

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

Before the Orders of the Day, I would like to attract your attention to the gallery where there are some 42 Canadian Girls in Training from the Souris area, some 60 Canadian Girls in Training from the Portage la Prairie area, 35 from Langruth and 54 from Roblin. On behalf of all Members of this Legislative Assembly I welcome you.

Orders of the Day.

HON. G. HUTTON (Minister of Agriculture and Conservation) (Rockwood-Iberville): Madam Speaker, before the Orders of the Day, I would like to draw the attention of the Members to a mistake in the Orders of Return, or Return to Orders No. 37 and 42. The same mistake appears in both Orders. In the case of D. Armstrong, in the column designated as total cost the figure should be 1,565.70 rather than the 1.165.70 that is printed, and in the case of K. Soth of 161 Turnbull Drive the return should show 49.40 in the total cost column rather than 41.40 as is shown.

MR. J. M. FROESE (Rhineland): Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the First Minister. When can I expect a reply to my Order for Return in connection with the constitutional powers?

HON. D. ROBLIN (Premier and Provincial Treasurer) (Wolseley): It's being prepared and I think will be ready shortly.

MR. E. GUTTORMSON (St. George): Madam Speaker, just for purposes of clarification, I believe that Order is the one that --the Member for Brokenhead and the other one for Burrows. Thank you.

ORDERS OF THE DAY

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Leader of the Opposition. The Honourable the Minister of Agriculture.

MR. HUTTON: Madam Speaker, I think I've been guilty of having this Resolution stood over on a number of occasions. I didn't let it stand because I didn't consider it very important, because this is --the grain industry in Western Canada has economic implications not only for the farmers but for our total economy, and there is no denying the fact that all of Canada has felt the benefit of the large grain sales that were made in 1962 and '63. The effects of this large injection of money into the economy have meant additional jobs and activity for the total economy right across the country.

I am quite concerned about the Canadian Wheat Board operations. I think it is the finest grain handling, grain marketing organization in the world. I think it has proven its ability to serve not only the Western Canadian farmer but the Canadian economy, and certainly the job that it did with the support of the government in the last two or three years has proven that it is a most effective and efficient organization. So I don't quarrel at all with the sections of the resolution of the Honourable the Leader of the Opposition which commend the Canadian Wheat Board and commend the co-operative action of the Wheat Board and the Government of Canada in achieving these record sales.

I am concerned though, Madam Speaker, about the future of the Canadian Wheat Board in another respect. The Canadian Wheat Board has largely been --I think you can largely account their success to the fact that they have a monopoly in the sale of Western Canadian grain, and through a co-operative organization with other selling agencies they have disposed of our grains to best advantage to the western farmer and certainly on a competitive basis in any of the markets that we have. There is a move afoot --and has been muted for some time but it seems to be taking shape-- which I believe will affect the efficiency of the Canadian Wheat Board's operations on behalf of the Western Canadian farmer. There has been talk for some time about the establishment of a central agency to purchase and sell western feed grains in the eastern provinces and British Columbia, and I think that if we believe what we say about the Canadian Wheat Board --and I believe that we all believed what we say-- then we should be alarmed about this move,

(MR. HUTTON cont'd).....because it is more than a rumor now. Recently the Committee of Agriculture and Colonization of the House of Commons brought down a recommendation that such an agency should be established, and I think that the wording that was used, the phraseology that was used by the Committee, should give us some reason to stop and think about the future of the marketing, especially of western coarse grain.

I have here the recommendations of the Committee. In part it says, "Your committee recommends the establishment of an agency, board or commission, hereinafter called an agency to be known as the Canadian Feed Grains Agency, or such other name as may be determined by policy. The purpose of the agency: The agency should be incorporated with the object of administering a feed grain policy for the benefit of Canadian feeders, especially those in Eastern Canada and British Columbia, and having regard to any constitutional factors should possess the following powers: To administer the feed freight assistance policy including the duties of constant review of the operation of the policy, and to make the appropriate recommendations from time to time to the government to ensure the most efficient and equitable operation of the policy in the national interest. 2. To administer the feed grain storage assistance policy, including the duties of constant review of the operation of the policy, and to make appropriate recommendations from time to time to the government to ensure the most efficient and equitable operation of the policy in the national interest. 3. To buy, store, transport and sell feed grains which are for the use of feeders in Eastern Canada and British Columbia. To act to ensure that there are adequate handling and storage facilities in Eastern Canada and British Columbia, and to advise the government in respect thereto. Your Committee recommends that the agency should keep the whole matter of feed grain policy under constant study with a view to advising the government with respect to the operation of existing policies and the formulation of new policies."

And here is the important part of this recommendation: "The agency should, in particular, give careful study to the whole matter of feed grain policy in all its aspects before exercising any of the powers given to it under Item 3 above." Now that's the recommendation dealing with buying, storing, transporting and selling. "Your Committee is of the opinion that the authority given to the agency may in itself be sufficient to ensure price stability and to eliminate speculative and excessive margins of profit."

But listen to this: - "However, we wish to make it abundantly clear that the agency should not hesitate to exercise the powers given to it under Item 3 above if it deems it in the interest of feeders in Eastern Ontario and British Columbia to do so."

Now they go on: "It is recommended that the present policy should be made statutory." For the benefit of members of the Assembly, the policy in the past has been each year to authorize the expenditures under the Feed Freight Assistance program. Now they want to make it statutory, and I think this is an alarming thing for us when we look at the development of the prairie region and what the implications are of imbedding in the future development of our economy a statutory provision for subsidized freight rates in respect to certain products and those certain products moving in one direction.

Now, in the first place, in respect to the operation of the Canadian Wheat Board. There is clearly only one object in mind in establishing this central feed grain agency and that is to lower the price of coarse grains. It will do it in a number of ways. It says here that it should be abundantly clear that if it can't lower the price in any other way it's going to take these powers. Now that's what it says --and it should use the powers if it can't lower the price by other means. It can do this by the fact that it eliminates the competition in the market place, by being a very strong organization with government support and backing. I frankly think this thing is a Trojan horse, and if it comes off it wouldn't surprise me at all if some time in the future the price of feed grains to eastern farmers and B. C. feeders will not be established by the law of supply and demand, but could be very well established on the basis of private treaty, and that private treaty could take place in the House of Commons at Ottawa. When we consider how the balance of power is shifting in Canada politically with a great concentration of this power in the east and in the central provinces and British Columbia, and the relative diminution of the political influence of the prairie region, I think we ought to look at this thing as a Trojan horse.

Unfortunately, this move is taking place at a time when we have had unprecedented success in growing and marketing our wheat crop at almost record returns to the producer. From a standpoint of strategy there's no better time that I can think of than introducing a move of this kind in our national policy, because we're pretty self-satisfied out here right now. We tend to be, I think, over-confident but we want to have our eyes open as to what is going on. I think that

(MR. HUTTON cont'd)... . . . the establishment of this agency with these powers can do nothing more nor less than exert a constant downward pressure on the prices for western coarse grains, and I think that western, not only western farmers but western business communities, the prairie politicians, should be concerned about this.

Now, I'd like to give you some of the implications of this in terms of transferring industry from Manitoba to the central provinces and British Columbia --I mean the feeding industry. We have traditionally had to accept \$1.50 to \$2.00 per hundred-weight less for our beef than Ontario producers, and even a greater differential on pork. I might say that the differential has been narrowed here through the operation of the Central Hog-Marketing Agency, but nevertheless it's still around a few cents or better, the differential between Toronto and Winnipeg. Yet now we are to make feed grains available to feeders in Eastern Canada at a price similar to Western Canada.

In a study carried out by our department last year to examine the cost of shipping the products finished here or the components, feed and feeders, to be finished in Eastern Canada, this study found that the cost of transporting the equivalent of a hundred pounds of live weight of steer from Winnipeg to Toronto was --if shipped in form of dressed carcass and by-products was \$1.44; if shipped in the form of a 500-pound feeder calf plus the grain necessary to finish that animal, was \$1.78 a hundred; if shipped as grain to finish Ontario animals it was \$1.99 a hundred; to ship the finished carcass, \$1.44 compared to \$1.78 for feeder calf and grain, compared to \$1.99 if shipped as grain only.

But here's the irrational part of this whole policy --that this Feed Grain Freight Assistance Policy, which was implemented as an emergency war measure and is now to be placed on the Statute Books of Canada, results in this situation: Of \$1.44 cost in the shipment of finished beef, dressed beef, the shipper pays the total cost-- there's no cost to the taxpayer. Of the \$1.78, if the unfinished animal and the grain to finish it are shipped, the shipper pays only 88 cents --the taxpayer of Canada pays 90 cents. But if only the grain is shipped to finish eastern or B.C. cattle, of \$1.99 the shipper pays 20 cents and the taxpayers of Canada pay \$1.79.

Now this is the kind of competition that we in Manitoba are up against. If we ship the feed grain with federal assistance, it costs the taxpayer \$1.79 and the shippers 20 cents to ship enough grain to finish a hundred pounds of beef, but we could ship that beef carcass for only \$1.44 from Manitoba and the taxpayer wouldn't pay anything. The general effect of the Feed Freight Assistance policy is to promote livestock production in Eastern Canada and British Columbia but to discourage it in the prairie provinces. It discourages that which it purports to support - the balanced development of the livestock economy in Canada. It's just like having a selective tariff that applies to completed automobiles but it doesn't apply to the parts and so it's more profitable to ship the parts to be put together in another place than it is to complete the automobile in its point of origin.

Well, just weight over the years the impetus that this policy has given to the growth of the livestock industry and the feeding industry in the areas of Canada that enjoyed the benefits from this policy, and weigh this against the discouragement of the feeding industry here in the prairie region. One could very well ask why the taxpayers of Canada should subsidize the development of large scale feed lots, hog production and poultry production in enterprises in Eastern Canada and British Columbia, and discourage the development of this industry here in the prairie region where God has blessed us with the natural resources to build on.

Now it has not gone unnoticed that the Minister in charge of the Canadian Wheat Board, the Honourable Mr. Sharpe, has put out a call to protect the operations of the Canadian Wheat Board. As a matter of fact he seems to have used the necessity of protecting the Canadian Wheat Board as the chief argument against any interference by the government by way of subsidizing the production of wheat in Western Canada. I would think that this gentleman, this honourable gentleman, if he feels so strongly about the Canadian Wheat Board and its importance to Canada and to the prairie region, would listen to an argument when we warn him that the establishment of a central agency is going to undermine the position of this great organization which he wants to protect. So if he wants to protect it by denying the farmers of Western Canada any assistance from the Government of Canada in competition with farmers in other nations of the world which they have to compete with; if it's a legitimate argument to deny our western grain growers assistance from the Federal Treasury to protect the Canadian Wheat Board, then I think the Honourable Mr. Sharpe has answered the question when we point out to him that, No. 1, a policy of establishing a Central Feed Grain Agency is going to undermine this same great institution; and secondly - and not less important - that the continuation of this policy and almost certainly the improvement of this policy in any additional subsidization in moving and storing feed grain, is going

(MR. HUTTON cont'd). to work to the detriment of our feeding industry in the prairie region. If the Honourable Mr. Sharpe takes any other attitude, then it's double talk, and his claims for protecting the Canadian Wheat Board are just an excuse.

I'm really concerned about this move on the part of the Government of Canada to establish this central selling agency, because in the Throne Speech on the 5th of April there was a reference to action to be taken: "Action will be taken to improve the movement and marketing of feed grains in Eastern Canada and British Columbia." Now I'd like to point out to you -it's no secret- that after the establishment of the Agricultural Economic Council for Canada this was one of the questions that was referred to them for their careful consideration and study, and all along we asked the Government of Canada to take no action until the full meaning and impact of the Feed Grain Freight Assistance Policy had been studied, its effects had been measured- its benefits and its weaknesses in terms of its effect on the regions of Canada and the over-all economy. Obviously this request has gone unheeded because they intend to act at this Session of the House of Commons, and I can only call on the members here in Manitoba without regard to parties to withstand this movement to establish such a central agency, first of all, because it cannot contribute in any way to improving the position of the western farmer who is marketing his coarse grain. It cannot help but to exert a downward pressure upon the prices that he will receive. And secondly, there is little doubt that it has resulted in and will continue to result in a transfer of a very important industry out of this province to the central provinces and British Columbia. The fact is that in order to compete under this policy our western producer must be prepared to take less for his finished product than the eastern producer, simply because the raw product is subsidized in transportation and our western producer gets no subsidization in the shipment of the finished product east.

So I would like to move an amendment to this resolution, seconded by the Minister of Industry and Commerce, that the proposed resolution be amended by adding the word and figures "1962 and" after the word "the" in the fourth line thereof; deleting everything after the word "Canada" in the sixth line thereof down to and including the word "economy" in the ninth line thereof; and substituting therefor the following: "And Whereas the Canadian Wheat Board has also been very successful in the marketing of western coarse grains; And Whereas the Agricultural Colonization Committee of the House of Commons has recently recommended the establishment of a Canadian Feed Grains Agency to administer the federal feed grain policy, this agency to have the power to store, transport and sell feed grains in the interest of feeders in Eastern Canada and British Columbia; And Whereas the Speech from the Throne read in Ottawa on April 5th included the statement that action will be taken to improve the movement and marketing of feed grain in Eastern Canada and British Columbia; And Whereas since the Canadian Wheat Board in responsible for the marketing of western feed grains and has done a commendable job is making regular supplies of feed grains available at reasonable prices for Eastern Canada and British Columbia, it is unreasonable that the Government of Canada should set up a second agency of the Crown in conflict with the working of the Canadian Wheat Board; And Whereas a study carried out by the Department of Agriculture and Conservation showed that the feed grain subsidy encourages the shipping of feed grain and feeder cattle rather than finished cattle, and of feed grain rather than pork and poultry products thus encouraging a shift of livestock production in Eastern Canada and British Columbia, and by deleting all the words following the word "Resolved" in the sixth last line and substituting the following: "That This House support the principle of the Canadian Wheat Board and oppose that part of the recommendation of the House of Commons' Agricultural Colonization Committee which recommends the establishment of a Feed Grains Agency with power to buy, store, transport and sell feed grain in conflict with the operation of the Canadian Wheat Board."

MADAM SPEAKER: Moved by the Honourable the Minister of Agriculture--

MR. T. P. HILLHOUSE, Q. C., (Selkirk): Madam, before putting the motion, I wonder if you'd take it under advisement. It appears to me that it's a complete negation of the original and it brings up entirely new matters altogether.

MR. M. N. HRYHORCZUK, Q. C., (Ethelbert Plains): Madam Speaker, I'd like to support the contention of the Honourable Member from Selkirk. I listened to the Honourable Minister very carefully and I did not hear anything in what he said that was relevant to the motion before the House, and his amendment is entirely a different subject matter. It has nothing to do with the motion that is before the House.

MADAM SPEAKER: Moved by the Honourable the Minister of Agriculture and Conservation, seconded by the Honourable the Minister of Industry and Commerce -- I will take the

(MADAM SPEAKER cont'd). proposed amendment here under consideration and I'll give my ruling on it at a later date.

The adjourned debate on the proposed resolution of the Honourable the Member for St. George; and the proposed amendment thereto by the Honourable the Member for St. Vital; and the proposed sub-amendment by the Honourable the Member for Gladstone. The Honourable the Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, much has been said about the heating tax, the fuel tax, so there's very little that I can add to at this stage of the debate. I know most members on this side have taken part in this debate and I would say have demonstrated convincingly that it was a wrong decision by the government to impose a fuel tax. Now, I was interested to hear the Honourable Minister for Municipal Affairs mention that during the debates on daylight saving time he received barrels of letters. Well I can't make the same statement because I haven't received barrels of letters opposing the fuel tax, but I have received a considerable amount of letters which show great concern that these people cannot pay the extra tax on fuel; and I would also like to add that most of these people live in my constituency. As you know, in St. Charles, Brooklands and Weston, a lot of these people in this area are making wages below average wage, and they just can't afford these taxes. so I would like to appeal very strongly to the government and to the front benches, appeal for the little man and for the people that cannot afford the heating tax.

I think the heating tax was a wrong decision by this government. In many cases the people live in homes that are not modern, in older houses which are not insulated, and it costs much more to heat these homes than it would, in many instances, large houses that are well insulated. I want to stress to the House that it's most unfair, because this tax hits people hardest the ones that can least afford it. And I also want to disagree with the honourable members who have stated in this House that this tax is not a burden on any people in Manitoba, because I feel it is, as the people that have written to me and have stated in their remarks. Now I know some of the members that have taken part in this debate on the government side. the Honourable Member for St. Vital has stated that it is a much better tax than a sales tax. but I would say this is very small difference. What is the difference between the heating tax and a sales tax? I think it's just a --it's a consumer tax; it's coming in piecemeal so it is the same thing as a sales tax. Gas tax, fees, court fees, land title fees -- this is sort of a consumer sales tax; there's no difference.

I would also like to say that I wouldn't be far wrong by saying almost fifty percent of the people in Manitoba earn below the \$4,000.00 per annum bracket, so the tax strikes hardest at these people. On top of that they have to pay this extra added tax. What about the people that cannot buy a home and live in rented premises? They don't even get the small compensation that the government is going to rebate in the school rebate. They directly pay the tax and the person from whom they rent the premises reaps the little benefit that he's going to receive. So I would like to stress to the government to repeal this tax.

I would like to read just a couple of letters here that I have received, and I would like to say this is just a couple of the many that I have received, and I'm quoting: "Dear Sir: Is there any possibility that you will be able to do something in the next session of the House in regard to this tax on fuel, light and phone? These are not luxuries and it is working a real hardship on low income families. Right now it is almost impossible for the average family to make ends meet with all the other taxes imposed on us, and this one is just the last straw. I do hope that you and your members will be able to do something for us."

I would like to read the other letter which was sent to the Provincial Treasurer and a copy was sent to me, and it's to: "Right Honourable D. Roblin, Legislative Building, Winnipeg, Manitoba. Dear Sir: With reference to the latest increase of five percent tax on the heating and lighting utilities, this will advise that I am unable to pay this additional tax for the simple reason that my salary is not sufficient to absorb this extra cost. And secondly, I'm paying my utility bills with money that has already been taxed to the limit through the payroll deductions. For your information, the following is a breakdown of my total earnings and living expenses for a family of three children, my wife and myself: Total earnings for the year is \$5,150.00" -- and in this case I might state this is much more than probably many of the people in some of my constituency make, because there are areas where people do not make \$5,000.00 - it's more on the average of probably \$3,500 - "Expenses and deductions as follows: Income tax payable, federal and provincial, \$377.53; municipal and metro tax, \$277.00; transportation to work, \$120.00; house payment or rent, \$90.00 per month, which is \$1,080.00; telephone, \$43.20;

(MR. PATRICK cont'd).....heating expenses, \$123.00; light and power, \$108.00; unemployment insurance contributions, \$48.88; Manitoba Hospital Commission, \$48.00; Manitoba Medical Service, \$120.00; food for a family of five, based on \$50.00 per week - every morsel has to be purchased - \$2,600; making a total of \$4,965.61. You will notice, sir, that the above list does not include clothing, shoes, school supplies for the children, medical supplies as necessary and prescribed by a doctor. I have exactly \$184.59 to cover these additional expenses. I ask you, sir, is it possible to get shoes, clothing and medical supplies for five people, for the sum of \$184.59? To add another five percent on my utilities, which are an absolute necessity in this climate, is an unjustified burden and depriving my children of a necessary pair of shoes per year per child. Yours truly, Steve Zab....." - from 1880 Bannatyne in Brooklands. Now these are the kind of --

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, on a point of order, would my honourable friend be kind enough to table the letters?

MR. PATRICK: Yes, I will. These are just a few of the many letters that I have received and I'm not going to take time to read any more, but I do appeal to the government very strongly and I hope that they will take some action and withdraw this tax. I'm sure that the Honourable Member for Churchill, if he would make a speech again I'm sure it would be different than the one he has made and said the heating tax has not been a burden and is no burden on the people. Surely it must be, because the people would not be concerned, and according to the letter that I have just quoted it must be a burden on many people, because in this instance his salary is itemized to the very last hundred dollars and not including clothes. There are many people who make below the \$5,100 limit than the case that I have just quoted, so I appeal to the members of the government to withdraw this tax for the concern of the people who can least afford this tax.

MADAM SPEAKER: Are you ready for the question?

MR. FROESE: Madam Speaker, I don't know whether I spoke on the amendment or not. I don't think I did -- on the sub-amendment. I've just worked out the sub-amendment by striking out the necessary clauses and so on in order to get the drift of the sub-amendment before us, which more or less brings the sub-amendment to the same thing that was originally called for in the resolution. I've stated on previous occasions that I felt this tax was unfair because it hits the poorer people, in my opinion, much more than it does other people, because they have the poorer facilities and as such they will require more heating fuel and thus will have to pay a larger share. This is penalizing the people who can least pay for the cost, and therefore I take objection to this tax; and as already stated by the previous speakers and other speakers, you hear from your local people back home, your constituents, and they too are opposed to this tax. I've had quite a few people contact me commenting on this very tax, and they feel that it is unfair and that it should be abolished or it should never have been put on the statutes in the first place, so I will support the amendment -- or sub-amendment.

HON. GEORGE JOHNSON (Minister of Education) (Gimli):.....permit a question? Does the honourable member, does he recommend a general sales tax of five percent such as in British Columbia?

MR. FROESE: No I do not. I recommend that we cut down our expenses and have less taxes.

MR. JOHNSON: Would the honourable member tell me what programs he would cut down?

MR. FROESE: I think I will do that during the course of our estimates.

MADAM SPEAKER put the question and after a voice vote declared the motion lost.

MR. GUTTORMSON: The yeas and nays, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House, the proposed sub-amendment of the Honourable the Member for Gladstone.

A standing vote was taken, the result being as follows:

YEAS: Messrs: Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Patrick, Paulley, Schreyer, Shoemaker, Smerchanski, Vielfaure and Wright.

NAYS: Messrs: Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir and Mrs. Morrison.

MR. CLERK: Yeas 18, Nays 32.

MADAM SPEAKER: I declare the motion lost. The proposed amendment by the Honourable the Member for St. Vital. Are you ready for the question?

MR. L. BARKMAN (Carillon): Madam Speaker, I beg to move, seconded by the Honourable Member for LaVerendrye, that debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Ethelbert Plains, and the proposed amendment thereto by the Honourable the Member for Brokenhead. The Honourable the Member for St. George.

MR. GUTTORMSON: Madam Speaker, I adjourn the debate for the Member for Assiniboia.

MADAM SPEAKER: The Honourable the Member for Assiniboia.

MR. PATRICK: Madam Speaker, I ask the indulgence of the House to have this matter stand. If there is -- anyone else who wishes to speak may do so.

MADAM SPEAKER: Any other member wishing to speak? Agreed to stand? I would like to have the honourable members note the leaflets which were distributed to your desks, numbered 11A. This was a clerical error in putting out the Orders of the Day. Two adjourned debates on second readings and one second reading of a bill were omitted from the Order Paper. If you will insert it in your Order Paper and call it 11A, we will be able to carry on when we reach that part.

The adjourned debate of the Honourable the Member for Logan, and the proposed amendment thereto by the Honourable the Member for Roblin, and the proposed sub-amendment of the Honourable the Member for Lakeside. The Honourable the Leader of the New Democratic Party.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I'm rather intrigued with the handling of this resolution that was introduced by my colleague from Logan. I had intended to speak to the amendment, but now that we have an amendment to the amendment proposed by the Member for Lakeside I will endeavour to confine my remarks to the amendment as proposed by that honourable gentleman. I might say, Madam Speaker, I'm pleased in general with the amendment to the amendment in that it brings back in to focus the problem that we have insofar as the field of automation is concerned and the desirability, indeed the necessity, of approaching this problem on a sound basis. If I make just brief passing reference to the original motion, in my opinion this did not do that. One regret that I do have with the amendment to the amendment, that it includes reference to agriculture, because I feel that in the field of agriculture more automation has taken place to date than possibly any other sphere of human activity. One only needs to recall the debates that we have had in this House dealing with the question of diminishing family farms and the ever-extending large-scale operations of the farm which I suggest, Madam Speaker, have only been brought about because of the application of automation to farm operations.

The other day, Madam Speaker, we were discussing the question of an organization called Family Farms, which through the media of automation it is feared will prejudice the income of many of our farmers due to the fact of a changing method in the poultry industry, and I think too, Madam Speaker, we should make reference to the agricultural industry and the effect of automation on the agricultural industry in another respect as well, because I suggest, Madam Speaker, that as a result of what I call the automation in the farm industry, more and more people are leaving the farms and going into urban centres and offering themselves for employment, which is aggravating to some degree the situation that is prevalent even today, and while I frankly admit, Madam Speaker, that due to the present economy being at a relatively high level, the full effects have not as yet been felt as the results of agricultural automation, but I respectfully suggest that this House and this government should not take the attitude as suggested in the original amendment that everything is hunky-dory, everything is rosy; and I'm firmly convinced, I'm firmly convinced such is not the case or could conceivably change so far as the picture is concerned ere long, and that it is up to all responsible legislative bodies, as indeed a responsibility of labour, of management, as well as government, to look into the possible consequences of automation in all industries, so I say to my honourable friend from Lakeside, I regret - and I suggest that he had a reason for it - but I regret the non-reference in the amendment to the amendment to the field of agriculture because as I say, Madam Speaker, I think this is mainly due to the gradual reduction of the people in the agricultural industry to an influx of workers that are available in our urban centres, and I mean no criticism of our friends in the farming community when I say that in my opinion, by and large, the individuals who are leaving

(MR. PAULLEY cont'd) the farms for the urban centres are not trained in the industrial life of the nation and thereby pose another problem as well.

I suggest, Madam Speaker, another reason why we should have a positive approach to the question of automation is because of the effect that it is having at the present time and the continuing effect upon the white collar workers in commerce today. I have had drawn to my attention on a number of occasions, Madam Speaker, where as a result of the influx of computers, IBM machines and the like, that while there hasn't been an actual lay-off or reduction in present staff in many of these undertakings, there is no re-hiring or new hiring taking place in many of the concerns that have instituted in their operations such implements, as I say, IBM machines and computers. --(Interjection)-- Yes, even when, as the Member for Lakeside interjects, Madam Speaker, that when the concern is growing. May I say that I can give as an example of this my own railroad, that while the total employment in this field has not gone down, transfers have been made for instance in compiling our pay cheques which formerly was done here in Winnipeg. They are now concentrated in the City of Montreal at national headquarters of the railway for the whole of the system, and I say Madam Speaker, that while locally no one was laid off or fired as the result of this transfer, I do suggest that the rate of hiring has been lessened as a result of the transfer of the operation to other centres.

We saw this too just - not to burden you with the question of the railway - we saw this only two or three years ago. Madam Speaker, in respect of Imperial Oil. You recall, Madam Speaker, that the building that is now occupied by Metro formerly was the headquarters for this particular area of the Imperial Oil. Now, those of us who use credit cards send our payments not to Main Street in Winnipeg, but on punch cards to the City of Calgary. I suggest, Madam Speaker, that insofar as our utilities here in the Province of Manitoba that under the punch card system the same effect will eventually take place. And while I recognize, while I recognize that advances must be made and will be made, I want to point out to this government and to this House the necessity of an awareness in this field, so that when the situation confronts us to any great magnitude that at least here in Manitoba, as a result of studies within our local jurisdiction, we may have some answers to give as to how the situation may be alleviated.

And while I talk this way of the effects of the machine in industry - and at the present time I'm speaking of course, Madam Speaker, so far as the white collar worker is concerned - let no one misunderstand me. I'm not suggesting because of the advance of science and man's ingenuity that those who may be affected should go and break up the machines such as they did the cotton gin at the start of the Industrial Revolution in the Old Country centuries ago, but I am suggesting that there is an onus on us not to slough off consideration of this, but to have detailed studies as to the possible effect of automation. I wonder how many members - I guess now I'm speaking to the older members who will well remember the controversy that took place here in the City of Winnipeg a few years ago when a reduction was made in the number of operators or personnel on our Winnipeg Street Railway. There was a bitter fight, a bitter fight at that time, because of the reduction from the two-man to the one-man car operator. Fortunately, fortunately the matter sort of ironed out itself, but I suggest, Madam Speaker, the situation only ironed out itself. And this is the point, this is the point behind and the intent of the resolution of my honourable colleague from Logan, that we should not leave to chance the possibility of the progress which is made by automation just going away and resolving itself.

Maybe I'm dating myself, Madam Speaker, but I recall during the '30s when a group calling themselves the Technocrats laid before us information that many of the articles that we were using at that time could be produced in abundance at half of the cost. I recall, Madam Speaker, one very interesting article that I read at that time dealt with the question of a razor blade which would enable the male - sometimes the female as well - to obtain more than one or two shaves with a blade. The situation today, Madam Speaker, with the new stainless steel blade, this is now happening. Fifteen -- there's 15 barbers come on our TV almost regularly, and the 15th barber, Madam Speaker, is just as cleanly shaved as the first one. I use this, Madam Speaker, to indicate the difference between what is happening over the years, and I have been informed on reasonably well-informed sources that if all of the advantages as a result of automation were immediately put into effect in industry today, chaos and havoc would prevail. Another reason I suggest, Madam Speaker, rather than the approach as suggested by the mover of the amendment, that we should adopt the principle as embodied in the main motion and in the amendment to the amendment.

Another illustration I think that I could give to the Legislature is the question of railway employment. Now we recall the other day that one of the professors at the University of

(MR. PAULLEY cont'd). Manitoba suggested that at the present, automation was no problem insofar as the railways are concerned. I want to point out to this House, Madam Speaker, that whereas the non-operating railway unions four or five years ago undertook negotiations on behalf of 125,000 employees, in the last negotiations between the railways - and this encompasses all railroads in Canada - but the number that they were then representing were 90,000, not 125,000, Madam Speaker -- a reduction of 35,000 employees over a period of about three or four years in respect of the railway. Now it's perfectly true, as the professor mentioned the other day, Professor Bellan mentioned the other day that due to the peculiar situation the Shops at Transcona of the Canadian National Railways are operating at full capacity and that they did call back a number of employees. But Madam Speaker, I want to point out, however, to those who think this way, that in the meantime the Fort Rouge Shops of the CNR, which used to employ some six or seven hundred men, is no longer in existence. I want to point out insofar as other areas are concerned the Shops at Moncton have practically closed down. The railway shops at London have closed down almost completely, and while it might be well for us here to be able to happily say that the effect of automation hasn't particularly affected us in this particular point, I suggest to you, Madam Speaker, that it could have and could in the future.

While I'm talking so far as the question of railways is concerned, may I refer to the Weston shops of the CPR. I recall as a youngster going to school up in the area of my birth, Weston, that there were special street cars and long queues of men going past our home in order to work at the Shops. Today, Madam Speaker, there's about two or three bus loads, special buses that are put on in order to transport the men to Weston shops, because as I understand a considerable amount of the work now has been concentrated in the Angus shops at Montreal. May I say also, Madam Speaker, that we have a problem here and now insofar as the effect of automation on the railway, in that Mr. Justice Freedman has been named the Commissioner to investigate the question of run-throughs and the gradual doing away of the former division points. It's happened here, Madam Speaker, in the Province of Manitoba. It happened insofar as Rivers is concerned, where as a result of dieselization and automation there has been a lessening of the number of individuals who have been needed, or are needed in the operation of the railway.

May I say to you, Madam Speaker, still dealing with the effect of automation in the Province of Manitoba -- Neepawa. There used to be a considerable number of railroad workers at Neepawa. No longer there. The staff at Brandon has been cut down tremendously on both railways. What is the situation insofar as Flin Flon is concerned? We're all concerned with the development of the north but we don't have passenger traffic now between Flin Flon and The Pas. And while it might be well to say, "Well, surely my friend, do you not recognize the fact that we have built roads and the automobiles are taking their place?" I recognize this, Madam Speaker. But I use these illustrations of saying to the members of this House, do not bury your heads under the sands and say that it cannot happen here and it cannot happen to us, because it can, Madam Speaker, and it's a very very serious situation so far as I am concerned.

Now I note that the resolution states: "Therefore be it resolved that this House recommends the establishment of a committee representing government, labour and management to consider the probable effects of automation and plans to deal effectively with them." I think, Madam Speaker, that this House would be well to adopt the amendment to the amendment as proposed by the Honourable Member for Lakeside. In other jurisdictions, it is true, consideration is being given to this great problem. There has been a Senate committee at Ottawa considering the effects of automation. Our labour organizations are constantly undertaking studies as to what should be done in these fields. There are committees in many jurisdictions that are looking into the probable effects of automation. And I suggest that, differently to what the amendment proposed by a member of government or a member from the opposite side of the House, which just simply referred to the fact or the suggestion that the Government of Manitoba has developed a comprehensive program of action designed to maintain a high level of employment so that employees affected by automation, etcetera, I say, Madam Speaker, this isn't sufficient. It could well be that after a thorough study of the possible effects of automation in the Province of Manitoba that a committee set up as suggested would eventually come around with a proposition to reduce the work hour week in order that gainful employment may be more evenly distributed. So I say, Madam Speaker, that while I'm not suggesting - and I'm sure no one on this side of the House has suggested - any opposition to the fact of automation, I'm sure that we all realize that automation is here and has been over a number of years.

(MR. PAULLEY cont'd). I'm sure any intelligent, thinking individual will realize that the process of automation is going to become accelerated as the years go by, and it's well for this House, as well as other jurisdictions, to constantly be looking into this problem, and I respectfully suggest, Madam Speaker, that as a starter, on a concrete and sound basis, that a committee such as suggested in the amendment to the amendment be set up so that we know or have some idea how to approach the problem.

In conclusion, may I say, Madam Speaker, yes I recognize that just as the two-man streetcar was replaced with a one-man operation, that the problem dissipated and left us. I suggest, I suggest that that approach is not the type of approach that we in this House should adopt today. And I recommend to the House the amendment to the amendment by the Honourable Member for Lakeside.

MADAM SPEAKER put the question and after a voice vote declared the motion lost.

MR. DOUGLAS L. CAMPBELL (Lakeside): Yeas and nays, please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the proposed sub-amendment of the Honourable the Member for Lakeside.

A standing vote was taken the result being as follows:

YEAS: Messrs: Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hryhorczuk, Johnston, Patrick, Paulley, Schreyer, Shoemaker, Tanchak, Viel-faure and Wright.

NAYS: Messrs: Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir and Mrs. Morrison.

MR. CLERK: Yeas, 17; Nays 32.

MADAM SPEAKER: I declare the motion lost. The proposed amendment by the Honourable the Member for Roblin. Are you ready for the question?

MR. PAULLEY: Madam Speaker, I guess that the Member for Radisson is not very convincing, and of course it's not permissible for me to refer to a vote that has been taken. But I do want to say a word or two in connection with the amendment which in my opinion endeavours to scuttle completely the intents of the main motion. That's bad enough. I wish the Government had enough intestinal fortitude to vote against such a resolution, but it's becoming more and more characteristic of the government that such an approach is not part of the make-up. For what have we here now insofar as the amendment to the main motion is concerned? An endeavour to pat the government on the back, an endeavour to attempt to instill into a reasonable proposition verbiage which in effect means absolutely nothing. I don't know who the author across the way actually was of this amendment to the main motion --

MR. KEITH ALEXANDER (Roblin): Madam Speaker, on a point of privilege, what does the Honourable Member mean he doesn't know who the author of the amendment was?

MR. PAULLEY: That's right, Madam Speaker, I do not know who the author was. I know who presented it. I know who presented it, and I suggest to you, Madam Speaker, that there's possibly a difference.

MR. ALEXANDER: point of privilege. If I thought it was worth it I'd ask the member to withdraw, but go ahead. It's not worth it.

MR. PAULLEY: Well, I suggest, Madam Speaker, may I suggest --

MADAM SPEAKER: The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: I have every sympathy with the remarks, Madam Speaker, of the honourable member opposite who has just sat down, particularly when he makes reference by the use of the phrase "if it was worthwhile," and I want to say again, Madam Speaker, that if my honourable friend the Member for Roblin was indeed the author of this amendment, I wonder whether or not my friend really and seriously considered the subject matter of the main resolution. Because what have we got in this amendment? Have we got anything that indicates that the government is concerned with the proposition as contained in the original motion? I suggest not. What is the verbiage in the amendment? Listen to this: "And Whereas the gradual process of manual work being transferred from man to machine throughout a wide range of industrial and commercial undertakings and occupations has been going on for many years." There has been. But Madam Speaker, no suggestion at all, so far as this clause is concerned, of the acceleration of the transfer from manual work to machine. I tried to indicate a few moments ago that the Government of Canada found it necessary to set up a Royal Commission to investigate into the effects of automation on the railway transportation industry with the

(MR. PAULLEY cont'd).....engineers, firemen and ancillary forces. Is this the gradual process that the Honourable Member for Roblin infers in his amendment?

Then my honourable friend goes on to say: "And Whereas this process now commonly referred to as automation is resulting in the necessity for employees to acquire new skills and change their occupation." Is my honourable friend so devoid of any knowledge of industry and employees in industry that he does not know that the effects of automation can adversely affect those who may after years and years of employment be too old to acquire new skills? Has he no thought for these individuals? It's all very fine for my honourable friend who is far removed from the effects of automation insofar as industry is concerned to make a proposition like this.

My honourable friend says that he is the author. Well, I suggest to my honourable friend that if he's going to be an author of resolutions like this, that he undertake a little surveying, a little reading, in order that his knowledge of the situation may be enhanced, if possible. Does not my honourable friend know, as we know, the fact that many employees, many workers who have worked the better part of their lifetime in industry have been put out of work as the result of the advances in automation? But my honourable friend simply says, "resulting in the necessity for employees to acquire new skills and change their occupations." Is it so easy, Madam Speaker, for an individual who has worked for 40 or 50 years in a firm that is now being -- or an industry that is now being affected by automation to simply change their occupation and acquire new skills? Again I say to the author, I have read many books that I've had the opinion that the author didn't know what he was talking about. I have such an epistle, I think, before me this afternoon.

Then my honourable friend goes on to say that "Whereas the Government of Manitoba has developed a comprehensive program of action designed: (a) to maintain a high level of employment so that employees affected by automation would have a good opportunity to obtain alternative employment." I ask my honourable friend, is he aware of the fact that in the Greater Winnipeg area over the last season there were almost 24,000 people, who were willing to work, could not find employment? Are you aware of that fact, my honourable friend? Yet, he says that "the Government of Manitoba has developed a comprehensive program to maintain a high level of employment." Where does he get his facts?

Then he goes on: "that the Government has developed a comprehensive program of action designed (b) to expand and improve our educational facilities including training and re-training in schools and on the job with a view to developing a work force that is capable of adapting to changing job requirements." I have just stated, Madam Speaker, that 24,000 individuals here in this Greater Winnipeg area were out of work over the past winter season, and yet my honourable friend says that one of the solutions to the problem of automation is to expand and improve our educational facilities including training and re-training in schools and on the job with a view to developing a work force. The question is not now, Madam Speaker, in the developing of a work force. I suggest to my honourable friend again that 24,000 individuals is quite a considerable work force who are ready to accept employment. And the futuristic policy that he suggests, certainly, Madam Speaker, is no solution.

Then he goes on with the prize baby of the works: "Therefore be it resolved that the Government of Manitoba be encouraged to pursue its programs in connection with attaining and maintaining a high level of employment and the best possible educational and training facilities are the most effective means of coping with the problems attendant to automation." No realization that the problem is here. No acknowledgement that we on this side of the House ever since the government opposite took office have been trying to encourage the government to be realistic and to face up to these problems.

Then he goes on further to say, "that participation in these programs by labour and management be continued." What programs? What program? What programs I ask, Madam Speaker, of any concrete nature that is going on at the present time wherein the groups that have associated themselves together to consider the problem, where any of these groups have any authority to instigate solutions to the problems that they have dealt with?

Then my honourable friend finishes up by saying "That the matter of automation be kept under continuing study by the government and its agencies in co-operation with labour and management." I want to ask my honourable friend to tell me and to tell this House what studies are going on by government in the field of automation? Name me one in co-operation with labour and management. I ask my honourable friend the member for Roblin, the author of this epistle he calls an amendment. He acknowledges it. I suggest to my honourable friend that any

(MR. PAULLEY cont'd). reports that I have seen emanating from any department of government there is nothing of any consequence dealing with continuing studies or studies in automation. But if the author of this amendment cannot answer my question, may I pose.

MR. ALEXANDER: the honourable member knows I cannot answer and be in order in this House.

MR. PAULLEY: Oh, my honourable friend is quite often out of order. Madam Speaker, Madam Speaker, I'd gladly ask permission of the House so that by leave if necessary my honourable friend be given the privilege of answering the question that I pose. Can I have agreement on the other side?

MR. ALEXANDER: Madam Speaker, I'd just like to point out one particular situation. I think the action that was taken by this government after the recommendations and report of the COMEF committee is certainly conducive to promoting new jobs in Manitoba. Secondly, I would like to point out to the honourable member when he was talking about his 24,000 unemployment that the educational programs that have been initiated by this government is certainly raising educational levels of these people and I would like him to check if he could the educational qualifications of the majority of our unemployed who I believe are at a low level this year, and he would find there that the educational opportunities and the policies of this government are certainly helping to alleviate the effects of automation. I would also like to point out to the honourable member that we have now at present a Woods Committee which has the authority and the power to survey the whole field of labor relations problems including what action might be taken to offset any impact or any effect of automation in the Province of Manitoba. These are just some of the things that are continuing and I still say that these are fields that the government should continue to study and work at.

MR. PAULLEY: Madam Speaker, I thank the Member for Roblin for the answer to my question. I said at the offset of my remarks I wondered who the author of the amendment was. I'm beginning to get more convinced than ever that it may be problematical.

I ask my honourable friend to substantiate the last sentence of his amendment which says that the matter of automation be kept under continuing study by the government and its agencies in co-operation with labor and management. He refers to the COMEF report. Sure the COMEF report dealt with the question of the provisions of jobs for people in Manitoba. I doubt however, subject to correction, that the COMEF report made reference to the question of automation.

My honourable friend talks about the effect of the educational program that we have at the present time, about training people for future employment. I made reference to 24 who were unemployed this past winter -- not future unemployed, the ones we have with us today. My honourable friend makes reference to the Woods Commission which is studying the matter of industrial relations and allied subjects, dealing with legislation which we now have on the books in the Province of Manitoba. I have tried to obtain, Madam Speaker, from the government a copy of any directive to the Woods Commission dealing with the question of labor without avail. All that I do know, that thus far as far as the Woods Commission that my honourable friend referred to, it seems to be a barrier set up between that side of the House and this as to whether or not we can raise pertinent questions dealing with labor relations and the co-operation between management and labor. But I still say to my honourable friend the Member for Roblin that there is no study going on in the Province of Manitoba pertaining to the field of automation.

I'm not saying that Dean Woods, the management representatives or the labor representatives don't sometimes consider or talk of automation, but Madam Speaker, the objective of the original motion, and the sub-amendment, was for a thorough study to be made of this problem, and I reiterate what I said at the offset that this amendment is nothing but a pamby wamby endeavour to becloud the facts of the matter and to prevent, actually to prevent, any progress being made in the Province of Manitoba in a study which should be undertaken to consider the possible effect of automation in our province.

We have not got full employment in Manitoba. We have got workers after serving for years and years, faithfully, who have been displaced as the results of automation. We have though, maybe on the positive side, a government in the Province of Manitoba that will not face up to its responsibilities in this field.

MADAM SPEAKER: Are you ready for the question?

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

MR. PAULLEY: Yeas and Nays, please, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House, the proposed amendment of the Honourable the Member for Roblin. A standing vote was taken the result being as follows:

YEAS: Messrs: Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Evans, Groves, Hamilton, Harrison, Jeannotte, Johnson, Klym, Lissaman, Lyon, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir and Mrs. Morrison.

NAYS: Messrs: Barkman, Campbell, Cherniack, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Patrick, Paulley, Schreyer, Tanchak, Vielfaure, and Wright.

MR. CLERK: Yeas 29, Nays 16.

MADAM SPEAKER: I declare the motion carried.

The proposed resolution of the Honourable the Member for Logan as amended. Are you ready for the question.

MR. CAMPBELL: Madam Speaker, I move, seconded by the Honourable Member for Selkirk that the debate be adjourned.

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

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MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Leader of the New Democratic Party, and the proposed amendment thereto by the Honourable the Member for St. Vital. The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, I think the resolution and the amendments that we have before us at the present time constitute one of the major problems that we are facing, not only here in Manitoba but also in many other jurisdictions as well. It is a question that has been uppermost in the minds of consumers and merchants for some considerable period of time. It has been recognized that the time has come when something should be done in the field of consumer protection. This resolution and the amendment which is under consideration at the present time, suggests that something should be done and recognizes the problem that we have before us. I disagree with the contention of the mover of the amendment, the Honourable Member for St. Vital, that we should delay any longer having enacted on the statute books of Manitoba such legislation as is deemed advisable for the protection of consumers. If this were just a new problem, or a new proposition in this House Madam Speaker, I would have some sympathy with the contention of the Honourable Member for St. Vital. But such, Madam Speaker, is not the case. This matter has been raised on a number of occasions in the House in the past, and last year the matter was given considerable attention. At that particular time in debate, I and members of my group, referred for the consideration of the government, many pieces of material and pieces of legislation which are now prevailing in some of the states of the United States, and it was my understanding at that time, that we had not a firm, but an almost firm, commitment that the proposition of last year would be given consideration between then and some subsequent session, generally this one.

But what is the situation of the government now? More study, more delay. From last year to this a year has passed. The suggestion now is that this be referred to a committee to consider the matter; which means in effect another year's delay in consumer protection. And while this government is delaying, Madam Speaker, which I suggest is quite typical, other jurisdictions are going ahead. I have before me a number of documents indicating what is happening in other jurisdictions. Some of them deal with the question of consumer credit which is separate from the resolution we're considering. But we've had a special joint committee of the Senate and the House of Commons dealing with the matter of consumer credit which in effect is consumer protection. We have had in the United Kingdom a group of people who for a number of years have been considering the question of consumer protection; and this committee of the Parliament of Great Britain published a final report of the Committee on Consumer Protection in July 1962.

We have at the present time, or I have at the present time before me, two rather large volumes of study that have now been completed in the United States of America to the south of us, dealing with a bill that was proposed by Senator Paul H. Douglas, a bill dealing with the heading -- and a very intriguing one -- "Truth in Lending". I suggest, Madam Speaker, that the government could, as we in this corner have done, taken upon itself an obligation to investigate what is doing in other jurisdictions in respect of this matter. Many of these studies have dealt in the field of consumer credit; others dealing with the points under consideration in the amendment dealing with the question of misleading advertising and sales practices.

May I refer, Madam Speaker, to what was said in the Senate of the United States back in 1963, as to the objectives of their deliberations. Page 8, it states, "Basically the question is whether we want truth to prevail in the transactions between dealers and lenders on the one hand, and buyers and borrowers on the other. Men often fear truth, but ultimately the truth is beneficial and healing. It rewards the ethical, deters the careless and less ethical, and raises the whole level of conduct. It ultimately benefits all but the determined and conscious wrongdoers." That, Madam Speaker, I suggest is the reason that we of the New Democratic Party introduced our resolution of last year. That is the reason that we introduced it again this year. May I repeat. A year ago, almost to the month, indications were in this House that the government would take under consideration this important matter. A year later, still further reference to a committee for more delay.

And may I also, Madam Speaker, refer back again to the document that I have before me, Truth and Lending, '63-'64 of the United States Senate refer to a quotation by that great American, the late John F. Kennedy, who at the time was President of the United States: "If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and the national interest suffers. On the other hand, increased

(MR. PAULLEY cont'd) . . . efforts to make the best possible use of their incomes can contribute more to the well-being of most families than equivalent efforts to raise their incomes. " -- end of quotation from the late President Kennedy. And then, further on the same page, 1378, it states: "The difficulties confronting the consumer today are manifest in countless forms and varieties. The abuses are in some instances flagrant, but because the consumer is not effectively organized to present a unified front in his fight for fair treatment, his views often go unheard. Attention here is focused on a consumer's inability to purchase on an informed basis and the laws attempt to secure his protection. "

And further, dealing with the question of labelling and packaging, which I suggest, Madam Speaker, is covered under subsection (c) of the amendment proposed by the Member for St. Vital, it deals at length with the type of packages, packaging that is going on at the present time. We see it here, very colourful, attractive packaging, and the suggestion is that it should be an onus on all who are in the business to make sure that the attractiveness of the package does not detract from the contents therein. The article that I have before me, says this, and I think this is true and important: "Perhaps it is true that one cannot judge a book by a cover, but that in effect is what the consumer should be able to do in resorting to the labelling and packaging of items he purchases. " And then, it says that in addition to truth in lending, we should have truth in packaging. And this is the contention, this is the purpose behind we of the New Democratic Party raising this question in the House.

The other day I was - or may I say, Madam Speaker, before going on further - that some who have spoken in this House have suggested that if we did anything at all in this field by way of restriction or by way of infringement on the rights of individuals in our free enterprise system, that we would be prejudicing them. I suggest, Madam Speaker, to any who have this particular thought, to consider that by and large the representatives in the House of Representatives and the House of the Senate in the United States, a bastion of so-called free enterprise, that these individuals are not socialists. I would suggest, Madam Speaker, that the present government in Saskatchewan is not a socialist government. I suggest that one of the main points that Premier Thatcher of Saskatchewan used in his election appeal to the people of Saskatchewan, was that there should be less interference within free enterprise than what in his opinion was happening under the former CCF Government in Saskatchewan.

But what has this free enterprise government of Saskatchewan now done, Madam Speaker? They have enacted a bill, Bill No. 74, in the session in Regina that has just ended which is called an Act Respecting Direct Sellers. And as I read this bill, Madam Speaker, one wonders how valid this suggestion is of the proposition that there should be no interference with free enterprise. Because in the bill as contained, or passed as I understand it in Saskatchewan, there are restrictions galore on salesmen, on vendors, and protection for consumers. The bill says that no person shall carry on the business of direct selling in the province unless he is the holder of a subsistence licence under this act. The government is going to licence all direct salesmen in the Province of Saskatchewan. Then in addition, vendors themselves are going to be required to take out a licence because it states in one of the sections that the holder of a licence as a vendor may carry on business of direct selling in every respect except that he cannot act as a salesman as well as a vendor. So they have the two licences there. They have the vendor's licence, they have the salesman's licence.

I ask you Madam Speaker, should not this be to the exponents of the free enterprise system, an imposition? Apparently such is not the case insofar as Saskatchewan now is concerned. And I agree with them. Every application for a licence shall be made to the registrar upon a form provided by him and shall be accompanied by the fee prescribed by the regulation, so they are going to be licenced and pay a fee. And once they have paid the fee, that if a salesman ceases to be a salesman for the vendor in a particular class for which his licence is granted, if he ceases to be a salesman in respect of that particular class, then his licence is cancelled and he has to apply for another one. So not only is he restricted insofar as required to obtain a licence, if he changes as a salesman for different products or classes, then his original licence is revoked and he has to take out a new one. I would suggest that this basically means that if a fellow is selling furniture for instance, on a direct door to door basis, he cannot at the same time as he is selling furniture, sell hosiery, because he is not qualified under his licence. This is a measure of protection that they deem advisable in the Province of Saskatchewan under a free enterprise government. It is prohibitive for one vendor to transfer his licence to another vendor. He must be re-registered so that they can know where they are going.

Under the legislation the registrar may suspend or cancel a licence upon any ground on

(MR. PAULLEY cont'd) which he might have refused to grant the licence or where he is satisfied that the licensee has violated any of the provisions of this Act. There is a right of appeal under the Act to a Judge of the Queens Court for any salesman or vendor, the holder of a licence who feels that he's being prejudiced against, and then there is no further appeal beyond that.

Then, Madam Speaker, comes the question of the rescission of direct sales contracts and this is most interesting because under the provisions of the bill, a direct sales contract is rescinded where (a) where the purchaser serves notice of rescission on the vendor within four days after the day on which the purchaser entered into the contract. Not two days, Madam Speaker, not three days -- four days, so far as rescission is concerned. Further to this, not only is the four-day period contained in this bill, but a direct sales contract is rescinded where the goods or services to be supplied under the contract are not supplied to the purchaser within 90 days after the day on which the purchaser entered into the contract. In other words, if delivery is not made within 90 days the contract is null and void.

Then again, a direct sales contract is rescinded where the vendor or the salesman of the vendor has in respect of that contract failed to comply with any terms and conditions or restrictions to which his licence is subjected. In other words, I guess this would mean that if an individual held a contract or a licence for furniture and he sold hosiery, well then the contract is null and void in any case. And where -- free enterprise -- Saskatchewan. The registrar or any person authorized by him in writing may investigate and inquire into any matter, the investigation which he deems expedient for the due administration of the Act.

Every vendor or salesman of a vendor doing business with a purchaser shall immediately upon the execution by that purchaser of a form of contract, deliver to the purchaser a true copy thereof -- and so the Act goes on. There is provision in the act where bonding can be established in respect of the vendor or the salesman.

My purpose, Madam Speaker, in drawing the attention of the House to these provisions in the act -- and there are others -- there's some exclusions insofar as direct sales for produce, farm produce, and the likes of that. And incidentally, the farm produce is only that that's grown in the Province of Saskatchewan and I suggest that if a direct seller, salesman in the Province of Saskatchewan attempted to sell Manitoba haggis in Saskatchewan he would be not exempted under the act at present in Saskatchewan -- (Interjection) -- Yes. That's in accordance with the resolution we have before us.

I draw this to the attention of the House, Madam Speaker, to illustrate that other jurisdictions are going ahead. Why the delay insofar as Manitoba is concerned? Is it not less than a year ago that the Government of Saskatchewan took office? It's over a year now that this government had this matter drawn to their attention for their consideration. Not only that Madam Speaker, but the government also had the benefit of what is referred to as the Premier's Committee on Consumer Credit and this committee also has made recommendations to the government in the field of consumer protection, in the field of consumer credit, and also there's a very very vital field that this government should undertake and get into, as I have suggested in times before, that there is an area whereby education the government can play its part in the field of consumer protection. It is suggested in the report to the Premier's Committee or by the Premier's Committee that we should utilize the phone bills, the light bills, which go to practically everyone in the province as a media by which items concerning consumer protection may be drawn to the attention of the citizens of our province. The media is there, all we require is a little action on the part of the government.

So I say, Madam Speaker, in my opinion, and I'm sure I'm not alone in this, that the government has had a full year in order to produce legislation in this field for our consideration without a further delay of a year. In saying this I appreciate that there may be difficulties. One does not expect perfect legislation at the offset and I respectfully suggest, Madam Speaker, that if, after a delay, and if after more consideration by our committee that legislation is brought into this House dealing with the matter of consumer protection and even consumer credit, whatever legislation, whatever bill is brought into this House will from time to time have to be amended in order to take care of problems or situations that arise that may not have been thought of at the time. But I do say, Madam Speaker, that the government had ample time between the time when we raised this question first a year or so ago, and now, to have placed before us some legislation in the important field of consumer protection and I regret very much that the Honourable Member for St. Vital has brought in a resolution which in effect delays until after further committee consideration, the placing on our Statute Books, which I would

(MR. PAULLEY cont'd) suggest would be the result of legislation which apparently is recognized as being necessary in the resolution, even the amendment proposed by my honourable friend for the protection of the consumer of Manitoba.

So in conclusion, Madam Speaker, I say the documents that I have before me, the file that I have before me, indicate what has been done in other jurisdictions from the British Isles to the United States to Ottawa to Regina. This was available to the government. What is their attitude? Give us another year boys and we'll be on our way. I hope they will be, before that year is up.

MADAM SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Madam, I feel it incumbent upon me to say a few words in connection with this amendment unless anyone should think that a certain affinity is developing between the Honourable Member for St. Vital and myself. So far this session we have seen eye to eye on one question.

I think, Madam, that I should confine myself to the amendment and the amendment does commend itself to me because I am satisfied that this is a subject matter into which we cannot rush. It's a matter which we must study in all its ramifications and in all of its implications. I don't blame the Honourable Leader of the NDP for feeling the way he does about the delays that have taken place. I do believe that the government could at this session have brought down some legislation in the field of consumer credit and in other allied fields which perhaps would have been more acceptable to this House and to the general public, but I think what happened in Law Amendments today should be a warning to everyone in this House that the legislation which is at present before us is not acceptable, it is not acceptable to those who appeared before Law Amendments and it certainly is not acceptable to me.

Bill No. 86 in my opinion, I think is ill-conceived and has not been properly thought out and I feel that the only logical thing that we can do is to adopt the amendment of the Honourable Member for St. Vital - set up a special committee. There may be a delay but I would sooner have a delay than have an ineffective piece of legislation on our statutes. I'm satisfied that if we pass Bill 86 in its present form it would not fulfil the function for which it was intended and as a matter of fact would cause great confusion in the general law of this province. For that reason Madam, I think that I have explained the reason why I am supporting this amendment.

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

MR. PAULLEY: Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the proposed amendment of the Honourable the Member for St. Vital.

A standing vote was taken, the results being as follows:

YEAS: Messrs. Alexander, Baizley, Barkman, Beard, Bilton, Campbell, Carroll, Cowan, Desjardins, Evans, Froese, Groves, Guttormson, Hamilton, Harrison, Hillhouse, Hryhorczuk, Jeannotte, Johnson, Johnston, Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Patrick, Roblin, Seaborn, Shoemaker, Smellie, Stanes, Steinkopf, Strickland, Tanchak, Vielfaure, Watt, Weir and Mrs. Morrison.

NAYS: Messrs. Chorniack, Gray, Harris, Paulley, Schreyer and Wright.

MR. CLERK: Yeas 42; Nays, 6.

MADAM SPEAKER: I declare the motion carried. The adjourned debate on the proposed resolution of the Honourable the Leader of the New Democratic Party as amended.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Morris. The Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, as I take part in the debate on the resolution proposed by the Honourable Member for Morris, I find myself at a loss on just how to treat the resolution. I have found from my short experience here that resolutions that are put on the Order Paper fall into one of three or four in a group - some might be called crassly political, someone is trying to work an angle; other resolutions are perhaps very idealistic and perhaps they may be unrealistic; other resolutions are certainly practical and have the best interests of the people of the province at heart. I'm sure all resolutions would fall into this category. Still again there may be other resolutions that are quite sincere but perhaps a little impractical when it comes to the implementation. So as I say, Madam Speaker, I find myself at a loss on how to treat what has now become known as "Harry's Hash" resolution, because last week one member did treat it rather lightly and he disturbed greatly the Minister of Industry and Commerce when he suggested that this resolution was in the manner of

(MR. JOHNSTON cont'd) preaching for a call, and if this was so a certain member who will remain nameless at the moment, put his name down to be included if there's going to be a gourmet's committee to travel the world (yes, the Member for Gladstone - he wishes to be reminded, I believe.)

However, Madam Speaker, if we are to treat this resolution seriously I believe we must look at the meaning behind the words and I rather hesitate to do so because I find in the operative part of the resolution, and I will quote it here: "That this House go on record as favouring the utmost effort by all concerned to promote the development of local dishes in the restaurant trade and the publicity of the high quality of Manitoba food products of the farms and fisheries." Perhaps the word "favouring" may take some of the sting out of the words but I take the meaning here to mean that some people in this province should tell the restaurant trade or the hotel trade that they're not doing well enough and they must do better. Now I believe if anyone does take this position, they should be an expert in this field. Perhaps they should own a restaurant or a hotel or be actively concerned in the trade and they are certainly entitled to make suggestions for the improvement of the industry.

The second part I find is - speaking of the publicity pertaining to Manitoba food products of farms and fisheries, this could perhaps be calling to task the people of the farms and the fisheries or more particularly it could be calling to task the publicity department of our Industry, Trade and Commerce Department. If we must treat the resolution seriously I think this is what is meant and I for one who have no experience in the restaurant or hotel industry would certainly hesitate to vote and go on record as telling these people how they should improve their business in the Province of Manitoba.

Last week the Honourable Minister of Industry and Commerce made a valiant attempt to - and I wasn't sure for three-quarters of his speech whether he was defending the resolution or condemning it, because he got so wrapped up in what he was talking about that he got rather far afield and was in England in the export market and had to be called to order to get back to the subject at hand -- so I really am not sure just where he stands in this matter as to whether he's taking the serious aspect of this resolution and is going to by inference tell the Manitoba restaurant and hotel industry that they should be doing better. I'm not too sure whether he's satisfied with the publicity of his own department. Perhaps again there may be a meaning here that has escaped me as to why the resolution was put on the Order Paper. However, not caring to be one of those who wishes to condemn the industry for not doing enough, because I really do not feel expert in this field, I feel perhaps a few light-hearted suggestions might be in order that may justify the resolution being on the Order Paper.

I have here a menu that was given at a dinner at the St. Regis Hotel that was put on for the rural members by that fine hotel a week ago when they entertained us at an evening banquet and some unknown author over at the hotel did seem to take an interest in the resolution, I thought, in that they attempted to rename some of their specialties and for the benefit of those who weren't there I'd like to read out the menu as it was laid out that night. It starts off at the top: Menu a la Shewman, 1965. The first item on the menu was Molgat's Consomme - Needles (successors to Campbell). The salad was from Fred's Grove to be taken with a grain of salt. The main course consisted of Grilled Lyon Steak, Sterling Quality - improves with maturity. The vegetables consisted of Hot Potatoes, dropped by McLean; with Art Centre Beans, strictly for gourmets. The dessert consisted of Plum Duff, Roblin Sauce - spicy, sharp and costly, served with Golden Boy Coffee from Manitoba Brazil. Now, I doubt if this menu will gain wide acceptance outside of honourable members who see some humour in the way it was presented. But I have one, another rather light-hearted suggestion that may do some good. That is the Honourable Member for Morris could go down to the cafeteria in the building here and speak to the ladies who are putting up the fine meals we have every lunch time and perhaps he might prevail upon them to change one item on their menu - and it's a delicious soup, believe me -- it's known as Texas Beef Soup. Perhaps he could have this renamed, Manitoba Beef Soup and the resolution would not be a complete loss.

MADAM SPEAKER: Are you ready for the question?

MR. B. P. STRICKLAND (Hamiota): Madam Speaker, if no one else wishes to speak, I beg to move, seconded by the Honourable Member for Arthur; that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Seven Oaks, and the proposed amendment by the Honourable the Member for

(MADAM SPEAKER cont'd) Wellington. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, I am still awaiting some information and I would ask the indulgence of the House to have the matter stand. I have no objection if anyone else wishes to speak though.

MADAM SPEAKER: Any other member wishing to speak? Agreed to stand.

The proposed resolution standing in the name of the Honourable the Member for Elmwood.

MR. ARTHUR E. WRIGHT (Seven Oaks): Madam Speaker, I would seek your guidance here. My colleague came in today after being ill for some days and we had to send him back home, he's still too sick. But he did want to introduce this resolution. By leave of the House, I would ask permission to do this for him.

MADAM SPEAKER: Has the Honourable Member leave of the House to introduce the resolution? Agreed.

MR. WRIGHT: Madam Speaker, I move, seconded by the Honourable Member for Brokenhead, that Whereas it is necessary and desirable that every Motor Vehicle in the Province of Manitoba should carry insurance covering public liability and property damage; and whereas any insurance plan of a universal nature should be available at the lowest rates possible; therefore be it resolved that in the opinion of this House the government should give consideration to the advisability of the establishment of universal Motor Vehicle Insurance in the Province of Manitoba with the government as the Insurer, premiums to be paid as a portion of auto licence costs.

MADAM SPEAKER presented the motion.

MR. WRIGHT: Thank you, Madam Speaker. With a sheaf of notes that my colleague left here, I will endeavour to try to adjust this to the resolution, Madam Speaker, our group has on a number of occasions in the past presented resolutions similar to this one, but I think that two things have happened this year which makes consideration of its merits perhaps a more urgent matter than it has been in the past.

First, Madam Speaker, automobile insurance rates have been raised by 9.8 percent. I have here a press clipping of the Free Press of the 4th of December last year, which says that, "Manitoba auto insurance jumps 9.8 percent. New rates effective January 1st. Costly claims said the reason. Manitoba automobile insurance rates will climb an average of 9.8 percent effective January 1st." In addition, Madam Speaker, the government has raised the compulsory - I stress compulsory - contribution to the Unsatisfied Judgment Fund in lieu of insurance to \$25.00. The fee increase the government argued was necessary in order to make capital available to the Fund adequate to the task of compensating people injured or suffering property damage as the result of the actions of an uninsured driver.

Madam Speaker, from the very beginning, I dislike this Unsatisfied Judgment Fund because I submit that all it did in the beginning was to raise the cost of insurance to the people who did buy insurance. To me it's been a very objectionable thing. I think the principle was wrong then and I think it's all the more wrong now. Not only that, it places the onus for the injured or for the bereaved to sue the fund, and this is a costly, and to my way of thinking, unnecessary thing. I think that insurance should have been compulsory from the beginning. And while we agreed with the government that it is necessary to in some way force people to recognize the responsibilities which accompany the operation of a motor vehicle, we do not believe that the measure they have chosen is the proper one. We believe the government's action in raising the contribution to the Unsatisfied Judgment Fund to \$25.00 was motivated by a desire to force people to purchase insurance, without accepting the responsibility of requiring people to purchase minimum insurance coverage. And while we believe that the government has seen the problem, we believe that it is either unwilling or unable to see the proper solution to it, perhaps as a result of pressure from insurance companies. The proper solution is to require anyone who operates a motor vehicle to accept the responsibility for the protection of those whom he may injure through operating such a vehicle. That is, the government must require people to carry adequate insurance, especially Madam Speaker, in these days of high powered cars and crowded highways, it's becoming all the more urgent that this be done.

It would be wrong however, Madam Speaker, for the government to require people to spend their money on services over which the government had no control. The government must itself provide any universal service in order to ensure that costs are kept in line with the people's ability to pay and to ensure that the services provided meet with the approval of the people. Saskatchewan has such a scheme, Madam Speaker. We have mentioned it in this House many times, and I have here a couple of press clippings I would like to quote from again. One is headed, "Autor Insurance", from an editorial in the Vancouver Sun, and I quote: "Almost every court

(MR. WRIGHT cont'd) in Canada runs days, weeks and months behind in handling cases of automobile accident claims, and what is often forgotten in the situation is that these court costs are added to the cost of car accident insurance. Insurance costs are going up steadily in Canada, not only because of an increase in accidents but also because of the great increase of litigation. This holds true for every province except Saskatchewan which has compulsory automobile insurance operated by the government. In this one case bureaucracy apparently has not made for waste. A study by the Consumers' Union in United States, a non-profit organization which evaluates products and services, shows the Automobile Accident Insurance Fund of Saskatchewan is the most economical on the continent. Eighty-two cents out of every dollar goes to pay claims; the other eighteen cents goes for expenses. And by comparison, for every dollar paid into private U.S. plans fifty-two cents goes for expenses and only forty-eight cents is available to reimburse claimants. In the average Canadian province, except Quebec where claims and insurance rates are astronomically high, sixty cents out of every dollar collected by private insurance companies is paid in claims and the remaining forty cents is eaten up by expenses. "The Consumer's Union Report says, and I quote, "One of the reasons for this essentially wasteful and uneconomical system is the litigation surrounding the private plan. Companies collect for adjusting claims and often there are high legal costs for defending themselves and their policy holders against claims. Just a couple of months ago, Saskatchewan had six car accident cases before the courts; Ontario had 1,800."

Another clipping, Madam Speaker, from the Toronto Daily Star of December 2, 1962, headed "The Best Auto Insurance in Canada". "In the past six years, Ontario motorists have had to face four general and fairly substantial increases in auto insurance policies. Another increase, averaging 8 percent, was forecast this week for 1963. One of the reasons for the mounting cost of car insurance is of course the ever-climbing accident rate. In Metro Toronto so far this year, for example, there have been 22,330 traffic accidents. The number at the same time last year was 20,867. The rising cost of car insurance in this province justifies a closer look at the Saskatchewan auto insurance system which appears to be more effective and less costly. This view is supported by a survey" -- and I have just quoted, Madam Speaker, they're referring to the Consumer's Union of the United States, I won't repeat this. Describing the private schemes as essentially wasteful and uneconomic, the survey places the blame on costly litigation. Under the Saskatchewan scheme on the other hand, compensation is paid automatically regardless of who is at fault through a special board and court cases and legal costs are kept to a minimum. For years now the Ontario Government has been studying the question of automobile insurance, and as far back as 1957 Premier Leslie Frost indicated he was in full accord with the principles of compulsory auto insurance. There were certain steps which had to be taken before it could be put into effect, he then indicated. It is now almost six years and five premium increases later, and the promised reforms seem as far away as ever.

Madam Speaker, a recent article in MacLeans Magazine stated that dollar for dollar costs of insurance in Saskatchewan were among the lowest in Canada, indeed, the second lowest rate quoted was for Regina City. I must, in fairness, say that the figure for Brandon, Manitoba was lower, \$84.00 as opposed to Regina's \$98.00. The article did not take into consideration however the fact that insurance claims in Saskatchewan are paid immediately, regardless of fault; something which is not provided by any insurance corporation other than the Saskatchewan Government Insurance office. I think this is important, Madam Speaker. Regardless of fault. It's little consolation to a person involved in an accident when he sees these claims going to litigation, which sometimes take as much as a year or more. The fact that insurance benefits are paid without consideration of fault has vastly reduced the amount of litigation involving automobile accidents and has correspondingly reduced the cost of providing benefits since legal fees are a lesser proportion of overhead costs.

Just recently the Saskatchewan government insurance office was required by the Government of Saskatchewan to bid on an insurance policy for a Crown Corporation in company with several private insurance firms.

Madam Speaker, may I quote from an article here that talks about Mr. Thatcher's new government calling upon the government's plan to bid. It says that "Thatcherites softened the ground with some preliminary spade work. They rescinded the regulation requiring Crown Corporations and tax supported institutions to insure with the Saskatchewan government insurance office. Then followed the first overt attempt to embarrass the government insurance office. Thatcher ordered the Saskatchewan Transportation Company and the Saskatchewan Government Telephones, both provincial Crown Corporations, to put up for tender certain of their insurance

(MR. WRIGHT cont'd) . . . requirements. It was of course no accident that the insurance covered three unusual lines with which the Saskatchewan Government Insurance office had practically no experience and they lost the insurance, having bid higher than the \$3,998 offered by the successful bidders. Whether this low bid was in the nature of a loss leader, a bid made below cost to put the Saskatchewan Government plan on the spot only the insurance men know and they are not talking, but news of the lost bid leaked out to the insurance companies who seized on it avidly and circulated it widely. They were strangely silent on another report of lost insurance, this time lost by the private companies which appeared in the Leader Post of March 12th.

This report announced that the Saskatchewan Government Insurance office had been the successful bidder for insurance on another Crown Corporation for an amount of \$7,920.00. The closest competitive bid was \$13,594.00. Deputy Premier MacDonald in making the announcement said in fact, all three other bids were for identical amounts. This should cause critics of government insurance to sit up and to take notice. It talks about the plan, "had the Saskatchewan Government Insurance office not been in the bidding the people of Saskatchewan would have had to pay \$10,674 more for that particular insurance. But what is infinitely more serious, they were faced with identical bids from the next three low bidders and they would have had no choice but to pay. They would have been compelled by the private enterprise to pay 133 percent higher premiums and their only recourse would have been to ask for an investigation under the Combines Act and experience shows it takes years to get action."

Now while the resolution, Madam Speaker, as it is presently phrased, would provide more protection to Manitoba motorists at the same or lower cost than they are now paying if it were adopted by the government; and while the present resolution would permit the citizens of Manitoba to have some direct say in the costs and services provided by their insurance policies, these are not the only benefits that could be derived from the adoption of this resolution. The establishment of a government insurance office in Manitoba would permit consideration being given to the creation of a system of payment regardless of liability such as exists in Saskatchewan. The Saskatchewan system is based on the principle that car driving is an ordinary part of modern day life. Accidents are bound to occur and the loss caused by these accidents should be distributed throughout society and not fall entirely on the individuals concerned. The courts are the proper place to determine the degree of punishment a negligent driver should receive, not the arbitrary decision of a bureaucracy, public or private.

In Manitoba the existing concept of insurance companies who have insurance compensation is that compensation is recoverable only from those who are proved legally responsible. This is inadequate from the standpoint of the individual and of society at large. Many accident victims are denied compensation under third party liability only because they have been unable to make a private settlement and they cannot afford to take court action against the other party. The victim who can afford to go to court is not assured of compensation either, because accidents involving a fast moving vehicle often yield little or no evidence, thus making it difficult or impossible to determine legal responsibility. The victim may be denied compensation because the driver at fault had neither money nor insurance with which to pay the claim. I would suggest that the establishment of a government insurance office would allow this province to give careful consideration and hopefully to adopt a principle of compensation for losses from motor vehicle accidents, regardless of fault. Private insurance companies refuse to adopt this principle. However, it seems to work in Saskatchewan. Saskatchewan rates are among the lowest on the continent.

Madam Speaker, I can remember a young chap studying for the job of becoming an insurance salesman, showing me his rate book - this is some four or five years ago -- and I was struck by the fact that a notation at the very beginning of this book said "Reduce 10 percent for Saskatchewan". This made me realize that this government scheme certainly did have some effect on the premiums in Saskatchewan.

One more thing, Madam Speaker, I would like to suggest, that young drivers are not penalized to the same extent in Saskatchewan. I know that statistics show that drivers under 21 do have the majority of accidents but I want to submit that there are many, many young drivers with good records. I agree that the driver that has the accident should be paying for the accident. In Saskatchewan they are assessed according to their accident record. This seems to me to be fair because I think it's discouraging for young people who have been taught properly and who have a good driving record to be faced with this more or less iron curtain against them because they are teenagers and I think it would be far more sensible if we would assess the costs

(MR. WRIGHT cont'd) against the people who are having the accidents. I just wanted to point that out that I think it's a much fairer system and I would ask support, Madam Speaker, for this resolution.

MR. STRICKLAND: Madam Speaker, I'm rather sorry that the original mover was unable to present this. Not that I want to indicate that the Member for Seven Oaks did a poor job. He certainly said nothing that would convince me that compulsory automobile insurance would be to the benefit of the people of Manitoba and I would hope that this resolution receives the same treatment in this House this year as it has done in former years.

I believe it is incorrect for anyone to assume that under compulsory government insurance that you could have 100 percent coverage. The prime concern of governments, Madam Speaker, should be safety to reduce accidents and security to ensure that victims of negligent driving are reasonably compensated for loss.

I am told that under any compulsory system -- and I believe we have three on the North American Continent, three in the States and one in Canada -- that the maximum number of insured in any one of these jurisdictions does not reach more than 98 percent. The other 2 percent comprise stolen vehicles, those with improper registration and tourists. The Manitoba Motor Vehicle Branch have in their records assessed the coverage for Manitoba at something like 95 percent. I realize that they can only report on the accidents that are reported and on this basis they claim that 95 percent of those who are in reportable accidents have been insured in the past.

In the Province of Ontario they put a surcharge on their uninsureds three or four years ago and they now claim that they have 98 percent of the motorists in that province covered by third party liability. This then is very close or very similar to that of any compulsory state. We all are aware that in the special session last year the Manitoba Government placed a surcharge on all motorists in this province who do not have third party liability insurance. I checked with the department the other day and they tell me that it's less than one-half of one percent of those registering motor vehicles in this province that are not carrying third party liability. This then says that we are now in the enviable position of having 97 1/2 percent of the motorists in this province, whether they come from outside it or not, covered with third party liability and I would think that that would be an enviable record in any state or province.

New York State has compulsory automobile insurance, Madam Speaker. They entered that in 1957. It is estimated that they have had to hire an extra 1,000 employees to handle the compulsory automobile insurance. The cost is \$3 1/2 million and they are now six months behind in trying to catch up on the uninsured motorists in that state.

England has had compulsory automobile insurance since 1930. It is reported that in 1936 they had 12,452 convictions for motorists failing to insure. In 1958 the figure was 35,000; in 1959 it was 48,000 convictions in a compulsory state for failure to insure.

I have here, Madam Speaker, a copy of the National Underwriter in which a Mr. . . . who is an insurance agent in New York City and is also a professor of insurance at the New York University, and he's reporting on an analysis of the fundamental failure of the compulsory insurance to do its job, and he makes these statements: "Compulsory can't compel. It costs millions to administer. It creates an unnecessary government bureaucracy. It does not protect responsible citizens and it increases automobile insurance costs." He states further that "three states, Massachusetts, New York and North Carolina have compulsory. No one has been able to achieve the purpose of the legislation, that a total insuring of motorists. Reliable estimates indicate that hundreds of thousands of uninsured motorists are on the highways of these states every day."

Further on, Madam Speaker, he quotes "that among Massachusetts officials calling for the of the compulsory law, are Clement A. Riley, Motor Vehicle Registrar; Otis M. Whitney, former Insurance Commissioner; J. Henry Coogan, Public Safety Commissioner and William D. Fleming, Chairman of the State's Finance, Ways and Means Committee. Nowhere in the compulsory states can I find, Madam Speaker, any one claiming that they can do, or they can have 100 percent coverage for insurance in those states.

Madam Speaker, just as it's incorrect

MADAM SPEAKER: member will note that it is 5:30. Probably it would be his wish to continue at 8:00 o'clock?

MR. STRICKLAND: Fine, Madam Speaker.

MADAM SPEAKER: I call it 5:30 and leave the Chair until 8:00 o'clock.