



**Third Session - Thirty-Sixth Legislature**

**of the**

**Legislative Assembly of Manitoba**

**Standing Committee**

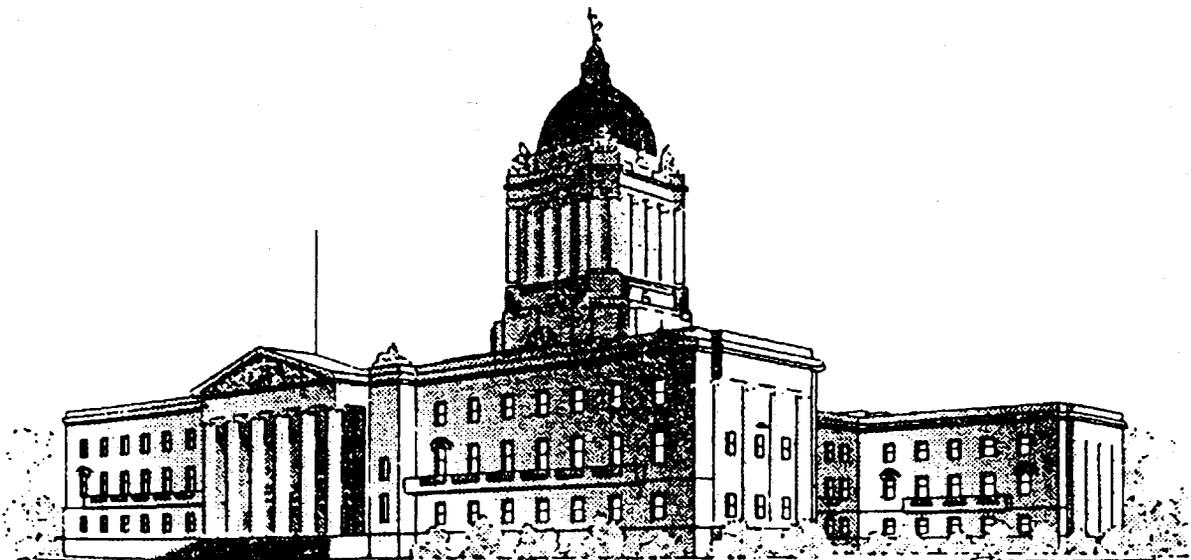
**on**

**Public Utilities**

**and**

**Natural Resources**

*Chairperson*  
*Mr. Gerry McAlpine*  
*Constituency of Sturgeon Creek*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**

**THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES**

**Tuesday, May 13, 1997**

**TIME – 10 a.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Gerry McAlpine (Sturgeon Creek)**

**VICE-CHAIRPERSON – Mr. Denis Rocan (Gladstone)**

**ATTENDANCE - 10 – QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. McCrae, Pitura

Messrs. Ashton, Dewar, Gaudry, Jennissen, McAlpine, Mrs. Render, Messrs. Rocan, Sveinson

**APPEARING:**

Mr. Jack W. Zacharias, President and General Manager, Manitoba Public Insurance Corporation

**MATTERS UNDER DISCUSSION:**

Annual Report of the Manitoba Public Insurance Corporation, October 31, 1994

Annual Report of the Manitoba Public Insurance Corporation, February 29, 1996

Annual Report of the Manitoba Public Insurance Corporation, February 28, 1997

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**Clerk Assistant (Ms. Shabnam Datta):** Good morning. Will the committee please come to order. We must proceed to elect a Chairperson before we begin with the meeting. Are there any nominations?

**Mr. Ben Sveinson (La Verendrye):** I nominate Mr. McAlpine.

**Clerk Assistant:** Mr. McAlpine has been nominated for Chair. Are there any further nominations?

Seeing that there are no further nominations, Mr. McAlpine has been elected. Would you please take the Chair.

**Mr. Chairperson:** Good morning. Will the Standing Committee on Public Utilities and Natural Resources please come to order. Before the committee can proceed with the business before it, it must proceed to elect a Vice-Chairperson. Are there any nominations?

**Mr. Sveinson:** I nominate Mr. Rocan.

**Mr. Chairperson:** Mr. Rocan has been nominated. Are there any other nominations?

Seeing none, Mr. Rocan has been elected as the Vice-Chairperson of the Standing Committee on Public Utilities and Natural Resources.

This morning the committee will be considering the October 31, 1994, Annual Report of the Manitoba Public Insurance Corporation and the February 29, 1996, Annual Report of the Manitoba Public Insurance Corporation. Previously these reports had been considered in committee on October 11, 1996. We will also be considering the February 28, 1997, Annual Report of the Manitoba Public Insurance Corporation.

Does the honourable minister have an opening statement?

**Hon. James McCrae (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** Mr. Chairman, a very brief comment.

Good morning, and good morning to members of the committee. I am pleased to be here today to resume the review of the annual reports of the Manitoba Public Insurance, and today I am accompanied by several

corporation officials who will assist in responding to questions.

Before we go any further I would like to introduce them. Mr. Bernard Thiessen is the chairman of the corporation's board of directors. Down there at the end is Mr. Jack Zacharias, president and general manager. Mr. Zacharias has served with the corporation for 25 years. He informs me he started out as an adjuster and now he is the president. So it is quite a move forward in those 25 years. No doubt, I do not know if it was right at the beginning of the corporation that you came on.

**Floor comment:** Two months after it started.

**Mr. McCrae:** Two months after the corporation started. So we have considerable experience represented in our capable president. How old would you have to be to be there for 25 years?

Mr. Wilf Bedard is vice-president of Claims; Mr. Barry Galenzoski is vice-president of Finance and Corporate Information Systems; Mr. David Kidd is vice-president of Insurance Operations; Mr. Kevin McCulloch is general counsel and vice-president of Customer Relations; Mr. Peter Dyck is corporate controller, and Mr. Jim Kingdon is manager of Corporate Communications. Jim, he is the one you see on TV sometimes.

With your permission, Mr. Chairman, I would like to move the adoption of the 1994-1995 MPI annual reports and begin taking questions on the 1996 Annual Report of Manitoba Public Insurance. Perhaps I can ask Mr. Zacharias and Mr. Thiessen to come forward and assist me in responding. These matters have been, other than the '96 report, these reports have been before committee in the past, and I would urge honourable members to perhaps move the adoption of these reports today.

**Mr. Chairperson:** We thank the honourable minister. Did the critic for the official opposition, the honourable member for Thompson (Mr. Ashton) have an opening statement?

**Mr. Steve Ashton (Thompson):** Oh, yes, Mr. Chairperson, I definitely do. I want to start off by

indicating to the minister that I will be asking a number of questions, and I will be raising it in two areas.

One is—by the way, following our experience with the Manitoba Telephone System—given the insurance lobby to have MPIC privatized, at least the profitable portion of it in their mind, I will be raising that question with the minister. I realize that, given MTS, there may be an element of cynicism that we have about the government saying, well, they have no plans to privatize MPIC, but I said in the same room in the fall of 1995, and in September of that year heard the MTS minister say the same thing, in fact, accused me at that time of being the only person and the NDP being the only party that was talking about the privatization of MTS. I will be raising that because if the government thinks they had a fight on MTS, watch out if you even think about privatizing Autopac. You will have an opposition from the public like you have never seen before. So I will be asking that on the record.

The second area of questioning I want to raise—and, by the way, I think there may be an element of commonality here in terms of what is happening with Autopac and particularly what is happening on the injury coverage side—the government brought in the no-fault auto insurance legislation several years ago, and what is, I think, most notable about the recent reports is the dramatic reduction in the payout for injury claims that we have seen from the period. I believe it was in the last annual report '93-94; it was \$193 million. If one goes ahead, and we have several reports we are dealing with here, but the most recent report indicates that claims for injuries are \$103 million.

\* (1010)

By the way, the reduction—and I find it rather unfortunate the minister attempted to skate off the question in the House about the actual source of it—is actually outlined in the report itself, the most recent report which indicates very, very clearly that the PIPP, which is basically no-fault, is performing even better than anticipated. I assume that means even better for the government and the corporation, resulting in a lower cost per injury claim, and worst case scenarios involving reserves set aside for post-PIPP claims have not materialized. Well, that should come as no surprise because if one looks at the number of injury claims

going back to 1993 before no-fault, the claims have dropped from 20,659 to 11,511.

While there may have indeed been some reduction in the number of accidents, what I found unfortunate is the minister refused to recognize what his own report states essentially, and that is if you look at what has happened, many of the types of claims that were eligible in 1993-94 are no longer eligible under no-fault, and the minister knows that. So what you have is a dramatic drop in what has been paid out since the no-fault policies were brought in.

I want to indicate on the record because once again the minister in the House did not give an accurate view of things, the New Democratic Party supported no-fault insofar as it takes out the involvement of the legal system. I believe that a properly run no-fault system can be fairer to people who are injured in automobile accidents.

Just as the Tories have done with Workers Compensation, now they are doing with MPIC. I have some experience with Workers Compensation, having been the critic for several years. What they did in Workers Compensation was the same pattern. They brought in legislation to limit the payouts and the type of benefits that individuals were eligible for and largely moved away from any coverage for pain and suffering.

I remember the legislation at the time. I believe it was 1993. What they also did, I believe, in Workers Compensation is squeeze claims, and surprise, surprise, there is a surplus in Workers Compensation. Well, Mr. Chairperson, that is because it has come basically out of the pockets of injured workers and their families, and I have seen it. I have seen people I know personally who have been through that system. I know people who have been through the system since they changed the legislation who have not been able to receive the kind of coverage they should be receiving. I have seen people since the changes in the legislation of Workers Compensation not receive the kinds of benefits they would receive if they were eligible to tort action, which they are not.

Once again, the New Democratic Party supports Workers Compensation, but not the meanspirited, deficit, surplus-oriented approach of the government

that looks at the bottom line ahead of injured workers and their families. Well, I use that as an example, because I believe that what the government is doing with Autopac is very much in the same theme.

I do not think it should come as any surprise to anyone what the real dynamics are. There has been a lot of political debate around Autopac since its inception. I might add that the Conservative Party of the day wore black armbands, said it was a black day for Manitoba. Sterling Lyon attempted to privatize it. Even Sterling Lyon understood that that would have been politically unacceptable. So I always have a bit of a suspicion when it comes to Conservatives and Autopac. But I understand there is some Realpolitik of Autopac.

I found it ironic that this is one of the key issues they used in 1988. I noticed that they did not exactly drop automobile insurance rates after they got elected, but sort of like Jean Chretien and the GST, I suppose some of those things get forgotten and forgiven over the period of time.

What is interesting is, if you look at the reason for some of the rate increases which by and large were kept and continued by the Conservatives, it was because of increased costs in the liability area, injury claims out of the court system. I believe what the government did in 1993 and '94 when it came to no-fault is basically sat down and said we are faced with either rapidly increasing costs or cutting the costs.

Now, insofar as no-fault takes the system out of the courts like Workers Comp does and removes the legal costs, which can be fairly significant, obviously that is positive to everyone I suppose except for those involved with the legal system. We supported that. We brought in 35 amendments during the bill which the government completely ignored, which were aimed at making the system a fairer system. What the government did—and by the way I would encourage the minister to meet with many of the people that have been dealing with Autopac. If you think you have taken the legal system out of it, I will tell you many people have gone to lawyers, not because they can go to court but because when they go into the appeals system, they feel that the cards, the deck is stacked against them.

I just met this morning with a group, in fact, a lot of people who have been affected fighting Autopac. That was one of the things. I asked how many people have had to access lawyers. Virtually every single one of them had to access a lawyer.

It is interesting, because even though they are starting to workers comp the system at Autopac, they have not even learned from history. In the early 1980s one of the most significant things that the New Democratic Party government of the day did was to bring in the Worker Advisor office for Workers Compensation. Now what the Worker Advisor office does is allow you, if you have a claim with Workers Compensation, to go to a totally independent advocate who advocates on your behalf. I would suggest to the minister, and I would suggest that he consider this immediately given the great deal of concern that has been expressed about the appeal system, the lack of fairness by many of the people who have been part of that system, many of the Autopac claimants. I would suggest that is the first thing that the minister should do, not even wait, by the way, for this so-called review of Autopac, the one Mr. Uskiw is conducting of the no-fault package. I do not think we need to wait that long. I think it is absolutely clear to anyone that it worked on Workers Compensation, and it provides a balance when you remove the tort system, because you no longer have legal recourse.

I believe it is unfair, absolutely unfair, when you have Autopac able to have all the resources at its disposal and have accident victims in there without any support. I have heard stories, by the way, of people having difficulty accessing the appeal process. I realize it is a new process, but one of the common themes that accident victims have expressed to me is how the rules seem to be changing over the last several years and how, for example, you get a document which outlines in some reform what the situation is, but then, no, that obviously does not have legal impact, so you have to go get the bill, and how people have had difficulty even getting information on the appeal process itself.

Indeed, I think if you look at the number of appeals, comparatively, I believe it is a small percentage as compared to what might happen if people had more access to the system. I do not encourage appeals, but when you remove the system from the court system, the

tort system, I believe you owe responsibility to people who have paid their insurance and who are injured, in many cases injured, by the way, through no fault of their own, I believe you have an obligation to make sure the system is balanced.

Mr. Chairperson, the system currently is not balanced. I do not believe it is fair, and until we start by having an advocate in place, I believe that will be the continuing situation. I want to say once again that I hope to ask various questions about this, because when you see a drop from \$193 million to \$103 million, it obviously begs a number of questions, and indeed you can take the estimated legal fees that would have come out that; it would have been a significant percentage. You can talk about changes in accident rates, and I have always been supportive of prevention, but your own document, I believe anyone who looks at any objective analysis will recognize that the reason the claims have dropped is specifically because of some of the decisions you made when you brought in no-fault insurance.

The sad part, I believe, is the degree to which there are people who are suffering as a result. I dealt with Workers Compensation for years, and I want to put on the record that I do not blame Autopac and its staff. They are basically following legislative patterns that were there, that were put in place, but you know, I remember a few years ago, and I want to use the parallel of Workers Compensation again, because what I found staggering, when the government was looking at reviewing Workers Compensation a few years ago, was that there was an internal document being circulated—this is at Workers Compensation, by the way—that indicated that adjusters felt that, I believe, the figure was about 70-80 percent of claims were somewhat or totally fraudulent.

\* (1020)

I found that absolutely offensive, and indeed that is not the case of Workers Compensation; it is a very small percentage. I have dealt with Workers Compensation cases for 15 years, and I can count on one hand the number of cases that were fraudulent. I want to take that ahead to Autopac. There was abuse of the system, and I believe there is a role for investigations. I had a situation myself where

investigation was conducted over an alleged accident, and indeed the person who was investigated was claiming disability and was continuing to work at the same time.

There is a role for investigation, but there has to be a balance. I also believe there has to be a clear direction from the top, starting from the minister, policy making level, to treat people fairly. One of the things that I find in dealing with a lot of accident victims is a lot of them feel that it is assumed that they have been involved in fraud. One person said the more you fight it, the more you get this thrown back in your face.

There is abuse of any system, but 99 percent of people, I believe, who are involved as accident victims, first of all, it is no choice of their own. Believe you me, I have had family members who have been through that. Second of all, in a lot of cases they are confused, they are in pain, they have disruption to their lives, to their marriages, to their health. These are not people who are defrauding the system. I am sure there will be people who will say, well, I know this case or that case or the other case, but what I want to make sure out of Autopac over the next period of time is that we make sure there are no memos or no directions, whether it be from the top or anywhere, that would lead to any suggestion that that is the case.

Many of the adjusters I know do not treat people that way, but when I see a government that has a pattern of doing these things—I remember one time someone, it was a Conservative said the biggest problem that Conservatives have at times is people view them as blackhearted accountants. I think that is probably unfair to accountants, but I know the sense. You know, when you get down to it, that is the sense that a lot of people have, and I will tell you, when I have seen what this government has done to Workers Compensation—and I tell you, they do not meet with the people that are suffering as a result of their decisions—blackhearted accountants is not far off it.

I will tell you when I meet with some of the accident victims that I have, and I want to stress again, I am not blaming Autopac or any of the Autopac staff; I think there are a lot of very fair individuals at Autopac. I know a lot of people work at Autopac, and they are very dedicated, but when you have got a government

that starts sending the kind of signals it did in 1994, which I think fundamentally believes in the politics of Autopac ahead of the fairness, I think that is the root cause of the problems with the way they brought in no-fault. They could have brought in a good system. They did not. I think it was all to do with politics, with the upcoming election, not wanting increases in Autopac rates, but you know blackhearted accountants, I will tell you, meet with some of the accident victims, and that is the only conclusion you can come to.

So what I want out of this minister is more than what we have with this review, and believe you me, it will not be acceptable to the opposition if the minister says we have the Uskiw review. I think this review, by the way, we have no details on what kind of resources it will have, whether there will be an ability for claimants to meet privately, because many people are afraid to meet in any public forum to outline the circumstances of their case. I have met with people who do not want me to even raise things, but they want me to know what is happening, because they are afraid that this will affect the processing of their claim.

Quite frankly, I want to say on the record again, too, because I think it is unfortunate that the minister in this particular case—I raised this in the House, and it was sort of interesting that they said, oh, well, Mr. Uskiw used to be an NDPer. We all know that Mr. Uskiw is a big contributor to the Conservatives, a very active Conservative at this point in time. I get the feeling that may have a little bit more to do with his appointment than his years as an NDP MLA, but you know that is besides the point. You should not have appointed, I believe, anybody other than either a very senior judge or a senior lawyer who has direct experience with the tort system.

The biggest concern that people have about no-fault is to make sure that a system that is good in principle provides actual and real justice in practice. I believe that once again when you have a political appointment, as was made in the case, just as you have done by the way with Lotteries, you know, where politics is definitely a criteria, what you end up with is a report that potentially is going to have political ramifications. Do you know what? Believe you me, Sam Uskiw would not have taken this as an insult even when he was an NDPer. Sam Uskiw is a very political

individual. You could have, you should have appointed a judicial review. The New Democratic government in the 1980s appointed a review based on that. I would suggest that that would have been far more appropriate than this.

By the way, if you think that the report will be acceptable if it does anything other than deal fundamentally with the whole no-fault question and provide fairness and access and travel throughout the province and be able to listen to people who have dealt with the system—and by the way, I would suggest, listen to many of the Autopac employees themselves, because I am sure they can provide a lot of guidance. Do not think that you can just use this as some papered over way of dealing with some very real concerns out there.

So I want to finish off on that note. I want to stress again that I believe there has been a lost opportunity with no-fault. I think no-fault has offered some real potential as a concept, and I would note that if you had listened to us in 1994 and adopted many of the amendments we had proposed, you would not be in this situation today. I really wonder whether you really care, because as a government, and I do not mean you as an individual, but as a government, because certainly you have got what you want, you have cut back the claims to people who were injured as a result of automobile insurance. You now have a surplus. You have ended up with this. It is just like Workers Compensation, but you know, I believe the first obligation of Workers Compensation and Autopac is to provide services to Manitobans.

When I buy insurance, I buy insurance not only for my automobile but for my own personal potential injury and that of others who might be involved in car accidents. Having had family members who have been through car accidents, I know the terrible situations that can result as a result of automobile accidents.

So I say to you I believe this government has been heartless in the way that it has dealt with Autopac and Autopac victims, and if there is one thing I hope to do as a result of this committee and the other committees, which I hope we can schedule, is persuade the government to put aside its political agenda on Autopac, whether it be for privatization, or maybe some

Conservatives do not actually care if Autopac is seen as not doing its job and not working effectively. Then it is just a lot easier to turn around and privatize it.

I wonder if that, maybe, is part of the agenda. I hope not, because I hope that if you have not shown much heart towards accident victims the last three, four years, that we can make you show some heart, and even if you do not want to, get you to bring in some legislative changes and bring in the kind of advocate that can go to bat for people and make sure that we get a fairer system for accident victims in this province.

**Mr. Chairperson:** I thank the honourable member for those comments. Do the officials in attendance from the Manitoba Public Insurance Corporation have any statements that they wish to make to the committee at this time?

**Mr. Jack W. Zacharias (President and General Manager, Manitoba Public Insurance Corporation):** No, I do not.

**Mr. Chairperson:** How did the committee wish to proceed this morning? Shall the reports be discussed separately or together? What is the agreement of the committee?

**Mr. Ashton:** It probably would be best if we discuss them as a group, but I have no problem passing the '94 report at the end of the day. Well, we have got the—which one? '94? Which ones have not been passed?

**Mr. Chairperson:** '94 and '96.

**An Honourable Member:** '94 and '95.

**Mr. Chairperson:** '94 and '95.

**Mr. Ashton:** Well, we could certainly pass '94. I just hope there will be other hearings set, because I do not believe we will be able to finish in an hour and a half this morning, so I can pass both the reports, but I just would ask for some general commitment that we can—[interjection] yes, but if we can deal with them in general, it is just that there may be some shifting back between different reports and some of the questions so—

**Mr. Chairperson:** Is it agreement that we will deal with the reports in general and then pass the two reports—both reports, '94, '95, at the end of this sitting? Is that agreed? [agreed]

Did the committee wish to indicate how late it wishes to sit this morning, or should we revisit this issue?

**Mr. Ashton:** I think twelve o'clock would be—

**Mr. Chairperson:** Twelve o'clock. Is that agreed? [agreed]

\* (1030)

**Mr. McCrae:** Briefly in response, my initial comments were simply to introduce the representatives of MPI who are with us this morning, and the honourable member for Thompson (Mr. Ashton) raised a number of matters by way of introduction that I would like to comment briefly in response, if I may.

I am, first off, very glad that the honourable member for Thompson in his comments, which in some areas were somewhat critical, but throughout spoke well of the people at Manitoba Public Insurance who day in and day out and year in and year out run the operations of the corporation. I was glad that he did that, because I share—of all the things he said, that is one thing I can share with him, that if the 1996 report shows a reasonably successful performance, it is partly to do with the direction set through the policies of the government, but in no small measure it has to do with the day in and day out operation of the corporation. So I certainly agree with the honourable member for Thompson (Mr. Ashton) about that.

He firstly raised the spectre of privatization, and I think simply in order to deal with this matter it might be best if I referred to the response given to the honourable member for Thompson by the First Minister in the Legislature here in Manitoba on April 22 of this year. The honourable member for Thompson was asking about this whole idea of the privatization of Autopac.

The honourable First Minister responded as follows: "Madam Speaker, I just want to say that I read that article that was put together by a reporter in the Winnipeg Free Press, and I was shocked at the

combination of circumstances that led to what I thought was a particularly misleading headline saying that we are studying Autopac. The member should know that at the time of the introduction of no-fault insurance, one of the conditions we made was that we would do a review of the operation of no-fault, period, paragraph, and that is exactly what the appointment of Mr. Uskiw as a review person is for. It is part of the act, and we are fulfilling the mandate of the act, nothing else. The way in which that article was concocted to mislead this as to being a review of all of Autopac under public ownership is absolutely false. We have no intention of doing that, and I want the record to be clear."

That is, I think, all I need to say about the first part of the comments of the honourable member. The honourable member went on to refer to some other things, and amongst other things he talked about politics. I remember 1987 leading up to the change of government in Manitoba in 1988. I remember full page features in local newspapers about the troubled Crown corporations in the province of Manitoba. That had a lot to do, I suggest, with the change of government in 1988.

The honourable member speaks of politics as if somehow he or his colleagues would never indulge in, and yet—

**Mr. Ashton:** Not at the expense of accident victims. Not at the expense of accident victims; that was my point.

**Mr. McCrae:** The honourable member says not at the expense of accident victims. Those are high sounding words, and I agree wholeheartedly with them. Nobody should do that, but what about the expense of every single ratepayer in the province of Manitoba? We recall clearly today—I certainly, as minister now responsible for this corporation, recall very vividly the circumstances leading up to the election of 1988 which virtually devastated the party in power at that time, because there were suggestions that the party in power at that time was bringing political considerations into the rate setting process.

To dispel that sort of thing we put into operation the Crown Corporations Council whose job it is to oversee the operations of all the Crown corporations. I think

that has been a very positive thing. I think most of the Crown corporations are operating much better today than they were in those days, thanks in part to their requirement to be accountable not only to everybody else but also to the Crown Corporations Council with respect specifically to Manitoba Public Insurance.

That corporation was required by legislation brought in by the present administration to report annually to the Public Utilities Board and to bring proposed rate increases to the Public Utilities Board and to argue their case there very publicly and to be cross-examined by interested parties. That is what happens, and that did not happen previously.

Those two things alone have had a lot to do with the improved performance of the Manitoba Public Insurance. I notice, just in yesterday's paper, Roy Romanow is being accused in Saskatchewan of playing around with hydro rates in some kind of effort to help out the federal New Democratic counterparts running in the present federal election. So, you know, the more we do not learn, the more we do not learn, but some people do. I think that the present administration in Manitoba has learned a lesson from the mistakes of other governments and, hopefully, we are not involved in making those same kinds of mistakes.

I do not have to refer only to MPIC. I can refer to the way the Hydro was being run by the previous administration in Manitoba. The Limestone Generating plant, I mean, it is widely agreed that that came on before it was required and came on for a political reason behind the timing of the construction of the Limestone Generating Station. Again, I refer to the rate shock of the '80s that we experienced with respect to MPI, and I have also referred to steps taken since those days.

There is a litany or list of Crown corporations that were very, very troublesome in those days and not so troublesome today, for example, the Manfor, the problems related to deficits and, shall we say, excesses on the part of the government with respect to the Manfor; the MTX issue, related to the telephone company, which was then under the direction of the government of the day; Flyer Industries, which was so badly managed that even the New Democrats agreed that it needed to be privatized, and that is what they did.

I can think of very, very troublesome days at the McKenzie Seeds company and ManOil, and no doubt there are others.

So those corporations, Mr. Chairman, had some very difficult times due in no small measure to the very thing the honourable member for Thompson (Mr. Ashton) is referring to today, political interference, to the detriment of people.

There is no point trying to say that there is no detriment to people when you are hitting them in the pocketbooks as hard as they were hit in the NDP days. Perhaps it would be helpful to the discussion here if we steered away from that sort of rhetorical stuff, because I can, I think, quite easily, bring to the attention of the honourable member the excesses of the government he supported, which far outweighs any kind of negative comments he could make about the present administration and its stewardship of this corporation.

The honourable member spoke of the PIPP, Personal Injury Protection Plan. I realize that there were amendments brought forward by his party when the time came to move in this direction, but there was general support for the concept and the principle. Contrary to what the honourable member has said and with exceptions obviously noted because there are, with any program, people who have difficulties from time to time with it, and we know that happens, but in an overall sense, I am saying this prior to the review being carried out by Mr. Uskiw, but I am relatively confident that in an overall sense the no-fault aspect of public insurance is achieving the objectives that were set out for it and objectives that everyone agreed with.

Like with all kinds of legislation that come forward that break new ground or make significant change, his colleagues and himself bring forward amendments that would achieve objectives that they might be more supportive of. I realize that but, generally speaking, the annual report sets out that we are achieving the objectives we set out to do. But just in case we are wrong about that, which I do not think we are, but just in case, we have got the review underway, which is a legislatively mandated review. It is being conducted by Mr. Uskiw, and I do not understand the comments of the honourable member for Thompson.

\* (1040)

Mr. Uskiw was good enough to be a minister in an NDP government for 16 years. I do not know why he would not be good enough to head up the review of the MPI. The honourable member makes some reference to political people, and surely he is not inviting me to go back to the record of the New Democrats and look at the kinds of people that were in charge of very, very important matters during the NDP years. Is there something wrong with Mr. Uskiw is what I want to know.

It is hard for me to believe the honourable member when he says there is something wrong with Mr. Uskiw when he did not mind seeing Mr. Uskiw serve in an NDP government for some 20 years. As the Premier put in on April 27, he said: I think, to Mr. Uskiw's credit, he has recognized that there is good government in this province, and if he supports this government, that should not be a reason why he has to be rejected as a commissioner. The fact of the matter is, he does have the experience, he did serve in this House for 20 years, we do not hold it against him that he was a New Democrat, I do not understand why they—meaning the honourable member and his colleagues—hold it against him that he has seen the light and recognizes good government.

**Mr. Ashton:** You should have appointed a nonpolitical person. That was my point, and you know it.

**Mr. McCrae:** The honourable member also referred to the appeal process under the no-fault aspect of public insurance, and I would remind the honourable member that the members of the public are advised in writing by the corporation of the appeal process that is available and how to access it. The honourable member referred to family members, and I do not suppose there are very many people who are not, in one way or another, affected, or a member of a family who is not, in one way or another, affected by serious injuries which are the result of motor vehicle accidents. I can tell the honourable member that I am just like he is in that respect, in more than one instance in my personal experience and that of my family.

So I do not need to hear from the honourable member any rhetorical tirades about that sort of thing. I have seen the pain. I have felt the pain. I know a little bit

about the suffering; perhaps not as much as some other people, but I certainly have, and members of my family have, certainly been involved in very, very serious motor vehicle accident injuries. So I do not need any lessons in sensitivity from the honourable member for Thompson, because I certainly have experiences of my own.

Thank you, Mr. Chairman, for the opportunity to respond, and I and the corporation are available to answer questions.

**Mr. Ashton:** I must say I find it interesting that the minister had an opening statement, then I had an opening statement, and then the minister had another opening statement. I can get into a lengthy debate with the minister, but I just want to say two things.

First of all, I think it is unfortunate, the fact that he read into the record the comments of the First Minister—by the way, has no credibility whatsoever on anything to do with Crown corporations, and then attempted not only to justify what the government is doing with Autopac, but then attack a reporter who wrote a story which indicated, factually, that there have been two things happening with Autopac. One is the review by Mr. Uskiw, but which, by the way, is the result of an amendment brought in by the New Democratic Party when no-fault was passed. I have the amendment here in case the minister is not aware of that.

But the second thing is the fact that there is an insurance lobby to privatize part of Autopac. It is interesting because when it came to MTS there was no lobby to sell off MTS, but they went and sold it off anyway. So the question that I raised was the position of the government. I will just leave it to say that the words of the Premier, who has zero credibility on Crown corporations, on Autopac, do not give any satisfaction to anyone. When I hear about the insurance industry, and I say this on the record and I will say it in meetings with him, which is that they either want to privatize Autopac or else what they do is they want to have insurance premiums, the percentage that agents get, increased by about three to four times.

I mean, I just say that, I am sorry, but society does not operate for the benefit of people in that way. The

reason that we have Autopac there, in the first place, is to benefit all Manitobans, and I hope, by the way, the government will not make the same mistake it did with Autopac on that. I hope, by the way, that the minister will be more careful in quoting the words of the Premier. I thought he took a real cheap shot on that, because he knows and the minister knows that the insurance industry is lobbying.

I also, by the way, hope that the minister will not try and get into this sort of thing of separating accident victims and ratepayers. Well, accident victims are ratepayers. They paid their rates, and one of my concerns is, I believe a lot of Manitobans who have been injured or potentially will be injured are not getting the coverage that a lot of them think they would get and would expect to get. They are not getting the coverage that is outlined in the brochure. They are certainly not getting the kind of coverage that was talked about in 1994, the words that were put out in terms of how this was going to benefit accident victims. The proof is in the pudding in terms of what is happening. Even the minister's own report is indicating that is happening. I think the system has gone far too far in the other direction, and I am hoping we can get to the bottom of some of the things that can be done to change that in this committee.

My first question, though, and I want to ask this on no-fault again. In the debate, July 20, 1993, the NDP critic, Len Evans, moved an amendment that would have established an advocate for Autopac similar to what is in place for the Workers Compensation Board. I notice, Mr. Chairperson, you spoke against it as being unnecessary, and it was voted down by the committee by five to four, basically by the government majority.

I want to ask, given the fact that under the new system of no-fault you no longer have any ability to go to court under the tort system and in view of the fact that many accident victims are saying that they feel intimidated, they do not feel they have a fair access or process, they feel mentally and physically exhausted from having to go through the steps, will you not take a system that works, the worker's advocate system, and adapt it by bringing in an advocate for injury victims of Autopac to deal with the current system?

**Mr. McCrae:** The review of the PIPP being conducted by Mr. Uskiw has a mandate. The mandate is the one

that is set out in the legislation. The mandate, as I recall, is that the review is to determine whether the PIPP is achieving the objectives for which it was established, and we hope to receive the report of the review in due course and draw conclusions from that and take advice from that.

But with respect to the honourable member's comments about an advocate, I already referred to the appeal process that has been set up under the PIPP, and it is headed up by Ray Taylor, Q.C., a very well-known and respected legal person in Manitoba. Until the review is completed, at least, that is the process that we have in place and we will await the results of the review.

**Mr. Ashton:** I want to note that one of the few NDP amendments that was accepted in 1993 was the one leading to the review that the minister is talking about and specifically the reference to the fairness and adequacy of the compensation available to victims, because we expressed concern about that in 1993, the fairness and effectiveness in the way in which the corporation administers claims and the fairness and effectiveness of the review and appeal processes under Division 10 of the act.

We knew in 1993, we predicted there would be some of the problems we are seeing today and some of the frustrations. I would like to focus in on the appeal process for a moment. I would like to ask the minister if he can indicate how many appeals have been filed and what percentage of those appeals have been successful in terms of either Autopac or the claimants?

\* (1050)

**Mr. Zacharias:** We have two appeal processes, one being an internal review and the other one being an external review. From March 1 of '94 to the end of that calendar year there were 43 applications filed. In the next 12 months there were 129. In the period January 1 to December 31, '96, 333; and January 1 to May 12, there have been 176.

There is also an external appeal process. During that same time there have been a total of 149 appeals applications filed.

**Mr. Ashton:** So you are saying over the four-year period there have been 149.

**Mr. Zacharias:** This is where the appeal—external appeals are with the review commission headed by Mr. Taylor.

**Mr. Ashton:** What has been the disposition of those appeals? How many of them were resolved in Autopac's favour, how many in favour of the claimant?

**Mr. Zacharias:** During the 1995 calendar year there were 25 appeals concluded; 72 percent confirmed the stand that Autopac had taken and also gone through the internal review, and 28 percent were varied. That does not mean overturned; there can be minor modifications in some cases.

During the 1996 calendar year there were 74 appeals; 70 percent were confirmed, 30 percent varied, and so far in 1997 there have been 49 cases, 68 percent confirmed and 32 percent varied.

**Mr. Ashton:** I was wondering if you could indicate what happens in a hearing of the external appeal process. What resources are available to the Autopac claimant? Who is there on behalf of Autopac and what officials are there in a typical appeal?

**Mr. Zacharias:** The claimant would be in many cases representing himself and in a few cases may have legal counsel with him. It is the claimant's option, or he may have other advocates working on his behalf. The commission would normally hear the evidence, review the medical reports, order their own medical reports or other expert evidence if they thought it was necessary. The individual would also have the opportunity to address the commission with respect to their individual concerns.

From our corporation's side, there would be either an adjuster or in some cases a lawyer presenting the evidence that we had gathered with respect to that particular case. Everything would be laid before the judge, and the three man panel would then, if they felt they had enough evidence, make a ruling, if not, pursue whatever course of action. They might want to gather further evidence and then make their ruling.

**Mr. Ashton:** Well, what I find interesting is that after we supposedly under no-fault removed lawyers from the process, Autopac then is still using lawyers at the appeal level and in terms of appeals, the external appeal you talked about?

**Mr. Zacharias:** In some cases we would have a legal representation there, depending on whether it was issues of law or straight evidence that was being in dispute. In other cases we would have the adjusters handling the files attend.

**Mr. Ashton:** This is one of the concerns I know that have been expressed to me by people who have been through the process. You have the figures, obviously; MPIC is winning the vast majority of the appeals. I cannot prejudge that; I do not know the circumstances.

**Mr. McCrae:** I hope not.

**Mr. Ashton:** Well, and I hope the minister though will look at the fact that many people feel intimidated going into a process—and you have got to remember accident victims in a lot of cases have gone through a lot, and they have suffered a loss of income—up against a situation where Autopac has all the cards basically in terms of access to resources and is using in some cases lawyers in the appeal process. I am wondering, was that the intent of 1994 of no-fault, that we would get it out of the court systems but we would still end up with a system where Autopac would be using lawyers, and in many cases, accident victims—I met with a group of accident victims this morning, most of them had to go to lawyers anyway. But, you know, the funny part is they have had to go to lawyers not to have access to the court system but simply because they feel when they are dealing with Autopac, since there is no advocate in place and when Autopac has access to all the legal resources, that they have to have somebody who can argue on the legal side.

Was that the intent of no-fault when it was brought in in 1994?

**Mr. McCrae:** Mr. Chairman, in response to people's demands and the perceived requirement for some final arbiter in these matters, this is the process that was put in place. Mr. Zacharias has said that people are entitled to bring whatever assistance they require, whether that

be legal assistance or some other form of advocacy, with them if there is any feeling of discomfort.

Put yourself in the position of someone who has been injured in a car accident previous to this and now, and I do not know how one gets through a process as nasty as this in a person's lifetime without the kind of fears and discomfort and anxiety that goes with being an accident victim. It is certainly an intimidating thing, I suggest under the old system, to go to a lawyer to try to get your rights looked after and then find out that upwards of 35 percent of the cost of that system went to legal fees. That amounts ultimately to an intimidation of all 700,000 or so ratepayers under the insurance system in Manitoba.

So I do not know how the honourable member can—I do not think he can have it all ways all the time. That is one of the things that happens when you are in opposition. You do not have to be responsible for the things that you say, think or do. Sometimes you do not have to be responsible for the things you do, but it sometimes comes back to haunt you, as I have found out moving from opposition to government over the years. But to say on the one hand you favour the no-fault system and then on the other hand you are upset that at the final appeal level the corporation has legal advice available to it, I just say to the honourable member, as Mr. Zacharias did, that people coming forward to that level also have legal representation if they so choose.

Again, I do not know how far I want to get into this discussion, because under the legislation we have a review process. That review process is now happening, and if the honourable member wants to put this particular point to his friend, Mr. Uskiw, then he is quite entitled to do that. Use my office to get the message through if you want to.

**Mr. Ashton:** Mr. Chairperson, the minister did not answer the question. In fact he is the one that is having it both ways. We were told in 1994 that one of the basic purposes of no-fault was to remove this from the legal system, and we have that now confirmed in this committee that Autopac itself is using lawyers in the appeal process and that many claimants feel forced to do so, although I have talked to accident victims, by the way, who have said that there are very few lawyers that

are willing to go to any kind of Autopac appeal because they know that they are basically not in the court system. There is no access to tort, so it is the minister that is having it both ways.

We have got to remember here the big concern that was expressed in '94 was the fairness of the appeal process. I do not think it is fair, quite frankly, when you have accident victims now who go in there and do not have the same kinds of resources that even a Workers Compensation claimant would have, thanks to the advocate's office.

By the way, I say to the minister that he is the one, and this government is responsible for passing the bill in 1994, not Mr. Uskiw, and he ultimately is responsible for policy decisions, not Mr. Uskiw. I will ask these questions today because we are dealing with Manitoba Public Insurance Corporation. They are all relevant to what is happening, and I hope the minister will accept responsibility ultimately for this.

But I want to go further, because you have to recall back in 1993 that the NDP also moved amendments, which the government defeated, that would have looked at a number of issues such as a benefit-of-the-doubt clause which, technically, is supposed to be in place in Workers Compensation. You have to recognize as well that there are many areas where it is in a gray area medically. There are many injuries you cannot assess, back injuries being a good example of it. Many injuries are in that gray area.

\* (1100)

We have the benefit-of-the-doubt clause. What you have is, you have some ability of accident victims, I believe, who know themselves the injuries, to have some acceptance of that without the current process where, I believe, once again, the cards are stacked against many accident victims and, by the way, even though it is technically in place with Workers Compensation, there again, it does not apply in practice in many cases. I have cases that I can point to, both in Autopac and Workers Compensation, where that is the case.

I am wondering, will this review look at including the kind of benefit-of-the-doubt clause that I believe would

provide far more fairness and far more ability for accident injury victims to have fairness in dealing with their claims than the current system, which has no benefit-of-the-doubt clause?

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

**Mr. McCrae:** I understand the kinds of concerns that the honourable member is bringing forward. They indeed would be the same kinds of concerns that I would have as this no-fault system moves into a review phase. These are good points to get on the record, especially at this particular time. These are good points to bring to the attention of the commission reviewing the no-fault aspect of MPI.

There is no doubt about gray areas. Just for the honourable member's interest, for a number of years I served as a court reporter in the Law Courts across the street, and for a time in Brandon as well, and had occasion to sit and listen to both sides of the cases in many, many car accident cases. It took a lot of wisdom, I suggest, under that system, and no doubt under the present system, to come to an appropriate adjudication in these cases. You can listen to a doctor or several doctors all day talk about, fully and completely using all the medical terminology that one sometimes hears from medical practitioners and, somehow, the message never really does come forward in a way that the victim or the plaintiff would like it to come forward simply, because proving issues such as pain is not always as easy as you might think. The medical people can only do what they can do within the limits of their skills.

So I have no quarrel with the honourable member whatsoever when he talks about the gray areas. It is an extremely difficult aspect of coming to grips with the kinds of problems that come before anybody trying to adjudicate these kinds of claims.

That is why we do the best we can do, within the limits of what is humanly possible, to create a system that is as fair as we can make it. In the process, because new ground was being broken in Manitoba, it was felt that within three years it would be appropriate to bring about a review of the Personal Injury Protection Program. I do not want to prejudice that review by going very far in my comments today, but that is not to discourage the honourable member from

raising the kinds of issues that he believes are important to raise at this time, at this legislative committee. There is not a thing wrong with him or anyone else making sure Mr. Uskiw understands the nature of the concerns that there are out there.

The review has a mandate. If you look at the legislation that set up the PIPP, it has a clause in there that refers to the review mechanism and the process and the mandate of that review. The mandate is nothing more nor nothing less than what is set out in the legislation, and that is something to the effect that the review must determine whether the PIPP is achieving the objectives for which it was established. That is what it about. That is a pretty wide-ranging mandate, I suggest, and the honourable member or anyone else is welcome. Perhaps, before we are done, we can share with the honourable member the address and telephone number so that Mr. Uskiw's office can be—that information can be made known, or the honourable member can use my good offices to pass on the concerns. I will faithfully make sure they get passed on. If the honourable member is not having regular conversations with Mr. Uskiw, maybe I can help be a conduit for him.

As I say, there is no question, but the gray areas are extremely difficult for human beings to deal with, and all we can do is set up the best method that we know how to set up, to deal with them; and, if there is anything wrong with the present system, I hope that the review will let that be known.

**Mr. Ashton:** Well, once again, the minister did not answer the question, and I hope that the minister will look at legislative changes to put in the kind of benefit-of-the-doubt clause that we saw—introduces an amendment by the New Democratic Party. I also want to focus on some of the other areas that we identified, in particular, in terms of the kind of information that Autopac has access to. I know we expressed concern at the time about the ability to have access to information not related to the accident, but that Autopac might feel is relative to the claimant's case.

We based our position, our concern, on that, on what happened with Workers Compensation and what has happened in various jurisdictions. I know of people personally, and we have dealt with cases of people

where essentially material that is absolutely unrelated has been used in the dealing with accident claims. To my mind, if you are injured, you are injured. You should be entitled to coverage.

Some of the cases that I have seen, pressure has been put on individuals, and I will not get into individual names, but I am prepared to provide this information to the minister, where essentially the degree of pressure that was put on people and often using total extraneous circumstances, cases, for example, of someone on parole in an accident. What relevance does it have whether they are on parole or not on parole? If they are injured, they are injured.

I can provide circumstances where that has been the case. But is the minister prepared now to recognize that the kind of information that Autopac has access to, in many cases, goes far beyond the real question, and the real question should strictly be, were you injured in an automobile accident and to what degree should that injury be covered by Autopac?

**Mr. McCrae:** I thought I had answered the honourable member's question quite directly about the benefit-of-the-doubt issue that he raised, that answer being that this may well be an appropriate thing for Mr. Uskiw's review commission to have a look at. If, upon review, it is seen to be a good thought or a good idea, that, no doubt, would find its way into some recommendations made by the no-fault review.

I do not want to prejudice that review, but there is nothing wrong with putting ideas in front of that review for their consideration—the kind of thing that the member talked about, a case, perhaps, where somebody was on parole and involved in a car accident. I do not know anything about that case, and if the honourable member wants to share details of a particular case with me for my interest, that is fine. The appeal process is there and can be used.

I think committees like this sometimes are seen by the opposition as an opportunity to come forward and rehash cases. I do not think that is my function here as the minister. I think my function as minister is to answer questions related to the policies of the corporation as set for the corporation by the

government, and for the corporation, through its president, to answer questions about operational matters that are more appropriately answered by the corporation. But I do not see this as a place to rehash cases that maybe did not come up with a conclusion that was totally satisfactory. If it was not satisfactory, there is an appeal process to deal with that.

The no-fault review being conducted by the Uskiw commission, if we can call it that, may want to review the whole aspect of the appeal process. I do not think that is outside the mandate set for the review in the legislation setting up no-fault. That would be my response.

\* (1110)

**Mr. Ashton:** One of the problems is that in some cases people just give up. I can provide information on a case where that was the case, and I have had cases identified with me. I am not raising cases here for the 15th, 100th time where people—it is a reasonable decision. People in a lot of cases are frustrated because of some of the insinuations that have been made. I can provide details on the specific case I referred to; the person dropped the case. I can provide details.

By the way, I met with many accident victims that were here at the committee today, this morning, and in many cases there are huge gaps between what people are eligible for and what they are able to access, even just in terms of information, in terms of whether people are eligible for injury benefits. But, even in terms of the appeal process, people have had difficulty even accessing the appeal process, which concerns me greatly.

I am wondering if, quite frankly, the minister will review this. I say this because I am sure it is not the policy of Autopac; I am sure it is the policy to make people aware of what is going on. But will they review a constant theme that I have received from many accident victims—that is, in a lot of cases, it is difficult to access information on what is available to them? One of the biggest concerns that has been expressed is that there is a great deal of confusion since no-fault about exactly what people are eligible for in the way of benefits, what the processes are.

I talked to people this morning. If there is one consensus of people I met with, and I met with a number of them before, is that there is a general confusion in their view. I understand them, you are an accident victim, you are on the other side of the table. I am not blaming anyone here, but I am saying their view, and I think there is probably some legitimacy in it, is that the rules seem to keep changing as time goes along. Maybe that is part of the problem here.

We have a system that is new in place, and maybe the government itself has not been clear. Has there been any review at that level of dealing with front-line staff at Autopac to see if there is confusion taking place over the system and whether, indeed, information is getting out? As I say, I am not blaming front-line staff. I believe it is probably something you would expect with the new system, and has there been any review of that?

**Mr. McCrae:** I am advised by the corporation that each matter referred to the appeal structure set up, which reports, incidentally, not to this minister, but to the Minister of Consumer and Corporate Affairs, which is an appropriate thing, I suggest—but I am advised that the proceedings are not—I mean, you do not walk in and find wigs and robes and things like that. I understand that it is a relatively informal process that is used; that the participants or the adjudicators, if that is what they are called, do attempt to accommodate accident victims who come forward. They do attempt to set up as nonadversarial and nonhostile an environment as possible so that people can feel relatively comfortable about getting their message across to this panel. I am told the vast majority do not give up, as the honourable member has said. Here again, if the honourable member knows of a case that creates the kind of concerns about which the honourable member is talking, my door is open to the honourable member. We work together daily in our other capacity, and I am quite available to the honourable member to talk to him about a case, and I will cause whatever inquiries are appropriate. I will cause those inquiries to be made to get to the bottom of things.

Indeed, I will help the honourable member get through to Sam Uskiw if that is any kind of a problem for him. I would be delighted to try to help and get the matters the honourable member is referring to squarely in front of Mr. Uskiw so those questions can be

examined and reported on. So I do not know how I can help more. If the honourable member thinks that there is something more I can do, I would be delighted to do that.

I know he wants me to make decisions before the review is even complete, and I do not think that is right. There is no experience that I know of where that has been found to be an appropriate thing to do, to jump out ahead of a review that is mandated by legislation. Why would I want to unless there is something that the honourable member can point to in an operational way that just screams of injustice?

I would like very much to address that with the honourable member, address it with the corporation. The system that is put in place now was there, a genuine effort to try to deal with the matters the honourable member is raising. I think that Mr. Cummings and others had the foresight back in 1993 to say, well, what if we are wrong? What would be wrong with having a review after three years of the operations of this particular program? What if the honourable member for Thompson (Mr. Ashton) or whoever from the NDP no doubt were making all kinds of allegations at that time?

I think it is a very responsive, sensitive, nonarrogant way of dealing with an issue to say, well, we are going to have a review because this is a very human world. We think we are doing the right thing. We think we are doing the right thing by all of the ratepayers and all of the accident victims, but just in case we could improve on the performance of this particular legislation back then, we should have a review process to look at this, because we are indeed in Manitoba breaking new ground with this.

I think that was the right to do. Now I think the right thing to do would be to make sure Mr. Uskiw has the information that he needs in order to make an appropriate determination as to whether the no-fault system is working the way it was intended to work.

**Mr. Ashton:** Well, Mr. Chairperson, I do not need any help from the minister to contact Mr. Uskiw, although I do note that there has been no delineation of the process involved. I want to state on the record to the minister, I also do not consider the review that will be

undertaken as living with the spirit of the amendment that we moved in 1993. The minister did not consult with us on the appointment and, by the way, he may play word games in terms of Mr. Uskiw having been a former NDP cabinet minister who is now a very active Tory. In the end I will say to the minister that we do not need someone, in this case anyone, I believe, with a potential political agenda to deal with something as important to Manitobans as reviewing no-fault insurance. If the minister wants it clearly stated on the record, the New Democratic Party does not accept the way in which you have taken our amendment, which was adopted, and appointed an individual who obviously has a very distinct political agenda.

I believe that the only fair thing to have done on this would have been to appoint a judge, a senior lawyer, someone that has some sense of justice and is not going to sit there and even subconsciously work this through in a way that reflects any of the government's priorities. The minister knows, in fact, I know it would be very unlikely if he would have appointed any former NDP cabinet minister who just coincidentally happens to be a major contributor and active in Conservative campaigns.

If this was some of the more routine boards and commission appointments, even Autopac—I look around at the Autopac board. Surprise, surprise, they are political appointments. Do I criticize it? No, I do not in the sense that I know that has been the case. People tend to appoint boards that reflect their political philosophy, and that was the case with previous governments. That is not the issue here.

When you appoint to my mind what should be a judicial review, you do not do it with somebody that you are giving a political payoff with or someone that has any kind of political agenda. You do it with somebody who is above and beyond this kind of discussion. If it was anyone else and, by the way, to the minister, if you would even have had the courtesy to discuss with us a potential appointment, I think we could have avoided this, because there are many eminent Manitobans, I believe, who could have done this job without the hint of this.

This is not the only area your government has done it. You have done it with Lotteries now, and you have

done it here again but, you know, there are some times when you have to put politics aside and you have to go and, in this case, I believe if you want to be fair to injured Manitobans, I think you have to do that.

I want to ask the minister because, by the way, I do not have any confidence in this review because, in the end, it all comes back to the government. You have to make the final decisions yourself, and you in 1993 said no to the vast majority of 35 amendments. I just want to, by the way, read here some of the amendments you said no to and ask that you indicate whether you will now reconsider those amendments.

\* (1120)

We moved amendments that defined employability, interpretations of employability, incorporation of regional unemployment levels in the termination of income replacement. We expressed concerns about MPI's latitude in deeming of income and their review after one year which allows them to drop people to lower income levels based on employability following injury. We moved to raise northern insurable earnings in line with higher northern incomes. We moved to raise disability benefits for dependents and moved to increase death benefits. We moved to eliminate the waiting period that was in place. Will you consider those amendments that in 1993 you said no to, which I believe are at the root cause for many accident victims of the real frustration that is out there?

I say to the minister, by the way, I welcome his indication his door is open, because I know of a lot of people who would like to meet with the minister personally and outline their frustrations of what they have run through. I say to the minister, I do not blame you as an individual. You were not the minister in 1993, but you could have avoided a lot of these problems if you would have listened to the amendments.

What I want to hear now, and I ask for this commitment, is not that you are going to shuffle this off to the Uskiw review wherever and whenever it will meet with whatever resources it will have, because we do not know that. I do not want that kind of shuffling off. I want a commitment.

Will you in the next session of the Legislature bring in significant amendments to MPIC to address the very real problems with the system you set up in 1993, the problems that are in place because you did not listen at that time to the New Democratic Party and a lot of other Manitobans?

**Mr. McCrae:** I would suspect the honourable member is more concerned about personalities than he is about issues—

**Mr. Ashton:** Do not appoint a politician. Appoint a judge.

**Mr. McCrae:** —and that, well, you know, the honourable member wants a judge for—

**Mr. Ashton:** I do not want the job.

**Mr. McCrae:** The honourable member wants a judge. I assume he wants a judge for every time a decision has to get made or every time advice has to be made. The honourable member is a very skilful debater. I mean, I certainly give him that. He has proven that over and over again in the Legislature over the years, but why is it that you can have this kind of venom for somebody like Mr. Uskiw but not somebody like Larry Desjardins, who was appointed to head up the review of the VLT situation in Manitoba?

Mr. Desjardins is also a former NDP cabinet minister, and I was Minister of Health for a while there, and I found that Mr. Desjardins on a few occasions was extremely helpful to me in his past capacity, the experience he had gained. The advice that he was able to give was useful and done in a helpful way. I do not know all the things that go on between the honourable member and Sam Uskiw and why he feels the way he does about Sam Uskiw—

**Mr. Ashton:** Well, who did you appoint him?

**Mr. McCrae:** —but the question keeps coming back to him and it really bothers him that—

**Mr. Ashton:** How much does he give to the Conservative Party nowadays? I mean, you know, do not play games with us. You appointed him for political reasons. You should have appointed a judge, not anybody with any political—

**Mr. McCrae:** Well, I do not know how much money Ed Schreyer gives to the Conservative Party either, or how much money Larry Desjardins gives to the Conservative Party or others. People are entitled to support the political party of their choice. But the honourable member wants to make everything into politics as if these were the glory days of the NDP again. That was the order of the day in those years.

We have tried to do some reasonable things. The honourable member suggests that there is something wrong with a man who supported the NDP for all those years and worked so hard with the NDP government in Manitoba and did much to move Manitoba forward. In my opinion, he saw the light one day and decided that maybe he would end his relationship with the New Democrats and had this miraculous conversion on the road to Gimli or wherever it was he was going.

Mr. Chairman, the honourable member refers to issues raised in amendments that he and his colleagues brought forward related to employability, regional unemployment levels and northern differentials, increasing of benefits and shortening waiting periods and all of those sorts of things. You know, the honourable member in his very skilful way wants me to replace Sam Uskiw and to do it all right here this morning. Well, I am not going to do that, because I have a little more regard for the law than that. The law says there is going to be a review. We have put a review in place. The honourable member prejudices that review by saying he does not like Sam Uskiw, or words to that effect. I may or may not like Judge so and so, but I think I would like to see the product before I decide to condemn everything about it.

The fact is that Mr. Uskiw has considerable skills in public life and considerable people skills, and I think it would be an appropriate thing for someone like that to be available to people who have complaints or concerns to make, and that, Mr. Chairman, would include the honourable member for Thompson. He says he does not need my services to get hold of Mr. Uskiw. That is fine and dandy; let him contact Mr. Uskiw directly to raise the issues that he is raising with me today. If he wants me to pass them on to Sam Uskiw, I will do that. If he wants to do it directly, just let him say which way he wants it done, but the decision to have a review has been made, and it has been made pursuant to a

legislative requirement to do so, a requirement that our party agreed should be part of ground-breaking legislation like the PIPP legislation. It is a good thing to do. We are sensitive to concerns that people raise. After all, I am a politician; so is the honourable member for Thompson. Whether Mr. Uskiw has been one in the past or not is of no moment to me. What is important is that I believe that Mr. Uskiw will deal with the issues that he has been seized of in a sensitive and compassionate way, and that is what I want to see done. If I did not think he would do it, I would not have appointed him.

**Mr. Ashton:** Mr. Chairperson, we can continue this and we will. I say I am concerned, not for me, but for the accident victims and the people who look to Autopac, because I think you did a disservice to them. First of all, you did not consult with anyone on this appointment. There was joint agreement on this amendment. I said before—you know, quite frankly, I am a politician, I am an economist, I am various different things. I should not be, either now or any time in the future, reviewing something that deals with justice issues to the degree that this review has to deal with, because that is not my expertise. Because, you know, if I was appointed by a future NDP government to deal with this and had NDP affiliations, I would not want a subconscious decision on my part saying, well, you know this is fairness here but, you know, the government is concerned about rates or the government is concerned about this. You should have appointed a judge or somebody totally independent. You did not do that, and I think that is the key issue, not Sam Uskiw. You could have appointed any other person with a Tory—well, I tell you right now, if you had appointed a former Tory minister or major Tory contributor, I would have said the same thing.

I said the same thing as Lotteries critic when you appointed someone that the minister said, oh, I do not know what his politics are, and he had actually coincidentally given to the Conservative campaign. I mean, that person may be a fine individual, but when you are making decisions about Lotteries and when you are making decisions about Autopac and accident victims, I say, Mr. Minister, you can play all the games you want about saying this about the appointment. The problem would have been the same for anyone, I

believe, who was not in the position of being totally and absolutely impartial. You chose not to do that, and I believe that has tainted the process.

\* (1130)

By the way, I say to you that you are the minister responsible and, quite frankly, I will be raising these questions in the House. I will refer other people and may indeed make a submission to Mr. Uskiw but, you know, I do not have faith in this process. This is not the process the New Democratic Party wanted in 1993, and it is not the process that Manitobans want in a sense of fairness. You know that and you know why you made the appointment, and I really find it absolutely appalling that you then turn around and say, our problem is with the person, the personality. If you had made any political appointment whatsoever, it would have been the same problem. You made a political appointment. That is the bottom line. That is where it ends.

I want to ask some further questions, because we have some interesting parallels with Workers Compensation in other areas, but I want to ask these questions related to the Special Investigation Unit. There are fraudulent cases; we all know that. There are fraudulent cases within any system—Workers Compensation, Income Security. I dare say there are fraudulent cases when it comes to our income tax system and, you know, what I find amazing is the amount of resources sometimes we spend going after the little people, the ordinary people, to look for so-called fraud and how little sometimes we spend on Bre-X. You know, it just amazing me, Bre-X. I mean, how much attention was paid to investigating the most massive fraud in Canadian history? But there have been cases. I know in the previous fiscal year, there were 61 individuals charged with criminal offences as a result of investigations. I know this to be the case. As I said, I was involved in the situation of a case where another individual had claimed fraudulently an accident that I was involved in.

I wonder if the minister could indicate what the current statistics are in the current year on the Special Investigation Unit both in terms of the number of cases investigated and the number of charges laid?

**Mr. McCrae:** Mr. Chairman, I always enjoy the rhetoric of the honourable member for Thompson. He is very good at it. It is from him that I learned some of my lessons, and now he is complaining that I have learned them too well. I just cannot seem to please the honourable member, but I never, repeat, I never use language like he does when talks about the little people and ordinary people, although sometimes in a different context I might.

Ordinary people are outraged when they know that their system is getting ripped off. Ordinary people like me and ordinary people like the honourable member and many thousands of people he knows are outraged when they hear of our system being abused and cheated on and that sort of thing. So it is a very responsible thing to do something about it, not to spend all our resources trying to deprive deserving people of their legitimate rights. That is not what this is about, and that is why I mentioned the honourable member's rhetoric, because nobody in this room wants to see the cheaters get away with cheating or defrauding or anything of the kind. Nobody that I know of or work with wants to see that, and they want to see reasonable steps taken to ensure that it is either stopped or that those who get involved in it get caught and get punished, and that is very simply put, all we are about. And the honourable member agrees with that too, but to go on and say that we have some greater purpose, i.e., to deprive deserving people of their rightful benefits, is nonsense. The honourable member knows it, so why waste the time of the committee with that kind of rhetoric?

(Mr. Chairperson in the Chair)

**Mr. Ashton:** I asked a question.

**Mr. McCrae:** The honourable member asked a question, and I would ask Mr. Zacharias to provide some details for the honourable member about that, but am I supposed to sit here quietly, Mr. Chairman, and listen to the honourable member suggest that we care more about going after what he calls little people than we care about going after people that abuse the system? I think it is appropriate that we do.

Some people who abuse the system are car thieves. We have got over 9,000 cars getting stolen, costing our

ratepayers money. I care about ordinary people. They have to pay for this. People who pay their rates have to pay the rates for stolen vehicles, and we need to make that system as fair as we can.

So the honourable member—you make a change, who is going to jump on you? The honourable member for Thompson, because he has been chosen to be the critic for this particular thing. But sometimes we lose the real substance of what we do, because we get involved with this rhetoric business around here in the Legislature, and I guess it is ever going to be thus, and nothing I can say is going to change it. But if we could get down to real questions which the honourable member tagged on at the end, and then we will just tag on a real answer at the end of my rhetoric as well.

**Mr. Zacharias:** The SIU department spends most of their time on the physical damage side rather than injury, but they do do injuries. I cannot give you an exact breakdown. I know that they do 1 percent of our cases annually, which is about 2,000 investigations. Many of them are targeted investigations working in conjunction with various police forces, and last year the actual per file savings were around \$3 million. I think the bigger value is in the deterrent side. For instance, in the hail that we had last year we had about \$155,000 in claims there that was reported coming in as hail that turned out to be not quite what was reported in the first place.

**Mr. Ashton:** Mr. Chairperson, I love the way the minister tries to twist words around. What I said is, and I say this to the minister again, that no one wants to see fraud, but on the other hand I think it is very legitimate to ask questions about the degree to which investigations take place, how they are targeted and in the way in which they are conducted. I know in the case of Autopac there is a far more significant investigative component than, say, with Workers' Compensation, and I want to ask the minister again, because I have had concerns expressed to me by accident victims and families of accident victims about people being literally subject to 24-hour surveillance, being tailed, and if you did that to as a private citizen to someone else you would be in the position of being—it is called stalking now. Is that a procedure that is in place? I would like to ask what kind of safeguards are in place to ensure that you do not go beyond normal

investigation and start getting to the point where people themselves feel they are being stalked.

That is a real concern, and when I talked about ordinary people, I think we have to understand here, according to the figures I have seen, in the last fiscal year there were 61 individuals charged with criminal offences. There may have been other awards which were varied because of that, 61 fraudulent cases. I am wondering if the minister may wish to indicate how many claims were filed in Manitoba, what percentage of claims were fraudulent, because I have nothing against, no one has anything against dealing with fraud, because that affects everyone, but the real question is the balance again—and those are real questions, not rhetoric—and I would like to ask the minister if he can answer with some real answers.

**Mr. McCrae:** No one would support anyone being victimized or revictimized in a case like the honourable member is referring to by an investigative agency that is overzealous or that is picking on the citizens of this province. No one would support that. Any evidence like that would be dealt with extremely severely. Anybody working for the corporation stalking anybody should be immediately fired, in my opinion, and maybe reported to the police for stalking. But let us not confuse legitimate investigative pursuit with stalking. I mean, let us be careful. Does the honourable member have evidence to back up his allegation? If that is true, you have got a case, you have got something you can take to the police. I mean, if it is stalking in the context of the Criminal Code, you have got a case there.

In other words, if you have got evidence for these kinds of allegations, let that evidence be brought to the appropriate authorities so that we are not just dealing in innuendo and that sort of thing.

**Mr. Ashton:** No, these are actual cases.

**Mr. McCrae:** Okay, the honourable member says, they are actual cases. Then bring the information forward so that we can turn it over to the police or do whatever the appropriate thing is with this type of information.

I understand our SIU, Special Investigation Unit people, some of them or all have police training and

experience, and perhaps Mr. Zacharias can talk about that in more detail if the honourable member wishes that. I think Mr. Zacharias talked about a level of expenditure on—did you mention level of expenditure?—with respect to the dollars being used for investigative purposes. I think he talked about some \$3 million in savings in respect to claims that were found to have been fraudulent in nature. I think if you look at the overall operations of the company you will see that Special Investigation's budget represents a very, very small portion, some \$600,000 to \$650,000 out of the whole, and in the process of a discussion about this to say that somehow that is where we put all of our emphasis is not correct. We need to put the appropriate emphasis.

\* (1140)

Right now, we referred a little while ago to stolen cars. That is an area where there should be an appropriate emphasis. It is not good enough just to wave the deductibles. There has got to be more things happen if you are going to take an all-encompassing or comprehensive approach to a problem which is not only an expensive problem for ratepayers of Autopac and deductible payers of Autopac. That is also an expensive problem for society as a whole. It says there is something wrong with our system that needs to be corrected, perhaps at the level of the Justice department, perhaps some social issues involved. So let us have a comprehensive look at that, and that is what we are trying to do.

No, I do not think we are overemphasizing and probably not much different emphasis than was placed on this aspect of it from the days when the honourable member was part of the government that ran the auto insurance company.

**Mr. Ashton:** The minister once again did not answer the question. By my calculations there were 61 charges of fraud filed. That is .03 percent of the number of claims. There were 618 that were withdrawn, abandoned or denied. I, by the way, do not assume that all those were fraudulent. There have been cases, indeed, where people have dropped the cases out of frustration. That is .3 percent of the number of cases. Once again I want to stress that the minister did not answer my question about, for example, some of the

protocols, and we are not necessarily even talking about what would be something that is illegal under the Criminal Code. But I wonder the degree to which the investigation unit is, because I can identify, I have got people here today who can testify the degree to which they have been under surveillance and where it has created havoc in their personal lives, huge havoc.

I am wondering what the policy of Autopac is on that and what protocols were in place, because it is one thing if you have a clear case of fraud, but it is another thing in the case of some of the people I have talked to who have been literally followed and investigated to the point where it is driving them crazy, it really is bothering them not only physically but in terms of their own mental health.

I just want to know what the protocol is and in particular what limits are put on to make sure this does not take place, and then I will get into questions about auto theft with the minister, because I really want to ask him there. I mean, we have a great system from this government now; my car gets stolen, I pay \$500 for it. That is his solution, the government's inability with automobile theft. But I would like to ask, perhaps if the minister does not know, if Autopac itself can indicate what kind of protocols and controls are in place to make sure that you do not cross the line between legitimate investigation and what some would consider harassment. I do not say it is intended as that, but there has to be some sort of balance in the system that protects the individual rights of Manitobans.

**Mr. McCrae:** I will just respond again that I want exactly the same things as the honourable member does. I do not want to see innocent Manitobans being victimized by the Manitoba Public Insurance. I think Mr. Zacharias has some further light to shed on that matter.

**Mr. Zacharias:** There is legislation which governs what kind of surveillance or people doing surveillance, investigators, can or cannot do. We have reviewed that with all our investigators, and that is strictly enforced. In addition, any contract or any investigation work that we have hired, making sure that the contract is subject to those people having to work entirely within the rules and guidelines laid out in legislation, is part of those agreements, and any violators are immediately

dismissed. So we have paid a lot of attention to that particular item, and I am certainly unaware of any situation where our people have crossed the line and been called up because of that that they, to the best of my knowledge and both by policy and by contract, have to operate within the law.

**Mr. Ashton:** Operating within the law is one question; the overall policy is another. You have to recognize again the frustration that it is creating. I want to ask, perhaps you can give us some idea, is it the practice of the unit to have ongoing surveillance of individuals? What kind of parameters are followed by the investigations unit in that? I have talked to individuals who have been under fairly long-term surveillance both in terms of the amount of time at any given time and over a period of time. Is that standard practice? I realize that may be legal, but is that the kind of thing that is part of the protocol that Autopac follows?

**Mr. Zacharias:** Long-term surveillance would be very, very rare and unusual unless you had a lot of evidence that you were picking up down that track, in that periodic checks are done, activity checks are done on occasion, and in the majority of cases there is little evidence gained other than what we already know. But if there was a situation where we either had received reliable information from a third party such as through Crime Stoppers or something of that nature that some wrongdoing was going on, then it would be important for the people to pursue that to the fullest. Or, if as a result of some investigation work they had evidence that was contrary to what we were led to believe, then they would do some follow up work on that as well, but long-term surveillance would be rare.

**Mr. Ashton:** But obviously it does exist, and the concern I have, and I can point to specific cases again too, where it strikes me that the degree of surveillance is just overblown in comparison to the circumstances involved.

I can tell you, you talk to people who have been involved with that—like I said, no one is saying we are condoning fraud—but many of the individuals involved have not been charged with fraud, and I mention .03 percent of the cases, the claims per year, .03 percent end up with a criminal charge of fraud, and indeed .3 percent are dropped as a result. You indicated yourself

that many of those cases are relating more to the question of damage to vehicles, et cetera. So I am wondering, and I ask this question to the minister: Will the minister undertake to review the activities of the unit? I stress again this may not be necessarily illegal, but it certainly creates a lot of pressure on individuals, and it seems to me that certainly in some of the cases I have dealt with that the degree of surveillance that has been undertaken by Autopac is way out of proportion with the circumstances involved in any type of investigation that would lead to any substantive result for Autopac itself.

Once again, there are certain things that the police can and cannot do within the parameters of the law. There are also certain things that as a matter of protocol are not done whether they can legally do it or not. The police itself makes that decision on a daily basis, and I believe that the same sort of question has to be asked with Autopac. Will the minister—and I realize that I am raising cases here and the minister may not know as a matter of direct fact but—undertake to review some of the cases and ensure himself as Minister responsible for MPIC that there is a proper balance with protocol? No one is saying you should not have investigations, but there has got to be a balance that reflects the rights of individuals.

**Mr. McCrae:** If the honourable member will provide me with some information that would tend towards substantiating the allegation that there is an overzealousness going on or any kind of evidence that would support an allegation of harassment or something like that, of course I would follow that up, and if it points to something larger, then obviously something by way of a larger review would be indicated. If the honourable member, and I do not mean here in the committee, but if the honourable member wants to be specific with the allegations being made, I would of course make it my business to ascertain what lay behind the kinds of things the honourable member is bringing to my attention.

The honourable member knows that I had some experience, was the Attorney General of this province, and from time to time allegations arose about the conduct or approach being taken by various law enforcement agencies or individual personnel. If it is that kind of an issue that we are dealing with, of course

I will try to be responsive and look into what it is the honourable member is raising with me, but if it does point to something greater, then something by way of a larger review would be called for, and I would not rule that out.

**Mr. Chairman,** before the time goes by any further I would like to make sure that we get the '94-95 reports passed this morning.

\* (1150)

**Mr. Ashton:** I am sure we can continue a minute or two after twelve o'clock if that is necessary.

I want to return to the questions about no-fault, because there are some cryptic statements in this most recent report on no-fault. Obviously if you look at the number of injury claims prior to no-fault being 20,659, currently in 1996, 11,511, many of them are because of the fact that certain types of claims are just not recognized anymore. But there is a cryptic comment in here that says PIPP, which basically is no-fault, is performing even better than anticipated, resulting in a lower cost per injury case, and worst case scenarios involving reserves set aside for post PIPP claims have not materialized.

I want to ask a number of questions, and if we do not have time to deal with detailed answers I am prepared to come back next time and deal with them then. I want to know what were the projections with PIPP compared to the tort system? Second was, when you say it is performing even better than anticipated, is that Autopac performing better for Autopac or performing better for Manitobans? I assume it is in the context of Autopac. The third question is: What has been the cost per injury claim versus the projections? The fourth question is really related to the first one. You say that worst case scenarios involving reserve set aside for post-PIPP claims have not materialized. Is there any analysis available of why that is the case?

The final thing I want to look at is in dealing with the number of claims. Has Autopac analyzed, from the 20,659 to the 11,511 how many of those are because of a direct result of no-fault? It is very obvious when you look at some of the categories that are listed that it is,

because these are some of the areas where no-fault has basically eliminated claims.

But I would like some explanation of that, because if you look at what has happened in the report and compare it over the past five years, what essentially has happened is a dramatic drop in injury payouts. I mentioned this earlier, \$197 million down to \$103 million. Notwithstanding the lawyers and any changes in accident rates, it is clear that the move to no-fault has reduced the kind of coverage, in some cases, whether there is any coverage at all, and has introduced some other dynamics that I think were not even anticipated. So we have got a few minutes here, if we could get a start on that, but I realize some of these are detail questions, and I am prepared to defer them till next time.

**Mr. McCrae:** What I am prepared to do, subject to allowing Mr. Zacharias to comment after I have made mine here, would be to undertake to respond in a factual way in writing to the honourable member to the questions he has just finished putting on the record. That is one thing I can do, subject to what Mr. Zacharias might be able to provide by way of verbal information right now. The other part of the answer, perhaps some of the answers to the questions, will arise from the review that is going on of the PIPP as well by Mr. Uskiw. But when the report says it is performing better than anticipated, that is good news, not bad news. The honourable member and I might agree or disagree on whether it is good news or bad news. In my view it is good news because, as I said in the Legislature, a large percentage of all of this had to do with legal costs.

It is always good news when I can report that there are 4,500 fewer people making injury claims. That means 4,500 fewer people either were not injured very much and decided not to make a claim because of that, or they are not eligible, or there are a lot of reasons that would happen.

The honourable member cannot have the old program and support the new program. That is the point I am trying to make. He wants the old program while he claims support for the new one, and you cannot have it both ways. But, as I have said, maybe Mr. Zacharias does have something that he can add at this point by way of factual information. If not, then we will

undertake to make a written response to the honourable member.

**Mr. Zacharias:** The factual information I do not have at my fingertips, and we would certainly provide that.

**Mr. Ashton:** I want to stress here, just concluding today's committee, I hope to be able to return fairly soon and deal with a lot of other questions. The minister says, has performed even better than anticipated. Well, if it is, like we have seen in Workers Compensation, a situation where you end up running a surplus at the end of the year at the expense of accident victims, I say to you, that may be better for you. It is not better for the victims. In terms of the number of accidents, the number of claims—[interjection] You specifically, well, I say you politically, you as the person as the minister. We predicted in 1993 that the system you brought in—by the way, it is not a question of having it both ways. The New Democratic Party supported no-fault. We wanted a fair no-fault system. You gave us no-fault. You did not give us the fairness. We introduced 35 amendments. You rejected all but I believe one or two, so you had a chance in 1993 to do that.

So when you say it is performing even better than anticipated, oh, yes, the number of accident claims has gone down. Well, in many cases, people are not eligible anymore. We have a system right now where you have a deductible in place. You are not even eligible for the first week's worth of earnings. I say to the minister, I am asking these questions in this committee because I want you to do in 1997 what you did not do in 1993. I want you to build a system that is fairer to Manitobans.

I get concerned when you say things like that, that it is performing better, because I do not want to see it end up like Workers Compensation, where injured workers and their families have paid the price for the political agenda of the Conservative Party of running surpluses now in Workers Compensation. I do not want to see Autopac run surpluses at the expense of injury victims.

I want to see it efficiently run. I do not want to see any fraud. We all agree on that. What I am concerned about here is, this report proves that virtually everything we said in 1993 has come into place,

virtually everything that we said. What I want is a system that is fair to all ratepayers, and I include those who are not injured. I have been fortunate enough not to be injured in an automobile accident.

What amazes me, when I have dealt as Autopac critic with some of the cases, I was surprised at some of the problems that people have run into and some of the things that were not covered. We can get into all sorts of issues like the degree of medical treatment and people who are continuing to have medical treatment at their own cost. Some of the things I assumed were covered are not covered.

I say to the minister, this system can be a lot fairer than it is currently. The way to deal with it, I believe, is for the government to sit down and just look at its own report and not to get up and say, well, it is good news, we are running a surplus this year compared to a deficit last year. It is good news when you run a surplus because you are efficient. It is not good news when you run a surplus at the expense of accident victims. I believe what you have done is you, and, quite frankly, I say this because I think no-fault, if it was done fairly, would be the best possible system. I think you are the one that wants it both ways.

You wanted to get the lawyers out but you did not get out the lawyers for Autopac. You have not eliminated lawyers from any of the accident victims. They are still having to go to lawyers. The only difference is, they do not have a court to go afterwards. Just as the agreement between workers in the early part of the century and employers with Workers Compensation was, this is a fairer system because you get it out of the courts.

You have to have the same kind of social contract agreement today to make it fairer. You just cannot load things on one side of the equation and not look at the

other side. Right now I believe you have loaded the equation far too much toward your interest and not enough for accident victims. I believe that is the only way to get balance back in the system and have a fairer Autopac system to Manitoba. That is what we want, by the way, to improve Autopac, not to sell it off, not to run into this unfair no-fault system. We want a better Autopac and we can do it if you will just listen to us and listen to people who have had to deal with the system. They know best.

**Mr. Chairperson:** Order, please. The hour being after twelve noon, what is the will of the committee?

**Mr. Ashton:** We can pass the '94 and '95 reports.

**Mr. Chairperson:** Shall the October 31, 1994, Annual Report of the Manitoba Public Insurance Corporation pass?

**Some Honourable Members:** Pass.

**Mr. Chairperson:** The report is accordingly passed.

Shall the February 29, 1996, Annual Report of the Manitoba Public Insurance Corporation pass?

**An Honourable Member:** No.

**Mr. Chairperson:** I am sorry. Shall the Annual Report of the Manitoba Public Insurance Corporation of 1995 pass.

**Some Honourable Members:** Pass.

**Mr. Chairperson:** It is accordingly passed. Committee rise.

**COMMITTEE ROSE AT:** 12 p.m.