance, that there will be times, and repeated times, when it will be necessary to increase rates because rates are based upon costs and accident ratio, and there was no secret of that during the debate. The honourable members wish to ignore that. But it was repeated again and again on this side of the House that rates would have to be increased under public automobile insurance as well as under private automobile insurance. That the only difference that would be involved would be in respect to the efficiencies that would be involved in the delivery of the Public Automobile Insurance system. That we had no secret, no magic insofar as rates are concerned, because rates are based on the accident ratio and costs per claim. And that was said many times on this side of the House, even during the debate, Mr. Speaker.

Secondly, I would project that since the implementation of Public Automobile Insurance in Manitoba that premium increases in respect to Public Automobile Insurance in Manitoba compare favourable with the rate of increase that has taken place in respect to fire and general insurance in Manitoba. There have been substantial increases in fire and general insurance in the last three or four years in Manitoba by different companies and, Mr. Speaker, therefore I think it ought to be emphasized again that the fire insurance corporation operated by the Manitoba Public Insurance Corporation will provide an important competitive factor insofar as the total general insurance field is concerned in Manitoba.

Since 1970-71 the Province of British Columbia has embarked upon a program of Public Automobile Insurance. Claims centres are in the process of being developed in other parts of Canada, and the Insurance Bureau of Canada itself, Mr. Speaker, has proclaimed itself proudly in support of a new form of payment of compensation to those injured and killed on the highways. All that I can say, Mr. Speaker, is that the actions of this Government in 1970-71 require no apologies to anyone. That in fact it was those, it was the Province of Manitoba that provided a beacon light in many many respects to the rest of Canada by its development of a Public Automobile Insurance in 1970-1971.

Only yesterday, Mr. Speaker, when I attended for a short time at the Canadian Federation of Mayors and Reeves, a municipal official from the Province of Nova Scotia said that he wanted very much to meet with officials from the Manitoba Public Insurance Corporation to discuss our plan here in Manitoba. That happened yesterday, but let me tell you, Mr. Speaker, that's sort of the reaction from people all across Canada it's not isolated. Canada is watching Manitoba, and Manitoba has much to be proud of, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: That's a lot of racket for a simple question, thank you. The Minister proudly stated that rates, auto insurance rates, are related to accidents and the cost. Would he explain why the Government last year deliberately held rates down and caused a huge loss . . .

MR. SPEAKER: Order please. Order please. Again I'm going to institute the rules, and they're your rules, and I'm going to suggest questions of clarification may be asked. Questions that are argumentative and open up a new area of debate, will not be allowed. I'm going to insist on your rules being carried out and you have to participate with me or else I'm not going to be your Chairman.

MR. G. JOHNSTON: Mr. Speaker, I wonder if there is not a question of privilege too in respect to the very nature of the question.

MR. SPEAKER: The question was out of order because it was not relative to what was debated before. The honourable member has a genuine question of information or clarity, he may have it.

MR. G. JOHNSTON: Would the Minister who just spoke explain to us why the insurance rates set in the first year of operation were unrelated to the costs of operating the Autopac?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, that is not the case. The honourable member knows it. The honourable member had a statement which was verified by the Provincial Auditor. That statement indicated very well that there was a surplus after that year's operations, a substantial surplus, and therefore any suggestion that rates were at a deflated level certainly is not borne out, not by my statements, not by the statements of the Government, but by a



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(MR. PAWLEY Cont'd) . . . . Provincial Auditor's Report, the Provincial Auditor of the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker, I choose to take this occasion to make a few comments with respect to Bill 83, the Act to Amend the Automobile Insurance Act, and I intend to make most of my remarks to the bill before us, Sir, and not attempt to rehash the debates of yesteryear. I have to suggest, Mr. Speaker, in listening to the last speaker, the Attorney-General, you know, the thought couldn't help but run through my mind how convenient it is to twist and distort the situations to your particular point of view. It becomes all of a sudden a kind of a sinister, massive, fear-laden illegitimate thing to do for people to make know their concerns about their livelihoods, their jobs, their futures, their pension plans, and to so categorize, as the Honourable Attorney-General just has, those very honest representations that were made before us at that most memorable committee meetings when you had . . .

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: On a point of privilege. I was referring not to the representations that were made but by the representation by the Leader of the Opposition, that 1,100 would be put out of work.

MR. ENNS: Mr. Speaker, I do hope that I can continue. I think that in general I'm not taking out of context the Minister's remark. The suggestion was that there somewhat or somehow the lobby against the intrusion, or against the entry of public automobile insurance at that particular time was illegitimate. And I say of course that's nonsense. Now just the other night I was at a Committee meeting on Industrial Relations where on another bill there was some suggestion perhaps, or at least some people in organized labour read into the bill as perhaps some difficulty involving technological change, that it could in some way be used by management to threaten their jobs, or the number of jobs currently available in that particular field of endeavour, namely stationary engineers, power engineers, and there was an instant kind of an automatic response, and a well recognized response. Labour sees this as one of its most legitimate reasons for being constantly vigilant and on its toes to protect its interest, and rightfully so. Ask the Member for St. James who, rightly or wrongly, in his municipal career introduced the suggestion that perhaps contracting out of certain services should be entertained, and would you suggest, or would he suggest that there was not a massive lobby campaign entered into on behalf and by organized labour to make its views known, and indeed in fact in this instance effectively change the course of action that was contemplated by that municipal body at that time. So I just had to take exception to the Attorney-General's remarks that somehow portrayed, you know, the fight, whether it was made by those members in the Chamber, or by the business, or by the independent agents, that there was anything you know sinister or illegitimate about it.

Well, Mr. Speaker, I also have to take issue with the Honourable the Attorney-General who challenged us to now live up to the kind of principles that we from time to time espouse, freedom of choice, and that we give the residents of Manitoba that freedom of choice by voting with the Government on this bill, so that they can have the choice of purchasing their fire insurance from either a government agency or private agencies.

Well you know, Sir, that's a pretty left-handed way of putting forward a position too. Because number one we are only now, and this has to be said of so much of the substantive legislation that we are now seeing, we are only now beginning to understand what precisely competition means in the eyes of the members opposite. We're only now finding out the kind of skimming that's going to take place in favour of the government agency. Now I don't care to repeat the ground that has already been covered, whether the fact be that the Government can, and in all likelihood will use its influence to see that all public building, all government buildings, hospitals, schools - indeed I go one step further, it's a requirement of every farmer that take a loan through the Farm Credit Corporation to have fire insurance on his buildings, and it's entirely within the realm of possibility that co-incidental to taking that loan that he has to accept his fire insurance from the government agency. And even if it isn't made compulsory, even if it isn't made compulsory, the fact of the matter is that as the farmer is making out his loan application, and one of the requirements of that loan application is to have the fire insurance, and he's already in a Government office, the government agent for the Credit

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(MR. ENNS Cont'd) . . . Corporation slips that other form over, and here now we'll fill out your fire insurance requirements that are required under the Act. Now that's the kind of fair competition that the honourable members speak about.

Well, Mr. Speaker, I'm not going to dwell on that any further. If they're prepared to live with that assessment of a fair competitive choice in the field, if they're prepared to accept the fact that that is what their Premier and their First Minister meant when he spoke on this subject prior to the last election in various places throughout the Province of Manitoba, as my Leader has indicated in his speech yesterday, if that's what they believe, that that's what his First Minister meant, well then we have a better understanding of what the First Minister means when he says these things.

I think then we do have a full and complete understanding of what the First Minister instructed the New Democratic Party in convention, in their first year of power, that principles be damned, and they should be bent, and they should be bent with regularity, if it can be, if it . . . power. That is what was meant, and that is what is meant when Honest Ed gets around this province and talks in a particular manner and way, Mr. Speaker. --(Interjection)--

Well I think that, Sir, has to be put on the record because, Sir, you know to challenge us -- Mr. Speaker, it's a fair statement to be made, that I think I, and indeed other individuals, our general reaction prior to the beginning of the session when it became evident through the statements made by the First Minister that it was the government's intention to move into fire insurance, and it would be on a competitive basis, that there was a fairly lukewarm or mild reaction here. I can recall being asked by members of the news media early on in this session, would this be an issue, and I think our general response was no. That we had really in fact talked ourselves on to the horns of the dilemma in this particular instance. Even in the auto insurance debate of yesteryear when we argued the case of not necessarily denying this government fulfilling an election promise and carrying out that program, our position was, and still is today, that our society is weakened by monopolistic ventures whether they're in private hands or whether in government hands.

Now, Mr. Speaker, what I take particular exception to Bill 83 before us is that, you know, in my judgment really it falls so far from the original statements that were made by the Premier and by this government in suggesting to the public that they would be moving into fire insurance, that it is, I think, frightening, and I think it is also, you know, it points, bears out the way in which this government moves. I think the Leader of the Opposition indicated yesterday, and quoted the First Minister talking about the concept of setting up a separate Crown operation to handle life insurance. Well now that's not what's before us, Mr. Speaker, in this bill. What we have before us is the beginning of a massive monolithic insurance corporation that, Mr. Speaker, will embrace far more than what we see, and what they are telling us at this particular time.

Mr. Speaker, I'm aware that the rules prohibit me from discussing or going through this bill clause by clause - it's not my intention. However for the purposes of speaking in the principles of the bill I do have to refer to one or two particular sections. Sir, I refer you to the one particular section of 6(d) which says among other things that, "the corporation will be empowered to engage in and carrying on the business of repairing any property insured by the corporation, and salvaging and disposing of by public or private sales any property insured and acquired under a contract by which a corporation may be liable as insured." Well, Mr. Speaker, there should be no doubt, and at least the auto body shops should know that in this bill is the power to move into the auto body shop industry, and, Mr. Speaker, while they might have to, quite frankly I think there's a degree of concern as to whether or not unconscionable profits are not currently being made in that particular industry.

But I think, I think the auto body shop people better realize that contained in this bill, is the bill that will nationalize them, the bill that will bring them into the Crown corporation very shortly and very soon. I think automobile users generally should know that henceforth as we get our automobiles fixed that we cannot no longer be guaranteed of quality parts, new parts, something like that, but they will, as they are in Saskatchewan, we will be picking up our used generators and starters from parts depot, you know, disposing of public and private, you know, the parts that they acquire from their things. So we're moving into that direction.

Further on in 6(2), Mr. Speaker . . .

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MR. SPEAKER: Order please. Before I adjourn the House I'm going to indicate that I don't mind once in a while reference being made to particulars, passages, but it is not the practice when we are discussing a bill in principle to refer to it clause by clause. So the honourable member better study his bill if he's going to speak this afternoon, and get around that point.

The House is now adjourned and stands adjourned until 2:30 this afternoon. (Tuesday)