

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, August 5, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Order please. The Honourable House Leader.

MR. GREEN: Mr. Speaker, at my request and with what I believe is to be the consent of parties in the House, I didn't have an opportunity to speak to the Member for Rhineland or the Member for Churchill, but we're requesting that the House recess for half an hour before the Order Paper is called. To come back in a half hour, at 3:00 o'clock.

MR. SPEAKER: Order.

MR. G. JOHNSTON: Mr. Speaker, we have no objection and will agree to the request. I would request the Minister to give a reason for this procedure.

MR. GREEN: Mr. Speaker, I thought that I had an unconditional acceptance; if my honourable friend wants to proceed now, we'll proceed now. I'm asking for a recess.

MR. FROESE: It's quite agreeable to me, Mr. Speaker.

MR. WEIR: . . . to the House Leader earlier, we're prepared to agree.

MR. GREEN: Mr. Speaker, I would suggest that informally you now leave the Chair to return in a half hour.

MR. SPEAKER: I am now leaving the Chair to return at five minutes after 3:00.

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

REPORTS BY STANDING COMMITTEES

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for St. Boniface and the proposed motion of the Honourable Leader of the Opposition in amendment thereto. The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, can I have this matter stand?

MR. SPEAKER: Stand? (Agreed).

MR. SCHREYER: Mr. Speaker, the Honourable the House Leader of the Liberal Party indicated this morning that he might wish it to stand further and I indicated at the time that I might wish to speak this afternoon. I wonder if I might have the concurrence of honourable gentlemen? (Agreed)

MR. SCHREYER: Mr. Speaker, I would like to begin by first of all apologizing for the fact that the House was recessed for 30 minutes and I think that some explanation is in order. The reason for requesting the 30 minute delay or extension in the noon hour recess was simply because of the events of the past few days and again this morning which all served to compound the difficulties that I've had with respect to the problem of time itself.

I'm sure that those who have served in government before appreciate the fact that one of the problems encountered in addition to the problems of decision making are the problems of finding time itself. The events of the last few days I say - and I refer in particular to the fact that this year Manitoba had the distinction and the privilege of hosting the 11th Annual Conference of Canadian Premiers. I want to take this opportunity to say to colleagues and to the citizenry of Manitoba that we received only words of warm praise and feeling for the hospitality that was extended - not just by those from Manitoba who were involved in the official part of the proceedings, but on the part of the public who came into contact with the premiers in the course of the past few days.

So Mr. Speaker, I come now to deal with a number of points that have arisen as a result of the debate and committee hearings with respect to Bill 56. I would like to take this opportunity to set the record straight with respect to certain questions that have arisen out of Bill 56 and the deliberations on it. I would like to highlight the real issues that I feel are involved in this connection. I think that the best way to begin would be to appeal to all members to listen and discuss the issue on the basis of logic and merit rather than emotion. I believe it is accurate to say that there has been far too much passion and invective and venom, and at times poison, that has been injected into the deliberations on this Bill and on this issue. And correspondingly, there has been too little rational discussion of the issue itself and I don't see how this can in any way be a service to the public or to the public interest.

(MR. SCHREYER cont'd). . .

I think it is well for all members to pause and to reflect for a moment or more and to consider the arguments of the other side, each of the other side. The decision this Legislature makes on Bill 56 should be based as much as possible on facts and if you accept the assumption that in any given situation facts can only take you so far; they can take you a long way with respect to making a decision but the final few yards have to be made on judgment and therefore all the more reason why we should not be diverted by exaggerated claims, exaggerated claims that really add and compound confusion, and which arouse emotions and short-circuit reasonable debate.

I think that a rational analysis can best be made by dividing the issue of automobile insurance into three main parts.

First, what is the best possible way to handle automobile insurance so that the public receives the fairest combination of rates and coverage. That is the first question.

Secondly, what is the most desirable way of making that insurance available to the public keeping in mind existing practices and the various contentions as to the desirability of personal service. In other words, what is the best delivery system - if I might use a modern expression - what is the best delivery system for the insurance plan under discussion.

Thirdly, how can the government minimize any dislocation that might be caused in changing from an old system or from one system to another; and what is the fairest way to go about transition.

Surely there is no one here who would argue for a moment that from time to time a society, an economy, a nation, a province, must face up to the fact that because a particular program or way of doing something can better be done in another way and so there is need for change and reform, that there therefore is involved a problem of transitional adjustments that have to be made by those who are directly affected. I don't think that now is quite the time for me to start accounting the number of instances and cases in our province in our country, on this continent, in the world, where a number of people have had to undergo certain changes in their occupation, undergo retraining, make certain transitional adjustments because there were new ways, technological or administrative or a combination of both, of doing something. I say I don't think now is the time for me to give such an accounting, but I suggest to you, Sir, that our experience over the years is replete with examples and cases where basic changes have been wrought and individuals have had to cope with it. I am tempted to start out such an accounting but I put that aside for the moment.

Having posed these three basic questions I would like to deal with them now in that same order. I will not dwell at great length on the inadequacies of the present private automobile insurance system; the faults of the present automobile insurance system have been documented and commented on beyond a shadow of a doubt. Indeed if the debate on Bill 56 has accomplished nothing else, it has finally put on record the fact that even the members of the Conservative Party opposite are prepared to admit that all is not well with things as they are now in the automobile insurance industry. This is something that they did not move to correct during their tenure in office. And lest I be misunderstood, I'm not suggesting that this in any way was a fundamental failing on their part, because I well appreciate and recognize the fact, and it is a fact, that different governments have different sets of priorities and given the time available with which to bring about necessary changes and improvements, obviously there was a difference in judgment between the former government and this one as to the order of priority of improving the automobile insurance program or service as it is available to the public. But now there has been a concession or admission on the part of at least some opposite that certain significant changes are in order and I regard that as being progress of a sort.

The waste that is to be found in the present automobile insurance system is clear: Unnecessary duplication in advertising and administration; the need to take beyond reasonable amounts of time and money because of legal fees, court cases, the hardships that are forced on accident victims, the delay in the settlement of accident claims, all of this combines or conspires to force up - and it has forced up - the cost of insuring automobiles to the point where it is a subject of considerable comment on the part of many many many motorists.

The present automobile insurance system makes adversaries of us all - company

(MR. SCHREYER cont'd). . . versus company, company versus motorist, motorist versus motorist. No other insurance system that I know of operates in such an inherently - I say inherently, inefficient and illogical manner. Most of the problems of the existing system and most of the factors that conspire or combine to drive up the cost relate to the fact that it does indeed make all of those who are involved in automobile insurance, whether the underwriters, or the motorist, adversaries.

The competition that exists in auto insurance today is a competition based not nearly so much on price or service - and here I'm referring to the underwriting aspect not the delivery aspect of insurance. In other words, referring to the companies and not the agents - the competition is not one based so much on price and service but rather is a competition to see who can get out of paying as much as possible.

Here, and I want to make this point with great emphasis Mr. Speaker, auto insurance differs fundamentally in this respect from life insurance or almost any other kind of insurance, because in the other forms of insurance, whether it be life, fire or whatever, insurance is purchased to reduce the risk of loss from a possible hazard such as sickness, death, fire, etc. If the hazard occurs, the company pays. In most cases the transaction is in relative terms simple and direct. There is no case to be made for eliminating duplication or having multiple firms operating, underwriting these forms of insurance. That is not the case with automobile insurance. Here because of the need to prove fault, the fault principle inherent in auto insurance to this point in time, because of the need to prove fault or to assess the cost against one company or another, or one motorist or another, time and money are wasted. It is not - in a few words Mr. Speaker, it is not as rational an arrangement as could be.

For the large insurance companies auto insurance differs from the other forms of insurance in that in recent years most companies have shown a loss in the underwriting of such insurance. Some insurance company executives have actually said so. Some have admitted that this was the case. Anyone who has looked closely at the insurance industry will tell you that the companies make their profit from two sources, at least theoretically: one from the excess of premiums paid over claims paid out and the other from the income earned by investing the premium dollars in the period between the time they are paid in and the time they are paid out as claims. Or to put it in another way, from that portion of the premiums held in reserves. Only in automobile insurance have the companies had to rely almost solely on the investment income as their source of profit.

So, Mr. Speaker, we do begin with a unique situation. Auto insurance is the one form of insurance based on the adversary system because of its very nature up to now. It is the one form of insurance with which there has been considerable and mounting public dissatisfaction; and it is the one form of insurance which private enterprise admits shows a loss in underwriting or at best marginal profits. May I say as an aside, that if that is the case - which I accept as being the case - it is not necessarily because of the relative efficiency or inefficiency of private enterprise but rather because of the inherent nature of automobile insurance, of that industry as compared to the other forms of insurance industries. Yet in our modern society the automobile has ceased to be a luxury and has become part of our everyday way of life. Unfortunately, with the increase in the number of automobiles there has been a great incremental increase; a great increment in automobile accidents.

Again I do not feel that it is necessary to document in this House the problems posed by those who drive as uninsured drivers, and by the present use of the Unsatisfied Judgment Fund. In fact I would say, suggest to you Sir, and to my colleagues in this House, that the Unsatisfied Judgment Fund as we have known it in this province is very appropriately named, because it has satisfied no one. And I believe that this is a view or an opinion that would be largely and widely shared. The problem is that up until now no one has been willing to bell the cat. In other words, to join the issue and to make the effort to bring about a better, more rational, more effective kind of insurance, auto insurance system that would be more beneficial to the public, because there were certain problems that would undoubtedly be encountered along the way. Mr. Speaker, we knew that. But I want to at this time make reference to a quotation from the late President Kennedy who said that in the carrying out of public affairs oftentimes one knew before one started that there would be many great obstacles to be encountered; and one knew before one started that it might take a long long time. But even knowing all that, knowing that a job undertaken might take many years to fulfill, nevertheless, the time to start was now. Let us begin.

(Mr. SCHREYER cont'd) . . .

So I say Mr. Speaker, that there has been a growing demand throughout North America that something be done, but I mean something meaningful be done about automobile insurance; and so we've heard not just from those who would style themselves as left of centre politically, not just from those who would style themselves as socialists or from those who would style themselves as Social Democrats or Liberals, but from others as well, that perhaps the time had come to at least face up and recognize that perhaps there was need for compulsory automobile insurance; that it should be made a condition of driving a car. I think there has been that kind of facing up to that requirement. This proposal that insurance be made a condition of driving a car has been gaining acceptance in recent years and I believe it is safe to say that almost all members of this House, and if not all, almost all, certainly more than a majority would agree with that proposition: that auto insurance should be made compulsory and a condition of driving. In fact many members here have said so, on both sides. Yet if the state requires that automobile insurance be made compulsory I believe, I have stated my belief and I reiterate now. That the state then has a proportionate responsibility to ensure that insurance is available at the lowest possible cost, the lowest possible cost practical, taking into account human factors and problems that have to be settled at the same time.

So now, if we accept the premise that insurance should be made a condition of driving, the evidence surely should show us that compelling motorists to buy automobile insurance but from an industrial arrangement as it now exists would merely increase the number of people who are dissatisfied while doing nothing to solve the basic problems inherent in the industry, inherent in this industry and acknowledged to do so, not just in this province and jurisdiction but in other provinces and other countries of the western world; Indeed I suggest that to take the approach that insurance should be made compulsory, but to make it compulsory within the framework of the existing system of underwriting could end up costing the public purse more than it is costing the public purse now, as it would perpetuate a bureaucracy to check continually whether motorists are in fact insured. I mention that because in the State of New York they've tried some experimentation in recent years along these lines of requiring or compelling motorists to have insurance but compelling them to obtain it within the existing framework and the number of additional staff that had to be hired by the State of the appropriate authority of the State of New York became so large as to throw into doubt the efficacy of the whole arrangement. And I think that we should be prepared to learn from the experience of other places. I believe that what I have just said also applies to a degree with respect to the experience in the Province of British Columbia, because there too there are signs of dissatisfaction with whatever arrangements were made in recent months with respect to automobile insurance.

I would suggest Mr. Speaker, that all of the evidence indicates that most of the problems relating to automobile insurance could be solved and most of the unnecessary costs could be reduced if only one company was in the field, providing basic coverage. This step alone would immediately eliminate much of the problems created by the adversary system of insurance which I have already touched upon. One company in the field underwriting the basic coverage would immediately eliminate the need for duplication in advertising, duplication of administration, litigation costs and a number of other factors as well. But I repeat again, that this would not apply, the same analysis would not apply to other forms of insurance. By taking the further step of making personal injury benefits payable without regard to fault further savings in litigation are achieved, not to mention the reduction in human suffering brought about by removing the long waiting period for settlement of an injury claim. I don't think that any member opposite would argue with the proposition that in automobile insurance by giving one company a monopoly for basic coverage great savings could be achieved in the settlement of claims. At least in that aspect I would hope that there would be agreement. By requiring that company to keep its rates as low as possible and to pass its profits back to its customer, the motorist, there is a further saving. And by further requiring that company to use its income from investment to maintain or reduce premiums, something which is not done today with effect, costs would be cut. Costs could be cut - it is a matter of conviction with us; it is a matter of profound conviction.

There is an additional saving that accrues to having one company operate in this respect and in this way, and that is one company does not have to adjust its prices to take into account the problems of adverse selection and I underline that term or that concept. If the total number of risks that a universal coverage firm or underwriter, if the total number of risks it has to

(MR. SCHREYER cont'd). . . cover is the same as the total motoring population, savings are possible. This seems to me is a basic fact of insurance. When one takes that into account along with the adversary costs that are unique to the automobile insurance industry, one sees - I pray that one sees the logic of the public auto insurance proposal that we have put forward. These arguments I contend are irrefutable. They are of course the arguments that lead to the conclusion that the simplest way of bringing about this arrangement where having one company publicly owned, underwriting all basic auto insurance risks, basic package, is the way to bring coverage about at the least cost to the taxpayers, motorists of this province. And I repeat, that is to establish a Crown Corporation or public corporation for the purpose of underwriting compulsory basic auto insurance for the motorists of Manitoba.

The conclusion that a Crown or publicly owned corporation is the most desirable way of handling auto insurance is one that can be drawn from logic, well of course it can be drawn from logic. It is also a conclusion that is clearly pointed out on the basis of experience in other jurisdictions - and I refer to Australia, State of New South Wales more particularly, New Zealand, Puerto Rico and our sister province of Saskatchewan where it has operated for about a quarter of a century. Public plans such as we are talking about here have been operating in these places and have proven that they lead to quicker, cheaper and better auto insurance coverage than the present system which is so widely acknowledged as being less than satisfactory.

Therefore, for all of the foregoing reasons, the Government of Manitoba intends to proceed with the establishment of a Crown - that is to say public corporation for the purpose of selling automobile insurance. We are convinced that such a corporation can provide better coverage at lower rates than the existing system. We intend that the corporation will offer a basic plan to motorists to be sold along with license plates. We also intend that the corporation will sell supplementary coverage in competition with private underwriters. The Unsatisfied Judgment Fund and the uninsured motorist will become a thing of the past.

The basic government plan to be offered by the Crown Corporation will be as follows in its essential parameters: Death benefits will be payable to a maximum of \$10,000 automatically, quickly and without regard to fault. There will be additional payment for funeral expenses or permanent disability. Compensation will be paid to accident victims for loss of income while they are recuperating and the amount of at least \$50.00 a week - again automatically, quickly and without regard to fault. May I pause here Mr. Speaker to say as an aside, that I am well aware that in the past very recent years the private insurers have moved towards DDD available coverage - death, dismemberment and disability - some of my automobile insurance friends tell me. I'm aware of that. But I'm also aware - well I do have some friends, Mr. Speaker - I'm aware that this has been done in very recent years as optional coverage - it's available as optional coverage. I am also aware that this concept of death, dismemberment and disability extra coverage was available under the aegis of a publicly-owned corporation for quite a number of years. So I say that you know, giving both sides the benefit of the doubt it nevertheless leads me to the conclusion that there must be some spirit of innovation, imagination, compassion, humanity and even a little bit of efficiency possible under publicly-operated agencies.

Now the third-party bodily injury and property damage liability insurance, or PL and PD as it's referred to colloquially will be for a maximum - will be for \$50,000. Now on the question of the amount that should be deductible for collision and comprehensive insurance, this is something about which there has been a great deal of discussion to and I might add some selling of misinformation, and I want to indicate that we would be prepared to do further analysis with all those interested to discuss this matter in more detail. We have no fixed notions as to whether it should be \$200 or \$100 or even whether collision coverage should be made compulsory in all cases. And here one thinks more particularly of farm trucks and older automobiles. On the other hand, for those who make the argument, as I openly confess I have from time to time, that it seems to me that the public concern should be with PL and PD coverage, third-party liability to protect the other person. This is where the legitimate public concern is, therefore what is the argument for insisting or requiring some insurance coverage on collision damage. Well there is Mr. Speaker, some logic to be found on the other side as well, and that is that if you have at least the the basic collision coverage requirement it can be regarded as a means of reducing litigation costs - and that is a point not to be dismissed.

But Mr. Speaker, I am digressing from the fundamental points which I want to make and

(MR. SCHREYER cont'd). . . to make again, and that is that public corporation underwriting of auto insurance is in principle unassailable and beneficial and should receive approval in principle in the bill that is now before us - the regulations which will specify the details, as is always the case under parliamentary or legislative form and procedure. Details that will be promulgated in regulation, or prepared in regulation form will be a matter of public record and subject to examination and discussion and debate. And who questions that this will be so. Because this is simply an inherent fundamental way of parliamentary legislative government procedure and form.

I would like to reiterate at this time and make it perfectly clear that whatever the deductible amount is set at, we still intend to offer supplementary coverage available from either private companies - this will be open to the motorist or from the public corporation. So if a motorist wishes to in a sense tailor or customize his coverage down to \$25 deductible, all perils, as some do, and up to \$200,000 liability, as some do, and maybe it's an aside but I - you know personally I really wonder about that kind of coverage. It seems to me it is self-defeating. But anyway, if a person wishes to do that, he will be able to do so, and we intend that he should be able to do so at one and the same time that he gets his plates and basic coverage. If he wishes to take supplementary coverage it should be available there either from private underwriters or from the public corporation.

Now at this point Mr. Speaker, I would like to make clear what is meant by the concept or term "no fault" because it keeps cropping up in discussion and debate. Some of the spokesmen who are obviously opposed to the government plan have gone out of their way to - may I say it? - distort this concept. "No fault" means simply that certain benefits for death or injury or income loss will be paid automatically without regard as to who was at fault in a particular accident; indeed such benefits will be equally available to pedestrian victims of an accident. The no-fault principle for these benefits will in no way interfere with a motorist's right to recover damages against a driver who was at fault in an accident, for the amount below his deductible, whatever that amount be.

I emphasize this because this is where what appears to me - and if I can be shown otherwise, I will accept it - but what appears to me to be some deliberate sowing of confusion and misinformation. It is our intention, may I say in further connection with no-fault, it is our intention however to simplify this procedure so that it can be handled in many cases in existing Small Claims Courts which exist at the present time without the need for expensive legal fees and more delay and yet more delay and more delay.

Having mentioned just a few moments ago the concept of eligibility of pedestrian victims, may I say, Sir, that I think all of us here, many of us here, are aware of pedestrian victims of auto accidents which have been left outstanding for far too long, a time much longer than can be justified.

Mr. Speaker, much has been said about the fact that we have not been able to publish the specific rates for the proposed plan at this time. I will be the first to admit that it might have been easier, from a political point of view to produce a set of very attractive rates and to attempt to pass the Bill on that basis; but I suggest to have done so would have been in a sense, at least in one sense, politically irresponsible, because the members opposite well know that it is impossible for even a private insurance company to tell you today what the rate will be for '71 or '72. I mean to tell you with precision. I mean to actually put it down in writing. They can give you estimates based on projection, based on actuarial experience, but they do not publish their rates until the going into effect or just briefly before the going into effect of the new rates. We must await the statistics on the province's accident experience for 1970 before we would presume to set rates for use later in 1971. You cannot really proceed too far in advance with any degree of comfort or satisfaction.

May I say again, as an aside, that it occurs to me that in years past, unless the practice has changed in recent years, that these manuals of rates that used to be sent out to insurance agents by the different line companies, by the different line boards in years past, they were pretty difficult documents to get ahold of. There was no tendency in the past to widely circulate, disseminate information in a comprehensive way about the different rate structures and their relationship one to the other.

There are a number of points that can be made clear about rates and I would like to do so at this time. First of all, my colleague, the Minister of Municipal Affairs has already indicated, and on more than one occasion, that we intend to maintain at least two of the three

(MR. SCHREYER cont'd). . . present rating districts for the province; one for Metropolitan Winnipeg and the north and another for the rest of the province. The existing territorial arrangement is for three rating zones and we intend to maintain at least two or those three, if not three. So to suggest, as some opposite and others have tried to suggest, that rural motorists would pay more for public insurance under our proposal, is really not coming to grips with accuracy or reality, and I think I could say in my more belligerent moment, is really an effort at distortion of what really is contemplated and intended. The rural motorist will realize a saving in proportion to what he is now paying. He will continue to enjoy price advantage, as he does now, over the urban motorist in accordance with actuarial experience, which is reality, reality of the situation is that the actuarial data and experience shows there to be a differential of frequency and incidence of accidents.

Mr. Speaker, we contend, as I have contended all along, that under our proposal savings are possible as a result of certain rationalizations that will be made and that there will be a proportionate comparable saving realized by motorists in the city zone or territory and in the rural areas as well.

Mr. Speaker, I think this is an appropriate time to point out that while we have accepted the same basic concept of having one company writing basic auto insurance, as is the concept at work in Saskatchewan and which has been at work there for many years, nevertheless we have not adopted every single feature of that program. We intend to make a number of necessary changes or adjustments with respect to practical administrative arrangements.

I have indicated with respect to the two-territory system that here is one adaptation that will be made and there are a number of practical administrative adaptations that will be made in order to better suit the nature of our province and the requirements of auto insurance in our province. But that is a far thing from saying that we are not adopting the basic concept, because the basic concept would be the same.

I suppose it could be argued, and it has been argued, that a simplification in classifications in rates is desirable. And really it is desirable, I submit, Mr. Speaker, but nevertheless it is the intention to have a sufficient number of classifications so that it cannot be claimed to any significant degree that any one driver will be subsidizing the insurance of other drivers any more than is the case at the present time. Drivers who presently enjoy an advantage based on safe driving, on a safe driving record, no demerit points or whatever the reason, will continue to enjoy a price advantage over drivers who are in higher risk categories and I suggest that there is no assailing that principle of operation.

I suggest that we can make more sophisticated administrative arrangements than would have been possible 20 years ago or more because of the technology that is made available to us now through the extensive use of computers and the streamlining of administration. I suggest administrative arrangements can be worked out to fine precision subsequent to the passing of this Act and under the authority of this Act.

We can adjust the premium directly to the individual driver by relating surcharges to the number of demerit points one may pick up on one's licence - an effective way no doubt of deterring drivers who up until now have been less than careful on the road.

What this means in essence is that the large majority of motorists in this province will save money with public auto insurance and will still enjoy a price advantage, if such an advantage is deserved on the basis of driving record and accident experience. Our plan will be in short, while the same in concept, certainly same in basic concept to that of Saskatchewan, perhaps more elaborate in its classifications and adapted somewhat to suit Manitoba's requirements.

So I hope that this should lay to rest for once and for all the idea that anyone will be somehow unfairly subsidizing someone else to any different degree than is the case now.

Mr. Speaker, some spokesmen for the insurance industry have further claimed that most Manitoba motorists would pay more under public auto insurance. Now I want to pause. I want to pause for that statement to sink in. Some spokesmen for the industry - I know not who they are, maybe it's not important at this point in time - but they have claimed, I believe in front of the Committee, that most Manitoba motorists would pay more under public auto insurance - most Manitoba motorists would pay more. . .

MR. HARRY ENNS (LAKESIDE): It's not true.

MR. SCHREYER: Well I hope it's not true.

HON. RUSSELL PAULLEY (MINISTER OF LABOUR): It isn't true, but it was said. Sure was said.

MR. SCHREYER: Well now Mr. Speaker, all the more reason for pausing in order to get the views of the Honourable Member for Lakeside. He says it isn't true; I want to know what isn't true.

MR. ENNS: Well in the interests of accuracy, the statement that the Honourable the First Minister is referring to wasn't completed in the way the First Minister is saying it. The statement was "Most Manitobans insured now would be paying more under the Saskatchewan Plan of Government Auto Insurance scheme."

MR. SPEAKER: Order please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't intend to pass over this lightly or quickly. I want everyone to have enough time to pause and reflect on just how that statement was said and what connotation it was meant to have.

If the Honourable Member for Lakeside is saying that no spokesman said that under a public auto insurance plan, that most Manitoba motorists would be paying more, if the Honourable Member for Lakeside is denying that this was said, I will accept that, but I have been advised that this was a contention. Now in order for us to avoid quibbling as to whether or not it was actually said, let me establish it simply as a theoretical contention. If anyone would contend that under a public auto insurance plan that a majority of Manitoba motorists would be paying higher rates than they would under the existing system, I say that that statement is the purest of nonsense, absolutely the purest of nonsense.

I am not one to dismiss an argument out of hand but that is one that I certainly feel inclined to dismiss out of hand as being unworthy of any logical person. --(Interjection)-- Prove it? It is difficult of course, to prove anything to someone who does not wish to accept proof, in the same way as the old English adage goes, "that there are none so blind as those who will not see." May I say in this connection that my colleague, the Minister of Municipal Affairs has on more than one occasion, with documented evidence shown that the ratio of administrative costs to the premium dollar under the public plan in operation in Saskatchewan and in New South Wales compares most favourably with that of the ratio that can be determined under the present system here in Manitoba or other jurisdictions. This is a point that of course is very crucial.

I know that there are some who say yes, we know and we have read in pretty authoritative places, documents, sources, that the percentage of the premium dollar that goes to settle claims under a public plan in Saskatchewan is 85 cents out of a dollar, whereas the percentage that goes to settle claims out of the premium dollar under the existing private arrangement, multiplicity of private underwriters, etc., is not 85 cents out of the premium dollar but something in the order of 65 or thereabouts. --(Interjection)-- The Member for Souris-Killarney has put his finger right on it because those who say yes, who admit yes we have seen those ratios and those figures, nevertheless they say in Saskatchewan because of supplementary coverage if you take that into account and the ratio there, that when you put them together for purposes of fair comparison, then it's probably the same, and the fact is Mr. Speaker, that they are not the same. --(Interjection)-- So there we have a situation where people will attempt you see, to simply blithely avoid and ignore, blithely ignore and avoid facing up to one irrefutable fact, that the amount of the premium dollar that can go to settle claims under a public plan, even after you take into account the supplementary coverage system and its ratio of cost, compares very favourably, has a distinct advantage over the ratio that is to be found under the present framework of auto insurance here in this province.

I would like, because I suppose by now my words are suspect by some gentlemen opposite, I would like to refer to the views of others perhaps who might be regarded as more dispassionate or impartial in respect to discussion of automobile insurance. And I have already quoted him at some length; perhaps I will be forgiven for quoting him if only very briefly this afternoon.

In the words of the gentleman who was formerly Dean of the University of Saskatchewan Law School, who is now a member of the Federal Cabinet, a Liberal Member of Parliament, and who wrote what I regard to be - well, I hear mutterings from across the way. I want my honourable friends to know that I really believe that I have never been that partisan and that bigoted a partisan that I wasn't prepared to read and listen to the reasoned dissertation of someone who might be in another political party.

MR. SPEAKER: Order please, order please. The custom of this House is that the audience indicate neither approval nor disapproval of whatever actions occur on the floor of

(MR. SPEAKER cont'd). . . the Chamber.

MR. SCHREYER: Mr. Speaker, as I already said, I did quote at some considerable length from the dissertation in the Law Review Journal, the article written by the Honourable Otto Lange, that contained in my June 24th speech, but if I might I would like to recapitulate at least the most pertinent point of his analysis or dissertation, and I quote "that the idea" - referring here to public auto insurance, as it exists in Saskatchewan - "is adaptable to every area of North America. . . the savings possible in other jurisdictions would be proportionately as great and therefore much greater in actual figures." May I say as an interjection here in this quotation that his reference there must be to the effect that in provinces or in states with larger populations, therefore more cars, therefore more premiums paid, therefore in actual or absolute figures, there would be larger savings. Mr. Lange went on to say, and I quote: "The savings from the monopoly and the compulsory approach are great enough to make automobile insurance a desirable monopoly; that is, those savings more than offset the losses resulting from bureaucracy, and governmental control."

Then I go on to make again brief reference to a statement by a cabinet minister in our sister province of Saskatchewan, who is quoted as saying, and it's a matter of public record, therefore I see no difficulty in restating, and I quote: "It is obvious that motorists in Saskatchewan would have had to pay an additional \$5 million for the same coverage had we used the system in effect in other provinces." I might add that the Honourable Mr. Boldt made and repeated them in Saskatchewan where he was Minister reporting for the insurance corporation where he is responsible to the electorate. And speaking of the electorate - and this is not in any way adverse or positive comment on the present administration. I don't think it would be proper for me to offer either positive or negative comment on the government in our sister province - but I have the distinct impression from people that I have talked to from that province, that they are on balance satisfied, and in relative terms, very satisfied with the approach there, the program there, the arrangement there for automobile insurance.

And lest that by itself not sound very convincing, I want to repeat for the benefit of my honourable friends, the speech, parts of the speech that were made in this House by my colleague the Member for Flin Flon when he took part in this debate on auto insurance a few weeks ago. Someone from Flin Flon is in a position to report some unique experiences. Because it is a city of about 12 or 14,000 people that is perched right on the borderline between the two provinces, Manitoba and Saskatchewan, it is possible for people to avail themselves of certain services in one province and certain services in another province, more than would be the case to those who are geographically removed from the border.

And what did my colleague, the Honourable Member for Flin Flon have to relate to us, and if anyone wants to doubt his word, I suggest that they so indicate and make a study for themselves, I take my honourable friend's word for it, that in Flin Flon there is a tendency on the part of a number, quite a number to avail themselves of automobile insurance under the Saskatchewan arrangement, because it is cheaper, for equivalent coverage - in most cases, if not all. Certainly in most cases. Well does anyone want to contend or dispute that observation? And of course it must be said further that in Saskatchewan where the public auto insurance corporation is functioning, is alive and well, receives no subsidy - let that point be clear; receives no subsidy from the taxpayers of the province and pays its own way in every respect. Similarly here there will be no diversion of excess revenues to consolidated general revenue. I say that flatly and without equivocation, because it seems to me it's almost self-evident that it is an important operating principle of a utility that it operate on a non diversion principle. I say to my friend the Member for Lakeside that when I'm referring to non diversion I'm not referring to South Indian Lake.

So Mr. Speaker, because a Crown corporation is the best way to reduce premiums and improve service, because auto insurance has become virtually a utility which leads naturally to monopoly for maximization of certain desirable effects and for all of the reasons I have outlined, this government reaffirms its position that public auto insurance is something that will work to the better interest of the people of Manitoba.

There have been some who say perhaps the percentage of the premium dollar available to settle claims is better under our proposal, but would it not be that if one takes into account not only the basic but also the supplementary coverage that the percentage would be no more favorable than under the present system.

(MR. SCHREYER cont'd). . .

The answer is and I repeat it, I referred to this a few minutes ago, and I repeat it now - the answer is that even on that basis, taking the two together, there is a substantial positive differential in favour of public auto insurance. Of this we have concrete evidence and reaffirm our intention to proceed with Bill 56 to set up that public corporation. So clear is the differential that anyone or any committee or any study that would want to look at the specific point, I am convinced they would be convinced too. I feel therefore that we have answered the first question that I have set forth at the beginning of my remarks, "what is the best way in our view to handle auto insurance so that the public receives the fairest combination of rates and coverage," and I am satisfied that the evidence supports our answer, our position.

But now Mr. Speaker, in all of the opposition to Bill 56, the central points that I have reiterated have never been successfully challenged. I think it is obvious that the insurance industry realize that the companies did not have that many convincing arguments, so there was an effort made to set out to concentrate on a matter which is not part of the subject matter or principle of Bill 56 itself, one which I readily admit is relevant and important, but does not relate itself to the principle of public auto insurance, and that is the question of the agents' relationship, the problems they would encounter, the income adjustments they would have to face, the problems they might encounter in meeting mortgage payments - in some cases that might be the case, so on and so forth.

Now I would be among the first to admit and to say, as I said at the very beginning of my speech in fact, that in any important change in ways of doing things there are dislocative problems that are encountered and have to be dealt with. I venture to say that in far too many cases they have not been dealt with adequately in the past, but that is no reason why a government of the present, that looks to the future, should be satisfied with previous arrangements made to cope with dislocation that were far from adequate. So on that score there is nothing that satisfies me more than to be able to say that we are prepared to come forward with arrangements and proposals that not only compare favorably with transitional assistance arrangements made by the Federal Government or other governments of the past, but compare favorably and far more. One of the reasons why there is no difficulty in saying that is because we have taken to heart the fundamental philosophy of the Freedman Report that was established as a commission by the Federal Government under Mr. Justice Freedman, to go into the problem of how best for society to cope with the problems of those who are adversely affected as individuals because of the changes made that come about as a result of adopting changes in technology and administration, ways of doing things generally. I believe that I am on record in the Hansard of the Federal House of Commons on this specific point.

So it is a matter of philosophic conviction that there is an onus on society if they are to benefit from changes that are brought about in the general interest of society by government; if society generally is to benefit there is then a countervailing onus on society to so move and so act through its government as to minimize and lengthen the period of transition, ease the dislocative effect on those who are directly affected - but having said that, it is equally important to say that it is in the long-run interest of society, the whole state of humanity, that because this must be done is no reason to stand back in fear and paralysis and make no changes at all.

May I give you some examples Mr. Speaker; and I think that the further ranging some of them are, the more pertinent they may be in a sense. A few years ago it was decided by the state of California, for example, that they must, because of the vastly increased vehicle traffic between Los Angeles and the City of San Francisco, build a multi-lane freeway between those two cities, and so they did. It was a necessity, so deemed to be in the judgment of the authorities democratically elected. So they built one of these vast multi-lane freeways, the kind for which California is known and I suppose other states as well. In the building of this freeway, on the older route between the two points was a community that was about at the halfway mark and because it was approximately at the halfway mark on a slower road, there were many private entrepreneurs who built motels, because of the climate there - swimming pools, many amenities. Lo and behold the new freeway went into operation some four or five miles removed from the row of motels. What happened? Need I answer the question? Need I tell you that quite a proportion of them, of those motels, were later sold by mortgage companies, that some previous owners had gone into receivership? Was there any compensation?

(MR. SCHREYER cont'd) . . .

Or when the Province of Manitoba rerouted Highway No. 12 - happened to be in an area that I'm familiar with - Highway No. 12 to Grand Beach; they rerouted it, because it was deemed to be a better way of directing the highway to the beach area itself; but it happened that there were a number of small businessmen that had premises along the road that after the new road was built was no longer a main road. One of the general storekeepers had just bought the store two years before; he had eight kids. Did he get any compensation? I happen to know about that case because I was MLA at the time; not for the specific area of Grand Beach but for the area just south of it. I did not, because there was no compensation, I realized the position of the government of the day and I believe there is probably correspondence on the record, on file still, between the then responsible minister and myself trying to find whether there was some logical defensible way to make some kind of accommodation; but it wasn't possible. The end result - the store ultimately was abandoned. Certainly it was not sold by the person who had previously bought it. Whatever small equity or whatever equity he had in it was simply left and he went into retraining - a different occupation. For awhile he operated a cafe, restaurant. By the most ironic of coincidences just, I would say about four weeks ago, I received a communication from him whereby I learned that he had graduated with a Master's degree in drama and literature - a new life, a new career; no doubt a painful adjustment.

I'm not suggesting that the government of the day was callous, inhumane; I am suggesting though that we have as a society perhaps come a little further in the last few years to the point where we come to recognize that where society stands to benefit from the implementation of a new way of doing things, a new program, that society should want to agree to better kinds of transitional assistance arrangements than were in place or available in years gone by, because in years gone by in most cases there was none, and I certainly couldn't accept that as being fair either.

Now a little bit later we have the example of the federal government, and because it is a little more later, a little later in time, we see that there is already some change in basic approach; because in 1964, 1964-65 when the federal government entered into a treaty arrangement - and by the way there were talking about law too, not statute law but treaty law -- when the federal government entered into treaty arrangement with the United States to establish the United State - Canada auto pact or agreement, what was the consequence of that?

First of all let me take a moment to say why the Federal Government went into that, signed that treaty. They signed it because in their judgment, and in the end this is the way it has to be done, the matter of assembling as much data as possible and they applying or exercising judgment and coming to a decision for the course of future action. The Federal Government deemed it to be in the national interest to enter into the auto agreement so that those automobile factories operating in Canada could achieve more economies of scale of operation, longer assembly line runs, and I must say that I find it extremely difficult to argue against that analysis, that kind of applied economics. But what was the consequence? Because of the nature of the operation of the auto agreement it became quite evident that all those who were owners and operators of automotive repair part factories, there were a number in Canada, as a result of the operation of the auto pact they were affected in just the opposite way and were destined to be forced into other kinds of manufacturing activity. And of course, the employees - there were 9,000 of them working in automotive repair part manufacturing plants. A transitional assistance board was established. You say it's important if we're going to set up such a board to make sure that it is, you know as independent and balanced as it's possible to be; to have one representative of the industry and one representative of the government and a chairman mutually agreed upon if possible. I want you to know that the Transitional Assistance Board, as it's called in the case of the automotive repair part manufacturers who had to go to it and the employees; what constitutes the Board? Five deputy minister of the Federal Government and they alone. And I think that that fact is worthy of contemplation and reflection as well. Well, in any case, in its actual operation there were 9,000 employees that were affected adversely in greater or smaller degree as the case may be in individual cases, and quite a number of these were finally judged to be eligible for transitional assistance benefits. But some were able to get alternative work within the six month time period so that they did not in fact collect any transitional assistance since they really didn't require it, they got equivalent or better paying jobs. But there were, if my memory serves me correctly, 1960 who were not

(MR. SCHREYER cont'c.) in such a position and who did collect transitional assistance benefits on a formula that is almost precisely the formula that I put forward in my speech on the 24th of June here in this House, and the automotive repair manufacturers, the owners of the plants, of the repair parts plants they were eligible to approach the Technical Assistance Board, or the Transitional Assistance Board to apply for a loan at 7 percent so that they could convert the productivity and the machinery of their plant to alternative kinds of manufacturing and work.

Now some say what is the analogy. I say that the analogy is very significant and in my view very close. But I'm not suggesting that we are not going to make adaptations and certain changes from that basic formula as was used in that case because circumstances probably do warrant some adaptation. And I readily admit, and I have said a number of times, that to give relevance to any formula of transitional assistance to agents requires putting the formula on a basis of volume of sales, premiums or commissions, and I want to go into that as well.

The opponents of Bill 56 have concentrated, there's no question about it, not on the principle of the bill, the operation of public auto insurance method, corporation, but on the aspect of the problem of the people who are already engaged in the industry. Many of them came before our Public Utilities Committee and used the kind of phrases that have no place in a democracy such as ours. I have seen - I don't mind saying - I have seen parliament at its worst and at times in the Standing Committee form what I was told and reading in the press, it seemed like - in the Standing Committee here in this Assembly it seemed in danger of becoming almost as bad as I've seen parliament when it has been misbehaving. But I blame in particular the propagandists of the industry who with two advertising agencies in Toronto have cynically played upon the fears of people who are concerned about transition - the problems of transition, for their own selfish ends. I know there's a saying in Europe that nothing good comes from the East and sometimes in lighter moments we hear the expression that nothing good comes out of Toronto, but certainly in this case it simply must be put on the record that the strings were being pulled if not all the time, maybe that's an exaggeration that they were being pulled all the time, but a good part of the time the strings were being pulled from Toronto and the money, I think that that had something to do with the industries based in Toronto as well. I'm sure that many agents in this Province were not aware that their publicity campaign was being run by advertising agencies in Toronto that handle the insurance industries lobby.

I would like to deal with the question of dislocation and displacement but I would hope that members would allow me to deal with it factually and without exaggeration and with some pause from time to time to relate it to examples and problems that have occurred in other places where changes of any importance took place.

Let me say to begin with that too many members opposite have been too eager to use exaggerated figures about dislocation. I have heard wild claims that somewhere from 1,700 to 4,000 jobs would be lost if public auto insurance came into being. I repeat - 1,700 to 4,000 jobs. Mr. Speaker, this is not only inaccurate, this is grossly inaccurate and unforgiveable, because the margin of error here is very great, and let me attempt to show you why it is so.

In effect, the number of agents that have applied for their own sake, that applied for licences as agents in the last year for which figures are available - this is last year - the number something in the order, very close to 1,200 and I have complete statistical analysis here running to, I would say, approximately 9 or 10 pages which I will be pleased to table, showing a breakdown of the levels of commission earnings etc., and the number of agents or agencies in each level by thousands of dollars.

Before I get into that more deeply, let me deal first with the question of a particular community, Wawanesa. Wawanesa is a small town about 28 miles from Brandon. It is the head office of the Wawanesa Mutual Insurance Company. About 70 residents of the town owe their livelihood to the companies head office operation. This is, of course, a significant number, I certainly agree, in a town of 500 or 512 people. The opposition has claimed that public auto insurance, the implementation thereof would destroy the town - so it was claimed. The irony is, Mr. Speaker, I know, and I come from a small town so I know how keen and how anxious people can be about anything that in any way seems to impinge on the future of the town or its growth. But there are many towns and communities in our country and in our province that because of basic change in industry and technology have had to admit this was part of changing times. It seems to me that every second divisional point on the railways because of changing technology had to face the same set of problems that Wawanesa does. But anyway, let me say further that there is an analysis here that surely is important and should be closely

(MR. SCHREYER cont'd.) considered.

In 1969, Wawanesa's total business across Canada was in the order of \$40 million. The portion of that which was auto insurance in Manitoba was in the order of \$5 million. This means that approximately 12 percent of that company's total business is derived from auto insurance in Manitoba. So when we talk about the effects of the coming into application of this program we are talking about the 12 percent, approximately, of the company's business being affected. And that is far from being in any way a body blow. The company claims that all 70 employees of the company's head office will lose their jobs if they lose 12 percent of their business. They have 70 people working in the head office there now in that community in total. If they lose 12 percent of their business does that mean that they lay off all 70 people or a proportionate number? -- (Interjection) -- Well I, -- (Interjection) -- Mr. Speaker, I would be glad to hear at an appropriate time if there are adjustments in the numbers.

MR. EARL McKELLAR (Souris-Killarney): I'll tell you.

MR. SCHREYER: Fine. The thing is we are talking about proportions here. Is the honourable member since, he again is interjecting - is the honourable member suggesting that 100 percent of Wawanesa's business comes from auto insurance.

MR. McKELLAR: 74 percent.

MR. SCHREYER: 74 percent of Wawanesa's total business . . .

MR. McKELLAR: In the Wawanesa office is automobile.

MR. SCHREYER: 74 percent of Wawanesa's total business is from automobile insurance in Manitoba?

MR. McKELLAR: In the Wawanesa office.

MR. SCHREYER: Well but from where though, this is the point.

MR. McKELLAR: I'll tell you when I speak.

MR. SCHREYER: Yes, I'm sure you will and I'm sure that - and I'm sure that after you've spoken we may still not have clarification

MR. McKELLAR: You will.

MR. SCHREYER: As to what . . .

MR. McKELLAR: I'll guarantee you will.

MR. SPEAKER: Order, please.

.Continued on Next Page

(MR. SCHREYER cont'd.) Mr. Speaker, it would be easier to pass over but I want to again just take the time so that there can't be misunderstanding. The Member for Souris-Killarney says that it is not correct to say that about 88 percent of Wawanesa's - that about 12 percent let me put it that way, that about 12 percent of Wawanesa's business comes from Manitoba auto insurance. He says that 70 or 74 percent of Wawanesa's business comes from Manitoba auto insurance, or does he mean from auto insurance across the country. On that point there is silence, Mr. Speaker, so I invite my honourable friend the Member for Souris-Killarney -- (Interjection) -- yes, well that's fine. I think I know already what he'll be saying but even though he'll be expressing a different point of view, the fact is that we have some misunderstanding about the figures and about proportions and ratios, and anyway I suggest that there is no need to sort of slant the problems so that it appears as though all 70 people in a given office are dependent on a particular situation when the data shows that we're talking more like something in the order of 12 or 15 percent.

To suggest that the Town of Wawanesa will not be viable if public auto insurance comes into being is just not true. There will be some dislocation, of course. On a straight percentage basis one would expect that a proportionate percentage of the head office staff might be laid off. Does it amount to the nine people or approximately that number? Perhaps more might be laid off for some reason or for some excuse but the fact remains that there would be alternative opportunities open and I intend to come to those as quickly as I can.

I anticipate no real nor persistent hardship for the community of Wawanesa because of a number of actions this government is prepared to take. As I indicated, anyone displaced, by the introduction of public auto insurance will be given first chance at jobs with the Crown corporation. It is the intention of this government to locate the head office of the Manitoba Public Auto Insurance Corporation in the City of Brandon. And may I say, and I say it without any hesitation at all, that there are always a number of factors that should be taken into account when making a decision relative to site location. This has been checked out from a number of different perspectives. Just as when one has to deal with the problem of industrial site location one has to check out a number of different factors, there are some in this case as well. The commuting distance - Wawanesa to Brandon is approximately something in the order of I don't know exactly - 29 - 30 miles - 28 something approximately there. And therefore it would be possible for residents, such as might be directly displaced from within the Wawanesa company, to commute to work in Brandon. That is a practice that many people have gotten used to without too much difficulty.

In addition to that, and one that I feel very keenly about, is that we have not made enough effort in the past in Manitoba to really try for more balanced regional growth and development. Nothing could please me more than that in northern Manitoba there is a city of 30 or close to 30,000 people; nothing could please me more than in western Manitoba there is a city of over 30,000 people and if we do not keep in mind long-term future anticipated problems, we can follow a course of action of having more and more and more density in one given urban conglomeration and then governments have to begin to cope with the problems of pollution and sprawl that are associated with having overly-large urban conglomerations. It is estimated that by the multiplier effect the location of the office, the headquarters office in the Brandon area would be able to offset - more than offset - whatever negative down-turn there might be in local revenues because of the effect on the Wawanesa company by the coming into operation of the public corporation. And so I say that the decision to locate the head office in Brandon is in accordance with this government's policy of decentralizing government operations wherever possible and encouraging industrial decentralization as much as possible -- a policy that I have mentioned many times and hope to continue emphasizing into the future.

It goes without saying there will be a requirement for regional offices, both offices and claims adjustment centres in the several natural regional centres of Manitoba and as honourable members on both sides know, Manitoba has in the past few years seen the establishment of a number of regional development corporations. I believe there are seven or eight such, the Interlake, West-Man, East-Man, the Pembina area and so on. These are, in my view, logical evolvments, logical developments, this regional-based type of organization, and it is with the same point of view in mind that we look for the arranging of the administrative requirements of the public auto insurance corporation.

As the plan becomes fully operational, claims centres will be established in major centres and travelling adjusters will be appointed to service the rural areas of the province. It is anticipated that the Greater Winnipeg area will require servicing by more than one claims centre;

(MR. SCHREYER cont'd.) it may require two or even three or even four; this is something to be worked out with more administrative precision in the course of the time that follows the acceptance in principle of the legislation before us.

Mr. Speaker, I think it would be safe to say that after a while most of the opposition and most of the emotional outbursts that have been centred around the fate of the insurance agents of Manitoba, the fact is that the propagandists of the insurance industry have tried to portray this government as being uncaring about the fate of insurance agents in this province - and I shudder to think how they would have portrayed the Federal Government in the case of the auto agreement period, or if they had known about what provision, if any, was made for those who were adversely affected as the result of rerouting of roads, changing of different economic policies; because, Mr. Speaker, let me indicate to you that there is virtually nothing that is done these days in the way of economic policy and law that does not impinge directly on one group or another. And let us say, for example, that farmers want to have marketing board legislation because through more effective and orderly marketing then can improve their livelihood, their income, and governments across the country, from time to time have established certain kinds of marketing boards, but I don't think it's any secret that when marketing boards go into operation, some kind more than other kind, it has a very direct effect, negative effect, on those who prior to the coming into operation of the board were acting in the nature of in-betweens or whatever you call them.

One thinks for example, back in the days when the Wheat Board was established - and since the topic of the Wheat Board was something that I grew up with at the kitchen table, I could go into that for quite a few minutes - back in the thirties when farmers were living in desperation, it was suggested by some reformers in politics, some realists, that more effective arrangements could be made for the sale of grain and the moving of it to export positions by the establishment of a Wheat Board. But there were those who raised a holy howl about that. Well, maybe it's history now; I don't like to spend too much time on history but it seems to me that it is relevant from time to time to draw from history certain lessons. The point I'm making in any case, Sir, is that there are so many things that are done, in all cases hopefully, for the greater benefit and prosperity of the public, but yet, whatever is done, it seems in most cases, if not all, to have an immediate adverse effect on a particular number.

Well, in years past, nothing much was done; nowadays something should be. This government, more so than any government that has gone before in this province, is concerned about dislocation of people whether caused - and let me say to me that it has to be a matter of complete indifference dislocation of people by either the public or private sector, because to the people affected what possible difference could it make if they are affected, dislocated - the point is, what's done about it, and that's the point I wish to address myself to; which leads me to say that I reject, and I reject totally, the notion that any one member in this Legislature has a monopoly, or that any one group in this Legislature has a monopoly on compassion or conscience. I don't know who's ever suggested that but lest anyone have that kind of feeling, I would ask them to put it aside.

This government, since the introduction of Bill 56, has been seeking an equitable solution to the problem of dislocation of agents and their livelihood. Some evidence of this fact is to be found in Hansard when I spoke in this House on Wednesday the 24th of June, I referred then to a formula that was based on the experience of the U.S.-Canada auto pact transitional assistance benefit program and certain similar plans worked out in industry and I feel it is both fair and adequate for those who are salaried employees. This is especially so when one keeps in mind that they will be entitled to receive unemployment insurance should they get into that position, and retraining allowances should they feel it necessary to undergo retraining.

In addition, in that same debate, on that same day, I had this to say about the involvement of those insurance agents who were self-employed, commission agents or independent businessmen and I quote from that issue of Hansard: "We are making studies and investigations to determine the practicability; at this point in time I can say that I am satisfied as to the practicability of working out other arrangements. For example, at the present time the Province of Manitoba pays 65 cents per licence per motor vehicle registration plate issued to those who issue motor vehicle licence plates on behalf of the Province of Manitoba. Those who are full-time insurance agents will have in many, if not most cases, the opportunity to apply to be issuers of motor vehicles registration plates at one and the same time under the integrated proposal to issue the basic insurance coverage policy.

(MR. SCHREYER cont'd.)

The fee that would be payable would be that which is paid at the present day plus an amount sufficient to make allowance for the extra work involved, but it will be done in proportion to the work that is required now to issue the registration plates. I have reason to believe that this kind of opportunity will be acceptable to a number of insurance agents in rural Manitoba, I'm positive about that in a number of communities that I'm personally aware, and can be adapted for use as well in the Metropolitan Winnipeg area. So when that has been taken into account, one can see that there will be sufficient revenue available to quite a number of agents that will enable them to make their way through the period of transition in a way that minimizes the dislocation to them."

So it is self-evident and recorded in Hansard, Mr. Speaker, that we were actively exploring arrangements whereby the agents could continue to earn their livelihood with a minimum of dislocation and where if there was dislocation, it was one of degree and not one of basic fundamental loss of livelihood.

So I come to the second question I posed at the beginning: What is the delivery system for public auto insurance and can the problem facing the agents be given relevance to that?

In considering all of the alternatives placed before us for assisting agents, or for involving agents, two things would have been very helpful. The first is some better idea of the dimensions of the problem or in other words some exact idea as to how many agents are involved and what levels of income in auto insurance in Manitoba today.

The second thing, Mr. Speaker, that would have been helpful would have been at least the smallest degree of co-operation of the Insurance Agents Association in giving certain data such as was available to them in the light of their experience.

Mr. Speaker, this would not be the first time where in the course of the carrying out of its responsibilities governments have incurred the displeasure of certain groups. I can think of Prime Ministers being called certain names and Premiers being called certain names and MP's and MLA's and so on. Maybe at this time that's not the important point. But I want it to be known that when I appeared before the demonstration that took place in front of this Legislative Building, I advised the agents at the time that the question of their problems in terms of income and livelihood was real but it was separate from the issue, the principle of establishing a Crown corporation and I did, in the course of my remarks that day, and I believe they're recorded that way, invite them to come forward with proposals, if any, they had with respect to their problems of livelihood and their possible continued involvement. They didn't do so although there was of course, a quick negative reaction or attitude on their part.

Anyway, Mr. Speaker, that's water under the bridge in a sense, but there still seemed some hope, because on the 10th of July I received a letter from the President of the Insurance Agents Association, suggesting a meeting and requesting that I set a time that might be mutually convenient, which I did. In reply to the letter I indicated that it would be possible to meet on a certain day and set a time for, I believe it was early in the afternoon; but upon receipt of my letter, communication was received back, first by phone and then confirmed by letter, cancelling the time of the meeting, cancelling the meeting, so that there was no opportunity to discuss any form of proposal with the group that would relate to their problem of livelihood, maintenance; adjustment and the like, but an insistence only on their part to deal with a principle that was announced as government policy, and which even if implemented I say will not substantially affect their earning power. Now I'm prepared to table this correspondence so that members and the public can examine it if they wish.

I think it is fortunate that at least a number of insurance agents did visit with myself and my staff and gave some help and insight into some of the problems encountered, and in some particular cases I frankly admit the problems are very real and have to be dealt with to satisfaction. I suggest "to be dealt with to satisfaction" means that a person should not, as the case in some examples I've given - a person should be able at least to continue with the major part of their income in a transitional period and hopefully in an on-going way.

I should make it clear that there were agents who were opposed to Bill 56 but were willing to separate ideology from a discussion on specific alternatives. I want to thank those agents at this time for their assistance and for their goodwill. They showed that a discussion of alternatives was possible without emotion and without exaggeration.

We were still faced with the difficult task of determining exactly the dimension of the problem. So some investigation was made of certain records in the office of the Superintendent of Insurance. Every general insurance agent, as I have already indicated, Mr. Speaker, files

(MR. SCHREYER cont'd.) an application form by affidavit, which indicates the proportion of his business which falls into various insurance categories and the proportion of time spent on insurance.

One of these categories is listed as "Miscellaneous", we are informed by the Superintendent of Insurance, and this can only include auto, theft and liability insurance; but that for most independent agents, "Miscellaneous" is, in fact, auto insurance.

I therefore instructed a team to analyze these affidavits of applications for licence renewal and to present their findings to me in cumulative form. They began their task about a month ago, three weeks ago, and presented their findings to me very late last week. And it is part of their statistical analysis that I already indicated I would propose to table for the information of honourable members' consideration.

The study show that half of all the insurance agents in Manitoba earn less than \$2,000. annually from auto insurance.

It shows that there are 1,167 agents selling auto insurance in the province, 555 in the Metro area and 612 in the rest of the province.

There are a number of other interesting facts about this study which the members and public can find out for themselves as they peruse the contents of this study. The study allowed us to test all of the alternative proposals against known figures and therefore assess the cost of any and all proposals.

It is very easy, of course, for a member to stand up in the House and say the government should do this or the government should do that, but, Mr. Speaker, in working out proposals that I'm referring to here it was done after careful consideration and precise analysis. I feel that we have a responsibility to the public not only to seek fair and desirable alternatives but that we also have a responsibility to try to determine the costs of these alternatives and to try to estimate the exact effect they will have.

We are proposing an alternative which is not only compassionate, which in any case is a fundamental concern, but which will also remove the need for transitional assistance to that number of agents who are actively engaged in the business who wish to carry on. Those that do not wish to carry on, of course, can contemplate applying for transitional assistance of the kind that I have already referred to.

I indicated in this House on the 24th of June that we were interested in giving existing insurance agents the opportunity to sell the government basic coverage and plates and that I believed this practice could be applied to urban centres as well as rural Manitoba. On the basis of the statistical analysis subsequently made, I am convinced that this will work.

We are therefore at this time proposing that public auto insurance should be available through the existing insurance agents in Manitoba who have a significant amount of their livelihood dependant on auto insurance. What this means is that the public will be able to purchase the basic public plan and any supplementary coverage they wish from the insurance agents of their choice.

To be more specific here are further details of the proposal:

Beginning with the introduction of the public plan we intend to issue to any insurance agent in Manitoba who so wishes, a new licence which will qualify him to sell plates and basic coverage. It is proposed that all agents who now derive more than 25 percent of their total income from auto insurance should qualify for these licenses. The percentage point that is mentioned here is one that seems most reasonable to us because we would contend that one whose income is less than that percentage dependent on auto insurance, is involved in auto insurance as a sideline and cannot therefore argue that his basic livelihood is being impinged upon.

Any agent who does not handle more than 25 percent auto insurance and any agent who does, but who doesn't want to stay in that capacity, will qualify for transitional assistance benefits which I will outline in a moment.

The effect of our proposal would be to qualify approximately 600 insurance agents to sell the public plan along with whatever else they were selling in the way of other forms of insurance, plus supplementary auto insurance. This means that the delivery system for the public plan will be the insurance agents that are and have been most involved and dependent on auto insurance and therefore best able to provide continuing service to the public.

And it should come as no surprise to anyone to note that the Insurance Agents Association of Manitoba has long called for an agents' licensing policy that would lead to the development of more full-time professional agents who could specialize in their field and in our proposal there is a perhaps ironic nevertheless definite possibility of that taking place.

(MR. SCHREYER cont'd.)

For the motoring public, it could work this way: The motorist would receive a notice from the Motor Vehicles Branch that his plates and insurance will come due on a certain date and for a certain amount. The motorist can then choose to pick up his plates and basic coverage from the agent that he wishes to, or from the Motor Vehicles Branch. He may of course arrange for any supplementary coverage he wishes at the same time.

We propose that the new licenses to sell public auto insurance should be issued to those agents firstly who are already in the field. We propose that the agents who sell the public plan should receive a fair fee for selling the public plan and plates and regular rates of commission on the supplementary coverage.

It seems to me that it would be beneficial to at some point discuss certain of the problems with the agents association or their spokesman in more detail, but the fee structure that we are prepared to propose would guarantee that - perhaps the word "guarantee" is too strong here Mr. Speaker - but certainly is intended to confirm that no agent will earn less than 75 percent of his present total income based on his existing number of customers. Considering the fact that the business previously handled by part-time agents, plus supplementary coverage will now be on the market, one could, I think, reasonably conclude that within a period of a year, or two, that an agent could begin to increase the number of clients and bring his income back to something approaching what it was before. And of course all this time, those who wish to go into alternative employment have the lead time and are not under pressure or duress and can make decisions as to whether they wish to stay with insurance or auto insurance or go - as in the case of the life insurance agents, Mr. Speaker, at the time of coming into force of the Canada Pension plan, quite a number of life insurance agents underwent retraining for alternative forms of salesmanship and alternative employment.

I believe that the net result of this proposal will be to guarantee virtually to every agent who wishes to stay in the plan, a major part, a very significant major part of his present income. It will alter his ability to sell his asset, but if I am to believe the testimony of the agents who appeared before the utilities committee, the insurance agents of Manitoba are in business to provide service and to earn an income and under our proposal that is still a course of action open to them if they wish to accept it.

The only thing that is altered is their ability to use the business or industry as an incidental way of earning a capital gain and that is something for which no government on earth that I'm aware of has ever felt any sense of obligation, nor should it.

Again I repeat that for any agent who qualifies to sell public auto insurance but who does not wish to do so, there will be transitional assistance available if he wishes to leave the business at that time.

Another result of this proposal will be to allow the number of agents selling public auto insurance to decrease gradually as the agents retire, but no existing agent will suffer.

In a few years one can sit down then with the insurance agents association and discuss the results of the scheme and the learnings of experience. Based on their assessment and our assessment of involving agents in the public plan, it is possible then that we can issue an agreed-upon number of new licenses from time to time in future years as needs require.

This proposal will involved certainly freedom of choice at the delivery or retail level, one might put it that way. The rate for basic insurance will be set by a public corporation which can be influenced by the people of Manitoba. And the people can choose to buy that basic coverage from the agent of their choice depending on the service and their satisfaction with that service. We feel that this proposal could provide a combination of personal service, and at the same time lower rates because of the operation of a Crown corporation at the underwriting of risk level, based in Manitoba, responsible to Manitobans.

Now to be realistic, Mr. Speaker, I must acknowledge that the proposal leaving the option open to agents for their continued involvement in the sale of the basic policy and the writing up of policy, that as a result of that, the savings available to the public from public automobile insurance, while still remaining very substantial, will be affected negatively, so that instead of thinking in terms of an across-the-province, province-wide average or aggregate average of a saving of something in the order of 15 percent in premiums on its province-wide average, we may be looking at something in the order of 11 or 12 percent, but I am confident that it will not be less than that and on that I am prepared to await the judgment of experience and of history.

In this context, Mr. Speaker, I would like to reiterate our commitment that the assistance,

(MR. SCHREYER cont'd.) transitional assistance we are talking about will not be a charge, need not be a charge to the taxpayers of Manitoba but rather can be amortized against the operation of the plan, the corporation.

So now we have answered the first two, three questions postulated at the beginning of my remarks; what is the best possible plan for lower costs and better coverage and what is the desirable delivery system for that plan that is at the same time relating to the human factor and human problems.

We come now to the third question: How can the government minimize dislocation and what is the fairest way of doing so?

Obviously, part of that question has been answered already especially with regard to agents and the town of Wawanessa. I would like to take this opportunity to summarize further our proposals for transitional assistance, some of which have been already stated, some of which is in the nature of further elaboration at this time.

(1). For salaried employees, assistance will be provided on the basis of 75 percent of weekly earnings up to a maximum of \$85 a week and on the basis also of one week for every year in the industry. This assistance was previously outlined but we are modifying it slightly by removing the maximum of 26 weeks in computing the assistance.

(2). For self-employed general agents who write auto insurance amounting to less than 25 percent of their income from all sources, then there would be either (a) Cash transitional assistance based on multiplying that portion of their net income attributable to auto insurance by the percentage it represents of their total net income, with the settlement to be based on the income for one full year; or (b) Cash transitional assistance based on the formula for salaried employees, as outlined in item 1 above and applied to that portion of income attributable to auto insurance.

(3). For any general insurance agent who can show that more than 25 percent of his gross income was attributable to auto insurance - then either the agent will be granted a special license which will simply allow him to stay in business and sell the public policy, plates and supplementary coverage, or cash transitional assistance based on either of the two formulas outlined above. There is more detail I suppose that one could give at this time, but the basic concept and parameters have been put forward and I feel that this is sufficient to give honourable members certainly the necessary information as to what is being proposed.

Mr. Speaker, I noted with interest last night that the official spokesman for the insurance industry has rejected any formula and has done so in advance. Frankly, Mr. Speaker, this was the kind of reaction that one would expect given the nature of what has transpired, and I really am not surprised that it has been done in advance, although it is still cause for disappointment.

It is not surprising because of the fact that the offer to have this meeting in early July was cancelled by their decision not mine. The eagerness of the industry to reject our proposals before they have even heard them speaks eloquently as to who are the dogmatic ones. We hear about dogmatism, the dangers of those who are doctrinaire; I ask the question - who are the doctrinaire ones?

I think if one would ask the people of Manitoba who is dogmatic and who is more open-minded - the government that is willing to discuss its proposals and modify them or an industry that demands total negation of a basic government principle and rejects alternatives before they actually have them, the answer to the question as to who appears to be doctrinaire and dogmatic, becomes self-evident.

The statements by the spokesman for the insurance industry including some of those who claim to speak for the insurance agents of the province, seem to indicate that agents would not wish to become involved with a public plan, or that now the real issue is not the fate of the agents but rather the principle of public auto insurance. Well, Mr. Speaker, if that is what is to be contested, that is a fair contest, and I wouldn't suggest otherwise; I would suggest that we are ready for it. Let that be clear, we are ready for a contest.

I do believe that the insurance agents, that many insurance agents in Manitoba, those agents who wish to continue in their present occupation and continue earning a return for their service, while having much more time, much much more time to consider any matters relating to transition or change in what they work or do, will recognize our proposals as being practicable, fair, and equitable under the circumstances.

I further believe that by their statements that the fate of the agents is no longer the real

(MR. SCHREYER cont'd.) issue. The spokesmen for the industry have admitted that our proposals will indeed solve the problem of the agents' livelihood, and I believe further that the people of Manitoba will recognize our proposal as fair, compassionate and practical.

So, Mr. Speaker, I believe that I have elaborated on a number of salient points that some wanted clarification on, and I think I have stated the position of this government in unequivocal terms. We believe that a single-company Crown corporation is the fairest, most equitable way of reducing insurance premiums for the people of Manitoba and that, in terms of province-wide average of premium rates, will result in substantial premium reductions.

We contend that the resources that will be made available from the investment of these funds can be used for housing, for municipal debentures and the like. In other words, to be put to use, the monies so collected to be put to use in such a way that it will work more effectively than it has before for the public needs of this province.

We believe that the Manitoba auto insurance plan, while similar in concept, very close in concept to that of that in Saskatchewan, should be more adaptive, and adapted to the requirements in the Province of Manitoba.

We believe that the Crown corporation should have a head office which is consistent with our policy of balanced regional development within Manitoba. Just as there is on a nation-wide scale a department of regional economic expansion whose objective it is to bring about a greater balance in regional development across Canada, so within the Province of Manitoba there is the necessity for having balanced regional development. Just as it is possible for a nation to have certain of its regions requiring stimulation to bring about greater development in a particular region, the same thing applies at the provincial level, that there are regions within a province which require special effort to bring about more balance in regional development within a province.

We state further that the delivery system for the public plan can include existing insurance agents who wish to take advantage of that proposal. They can continue to be involved in such a way that no one will suffer in a major way from the introduction or going into effect of the plan. We say that for those agents who choose to leave that particular work that there is a fair and equitable form of transitional assistance, every bit as fair and generous, and actually more than some that we have seen as examples already in effect in other places. We believe that the people of Manitoba want and deserve the benefits that will accrue from the plan as I have outlined it here today.

Mr. Speaker, as a further indication of the goodwill of this government, I would propose to move an amendment to Bill 56, or to have such an amendment moved so that it would be known, so that it would be actually in the legislation that the plan would not go into effect sooner than June 30, 1971. I make that point because it seems to me there is validity in the argument that there is need for more rather than less lead time for those who are in the industry now and would be affected. It seems to me that no one really suffers and there is some advantage, mutual benefit perhaps, to have more lead time. So for those who were concerned that the program would go operational before the holding of another regular session, one will have to admit that this will not be so, that another regular session of the Legislature will take its course before the earliest possible implementation date. And in that period of time of course, I might add, after the passing of the bill, in the event that this Assembly sees fit to pass this bill which I expect that it will, there will then be the necessary authority for this government to proceed with the making of the necessary administrative arrangements, the necessary administrative arrangements that must be started soon if the plan is to be ready to go operational by mid next year.

Having said all this, Mr. Speaker, I wish to reaffirm that there are positions of conscience taken by members in public life. I have on a number of occasions seen issues arise that became matters or issues of conscience to members very quickly. As I already said, no one side or no one group can claim that it somehow has a corner on conscience, but I do believe that what we have put forward here today reaffirms, if you like, put forward in the nature of new proposals or elaboration of proposals that I made on the 24th of June, that they are put forward genuinely. I say that because I know that there will be some who take the position that if a government doesn't accept any changes or amendments offered by the opposition, it is arrogant. If it doesn't listen to the opposition, it's arrogant. If it listens to the opposition or to the point of view expressed by people and it does come forward with some changes, as I have in fact outlined, then I suppose some will try to make the argument that it is weak.

Mr. Speaker, it is a little amusing, it's also as old as parliamentary government, as old

(MR. SCHREYER cont'd.) as parliamentary democracy, so I say to honourable members, honourable colleagues and members opposite, that what we have put forward is not intended to cope with the criticism that we are either arrogant or weak, because quite frankly I expect they will be saying one thing or the other and maybe both at the same time. But it is put forward because we believe that what we are proposing is fair, equitable, practical and just and in the end that makes a great deal of difference. We sincerely believe in the efficacy of what we are proposing and at the same time in the fairness of the proposal to cope with the problem of dislocation caused by change that will result.

Another dilemma; if we were to so proceed that an election takes place, at one time or another we can be accused of having so manipulated things that we fabricated an election. On the other hand, if we show proposals that might win the acceptance of a number of honourable gentlemen, then I suppose some of the opposition can make the point, for those who want to believe, that it was done because they didn't really want to do it but they were afraid of an election. And again that's a little amusing, it's also as old as parliamentary democracy, and again I say that what we are putting forward is not, it's not designed to in any way cope with that kind of criticism because that's impossible and quite frankly doesn't concern my colleagues and myself.

We are putting it forward for reasons I have stated again and again which are worth . . . which bore repeating, so in the end I say that if there has been some drama here it is because unfortunately there was perhaps premature action on the part of certain individual members. If there is some drama here, it is because there was an open display of some friction and disagreement, divergence of views between two gentlemen who belong to the same caucus. But, Mr. Speaker, that too is as old as parliamentary democracy.

One of my colleagues has been referred to as being in some way dangerous. May I say -- I want to say something about this. My colleague, the Minister of Mines and Resources, he has certain definite views and he expresses them accordingly. I could never quite understand honourable members of this House who, after the Honourable Minister spoke, would rise in their place and say, well what you said is all wrong but you are such a good debater that I can't argue with you. I say that if you've got a case to make, if you've got conviction, you can take anybody on. And this pleading that you can't match the Honourable Minister of Mines in debate, it's probably because you've got a weaker case.

Just as an individual member on some issues may feel that he has made enough changes, that he has gone about as far as he can go in compromise, that he must make a stand - and it's reminiscent of another quotation from the late President Kennedy who said that in political affairs, in public life, that in the end a person in public affairs must do what he feels he must; he must take his position regardless of the personal consequences to himself or to his family or to his friends. In the end he must do what he thinks is right; he must do what he feels he must. There can be no other basis for public morality, for morality in public life, and I say the same thing. We have put our position now, we have made as many changes as were suggested, and of our own that we feel we can, but we will not violate the principle of something we believe in, and that is that a public auto insurance plan will work to the greater benefit of the people of Manitoba; that insurance agents can, if they wish to, be involved in the delivery of it. There we stand - we can do no else.

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

MR. G. JOHNSTON: Will the Minister permit several questions? The first one is that at the beginning of his remarks he said that it would be a matter of public record and debate, that the regulations would be debated. Does he mean by that that they would pass through this House and be voted upon?

MR. SCHREYER: Well, as the honourable member is well aware, when regulations are drafted and prepared they are put into the Manitoba Gazette and therefore become a matter of public record, and I don't know of any member of the Legislature yet who has been unable to debate something that he wanted very badly to debate, particularly if it was a matter of official record. My honourable friend has I'm sure never been prevented from debating something that was a matter of public record.

MR. JOHNSTON: The Minister mentioned that possibly 600 agents would be qualified, if they so desired, to act as agents for the government in selling the licence plates and the compulsory government plan. Is this intended to be a permanent arrangement or a transitional phase?

MR. SCHREYER: My position, Mr. Speaker, is that it should be proceeded with certainly for more than a period of just a year or two, certainly for an intermediate period and

(MR. SCHREYER cont'd.) then reviewed after the passing of four or five years to see whether it can be improved upon or whether the government, as a matter of policy at that time, wishes to make certain changes. But whichever way, I would certainly think a matter of five years approximately the length of time, if not more, but not less.

MR. JOHNSTON: A final question then - it was partly answered by the Premier - would this mean the closing of some licence bureaus in the province?

MR. SCHREYER: Does the honourable member mean the motor vehicle license plates or does he mean the kind that are operated by the Motor Vehicle Branch directly, or by persons who are otherwise engaged as furniture store owners -- in some towns I know the furniture store owner issued the licence, another one it's a hardware store and so on.

MR. G. JOHNSTON: Yes, I believe that's what I had in mind. Also, the final question; would the agency system, as envisioned by the Premier, would it only operate outside of Winnipeg or would this one be province-wide?

MR. SCHREYER: There is no need, according to my understanding and analysis of it, no need to make any distinction here between the rural and urban areas in this respect.

MR. SPEAKER: The Honourable House Leader -- it is not 5:30.

MR. LAURENT DESJARDINS (St. Boniface): I wonder if I could be allowed to ask a question of the First Minister before 5:30? Is the First Minister going to say if the government could consider the possibility of setting up an independent advisory committee, that is a committee composed of the members of government, the industry, the agents and the public, to bring in recommendations to the government as per regulation of Bill 56? I don't mean binding regulations, but as an advisory committee.

MR. SCHREYER: Well, Mr. Speaker, that would be a course of action that would seem - I see no practical difficulties with a group of that kind. However, before giving a definite answer to the honourable member, I would like to be able to reflect and ponder on that somewhat more. Inasmuch as it is 5:30, I am wondering if the appropriate arrangements could be made.

MR. SPEAKER: The House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister for Cultural Affairs, that the House do now adjourn.

Mr. Speaker, before you adjourn, it's not my impression that the House would meet tonight, so that we would meet at 9:30 tomorrow morning.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 9:30 Thursday morning.