

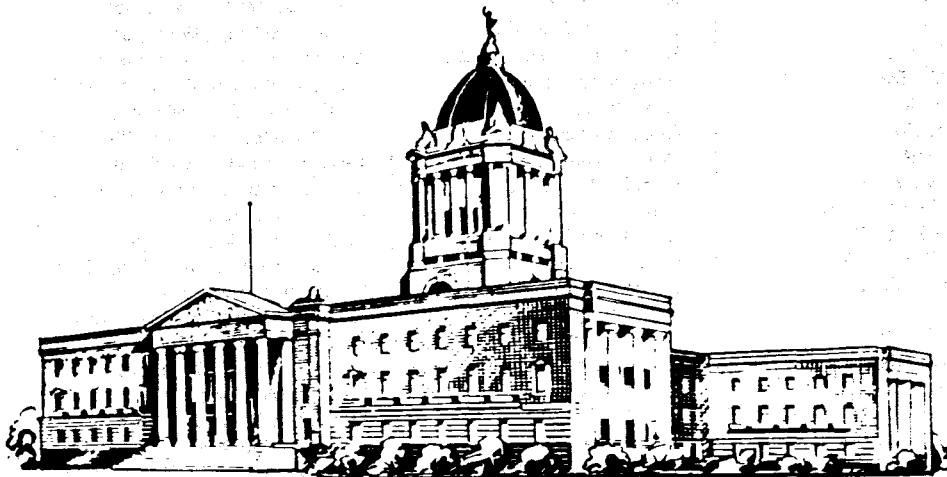


Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

Speaker

The Honourable Ben Hanuschak



Vol. XVII No. 88 8:00 p.m., Monday, May 25th, 1970. Second Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
BRANDON EAST	Hon. Leonard S. Evans	Legislative Bldg., Winnipeg 1
BRANDON WEST	Edward McGill	2228 Princess Ave., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	11 Aster Ave., Winnipeg 17
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	148 Riverside Drive, Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
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EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
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FORT GARRY	L. R. (Bud) Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
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INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
KILDONAN	Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	Room 248, Legislative Bldg., Winnipeg 1
RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Box 40, Winkler, Manitoba
RIEL	Donald W. Craik	2 River Lane, Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
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ST. BONIFACE	Laurent L. Desjardins	357 Des Meurons St., St. Boniface 6
ST. GEORGE	William Uruski	Box 629, Arborg, Manitoba
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STE. ROSE	Gildas Molgat	463 Kingston Crescent, Winnipeg 8
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WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, May 25, 1970

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

MR. McKELLAR: Mr. Speaker, as I was speaking on this Bill 56 before the House adjourned at 5:30, I was replying to some of the remarks that the Honourable the Attorney-General had made this afternoon, and I think I should carry on with two or three more points that he was trying to emphasize and put up his argument in his prepared speech. Now I haven't got a prepared speech here, as I'm no good at writing a speech and I couldn't read one if I did have one written, but I want to reply here to a couple of the statements that were made, and one on crop insurance. And I think I should reply to this. I happen to be the only one on the government side that was around in March of '59, and I think it's my duty to reply to this statement. The late Honourable Erick Willis was the Minister of Agriculture at that time, and along with myself and other members who were elected at that time, brought in this crop insurance. And I think I should mention the name of the late Harry Shewman, because everybody knows what his position was on crop insurance. He wanted crop insurance for the farmer but he wanted options, and this is the kind of crop insurance that we got in the Province of Manitoba and it still exists 11 years later. And for the Honourable Attorney-General to say that this is compulsory is a complete untruth, because it is not compulsory. He mentioned the test areas were made compulsory by law. Sure they're made by law, but it's only at the individual farmer's option whether you want to take this -- (Interjection) -- Well, if you want to make a speech in your seat that's up to you; I'm making my speech.

The test areas were set up in the province, I think five test areas, at that time, with the option the farmers could take it ---- the only way a test area could become a test area was that 25 percent of the farmers had to sign up. As we all know, these areas became very successful and later there was expansion of these crop insurance areas in the Province of Manitoba to the point where all the province is practically covered at the present time. Now, for the benefit of the Attorney-General, I would like to say to him at this time, before crop insurance came in, and still is, it's a requirement by each farmer, if he's not insured with crop insurance, that he must pay one percent of all the monies that he sells in grain go to PFA. If he takes out crop insurance, he's not required to pay that one percent. There's nothing compulsory about this. It's been a benefit to the farmers of Manitoba. -- (Interjection) -- What are you laughing about?

MR. USKIW: . . . seduction.

MR. MACKLING: That wasn't compulsory; he said it was seduction.

MR. McKELLAR: Well, that might be your thinking but for the farmers of Manitoba this has been a good program, and for anyone to mention that this is compulsory, this is a complete untruth, as I said before. So I'd like to straighten you out on that because I don't think you ever saw the rear end of a hog yet nor never will.

MR. MACKLING: I know the head better than the rear end.

MR. McKELLAR: . . . never got out to the country to see a hog. I want to tell you what this program was because you weren't in this House either, and I don't know how you became so famous in agricultural policies as you are. But I want to tell you about the Hog Commission, what this was set up, and this was set up with the guidance of the late Harry Shewman too. Now this is a good program because it's not compulsory - it's not compulsory. The only thing that's compulsory is the check off. That's the only part that's compulsory. You don't have to take your hogs to the Hog Commission, and I would like to say to you now that the average -- (Interjection) -- If you want to make a speech in your seat, you wait awhile. I'm speaking here. Mr. Speaker, if you can't keep better order, I'll sit down until there is better order. But I want to tell you now that the average is around 60 percent of all the hogs that go through the Hog Commission, and this has been a wonderful program and it's lived up to its expectations.

Now we have heard this afternoon many other cases, like medical. This is always brought in. Every time, you hear the Socialists mention, "Well we got medical; this is compulsory." Sure it's compulsory and it was brought in in Ottawa, and what hope did the Manitoba Government have to hold out? We either had to come in or leave \$27 million on the table, and tax people twice. Now what would you do in a position like that? What would you do? I know what you'd do - you'd take it; and this is what we did, and we're not happy about it either because the plan that we brought in in the initial stages was the right one. It's an incentive to stay

(MR. McKELLAR cont'd.) away from the doctor's office rather than to go there. I had nothing to do with that. They vote as they see fit and I vote as I see fit, and the Socialists always don't agree with you, the ones that are down in Ottawa either.

Now let's get back to a automobile insurance. Let's get back to it. Now I hold in my hand here two rate books. Neither one of you ever saw them but everybody seems to be an expert on insurance. Nobody ever saw a rate book but they're all experts. They all know what's in it and they say there's no -- the companies did this and they did that. Not one of them ever saw a rate book and they never read any. But before you speak, I would suggest to you, every one of you, that you read your rate book and you try to understand it, and I'll bet you in six months from now you don't even know what it's all about. I know how important -- and I tell you how important the agent is to the individual, and you don't agree with this because you're downgrading the agents of the Province of Manitoba.

I'm telling you that the agents serve a mighty purpose in the Province of Manitoba. They serve a most useful purpose to people in times of trouble, just like the doctors and the lawyers, and they're just as important, just as important. But you know the difference, Mr. Speaker? The only difference is the agents haven't got letters behind their name, and if they had they'd be protected; they'd be protected. The university professors out there, all these high people up in the sky, the people who think they know the people's problems too. They've got all these letters behind their name, and what does it mean? It doesn't mean a thing when you're dealing, and here we got a professor out there, we got a professor going around here spreading all this gossip about public automobile insurance, and what's he know about public automobile insurance? I don't think he ever saw . . . -- (Interjection) -- and I want to make you people aware.

Now I've got in front of me here a letter from the Superintendent of Insurance, and you know what that means. That's required of me a sum of money by the 31st of May whether I become an agent or not. And why should I take that? Why should I take it? You people don't want to . . . I'm just going to tell you what it means to the average person. It means \$15.00 to a rural agent or \$30.00 to a city agent. You figure out there's 1,200 agents and figure out what it means to the Province of Manitoba. That's just one tax on the insurance scheme, one tax that you people won't be getting; one tax. And I know the Honourable Member here for Assiniboia and the Member for Roblin, they know what this means, and along with this \$15.00 it means that you must do business in the proper manner or the Superintendent of Insurance will cut you off, and I mean he will cut you off and cancel you in short order too if somebody reports you . . . -- (Interjection) -- Sure, there's been agents cut off for . . . yes.

Now, Mr. Speaker, we've heard many statements from the members opposite. We've heard them say that they're going to save money, they're going to save money for the Province of Manitoba; they're going to save for the people. I often wonder how concerned are you about the people. I don't think you are concerned. I'll tell you who you're concerned about, is your own political party, and it's been a fact. It's a fact; yes, a complete fact. It's a known fact. You're not concerned about the people of Wawanesa and I'll tell you what. When the people of Wawanesa went in to see the Minister of Municipal Affairs you know what he did? He read the Brandon Sun half the time. He was afraid to talk to them. The Minister of Industry and Commerce had to talk to them and he was going to do wonders for the Town of Wawanesa. Well I'm telling you they've got the finest industry in the Town of Wawanesa that you're going to ever have, that all the province of Manitoba ever will, and under your government you never will have any, because this is the largest mutual insurance company of Canada and it started right in the Village of Wawanesa by 20 farmers insuring their threshing machines, and you're not going to replace it, and I'm going to tell you what's going to happen to that. You don't realize that 75 percent of all their premiums that they sell in the Province of Manitoba is automobile insurance - 75 percent. That means that 75 percent of their staff are going to have to get out, and I mean get out.

MR. EVANS: Would you permit a question?

MR. McKELLAR: Portage Mutual. I want to get back to Portage Mutual here. (No thanks, no; he can wait later.) Portage Mutual, the amount of automobile insurance they write, and they only started about eight or nine years ago, 53 percent of their premium income is automobile insurance, and that's increasing a large amount each year. \$2.9 million is the total of all lines written and out of that \$1.5 million is automobile insurance premiums. One of the things that I can't understand, here we've got the Minister of Industry and Commerce

(MR. McKELLAR cont'd.) wanting more industry and he stood up and he praised himself up today for getting more industry in the province - I forget, was it a winery or a distillery or something - and here in the next breath the Minister of Municipal Affairs is cutting the throats - and I mean that - of one of the three largest companies in Canada and with their head offices in Manitoba, where all their corporation taxes are paid into this province, into the treasury, the Minister of Finance here, and what do they do? They're chasing them out of the province and I think this is one of the most, well, I just can't -- there's no statement that you can really put down - why on earth the government would chase the industry out of the province, and this has got beyond me.

Much mention was made today about the Minister, the Attorney-General - oh no, the agents were all right now. It wasn't long ago that the boys in the back row were saying, "They're the villains, they're the tools of the company, the tools of the company," and I remember those words - the tools of the company; that we were being paid money by the industry to go out here and parade that day. Now I want to tell you that there's no dollars come out of the companies for that parade, and I mean it. I mean it. I mean it. There was no . . .

MR. TURNBULL: Where did it come from?

MR. McKELLAR: I'm telling you that it wasn't long and much mention was made about the committees that we had during our term of government. I'll tell you who came in. The only ones to come in against the automobile insurance industry at that time was the labour unions, and I want to tell you the statements Mr. Art Coulter told us at that time, and he's telling the same things again, and he said the industry couldn't be trusted. And I said to him, "Do you mean to say you can't trust Mr. Holden?" And he said, "Oh no. I didn't mean him." I said, "Do you mean you can't trust Mr. Earl Brown of Portage Mutual?" He said, "Oh no. I don't mean him." And right behind him was Mr. Jack Jack, the manager of the Royal Insurance Company, and I said, "You mean you can't trust Mr. Jack?" He said, "Oh no. Not him." "Well," I said, "Either put up or shut up," and I think this is kind of the fact that we've been hearing across: "The industry is rotten; it stinks," but nobody has ever come up and laid the facts on the table. The Member for St. Matthews said that the industry was slap-happy, they didn't do their work efficiently; there was no efficiency in the company. I don't know who he'd worked for; he didn't say. I'd like him to come out and tell the people of Manitoba who he worked for. I'd like to talk to his employer after, whether he was efficient. Maybe that was the reason for the inefficiency of the company, due to his inefficiency. This is -- (Interjection) -- no, I think he emptied waste paper baskets.

Now, Mr. Speaker, we've heard all about Saskatchewan; we've heard all about Saskatchewan, but nobody ever tells us about the former provincial treasurer up there went . . . and there were hearings, and there were hearings, and I know that this has been going on . . . but the story isn't all that true; the story isn't all that true in Saskatchewan. They have had their bad times; they have had their bad times, and it will be the same with you if you go into insurance. It isn't a bed of roses. It fluctuates. It fluctuates; and I'm going to read you some of the statements right out of this here - it's the latest April 1970 and 1969 statements of all the companies. I'm going to tell you what happens in car insurance.

Much mention was made by the Attorney-General about they don't pay their claims; they don't pay their claims. I know some of the claims are held up on bodily injury. You get a whiplash, and I tell every one of my people who have a whiplash, don't sign before the year. You don't know whether you are going to have a permanent injury or not. And that's the advice I give and you'd give him the same advice if you were a lawyer. That's not the fault of the company. The company don't want the man to settle. They're protecting; they're protecting. Sure, you mentioned there's no accident benefit. My goodness gracious! I don't know where the people have been. The accident benefit has been a part of the policy. The only difference is, the only difference is it's optional, but I'll tell you why you've got to have accident benefit. Because you don't have any passenger hazard.

MR. MACKLING: Would you answer a question just at this point?

MR. McKELLAR: No. No. And I want to tell you all the things that your company, if you go into business, your corporation would have. You won't have passenger hazard. You know why? Because you want to get rid of all the big claims. This is where all the big claims come, from passenger hazard. Yes. sir. -- (Interjection) -- Passenger hazard? Well sure. Have you ever been -- if you are riding in somebody else's car it's automatic. I'm not settling claims. I haven't got . . . Another one is fleet discount. You won't have fleet

(MR. McKELLAR cont'd.) discount. You charge a basic rate for every car. You won't have winter cancellation. You won't have winter cancellation; you know why? Because you don't want to give any part of the premium back to the policy holder. And you won't have select rating - that's 10 percent off if you have no claims in the last three years. You won't have that. Another thing is 15 percent discount for students who take driver's training. Another policy, which the Portage have, is 25 percent discount for students who are in the top 20 percent of their class. And why do they do that? Because a good student is a good driver, and so on. These are some of the things that you won't have.

Now you'll come back to the argument and say, well, we're going to lower the rate for the students if they are under 25. Well you can only do that one way and I don't have to be a mathematician to do it. You have to charge the better drivers more. Now are you prepared to do that? Now 75 percent of the drivers will get hurt under your plan. You're going to help 25 percent. This is what you do, 25 percent. -- (Interjection) -- I've got it right in here, and it's signed by the Wawanesa Mutual That's right. This is right. I got it right here. I'll file it too if you want it. I'll file it too. Well there again, Mr. Speaker, they don't trust the Wawanesa Mutual. That shows all the faith they have in Manitoba industry. They laugh at them.

Now, Mr. Speaker, I want to tell you some of the things that you won't also have. I want to tell you that you won't be paying any medical or hospitalization under your insurance. You won't be paying any medical or hospitalization, and I know that, and I doubt very much if you'll pay any sales tax on physical damage losses, and that means a large amount. And many other things that you won't have; business tax, property tax, and so on down the line. Yes, and likely as not Workmen's Compensation will be involved too.

Now, Mr. Speaker, I just want to, before I finish here, for information I want to tell the members of the Opposition just how good that SGIO is, and I want to tell you all about the compulsory part of it too. This is the compulsory part here, because I've got the figures here. They wrote \$24 million worth of business and the earned claims ratio was 86.68 percent. Now under the package SGIO they wrote \$4 million and their claims ratio is 68 percent -- (Interjection) -- Superintendent of Insurance, Ottawa.

Now I want to tell you what the Portage Mutual is, because much mention has been made of the fact that 63 percent was the figure that we used in all statements made by the Minister. In the year 1969, Portage Mutual wrote \$3.7 million - this is in Canada - and their loss ratio is 77 percent, 77 percent, their claims come out of premium money paid out to -- that's Portage Mutual.

MR. TURNBULL: What is it for Manitoba?

MR. McKELLAR: I can't give that because I haven't got the figures from the Superintendent of Insurance of Manitoba yet. I don't think he's got them prepared yet. If he has, it's a wonder.

Now, Wawanesa, I have to get to Wawanesa here. Sorry, it's a long one. Wawanesa paid out 71.22 - that's their figures, 71.22. Now on Canadian Indemnity, I have to get that because that's the other major company in Manitoba. Here it is here: Canadian Indemnity, 75.28; that's for Canadian Indemnity, that's losses. Now this proves one thing, that you cannot use a figure like 63 and say to the people of Manitoba that you're going to have 85 percent. I'll tell you what 85 percent is going to mean. You people in the Cabinet are going to say to this corporation that you must set your rates according to 85 percent of the approximate figures, or estimated figures, estimated losses that you might have in the following year, and they cannot come in within five or ten percent of what your losses will have. Now this has been proven. The companies have set their rates on the basis of 67 percent; some of them were up to 77, and some were over 100 percent in this book. Some of them paid out over 100 percent, and this is a fact that is very misleading, to go around the Province of Manitoba saying that you're going to give back to the people 15 percent more than they can presently get. You're saying you're going to do away with agents. That's fine. You'll do away with them, sure. A lot of them will leave the province. I know what'll happen. Then you're going to be out of a lot more money than you're ever going to get out of your own corporation.

You're saying to the people of Manitoba that their companies are not investing, that you're going to invest your money in the corporation. Wawanesa Mutual Insurance Company have \$34 million invested in federal Government Bonds, and I forget how much here in provincial Government Bonds. Portage Mutual have provincial Government Bonds, \$1,235,000 in

(MR. McKELLAR cont'd.) provincial Government Bonds.

A MEMBER: Where do you get the money?

MR. McKELLAR: And where do you get your money? And I want to tell you that - this is what I want to get at, because this is the question I forgot about before. Everywhere we go we hear the insurance companies are making money, and if you don't know now you should know, the Superintendent of Insurance makes them have so much money in reserve to guarantee payments on losses, to guarantee payments on losses, and if you think your company's not going to operate on that basis you've only got one other thing to do, and you've got to come back here and borrow that money from your government right here, and this is what will happen. Your government can't operate without reserves; your government can't operate without reserves, and you should know that.

MR. GREEN: Who said it can?

MR. McKELLAR: Well, you've been telling us all the time that the companies were not telling -- they shouldn't have that reserve. They shouldn't have it . . .

MR. GREEN: Nobody said so. I have never said that.

MR. McKELLAR: You're slippery enough to slide around anything.

MR. GREEN: I never said that.

A MEMBER: The government taxpayers.

MR. McKELLAR: Sure, they got to borrow it. Now, I want to tell you right now, these companies didn't build that reserve up. They built it up over, I guess it would be 86 years the Portage Mutual built it up. You know who the companies are: Their policy holders. -- (Interjection) -- Well, you never told us. You're the only one yet hasn't come out and told us who you've got your car insurance with. It isn't Wawanesa or Portage . . .

MR. GREEN: I don't even know. I know the agent but . . .

MR. McKELLAR: Well, you can sent to me. -- (Interjection) -- Yeah. But I want to tell you that you people would have been better advised to meet with the Superintendent of Insurance at Ottawa. You would have been better advised to meet with the Superintendent of Insurance at Ottawa to get the facts, to get the facts, because I can see real problems if you get into this insurance business. I can see real problems. I know who the Board of Directors will be. I can name a couple right now. I can name one that was on television tonight. One was on television tonight.

A MEMBER: Who's that? George Tatlock.

MR. McKELLAR: No, Nick Manchur, and I know Nick well, but this is the kind of thing -- you're going in this thing blind. You don't know where you're going. All you're doing is you're -- this is a political -- you're interested in the political party only; you're not interested in the people. If you were interested in the people you would listen to the people, you'd listen to the people -- (Interjections) -- Well, you're not interested in any of the farmers, I guarantee you that. Who belongs to the Farmers Union? Who belongs to the Farmers Union? It isn't a lawyer anyway.

A MEMBER: Ask them all to stand.

MR. McKELLAR: All stand if you think that highly of the Farmers Union, and if they want to become a political party, the Farmers Union, that's all right. We all know where they stand now. This is the first time we really knew it.

Well, Mr. Speaker, I've listened to these people over here. I had some confidence in them when they were elected. I thought they might use good judgment. Well, I thought they would be sincere with the people of Manitoba. I thought they would. But all they can do is go out to the Town of Wawanesa and cut the feet out from under everybody there. This is what they're doing; they're cutting the feet out from everybody in Wawanesa, where their roots have been second and third generation, and I'm telling you those people are not satisfied and they're not finished with you yet, and I only hope that you people come to your senses and do the right thing before it's too late.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Would the honourable member submit to a question? The honourable member dealt with loss ratios and referred to Portage, Wawanesa, etc. Would he like to give us the loss ratio in Manitoba for 1969 for the province as a whole, for all the companies - one total average.

MR. McKELLAR: I'll have to get that from the Superintendent of Insurance tomorrow, Mr. Swaine.

MR. EVANS: I wonder if the honourable member would submit to a question that I was going to put earlier on. Could the honourable member indicate the number of jobs provided by Wawanesa Insurance Company ten years ago in the Village of Wawanesa as compared to the number of jobs being provided today by the same company?

MR. McKELLAR: They hired the same people ten years ago as they do now. There really hasn't been that much change. The swing has been to Winnipeg where you handle all the Province of Manitoba. They bought this office, they have the executive offices in here. They have 122 employees in Winnipeg, they've got 74 in Wawanesa, and that's the same number as they ever had in Wawanesa - but I know them all personally too.

MR. JOHNSTON: Ask him if he's concerned about these jobs?

MR. MACKLING: Would the honourable member answer the question now that he declined to answer earlier for me?

MR. McKELLAR: Okay. One.

MR. MACKLING: All right. He indicated that he thought that lawyers advised their clients that suffered a whiplash to wait about a year and he's advised some of his insureds likewise. Well, my question is: did the company settle the automobile insurance damage claim during that interval?

MR. McKELLAR: I'm telling you, you've got a lot to learn about insurance. I tell you in the Portage Mutual, in the Wawanesa, they listen to their agents and their advice. They listen to their agents. And I had a claim with a serious head injury. I had one - sure, just last year I had one. You don't have them that often in rural, but you have lots of them in the city, but I told them; in fact I got -- the company agreed to go - and that was with Portage Mutual - four months over the year and they agreed to do it, and the claim was settled and everybody was happy.

MR. MACKLING: A supplementary question, Mr. Speaker. He said that four months after the year -- oh, that's an extension of the claim, but I asked you whether or not they had settled the automobile insurance repair claim in advance of the personal injury claim.

MR. McKELLAR: Oh yes, sure. They settled that right away. They fixed both cars.

SOME MEMBERS: Oh no!

MR. McKELLAR: Well why don't you get your questions straight? Mr. Speaker, he's trying to make me a liar and I won't be called a liar.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Are you under the impression that Wawanesa's total income is taxed for the benefit of the Province of Manitoba? Is that what you stated?

MR. McKELLAR: No, I said it's corporation taxes, and you get part and Ottawa gets part, but if you have a company here they don't get any. The head office is where the corporation taxes are paid. Sure, sure that's right. Yes the head office is where the corporations are . . . if they pulled out their head office, you'd find out.

MR. CHERNIACK: You'd find out too.

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

MR. ARTHUR MOUG (Charleswood): Thank you, Mr. Speaker. I'm in the construction business, I'm not in the insurance business, so I won't be able to answer the same amount of questions as my friend from Souris-Killarney, but I am vitally concerned, Mr. Speaker, with the approach that the government is taking to develop this government auto insurance. From the first time that the government mentioned they would investigate the auto insurance business in Manitoba, to the present, I can't help but feel they are following a pre-conceived plan to overthrow free enterprise and take over the auto insurance business. The so-called investigation by the government board was a complete farce. The board left little doubt in anybody's mind as to their intention to implement government insurance in the very first sitting. I submit that this enquiry was a total waste of the taxpayers' time and money. The government of B. C. held an investigation into the auto insurance business. The results of that impartial investigation were readily available to all members of the Legislature, but because the results did not coincide with the NDP theory, a biased committee of NDP supporters were appointed to bring in a verdict that government insurance was the answer.

MR. GREEN: I wonder if I could ask the honourable member whether he has read the report which he says is available to all members, the Wootton Report, and if he has read it, he says that it doesn't --

MR. MOUG: Just let me finish . . .

MR. GREEN: Has the Member read that report?

MR. MOUG: Just let me finish. My conclusion on this action, Mr. Speaker, is that the government must hold a very low estimate of the intelligence of the people of Manitoba if they expect any credit for this effort.

It has been stated that there would be no acquisition cost if the government were to take over auto insurance from private enterprise. Disregarding the hundreds of thousands of dollars that must be spent in establishing a government office - buildings, office equipment, supplies, hiring and collection of personnel - what about the statement that the insurance agents would be compensated by the government for the loss of their business to the government?

The only fair way that business can be compensated at all is to purchase to their book of automobile insurance on the same basis as if they were to sell to another agent. Some of these people who have taken 20 years, they are businesses that their fathers, grandfathers had been in, passed down. Now they're losing it; it's being taken away; and if there isn't good compensation I would say to you that I wouldn't want to lose the business that I've built for the past 20 years. I feel that this is something that has to be looked into. -- (Interjection) -- My colleague from Brandon West says that construction is next.

As of the year ending December 31, 1969, there were approximately 1,300 licensed agents selling insurance in the province. As of the same date, there were approximately \$30 million of auto insurance premiums. The agents' commission on auto insurance is 12-1/2 percent or \$3,750,000. The normal formula used in establishing the sale of an agency is 1-1/2 to 2 times the annual commission income. By taking the lower of the two percentages, this means the government will have to pay the insurance agents of Manitoba approximately \$5,625,000, and I do consider that a substantial acquisition cost, Mr. Speaker. It would be most interesting to learn from which pot of gold we'll be able to pick up that reasonable amount.

To date the government has not told us what particular magic formula they intend to use to reduce the cost from 15 to 20 percent, nor have they indicated the basis on which they are reducing the premium. As a businessman in the construction, I purchased reasonably heavy auto insurance for the past years, and I know that today I can go down and purchase insurance at between 10 to 15 percent below board rates, and I'm sure the government is going to have trouble cutting another 15 percent off that, and if they have taken into consideration the businessman, transfers, private enterprise in the province that have fleets of 50 to 100 trucks, some only with 10, if they go to purchase their license, I know one firm in Winnipeg here that purchases licenses at \$225,000, they have to write a cheque for licenses, and I'm sure these people make a monthly payment to their insurance companies for 12 months of the year because this is the way insurance companies will finance these customers. If they have to go in with a quarter of a million dollars for the license and another half a million dollars for their insurance, and put it on the line in one day, I can't see how they can do that. It's impossible. They start out at the time of year with their license when construction hasn't started, trucking hasn't started; it's a slump of economy of the year -- right, the restrictions are on the road too.

If the members of the government continually refer to the Saskatchewan Government plan as the ultimate of all plans covering auto insurance, if this plan is so good, why has it only stayed in Saskatchewan? Why not in the other provinces of Canada? In the United States? The reason for it, and I stand by it, is the government cannot operate as efficiently or as effectively as a free enterprise business can on the open market, for insurance or anything else; it doesn't matter what it is. And grain. If the government are determined to go into the automobile insurance, I'll go along with them. I agree with compulsory insurance. Why don't they institute legislation to make bodily injury and property damage compulsory for all drivers of automobiles, and open offices and establish agents and compete with the private enterprise? If it's this good, there's no reason why they can't do it. Then, after an open, detailed accounting of the operation of the insurance plan each year for a period of maybe five years, they can prove to the public that they have the most efficient, economical plan and the most beneficial to all. I would condone an action of this type, Mr. Speaker, but until that time I would suggest that they are masking the operation; they are hiding it from the public and not letting them see the true facts.

It is a fact that thousands of tax-paying Manitoba citizens will be grossly affected by any

(MR. MOUG cont'd.) government takeover of insurance. A great many of these people will be forced to sell their homes and move out of the province. This is not only a serious blow to the economy of the province, but an unnecessary infringement on the lives and rights of the people in the industry. I trust that the government has given just consideration to these people as the private administration was prepared to give assistance to the people of South Indian Lake. I'm sure that the government at that time - I forget the figure; I read it in the paper but it was up in the hundreds of thousands of dollars that the previous administration had set aside to cover for the high level flooding of South Indian Lake - and you know that too, Sid.

It is also a fact that the government is greatly concerned with the location of the Fresh-water Fish Marketing Plant and have gone to a great deal of trouble endeavouring to influence the Federal Government to change their mind in regard to location. I can appreciate the concern for the economy of Selkirk. However, the location of this plant will not affect the livelihood of the hundred people it will employ, nor the welfare of the employees, nor the economy of the province, which will remain constant, but this is a great contrast to the government attitude toward thousands of people in the industry that we refer to today.

We have heard a great deal about the success of Saskatchewan Government insurance, but it hasn't been mentioned by the government proposing to copy this plan, the disastrous effect government takeover of industry in the Province of Saskatchewan had on the capital investment in that province. Shortly after government takeover of insurance and other industries, two of the largest meat packers in North American curtailed their activity in that province. One closed up its major processing plant completely, the other shut down branch houses, and to all intents and purposes operate only a token beef killing plant in place of the product producing plant they had previously. The business in these plants was diverted across Canada into other provinces. This had to be a serious blow, Mr. Speaker, to the economy of Saskatchewan, particularly to Moose Jaw, who was the most directly affected.

I believe, as I have said, in compulsory insurance, but not monopoly; and as far as comparing auto insurance with Medicare, I don't think there's any comparison whatsoever. In Medicare you have a choice of doctors, and second and the most important thing, Medicare deals with the health and the lives of people. People will neglect their six-month check-up, their yearly check-ups, if they feel they need the money to spend on a car. I was reading a column in the Free Press - I'm not quoting from it but I put it down as I could remember it - and social workers have claimed time and again that a car has been the doom of many families; a poor man's luxury or some such thing, it said, but a non-essential article. Any social worker will tell you, the government, that cars probably cause as many social problems as does alcohol, and the way it's set up now there's no down payment, three years to pay. They went on to say that a man is lured into debt and because of the car payments there is no money left to cover the recurring costs of a household.

It's been mentioned before, Mr. Speaker, by this side of the House, I think that this is one time that every one of the 57 of us in here should forget party lines and vote on a free vote basis, the freedom of choice to each member. Give the constituents that we are representing the representation that they are expecting. They elect you as their MLA; they feel that you're going to represent them, not walk into the caucus room and sit down and decide, well, we'll vote for it, we'll vote against it, and come out. I think if they have the opportunity, it's not following a general line of thinking; it's something that you have to look at each, your own constituencies for.

I would like to reiterate my statement, Mr. Speaker, that if the government are determined to go into the automobile insurance business, instigate legislation to make insurance compulsory to all drivers; go into the field of insurance on a competitive basis with the private industry; give serious consideration to the adverse effect the proposed bill will have on the economy of our province. Failing these, Mr. Speaker, in a free vote so you're representing your constituencies, I feel that the people in my constituency don't want this. They've wrote me letters telling me that and I personally feel that I will vote against it. More than that which wrote and asked me to back it up, far more, because I didn't get anybody supporting it. Failing these, Mr. Speaker, I would ask the First Minister if he can't withdraw this bill, if he can't follow this line of thinking, go to the people and get their support. We're willing to go.

MR. SPEAKER: The Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, I wonder if the honourable member will answer a question.

MR. MOUG: No, you're on your feet all the time.

MR. SPEAKER: Are you ready for the question?

MR. GREEN: Mr. Speaker, I didn't get his response.

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

MR. JAMES H. BILTON (Swan River): Mr. Speaker, much as been said on Bill 56 and I'm sure you'll agree with me, much more will be said before the curtain is pulled down. I'm afraid, Mr. Speaker, in bringing to this House this insurance plan at this time, it is going to create a cleavage in this province at a time when it will be a long time healing. This is an election promise, I know, and as a consequence the government have an obligation. This being the case, Mr. Speaker, I suggest the architects of this plan have failed miserably.

Mr. Speaker, this Chamber has been pounded and penetrated from both sides of the House in this argument. The airways have been crowded with opinions. To what end, I ask? Confusion is centred in everyone's mind because the hard core of information is lacking. Government spokesmen thus far have been talking on a cloud. They seem to care nothing or know nothing of the implications, the contents of this Act, that will be brought on by the passage of this bill. I have made it clear on other occasions that I am against compulsion. Having said this, I favour everyone that drives an automobile, Mr. Speaker, having car insurance, but I insist that they buy it . . .

MR. BOROWSKI: Mr. Speaker, on a point of order. Is the former Speaker reading his speech again?

MR. BILTON: You may resume your seat. I'm referring to my notes. When you get something a little more intelligent to ask, I'll be prepared to answer you in the manner. . .

I also know Manitobans, Mr. Speaker, have done a good job, in that some 95 percent of the motorists of this province are covered now. Surely all this fuss to compel the remaining five to obtain coverage is unnecessary. Surely, Sir, we can legislate to cover that discrepancy, to maintain the freedom of choice in this field. Is it worth the price, Mr. Speaker, the price of eliminating a viable, healthy and tax-paying industry? If so, I say to you that the price is far too high. As a rural member, Mr. Speaker, it is my feeling that over the years insurance men and their families, some entering the second and third generations, have given good service in this work. The insurance man, Mr. Speaker, is almost as important as the parish priest, the family lawyer and the doctor, when families are stricken by accident, tragedy or calamity. Added to this important function, Mr. Speaker, these people invariably are outstanding citizens in communities, and have been for years.

MR. SHERMAN: Are we going after the priests next, Sid?

MR. BILTON: Is all this, Mr. Speaker, to be swept away and denied to the ordinary folk? All this human activity is to be replaced by a five-day-week agent and an inspector armed with government regulations from which dictation and government red tape will pour over the heads of our people.

MR. SHERMAN: St. Paul's College is next on the list.

MR. BILTON: It is simple to understand the acceptance of the government members of this pie-in-the-sky legislation. It's fair to say few, if any, have had to deal with the public directly across the counter, nor do they understand the fundamentals of everyday business transactions, small and large alike, or the ups and downs of providing a payroll week by week, in fair weather or foul. I would remind them, Mr. Speaker, in this year of 1970, that governments at all levels are smothering people in all directions of their lives, plus being overburdened by taxes, and they're fed up. Pay cheques are getting smaller with the never-ending pay stoppages to meet the ever-growing demand of a developing welfare state and to meet other government demands.

I honestly feel that government intervention in some spheres of the human activity are necessary. Is it not time that we begin to examine ourselves and call a halt to this rapid race of human endeavour from the cradle to the grave, so to speak. It will be a sorry day, Mr. Speaker, for our people, when human incentive, imagination and freedom to create and enjoy one's own way of life is to be accomplished only by government direction and regulations. In my opinion, freedom to trade, freedom to emigrate, freedom of choice, freedom to plan and create, freedom to govern ourselves, brought this country to its present stature and was a magnate that attracted thousands from oppressed lands, and I believe the masses still feel they

(MR. BILTON cont'd.) have these freedoms. But for how long, Mr. Speaker, if we go ahead with legislation that we're now dealing with?

There was a time, Mr. Speaker, when kings called a few barons together to provide funds to run the nation -- (Interjection) -- In due course. I'm rolling. There was a time when kings, Mr. Speaker, called a few barons together to provide money to run the nation. These barons in turn collected these taxes in despicable ways. The people over the years rose and rebelled, and through trial and error developed our democratic system, often at the cost of blood, sweat and life itself. The people persevered, gained and held that freedom, Mr. Speaker, creating our way of life. They gained freedom that is the envy throughout the world and particularly in the developing nations. Who will argue that this nation could have accomplished its present stature without free enterprise and free-thinking men and women? This, I feel, Mr. Speaker, is being whittled away. Surely we're not going to pass legislation to place in the hands of a few men of the Cabinet to have the first and last say to regulate, dictate and force people, in many cases against their will, to accept a way of life created by a group of unknowns who will be responsible to no one but the Cabinet.

We have in this House, Mr. Speaker, Bill 65.

A MEMBER: Fifty-six.

MR. BILTON: Sixty-five, I said. With its passage, Mr. Speaker, privilege of local government is being given to the Indian and Metis people for the first time. The bill has other features to make these people part of this province. This is only a child's step insofar as what has to be done. The Northern Task Force brought problems that must be grappled with. If this government has priorities, I say to them they have the evidence on the table far ahead of taking over car insurance. Surely, Mr. Speaker, we cannot reconcile the contents of Bill 65 with the contents of Bill 56.

I have read Bill 56, Mr. Speaker. Many have spoken against it. It is not my purpose to argue on behalf of the insurance industry; I feel they are quite capable of taking care of themselves. Nor am I going to attempt to point to all the features that are not acceptable to me and in time will be refuted by the people of the Province of Manitoba. Careful examination of many parts of the bill, Mr. Speaker, give the government of the day outlandish authority to probe and inquire into the private affairs of an individual. Limitation of action is spelled out in no uncertain terms. The detail to do with the suspension of the failure to repay the insurer, this clause will be the cause of heartache and contempt by rural people far removed from the City of Winnipeg. Likewise, there will be a feeling of resentment with the explanation covering reimbursement by the insured. When its meaning filters down to the country people, Mr. Speaker, down to the grass roots, again it will be refuted. That part of the bill alluding to a medical report, together with the detail addressed to employers having to report, I suggest to you, Mr. Speaker, these clauses in the hands of an eager beaver inspector can be carried far beyond the intent and make the life of our people in certain directions miserable.

I suggest to you, Mr. Speaker, that these few objections - and I believe there are many others throughout the bill - leave the gate wide open. There will be an infringement on the privacy of the individual. I maintain that abuses will be created against the people of the Province of Manitoba, surely unheard of in the past. With the adoption of this bill, Mr. Speaker, in its present form, creating as it does an infringement on the lives of our people and the establishment of a new breed of inspectors with the full powers of government to enhance their efforts, I cannot and I will not accept or support this legislation which to my mind places untold problems on the backs of our people. All this brought on for political gain which, if passed, will be regretted for a long time to come and can only be the forerunner, Mr. Speaker, of similar legislation thus endangering the liberty of freedom of choice throughout this fair province of ours.

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

MR. G. JOHNSTON: Mr. Speaker, if no one else wishes to speak, I beg to move, seconded by the Member for Assiniboia, that the debate be adjourned.

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

MR. SPEAKER: On the proposed motion of the Honourable Minister of Mines and Natural Resources, Bill No. 65.

MR. GREEN: Mr. Speaker, I wonder if you wouldn't call Bill No. 74, please.

MR. SPEAKER: Second reading Bill No. 74. The Honourable Minister of Finance.

MR. CHERNIACK: Thank you, Mr. Speaker. I might explain the reason that I wish to present this bill a little bit out of order. I've already informed the Honourable the Leader of the Official Opposition and the Honourable the Leader of the Liberal Party that there is reason for wanting to try and have this bill processed a little more rapidly and I asked to have it presented earlier because of one of the main features of the bill. The reason that I would like to have it dealt with a little sooner, Mr. Speaker - of course, I wouldn't for a moment suggest that it shouldn't be dealt with fully and with proper consideration, but I did want to bring it a little more quickly because of the very first proposed amendment which would enable the Provincial Government to deal with credit unions in the same way as it does with banks. The effects of the first portion permit the Minister of Finance to maintain government accounts in chartered bank, trust company or a credit union. Up to now in the present Act the -- (Interjection) -- Oh. Should I do it now? Mr. Speaker, I have been out of order for some time now, and I think possibly I better put myself back in order before I'm called to order, so possibly you'd permit me to interrupt what I had to say by moving, seconded by the Minister of Agriculture, that Bill No. 74, an Act to amend The Financial Administration Act, be now read a second time.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, if I don't hear any request to explain, then I needn't go into this at all. Well, assuming that members of the House will be aware that there was a reason for bringing this forward earlier, I won't recap what I said when I was out of order - and I incidentally should thank members for not calling me to task - was that it was felt that whereas the present Act provides that the Minister may maintain accounts in financial institutions other than chartered banks where a chartered bank was not reasonably accessible, and the present proposal is to make it possible to deal with credit unions even where a bank was accessible, and the provision is also made that where, under the present Act, the Minister may invest funds of the government in various forms of securities, that there should be added securities issued by the Co-operative Credit Society of Manitoba Limited or La Centrale des Caisses Populaire du Manitoba, both of which are the central organizations for the credit union societies of Manitoba. I might inform members who are interested that my department checked out the financial stability and integrity of both of these central organizations and is absolutely satisfied with their securities and their credit rating, and therefore it was felt that they should be recognized as being an important part of the financial community of Manitoba and should therefore be entitled to have deposits made.

Now the reason, Mr. Speaker, that I wanted to bring this bill before the House a little bit out of order, is that we've been informed that the Co-operative Housing Association of Manitoba has now received approval from Central Mortgage and Housing Corporation to proceed with a million dollar housing co-operative venture and it has all the arrangements now made with CMHC for mortgage for this million dollar project, but that it is necessary for it to have interim financing between the work as it progresses and the draws as they come from Central Mortgage, Central Mortgage having certain regulations which would delay payment. The interim financing would be expected by the Co-operative Housing Association to come from the Co-operative Credit Society of Manitoba Limited with which it has dealt over some period of time, and the Province of Manitoba could deposit money or invest in securities, short term securities, with the Co-operative Credit Society, and thus put the Credit Society in the position of being able to advance interim financing for this housing co-operative. I point out that the government would have no intention of advancing money to the housing co-operative but rather to the Co-operative Credit Society of Manitoba. What it does with the money is really not of any financial concern of the province, but of course is of concern when it is known that this will promote the construction at this time of a million dollar co-operative housing project, and one can look at the Willow Park project in north east Winnipeg to see the success that this same organization has achieved there, where they have a waiting list for houses. So I explain that as being one of the factors in this bill and also the reason why I would hope that we will be able to process it in the regular way. Let me say again, I don't have the slightest intention of asking members to speak on the bill before they are ready to do so, but I will be asking the House Leader if he could call the bill as soon as it is indicated to him that members interested in speaking on the bill are ready to do so.

Now let me deal with some of the others. These are what I would call housekeeping

(MR. CHERNIACK cont'd.) items mainly because none of them originated with me but, rather, came up as matters that the department felt should be dealt with. So let me go over them rather quickly. One of the features that was learned, that the present Act talks about remissions being made to individuals, and apparently in the past remissions were made to corporations but then it was caught that a corporation is not an individual. A corporation is a person but it's not an individual, so we want to change the Act, change the word "individual" to "person" so it would include corporations.

It was also found, and the effect of one of the changes is to broaden the section to permit the remission of any monies payable to the government. Now the government, under the present Act, has the right to remit taxes, fees, fines, penalties or forfeitures, but it was found that there were certain other debts which could not be remitted, and an example that came to light was an occasion where it was felt advisable to remit some rent that was collectible from an individual and there was no statutory right so to do. It might have been possible to demand payment, collect payment, and then make a grant to rebate the payment, but to remit the rent itself was not possible and that is the reason that the proposed change is being made. The same also applies that there should be a provision to write off a debt payable, the present grounds being where the debt is uncollectible, and the amendment suggested by the department is to permit also the write-off or cancellation of a debt on the grounds that the payment of a debt would cause undue hardship to the individual. Again, Mr. Speaker, you may be aware that the present law does permit grants to be paid by government, by Lieutenant-Governor-in-Council, when there is undue hardship, but the present Act does not make it possible to write off the debts that would otherwise receive consideration. An example of this would be a person living on property who might be on welfare, with some temporary financial difficulty; this amendment would provide authority to recognize that and waive part or all of the rent due.

Now another portion of this bill deals with the -- well, the handling of Treasury Bills. The Financial Administration Act which was passed provided that any Treasury Bills outstanding, which have been used for the purpose of making advances to government agencies and which were owned by the government, could be cancelled without extinguishing the liability of the government agency to repay the advances, so that the loan to the agency - that's the government lending to its own agency - became an unfunded advance, and the funded debt of the government was reduced by the amount of the Treasury Bills cancelled. The reason that the department suggests that we do this is so that this internally created debt, which was formerly being counted by the DBS and others as a debt of the government as if it had been a regular loan from the marketplace, would not have to be treated as such since it was a loan by government to government and really a bookkeeping item. What the Financial Administration Act did not provide was the ability to cancel Treasury Bills that are issued for making advances to government agencies, these Treasury Bills having been issued after the coming into force of the Financial Administration Act. That's why the amendment deletes the words "prior to the coming into force of this Act." And the intent is clear that it is to cancel internally-held government securities issued for the purpose of making advances or funding advances, to be known as "unfunding a funded advance."

Now, Mr. Speaker, I confess that I could not speak fluently and readily and understandably about this matter if I were not dealing with the notes which I've been following rather carefully. This to me is a rather complicated matter which I don't feel I can explain any better than I've done up to now, but certainly if this bill goes to committee I will have officials of the department present who will be able to elaborate and explain each individual section as it arises.

MR. SPEAKER: Are you ready for the question? The Honourable Leader of the Official Opposition.

MR. WEIR: Mr. Speaker, I move, seconded by the Member for River Heights, that the debate be adjourned.

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

May 25, 1970

MR. GREEN: Mr. Speaker, would you call Bill No. 65?

MR. SPEAKER: The proposed motion of the Honourable Minister of Mines and Natural Resources, Bill No. 65. The Honourable Member for The Pas.

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

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance, Bill No. 66. The Honourable Member for St. Vital.

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

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

MR. HARRY E. GRAHAM (Birtle-Russell): May I have this matter stand please, Mr. Speaker? (Agreed)

MR. SPEAKER: The proposed motion of the Honourable Minister of Agriculture, Bill No. 53. The Honourable Member for Arthur. Stand? (Agreed)

The proposed motion of the Honourable the Attorney-General, Bill No. 72. The Honourable Member for River Heights.

MR. SPIVAK: May I have this matter stand? (Agreed)

MR. SPEAKER: The proposed motion of the Honourable Minister of Labour, Bill No. 77. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I just have a few comments on this bill. The idea of helping the employee to recover his wages I think is a good one and something that is not new. I see the Minister of Labour is not in his seat. I did have some questions for him but perhaps he can read Hansard and when he closes debate he can give us some of the answers that we wish to have at this time.

I have looked through the statutes of all the provinces and cannot find a statute similar to the one here, to the Payment of Wages Act. I understand most provinces have an Act similar to our Wages Recovery Act and this Act gives the workmen the right to lay information in a magistrate's court for recovery of wages. Some provinces, a province like Saskatchewan, look after the presentation. They do the investigation and lay the charge for the workman in recovery of wages. I understand this is what has been done in the past in Manitoba, the last few years, the Labour Department helped the workmen to investigate and help him to lay the charge.

This new bill, Mr. Speaker, gives the Labour Department the right to go to the employer and inspect the books and make a decision whether the amount is owing or whether it is not, and if the employer will not pay then the department takes the matter to the board - I presume the bill means the Labour Board - and the Board in addition by ordering that the money be payable may also levy a fine against the employer. The Act says nothing about the Wages Recovery Act and I presume it still stands - or does it still stand? This is the question that I'd like to know because we do have the Wages Recovery Act and I would have assumed that perhaps that Act could have been amended and have done the same thing as this Act, the Payment of Wages Act or Bill 77 intends to do or supposes to do. So there is no mention and I don't believe the Minister of Labour said anything about a Wages Recovery Act and I just wonder if that Act will be repealed or what will happen.

But I think two points we must consider in this Bill 77, and one, the right of the department to inspect an employer's books. Will there be any notice or what will happen. And number two, there is also no write-off or set-off, and by that I mean that no matter what the employee may owe the employer, it may be an advance for advanced wages or for some other things, and there's no way that the employer can bring this before the board at the same time. I can't see this anywhere in the bill. I think it's an important point and perhaps the Minister can discuss this. But examining the books and records of the employer and then directing the employer to pay to the Board is new and I am concerned about the power it puts into an individual's or into the Department of Labour's investigator. I don't think that much is wrong with that except that the investigator, I think this person will have to be a person of very high quality and very good ability because it's putting a lot of power into one individual to go into any employer's office, to go into any business and make investigation, check into the books and make a determination if the amount is owing or not. So this is the only thing that concerns me a little bit but I still feel the idea of helping the employee to recover the wages is a real good one. The only thing I cannot understand is why it wasn't done through the present Act that we have in the books at the present time.

I don't think this would probably be necessary in a unionized shop and it may not be needed. I think we could have made it easier to establish unions in small shops and help certification

(MR. PATRICK cont'd.). . . . matters and this would have not been required. I think that all that was required in wage matters was perhaps that the Department of Labour maybe makes the investigation. I know that probably the courts have not handled it properly at the present time, or whatever happened, why the courts didn't handle it, perhaps again the Minister can tell us whether too many delays, or what has happened I don't know, but that was the procedure that was followed before.

I know the present Wages Recovery Act does have loopholes and perhaps it should be amended to spell out the procedure and to make remedies much more effective. I know the proposed Act allows the employer to be fined for non payment and I think perhaps this provision should be added to the existing legislation under the Wages Recovery Act as well. I think it is a good provision.

So the only point that I would like to really concern the Minister with is the calibre and the quality of the investigator, and perhaps the other question that he can answer me why he didn't proceed in amending the present Wages Recovery Act instead of proposing the new Payment of Wages Act.

I would be prepared to let the bill go into second reading before the House -- or to committee, but perhaps the Minister can check Hansard and answer some of the questions for me.

MR. SPEAKER: The Honourable Member for Lakeside.

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

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

MR. SPEAKER: The proposed motion of the Honourable the Attorney-General, Bill No. 78. The Honourable Member for River Heights.

MR. SPIVAK: I wonder can I have the indulgence of the House and let this matter stand? (Agreed)

MR. SPEAKER: Bill No. 80. The Honourable Minister of Health and Social Services.

MR. TOUPIN presented Bill No. 80, An Act to amend The Social Allowances Act, for second reading.

MR. SPEAKER presented the motion.

MR. TOUPIN: Mr. Speaker, I have the privilege to present to the House a number of amendments to the Social Allowances Act. The main purpose of these amendments is to bring our social allowance program into closer harmony with our objectives of social development and to ensure that persons in need are fully aware of their rights and are assisted in taking full advantage of the opportunities available to them. In addition, certain changes are being included to fully meet the federal requirements for maximum cost-sharing under the Canada Assistance Plan. In summary form, I would like to outline the main points in the amendment.

Under the existing Act, the social allowance in organized territory is paid to:

- (1) a mother with one or more dependent children who has been deserted for over one year;
- (2) a mother with a dependent child or children whose husband is in jail for over one year;
- (3) an unmarried mother with two or more dependent children. Under the amendment a provisional allowance would be extended to include: (1) a mother with one or more dependent children who has been deserted for more than 90 days; (2) a mother with dependent children whose husband is in jail for over 90 days; (3) an unmarried mother with one or more dependent children; and (4) a divorced mother who has not remarried and has dependent children and is in need.

The net results of the above changes will be twofold. It will permit people falling into the above categories to come to the province for assistance rather than to the municipalities. Of particular significance is the fact that most municipalities are reluctant, and in some instances refuse, to grant assistance to people in the above four categories. Furthermore, the mothers falling into these categories are in need of services as early as possible and deferment of this service for over a year has proven to be damaging.

We have made provision in the amendment to cover the cost of non-ward care. At present provision is made only for covering the cost of children who have been made wards of the Director or a Children's Aid Society. There are many instances where committing the child to a ward care can be circumvented by meeting the cost of temporary care of a child outside the home. This amendment makes it possible to introduce a positive element of prevention and circumvent the need to take guardianship simply for the purpose of meeting the cost of care.

We intend to extend social allowance to students 18 years of age and over who have insufficient means from parents and other sources to take advantage of available educational

(MR. TOUPIN cont'd.). . . . opportunities at the high school, technological and university levels.

We have long recognized the need to strengthen the appeal provisions in the Act so that every applicant is fully informed of his right to appeal and is fully familiar with how to make an appeal and can be assisted by the department to get all the benefits he is entitled to under the Act. In addition, the amendment provides for a broader base of appeal in that the applicants would have the right to further appeal to the Manitoba Court of Appeal.

To correct a deficiency in our present Act we intend to extend provincial social allowances to people in need who reside in municipalities where there is no provision by by-law for assistance and right of appeal. At present there are approximately 23 municipalities that have not passed a by-law to assist people in need. As a result, these people come to the province for assistance. Each instance requires ministerial approval. The purpose of this amendment is therefore to simply facilitate the handling of these types of situations in the same manner as any other applicant for social allowance. Municipalities will still be responsible for providing financial assistance to unemployed persons who are capable of employment but are temporarily without a job. In unorganized territory these people are the responsibility of the province.

There are a number of additional changes that need to be made in the Social Allowance Act and the entire Act is presently under comprehensive review. The amendments to which I have referred to are those which are essential to carry out efficiently our present operations.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I would like to ask a question of the Honourable Minister, if he would permit. Could he give us any estimate of what the additional costs will be of applying these services after 90 days rather than after a year?

MR. SPEAKER: Are you ready for the question?

MRS. TRUEMAN: Mr. Speaker, I move, seconded by the Member from Charleswood, that the debate be adjourned.

MR. SPEAKER: I believe the honourable member just participated in debate did she not?

MRS. TRUEMAN: No, I asked a question.

MR. GREEN: I believe that she was putting a question to the Minister on the basis of his remarks, at least that's what I understood.

MRS. TRUEMAN: I'll wait for my answer.

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

MR. SPEAKER: Bill No. 61. The Honourable the Attorney-General.

MR. MACKLING presented Bill No. 61, The Private Investigators and Security Guards Act, for second reading.

MR. SPEAKER presented the motion.

MR. MACKLING: Well, Mr. Speaker, this is a New Act which will provide for licensing and regulation of private investigators and security guards. All of the provinces of Western Canada, with the exception of Manitoba, have an act licensing and regulating private investigators and security guards. The proposed Act applies to private investigators and security guards, which terms are defined in clauses (a) and (q) of the first section.

The Act however does not apply to the class of persons set out in Section 2. This includes lawyers, credit investigators, commissionaires, police officers, insurance adjusters, insurance companies, private investigators and security guards employed permanently by a business other than a business of providing private investigators or security guards. This would therefore exclude, for example, the security departments of large department stores. Investigators or guards who come into the province for particular investigation are also excluded, provided that they are licensed in their own jurisdiction. There is also a provision for the exclusion of any particular class of persons exempted by regulation.

The Act, Mr. Speaker, will also be administered by someone known as the Registrar. It's contemplated that the registrar would be someone on the staff of the Attorney-General's Department that would be assigned to the duty of being a registrar under the Act, among a lot of other duties. This wouldn't be his sole occupation.

The Act will require that private investigators and security guards, and persons or firms carrying on such a business, be licensed. Each applicant for a license must be bonded. The registrar is given discretion in deciding whether a license should be granted and he may suspend the license for any of the reasons set out in one of the sections. The decisions of the registrar with respect to refusal to issue a license or suspension may be appealed to the County Court.

(MR. MACKLING cont'd.)

Mr. Speaker, in effect this will provide a technique for proper registration and licensing of these individuals in our society. It's recommended that this be followed, otherwise there is no standard to follow, there is no technique to exclude persons who may be carrying out this work in a highly unsatisfactory and quite unsociable manner. I'm not saying that that exists today at all, but certainly society has no control over this area unless there is some vehicle for proper registration and licensing. Our sister provinces have this legislation. It's recommended to the House as another in the area of bringing our standards up to the desired level in the rest of Canada.

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

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Swan River, that debate be adjourned.

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

MR. SPEAKER: Bill No. 81. The Honourable Minister of Agriculture.

MR. USKIW presented Bill No. 81, An Act to amend The Agricultural Societies Act, for second reading.

MR. SPEAKER presented the motion.

MR. USKIW: Mr. Speaker, the legislation before you is, to a large extent, housekeeping legislation although there are some changes made.

Section 35 in particular deals with the elimination of grants based on membership of agricultural societies. I am advised by the Societies Board, and indeed the Department, that this is a redundant section that doesn't really apply in this day and age but that it was introduced some years ago to encourage the development or the establishment of societies. Section (b) of 35 allows for an increase of grants to "A" Fairs from \$8,000 to \$10,000.

MR. SPEAKER: Order please. The Honourable Minister is aware that we are on second reading.

MR. USKIW: Simply the changes that are involved, Mr. Speaker, are dealing with (a) some of the matters that are no longer relevant to the societies in the '70's as we see them. They are provisions that are going to allow the Minister of Agriculture indeed to provide for additional sums of money to the Agricultural Museum. Under present legislation, that is not possible.

Also, there is some recognition in this particular Act towards the idea of educational exhibits at fairs and so forth, unlike the previous system whereby the grants were based on specific agricultural exhibits. There are many problems throughout rural Manitoba which have sort of rendered many of our agricultural societies redundant, or indeed out of existence, Mr. Speaker, and we are suggesting through this legislation that those that don't report for two successive years indeed can be cancelled without notification or negotiation.

There is also a change in the Class "A" societies, in the classifications. We are going to allow the Manitoba Winter Fair and Provincial Exhibition to operate as one corporate body to administer the proposed Keystone Centre, and the two boards of course will continue to operate and sponsor the Winter Fair and the Provincial Exhibition in Brandon.

There is some flexibility in this Act which will provide for varying amount of grants with respect to buildings, apart from the strait jacket approach that was applied in the past. In particular, for multi-purpose concept buildings we will have a great deal more flexibility in meeting the need of some of our rural communities.

There is also a provision for changing the horse racing provisions within the Act; namely, allowing the running of horses as well as the harness races at various meets. This is a very important change, I gather, and I'm sure many of the rural areas are going to appreciate that change.

Essentially, Mr. Speaker, this is the main of the bill. A lot of it is tidying up and there's some new provisions mentioned.

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

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

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

MR. SPEAKER: Bill No. 82. The Honourable Minister of Agriculture.

MR. USKIW presented Bill No. 82, An Act to amend The Crop Insurance Act, for second reading.

MR. SPEAKER presented the motion.

MR. USKIW: Mr. Speaker, as the honourable members opposite are aware, we are bringing in changes in the crop insurance program. It was announced some time ago and indeed debated during the estimates of my department. The bill you have before you at this time indicates the direction we are going, that is to broaden the insurance protection under our crop insurance program.

The main of the bill is to provide for a hail section. In other words, protection against loss due to hail damage and one or two other changes. One of them is the changing of the position of the Managing Director to that of a Manager. This is a policy that is taking place throughout all the boards and commissions where we are separating the policy-making body from the managing responsibility.

One small technical change of course is a housekeeping one and that is removing the reference "test area" to actually read "risk area." The test area concept is redundant in that we are not now involved in that kind of program. This was the term that was used when the test areas were first established under the Act.

Those are the main provisions of this legislation, Mr. Speaker.

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

MR. ENNS: Well, Mr. Speaker, I'm of course familiar with the intent of the amendments to The Crop Insurance Act. The Honourable the Minister of Agriculture has on numerous occasions been party to the moving of resolutions and speaking to resolutions urging the previous administration to add to its crop insurance coverage the coverage of hail, and, Mr. Speaker, let me assure the honourable members opposite that were we in power today that we possibly would be doing precisely the same thing. We have a considerable amount of pride in our crop insurance program that was innovated to a large extent in this province and later copied by many jurisdictions throughout the width and breadth of this country, and as the First Minister indicates, he voted for it at the time that he was in the House and I wasn't in the House, so we have arrived at some degree of unanimity today at the closing hours of the bill today.

But, Mr. Speaker, I rise to take the opportunity to make a few comments with respect to, you know, really how wonderful governments can rationalize their positions one with another. We have the situation now of crop insurance, which is a most worthwhile program that's being offered to the farmers of Manitoba, not on a compulsory basis but on a voluntary basis, and I'm sure in his closing of the debate on this the Minister of Agriculture would not want to hide from the citizens, particularly the farmers of Manitoba, but I think in the context of the fact that we have a discussion generally of insurance that covers all of the people of Manitoba, he would want to indicate very clearly the role that both the Federal Government and the Provincial Government plays in subsidizing the premium rates offered to the farmers of Manitoba. In other words, Mr. Speaker, the Federal Government has a direct aid to agriculture along with the Provincial Government to provide very substantial aid in the form of covering the administration costs by this insurance scheme, and it is really this action on the part of both senior governments that made it possible for the Province of Manitoba to enter into crop insurance in the first place.

The Honourable the Attorney-General suggested to me earlier on this afternoon that why didn't we just simply encourage the private sector to take on crop insurance in view of the fact that this need was not being fulfilled. I want to assure the Honourable Attorney-General that the private insurers were most interested or quite capable of taking on the crop insurance program that would have had to realistically, in view of the costs, established a premium level that was beyond the level of acceptance to most people in the agricultural industry. The Federal Government recognized this and the Provincial Government recognized this, and so we subsidized the cost of administration to make the premiums within reach and attractive to the farmers of Manitoba.

Another feature, Mr. Speaker, that I find with some interest that here we have a government that on the one hand is coercing the people of Manitoba into compulsory auto insurance on Bill 56, but we have just a few minutes ago the Minister of Agriculture introducing hail insurance, or adding hail insurance to the crop insurance program that we have offered over the years to the Manitoba farmers, but, Mr. Speaker, is it being offered in any compulsory manner? -- (Interjection) -- No, no, Mr. Speaker, because you see the Minister of Agriculture he knows that when it comes to dealing with the farmers of Manitoba he's dealing with people that have their feet pretty close to the ground and he knows his constituency well. He knows that the farmers don't buy compulsion all that easy, so he's not going to suggest, he's not going to

(MR. ENNS cont'd.). . . . suggest any compulsory program here. In fact he is merely offering it following the example set by him by the previous administration, the previous Progressive Conservative administration, in offering a good, sound, agricultural program on the basis of "here it is, if you want it take advantage of it." And that's exactly what the Minister of Agriculture is doing. There is not going to be no -- my honourable friend here from Souris-Killarney, who is also in the business of selling hail insurance from time to time, he's not going to threaten his livelihood by the government now going into hail insurance by insisting that the only place that farmers can buy hail insurance is from a government agency. If my honourable friend here and other private agents want to continue selling hail insurance, they can do so, Mr. Speaker.

Now the Minister also earlier, I believe at several question periods following the introduction of the bill at first reading, there were some questions asked: Would the Minister indicate the rates? Would the Minister indicate the rates that the corporation would establish for the selling of hail insurance? No, he said he wouldn't do that because after all this was something he wanted to spring on the industry and he wanted to have the corporation in a favourable position to enable it to sell - you know, advance their program as well as possible and I don't blame him. This is fair game. He's acting as a true free enterpriser, my friend, he's not willing to reveal, he's not willing to reveal the moves that his Crown Corporation is about to take in this particular situation. Well, that's fair game, Mr. Speaker, that's fair game.

But, Mr. Speaker, I couldn't let the occasion pass to mention that here we have one of those idiosyncrasies -- the Member for Fort Garry, is that the right word? -- anomalies - I've checked - anomalies that we have or indeed hypocrisies, hypocrisies, because if the honourable members opposite really believe, really believe in public ownership as they've indicated to us on another bill such as Bill 56, then surely, surely they don't think that much less of the farmers of Manitoba that they would leave them in the hands of the evil free enterprise agents who are milking their very blood out of their existence. We can't accept that, Mr. Speaker. You know, Mr. Speaker, I've made many speeches where I've accused these people of arrogance and I've accused them of many other things, but, Mr. Speaker, it's beyond me, you know, as a practising Christian, to honestly believe that these people would discriminate against the farmers. On the one hand, they're prepared to safeguard the interests of all Manitobans when it comes to purchasing public automobile insurance and we're not going to leave anybody, we're not going to leave anybody in Manitoba at the clutches of the wicked free enterprise system, who might be exploited when it comes to government automobile insurance, but the farmers -- well fellows, I guess we just continue to take a back seat, they're just going to leave us in the hands of the free enterprisers after all. We're going to continue to be exploited by these people, by fellows like my colleague here from Souris-Killarney.

So, Mr. Speaker, I've made my little point. I suggest to you that the point is well taken, that if it is in their political interest - and I suggest the Minister of Agriculture knows full well that it is not in his political or his party's political interest to introduce compulsory crop insurance or compulsory hail insurance coverage - he is quite prepared to introduce it as a voluntary scheme here. I only wish that we would carry that same argument to the scheme that has been before us earlier in the day, namely Bill 56. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: I wonder if the honourable member will now answer the question he deferred. I choose to think he deferred answering it. Would you now indicate, since you've spoken on the area of compulsion in your remarks, whether or not you in fact are in favour of compulsory automobile insurance?

MR. ENNS: Yes, Mr. Speaker, I am in favour of compulsory automobile insurance.

MR. USKIW: I wonder, Mr. Speaker, whether the honourable member would submit to a question. Is it not true that there is a difference between the need to have financial responsibility on the highway to protect the other party as opposed to not having the same need implicit in crop insurance?

MR. ENNS: Aw, Mr. Speaker, that opens up a whole new area. Is there a need then, a public need, to insure that I repair my dented fender? -- (Interjection) -- True, and that's why I'm in favour of compulsory automobile insurance. That's why I'm in favour of compulsory automobile insurance. But why am I concerned about my dented fender and the collision aspect of it? You know, what interest has the state really got in this particular field? There is no question, Mr. Speaker, that a degree of responsibility perhaps should have been legislated

(MR. ENNS cont'd.). . . . several years ago with respect to the over-all responsibility of all motorists that drive on the Manitoba highways, but, Mr. Speaker, really that is not the picture that is being presented by the government opposite in Bill 56. They are forcing a great deal of additional things on us. Thank you, Mr. Speaker. I beg your indulgence, I probably answered the question a little longer than I should have.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I'd like to move, seconded by the Honourable Member for Wolseley, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 83. The Honourable Minister of Health and Social Development,

MR. TOUPIN presented Bill No. 83, An Act to amend The Clean Environment Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Health and Social Development.

MR. TOUPIN: Perusal of the unamended Clean Environment Act shows that the control of pollution of the environment resides in the issuance of licences by the Clean Environment Commission with terms and conditions designed to control the discharge of contaminants and waste by potential polluters. For every licence that is issued, the Act requires that a public hearing be held. The Clean Environment Commission has been in operation for nearly two years, that is since June, 1968, and as a result of its experience, estimates that under the terms of the present Act there are perhaps up to 6,000 licences required in the Province of Manitoba. It is also the experience of the Commission that it has taken on an average of two hours of sitting of the Commission, either at public hearings or in committee, exclusive of the time taken in technical and other services to deal with each licence. It takes only a simple calculation that at this rate the Commission, even if it sat full time every day, it would take several years to issue the required number of licences.

Inasmuch as the control of pollution depends largely upon the issuance of licence, this is obviously an unsatisfactory situation. The Commission recognized the situation and recommended amendments to the Act, but naturally enough, successive Ministers were unwilling to take these forward so soon after it came into force. The previous Minister, the Honourable Sidney Green, requested the Commission to go ahead with the Act in its present form and, as a result, during the last ten months or so the commission has been getting into full swing and has issued a total of 19 licences during that period. At this rate it would take the Commission 100 years to cover the province.

However, it appears that another 20 or more licences will be issued in the next month or so and that in addition there are in the neighbourhood of 100 applicants in various stages of completion, either being considered by or being processed for the consideration of the Commission. These range from preliminary inquiries from people clearly requiring licences to completed applications. This is obviously an unsatisfactory situation and it is the intention, on the one hand, to make administrative arrangements for the facilitation of the Commission's work; and, on the other hand, to facilitate the procedures by bringing forward the amendments to the Act that are being presented at this time. There are two main pieces of the proposed amendments.

(1) There are amendments which will enable minor matters to be dealt with without licences provided that for the most part there is conformity with regulations under the Act or under other Acts, that is The Public Health Act. This would include such items as the incinerators which can easily be dealt with by regulation. The present procedure of applications, hearings and the issuance of licences is too cumbersome both for the public and for the Commission.

(2) There are amendments that will modify the necessity for the Commission to hold mandatory hearings in connection with every licence issued. However, along with such amendments are safeguards to enable objecters to lodge their objections before issuance of licences, and if objections are lodged, to ensure that hearings are mandatory before such licences are issued.

In addition to the foregoing there are further amendments. There are the amendments for the establishment of a new third type of licence, a provisional licence. At present, an industry new to Manitoba can construct many millions of dollars' worth of plant designed to discharge waste that may be in the excess of what would be allowed by the Commission. The industry does not have to obtain a licence until it actually begins discharging. Industry is reluctant to face a

(MR. TOUPIN cont'd.) public hearing since there may be matters such as the purchase of land or the requirement for secrecy of their operation that naturally enough they do not wish their competitors to share. The amendments provide for provisional licences to be granted without a public hearing for the limited period of three years. This will enable the commission to be in possession of the facts from the beginning of the establishment of a new industry.

(4) There is an amendment to provide for the making of agreements between this province, the Federal Government and other provinces. This is to facilitate dealing with matters of pollution involving inter-provincial boundaries, and with the implementation of the Canada Water Act and the proposed Canada Air Act.

(5) There is an amendment binding the Crown into its right as a province to the provisions of the Clean Environment Act. It is felt that government agencies should be bound and that they should set the example in the matter of controlling pollution.

Finally, the opportunity has been taken to introduce amendments to deal with minor matters of updating and clarification.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I beg to move, seconded by the Honourable Member from Emerson, that debate be adjourned.

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

MR. SPEAKER: Bill No. 76. The Honourable Attorney-General.

MR. MACKLING presented Bill No. 76, The Fatality Inquiries Act, for second reading.

MR. SPEAKER presented the motion.

MR. MACKLING: Mr. Speaker, this is a new Act which essentially would replace the old Coroner's Act. Sections of the Act provide for the appointment of medical practitioners as medical examiners to fill the places now occupied by coroners, and also for the appointment of one or more chief medical examiners and that all these officers shall be under the supervision of the Administrator of Court Services. A further section provides that the present coroners automatically become medical examiners under this new Act. The bill further provides that the medical examiner shall conduct the necessary investigations concerning the death in practically the same way as is done by the Coroner under the present Coroner's Act, including the arrangements for autopsy where it is needed and his report to the Attorney-General. Further provisions provide that where the medical examiner considers an inquest should be held, he also sends a copy of his report to the Magistrate, and further, that regardless of the report, the Attorney-General may direct an inquest to be held.

Further sections deal with the conduct of the inquest by the police magistrate. This is conducted in much the same way as the present inquest by the coroner, except that there will be no coroner's jury. The report of the medical examiner is admissible as evidence without further proof, but the magistrate may require him to attend and give evidence if he considers it advisable.

The bill further provides that a witness shall be deemed to have objected to answer any question upon the grounds that his answer may tend to criminate him or establish his liability to civil proceedings. This provision is new and affords a considerable protection to any witness appearing and testifying.

The general provisions of the bill are mostly the same as in the present Coroner's Act, but the provision of the new Act for the coroner to take possession of and administer the personal effects or money of the deceased up to \$300.00 has been eliminated, and the new Act requires the medical examiner to take charge of such money or personal property and deliver it to the police, who will then deliver it to the persons entitled or as instructed by the Attorney-General.

These in essence, briefly, are the principles of the Act, which I commend to you, Mr. Speaker, and the members of the Legislature.

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

MR. SPIVAK: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 25. The Honourable Minister of Agriculture.

MR. GREEN: Mr. Speaker, I beg the indulgence of the House to have this matter stand.

(Agreed)

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MR. SPEAKER: Bill No. 68. The Honourable the Attorney-General.

MR. GREEN: Mr. Speaker, I think it's about two minutes to ten. Perhaps the Attorney-General would need more time than there is, so can we call it 10:00 oclock?

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