

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 2 March, 1988.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. B. URUSKI: Madam Speaker, I beg leave of the House to table the Annual Report of the Manitoba Public Insurance Corporation, the 1987 Annual Report ending October 31, 1987.

MADAM SPEAKER: The Honourable Minister of Culture, Heritage and Recreation.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker.

I am pleased to table the Annual Report, 1986-87, for the Manitoba Centennial Centre Corporation; and the Annual Report, 1986-87, for the Manitoba Lotteries Foundation.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. M. SMITH: Madam Speaker, I would like to table the Annual Report of the Department of Labour, 1986-87.

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. J. PLOHMAN: Madam Speaker, I wish to table the Annual Report for the Department of Natural Resources for the year ending March 31, 1987.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MPIC Annual Report - news conference

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister responsible for the Manitoba Public Insurance Corporation.

This morning, as I understand it, the Minister had a news conference briefing on an embargoed basis for media with respect to the issuance of the Annual Report

of MPIC. In the past, when there has been an embargoed news conference or an embargoed briefing such as for each year's Budget, members or representatives of the Opposition have been invited to sit in to obtain information on those matters.

I want the Minister to indicate why he denied access to members, representatives of the Conservative Caucus, to sit in on the embargoed briefing. Was it because he didn't want the members of the Opposition to have sufficient information to be able to ask questions in question period today on the report?

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. B. URUSKI: Madam Speaker, if that's been an ongoing provision, I'll be pleased to arrange a briefing for members of the Opposition to deal with the annual report so that there is no difficulty in terms of what we have shared with the media back in December when we announced the rate increase.

I'll be pleased to have that kind of a briefing. It can be today if you like. I'll arrange for members of the corporation to have it. It has never stopped you from coming to the committee before.

Autopac - senior officials appearance before committee

MR. G. FILMON: Madam Speaker, the point is that representatives showed up this morning and were denied access to the information, denied access to the briefing.

Madam Speaker, this morning at the briefing, as I understand it, the Acting CEO and senior officers of the corporation were available with charts, with graphs, with total information to answer questions of the media with respect to this annual report. Madam Speaker, some of those people were senior officials who were denied the opportunity to ask questions of last year during the committee hearings on MPIC.

My question to the Minister is why is it that he thinks the media should be able to ask questions of these senior officials, but that members of the Opposition here in this Legislature, at a committee of this House, cannot ask questions of those same senior officials?

HON. B. URUSKI: Madam Speaker, the Leader of the Opposition, really, if he knew what he was speaking of, all members of the corporation executive team will be at committee. If there are some questions that the general manager or executive officers cannot answer, he will be free to call on members of the executive, which is always the case when members of Crown agencies come to committee. The same practice will be carried on. All the executive members will be there, and if the general manager, the chief executive officer or any of those, wishes to defer some of the questions to his executive team, that is always the role in the committee. I don't know what the honourable member is getting so uptight about, Madam Speaker.

MR. G. FILMON: Madam Speaker, what I am concerned about is openness and honesty and we are not getting a lot out of this Minister.

Madam Speaker, my question to the Minister is not whether or not those senior officials will be present in the committee. They were present at the committee last year, but we were denied the opportunity to ask them questions.

Will the Minister assure us that this year we will be able to ask questions directly of senior officials like the media were able to do this morning at the news conference?

HON. B. URUSKI: Madam Speaker, there are rules in the committee that all members follow. Madam Speaker, I have said to the honourable member . . .

MR. H. ENNS: Can't give an honest, straightforward answer.

MR. G. FILMON: Will we be able to ask them questions and have them answer . . .

MADAM SPEAKER: Order please.
The Honourable Minister has the floor.

HON. B. URUSKI: Madam Speaker, I have indicated that all members of the executive team will be there at committee, and if there are questions that should be posed to members of the executive team that cannot be answered by the general manager, I'm sure that he will want one of his executive members to answer those questions, Madam Speaker.

Quit being silly and let's get on with the work of the Legislature, and quit being petulant.

MR. G. FILMON: The Minister can quit being smarmy in his answers and let the public know that he wants to be honest and open with them and stop trying to hide things.

MADAM SPEAKER: Does the honourable member have a question?

Autopac - rate projection

MR. G. FILMON: Madam Speaker, members of the public get more by going to his back door than they do by having questions answered in the House.

Madam Speaker, given that the Minister responsible has put forth a thorough representation of statistics and figures with respect to the MPIC's Annual Report; and given that his senior official, the Acting CEO, Mr. Graham Lane, is quoted as saying that Autopac expects large increases again in its premiums next year, is the Minister in a position to project what increases Autopac will need next year in its automobile insurance rates?

HON. B. URUSKI: Madam Speaker, I think the honourable member should be aware that, because of the kind of twisting of information that they continue to place on the record, vis-a-vis the way the Public Insurance Corporation's books have been audited and the like, I believe that I will continue to speak with the public of Manitoba directly, to make sure that the advice

is not as twisted as has been represented by the Leader of the Opposition and some of his members.

Madam Speaker, with respect to the assumptions that the honourable member makes and the comments that he makes, I've indicated that in terms of projections, we had lowered our revenue projections by the changes we made in bringing in the merit system, by approximately \$20 million. It is possible, given the claims scenario in terms of our advice, that we could see a \$20 million deficit if there is no change in the claims picture.

That will depend on whether our moves on the surcharges have any impact on driving habits, on the accident surcharges, on the whole question of the merits of people being more careful to retain their merits; that whole area of claims, whether the courts in fact will start lessening their awards in high bodily injury claims.

Our last year's claims went from \$65 million to \$85 million. All those kinds of factors will be assessed over the year, and if the worst scenario proves, in terms of claims, continue, and those costs continue to rise, we could see that kind of a deficit, Madam Speaker.

MR. G. FILMON: Madam Speaker, given that the CEO is quoted as saying, and I can say it's from an article on February 21, 1988, in the Winnipeg Free Press: "Manitobans can expect large Autopac rate increases for at least the next two years," the interim head of the corporation has warned. 'It's more than likely,' said Graham Lane." So, given that, what is the current projection of increases for Autopac rates over the next two years, according to the corporation?

HON. B. URUSKI: Madam Speaker, there is no basis to be in order to be able to in fact say that large increases will be there. If claims continue to rise - (Interjection)- Madam Speaker, you know, that's the way he made his analysis in 1986. He said we overcharged motorists by \$20 million and we should in fact reduce premiums by 10 percent because motorists were overcharged, that same member who is making those allegations. We would have had to increase premiums this year by an additional 10 percent just to meet his political needs, Madam Speaker. We will not go into that whole area.

MR. G. FILMON: That's right, Madam Speaker, and in 1986 this Minister's predecessor was hiding \$18 million in automobile losses and cooking the books, cooking the books, yeah.

MPIC - reinsurance losses

MR. G. FILMON: Madam Speaker, there's an indication in the annual report that the Reinsurance Division showed a profit of \$5 million during the past fiscal year, in the past financial year.

I wonder if the Minister could indicate what is the total accumulated loss in the reinsurance portfolio at the present time after subtracting that profit from last year.

HON. B. URUSKI: Madam Speaker, I want to deal with the Leader of the Opposition's first premise that somehow in March of '86 there was a knowledge that

there was an \$18 million loss. Madam Speaker, that's been established. The fact of the matter is an independent review of the corporation's books said that there was no way that the government could have known, and if the Leader of the Opposition is now saying that the loss of \$18 million for the year ending October '86 was known in March, Madam Speaker, let him put up those figures or forever hold his peace because he is not right. He is totally misleading the facts, and he knows it.

Madam Speaker, the Leader of the Opposition made comments vis-a-vis the reinsurance figures. The \$5 million figure in the annual report relates to the actuary's report indicating that, in fact, the estimate of losses that were provided in the previous year's annual report was in fact to be readjusted and lowered by an additional \$5 million, and they will be, as I've indicated earlier, be negotiated and paid over the next 20 years.

MR. G. FILMON: So the Minister is indicating that those losses will be negotiated and paid for over the next 20 years and that in fact it wasn't a profit in the Reinsurance Division, but an actuarial adjustment that shows up. Okay.

Well, Madam Speaker, I wonder if the Minister can tell us what then are the total accumulated losses in the Reinsurance Division today that will have to be spread over 20 years so that they won't look so bad to the people of Manitoba.

HON. B. URUSKI: Madam Speaker, need I remind the Honourable Leader of the Opposition that in excess of \$20 million of those reinsurance provisions, of that 36 million, were as a result of contracts entered into by their administration.

If there is to be a kind of plague on the House, it is on both our Houses, Madam Speaker. And I want to say that in terms of responsibility, we're all responsible for that - 21 from you and the rest from us, Madam Speaker. That's nothing to crow about in terms of their administration or ours. We share our responsibility and we will want to negotiate those losses over the next number of years to make sure that they are carried out in as efficient and as best manner to make sure that the general insurance portfolio continues its climb back into a reasonable position.

MR. G. FILMON: Madam Speaker, my question to the Minister is, the reinsurance losses appear to have been reduced somewhat by the actuarial adjustment so that they may be somewhere in the range of \$30 million - the Minister can correct me if that figure is too high - \$30 million remaining in the reinsurance account to be accounted for or spread over the 20 years. Is that the figure? Well, I wonder if the Minister could then indicate where will the income come from that will pay off that \$30 million of losses in reinsurance.

HON. B. URUSKI: Madam Speaker, as I've indicated to the honourable member, this is the one-year adjustment figure in terms of one year hence from last year's statements. There will be further negotiations, further discussions with the reinsurers over the next 20 years because this is a provision for losses. This is not an actual payout.

I think the Honourable Leader of the Opposition may want to leave an impression that actual monies have to be paid out tomorrow. That's not the case, Madam Speaker. It is a provision over the next number of years and it may take 20 years, Madam Speaker, or longer.

Madam Speaker, the fact of the matter is we will be negotiating those losses. In terms of the corporation over the next 20 years, we expect that those losses, whatever payments we will have to make from the provisions that we've made, will have to be made up from the General Insurance Division.

MPIC - general insurance profit

MR. G. FILMON: Madam Speaker, is the Minister telling us then that they will have to be allocated against the General Insurance Division, those losses? -(Interjection)- Okay, then it begs the question: When does the Minister expect the General Insurance Division to be showing some profit because they apparently have lost \$11 million in the last fiscal year?

HON. B. URUSKI: Madam Speaker, the Leader of the Opposition wants to know when all the monies will be paid out. I've just told him that in one year the actuarial adjustments lowered the need for the kind of reserve that we've had by an excess of \$5 million. Madam Speaker, no monies have had to actually flow in terms of the agreements that we've had in negotiations.

We will be having negotiations on an ongoing basis with the reinsurers, based on the treaties you signed, based on the treaties we signed. We will be trying, over the next 20 years or so, to lessen the impact in terms of the cost and obviously the monies can only come from the general insurance side. There is no transfer of monies, as has been suggested by some members opposite, that somehow monies from motorists have been put into the general insurance portfolio which is, again, an inaccuracy.

MR. G. FILMON: Madam Speaker, I just want to get at the one point. Apparently the General Insurance Division, aside from reinsurance, lost \$11 million last year. Where is it going to come up with the money to pay off this approximately \$30 million in unsatisfied potential claims that have to be paid? Where is the money going to come from when the General Insurance Division is losing \$11 million?

HON. B. URUSKI: Madam Speaker, I tell again to the Leader of the Opposition and I indicate to him that it will be paid over the longer period of time, because there is no cash flow shortage in the corporation, as the Leader of the Opposition attempts to leave the impression that somehow we have to go out and borrow the money, whether it be from the public or on the open market. It is a provision that will be paid over the next number of years. We expect the corporation to move up substantially in its financial position over the next year or two, Madam Speaker.

Autopac - claims costs

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, my question is to the Minister responsible for MPIC.

He has stated that we are two years behind every other jurisdiction in the country in feeling the claims crunch. Madam Speaker, every other insurance operation in the country saw the claims crunch coming. Every customer who went to the counter this year knows what the problem was. We know what the problem was.

Will this Minister explain why Autopac, why MPIC, failed to recognize the increased costs that were coming?

HON. B. URUSKI: Madam Speaker, I am now very pleased that the Member for Ste. Rose agrees with our financial statements where he said were cooked before. Now he agrees with us.

I wish, Madam Speaker, he would have passed that same advice on to his leader in the 1986 election. If they knew in 1986, how come they offered? Madam Speaker, if they knew in 1986 that the crunch was coming, why did they offer a 10 percent reduction in our reserves?

A MEMBER: We believed you.

HON. B. URUSKI: We believed you. Madam Speaker, they say, now we believed you. Madam Speaker, they agreed that \$72 million was in the reserve and the books were not cooked. Now they're accepting it, Madam Speaker.

I want to quote and I don't normally quote executives of the Insurance Bureau of Canada, Madam Speaker. The other night on television an executive of the Insurance Bureau of Canada, Mr. Belton, indicated when he was asked the question, did the industry know about the crunch coming?

Madam Speaker, I want to quote from Mr. Belton: "This was such an accelerated trend that, in fact, in the early stages the actuaries who were studying the data couldn't even believe the figures. They felt there must be some aberration in the underlying statistics. They waited for one more year to have that trend confirmed." But of course that was a fatal year, Madam Speaker. That's coming, not from an Autopac executive, Madam Speaker, but coming from the Insurance Bureau of Canada. The same thing that happened to Autopac, in terms of the statistics, and the increase in claims cost of bodily injuries year-over-year happened to the private industry. That's why they lost in '86, Madam Speaker, in excess of \$300 million in their operations after having two years of 20 percent increases.

MR. G. CUMMINGS: Madam Speaker, I don't think the Minister was listening to the question.

I asked him why there was no change in the allowance within the claims cost? We know that every claim that comes in and is not settled is over reserve by 5 percent coming into the corporation. Now, Madam Speaker, he wanted to quote in his answer. Perhaps, Madam Speaker, I could quote from his own executive, Mr.

Dribnenky. This was reporting to the Ontario Committee of the Legislature. We can't have access to these people here in this Legislature, Madam Speaker, but perhaps by the back door, we can get some information from Ontario.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. CUMMINGS: Mr. Dribnenky said I think there's a combination of factors that took place; one of them being our rate structure did not keep up with what was happening on the claim side.

MADAM SPEAKER: Order please, order please.

May I remind the honourable member that quotations from extracts from newspapers, etc., is an abuse of the rules, and that question period is not a time for debate. Could the honourable member please place a supplementary question.

MR. G. CUMMINGS: Madam Speaker, may I ask the Minister a new question?

MADAM SPEAKER: Order please.

Question period is not a time for debate. Could the honourable member please place a supplementary question?

MR. G. CUMMINGS: Madam Speaker, may I ask the Minister a new question?

Madam Speaker, this is not from a newspaper. This is a transcript of hearings in the Ontario Legislature. Mr. Dribnenky went on to say, "The other factor is we had a dramatic escalation in claims over the last four years." Four years, Madam Speaker.

In the last three years leading up to the 1987 year, we had dramatic changes in the claims costs in this province.

MADAM SPEAKER: May I remind the honourable member that the preamble to a sentence, as I reminded members yesterday, is to be one carefully drawn sentence.

Could the honourable member please place his question?

MR. G. CUMMINGS: Madam Speaker, you've often admonished the government to keep their answers clear and concise.

MADAM SPEAKER: Order please.

Is the honourable member arguing? Would the honourable member please place his question.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

Would the honourable member please place his question.

MR. G. CUMMINGS: Madam Speaker, in 1984, '85 and '86, we had a 21 percent increase in claims. In 1987, we had 1 percent. On the bodily injury side, we had 13 percent, 34 percent and 17 percent, and then this

last year we had 30 percent. Madam Speaker, either this Minister is misleading and lying to this House or Mr. Dribnenky is.

MADAM SPEAKER: Order please.

May I remind the honourable member of two very important facts when placing questions. One is that question period is not a time for debate, and question period is a time for seeking information, not in giving it.

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I think I heard in that very long, windy question some reference to the Minister responsible for Autopac having been suggested to have been lying. I'm certain that the member knows full well that is not only unparliamentary, but it is a gross misrepresentation of the fact. I would hope that on both counts he would have the courage to stand in his place and like other honourable members have over the past number of days, withdraw those unparliamentary, untrue comments.

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, I'm sick and tired of the government misleading the people of this province. Either the Minister is wrong, or Mr. Dribnenky is wrong. Which is it?

MADAM SPEAKER: I'm sure the honourable member well knows that members can have a dispute over the facts without accusing each other of lying. I will check Hansard to see exactly what the phrase was that the honourable member used. My first opinion was that possibly he wasn't accusing the Minister of deliberately lying. So I will check Hansard and check what the actual words were and hopefully we can continue question period in an orderly fashion.

The Honourable Member for Ste. Rose did not have a question.

MR. G. CUMMINGS: Madam Speaker, I had a question.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please.

I did not hear a question in the honourable member's remarks. If the honourable member would like to place a question.

MR. G. CUMMINGS: Madam Speaker, the question is very simple. Which is right? Mr. Dribnenky's statement or the Minister responsible for MPIC saying that they couldn't see the crunch coming. Four years ago they knew.

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. B. URUSKI: Madam Speaker, obviously the member opposite is a little worried about what happened last night.

I want to, Madam Speaker, indicate to my honourable friend that I have perused the documents where Mr. Dribnenky appeared before the Ontario Legislative committee and gave the figures, and I quote: "After a \$9 million profit two years ago, we had an \$18 million loss last year. This year, although these figures are subject to audit, the loss is in excess of over \$60 million." And I go on further, he said, "We had increases in number of claims three years ago of 5 percent; the year after, we had an increase of 7 percent in the number of claims; following that we had a 10 percent in claims. Last year we had a 1 percent increase in claims. To give you an example, our bodily injury claims in dollars went up by something like 30 percent, Madam Speaker.

Let's just set the record straight. In 1984, the corporation had a profit of \$18.8 million; in 1985, a profit of \$9.3 million, having reserves in excess of \$70 million. Madam Speaker, in '86, that's the end of October '86, the corporation suffered an \$18 million loss, premiums or increase by an average of 9 percent with a 30 percent increase for high-loss ratios. We were acting on the basis, Madam Speaker, of the trends that were continuing and the corporation made those recommendations and the premiums were increased. Let no one, lest the Member from Ste. Rose, try and lead anyone astray with his manipulations of the figures, Madam Speaker

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. E. CONNERY: Madam Speaker, may I ask a supplemental question of the Minister?

MADAM SPEAKER: I already recognized the Honourable Member for Kildonan.

MR. M. DOLIN: Madam Speaker, my question is did the Attorney-General - like many people in this province, I was astonished to read yesterday a transcript in yesterday's Winnipeg Free Press of an interview with Judge Frank Allen regarding the fixing of traffic tickets, speeding tickets particularly. When the judge was asked don't you think it's a conflict for a judge to appear on behalf of a friend, to which the judge responded, no, he did not think it was a conflict to be appearing as a judge on behalf of a friend, I find this appalling, Madam Speaker.

I am wondering, can the Attorney-General take any action to remove this person from the bench.

MADAM SPEAKER: May I remind the honourable member that quotations from newspapers as part of a preamble to a question are not in order. Will the honourable member care to rephrase his question?

MR. M. DOLIN: Madam Speaker, I am not quoting verbatim. I am saying, in essence, what the judge stated was that he did not feel it was a conflict of interest as a judge to appear for a friend. I feel this is; I feel most of the people in the public. I am wondering, can the Attorney-General take any action on this matter.

MADAM SPEAKER: Order please.

In my opinion, it is not in order to cast reflections upon any members of the courts.

The Honourable Member for Kildonan.

MR. M. DOLIN: Madam Speaker, a judge who places a transcript which, in essence, he states . . . - I am rephrasing the question, if I might.

MADAM SPEAKER: Thank you.

MR. M. DOLIN: . . . where he states he does not feel it is out of order to appear on behalf of a friend while holding a position of judge. Is it the opinion of the Attorney-General as appropriate?

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. It is not in order to seek an opinion.

MR. M. DOLIN: Madam Speaker, I asked, can the Attorney-General . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please. The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

Road conditions - Berens River

MADAM SPEAKER: The Honourable Member for Arthur has the floor.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question for the Minister of Northern and Native Affairs.

Madam Speaker, today the community of Berens River had to make their annual trip to the Manitoba Legislature to request action on behalf of this government to protect the life and safety of their children, who have to travel on the roads that are in terrible condition in their community.

My question to the Minister of Northern Affairs: Will he take action to improve the road conditions, as requested by that community, Madam Speaker, and will he do so immediately as soon as the spring breakup is here? Will he do that, Madam Speaker?

MADAM SPEAKER: The Honourable Minister of Northern and Native Affairs.

HON. E. HARPER: Thank you, Madam Speaker. I thank the honourable member for that question.

He attended the demonstration this morning, and I indicated to the people of Berens River that the province is willing to contribute to the community of Berens River in the amount of \$250,000 to \$300,000 this year. I've also indicated to the community that we are prepared to enter into an agreement whereby the community will receive this money and put it into a trust account and this will allow the community to administer the money themselves.

The information which I have is that the Department of Indian Affairs is not willing to contribute any money at all. The Conservative Government, they are forcing the band to appropriate these dollars for the upgrading of the roads within their capital dollars. I find that very disgusting because they're not coming across to cost-share on this amount. Last year we cost-shared \$218,000, 50-50 with the Federal Government. This year, they're not doing that.

MR. J. DOWNEY: Madam Speaker, I have a question for the Premier.

Madam Speaker, why would the Premier and this NDP Government waste \$20 million on a bridge to nowhere, north of Selkirk in the Premier's riding, in the Minister of Highways' riding, a bridge to nowhere, wasting \$20 million, putting his political interests ahead of the livelihoods of the children of Berens River and not building them a road? Why would this Premier do that?

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

Vaccine DPTS - side effects

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Health.

Vaccination of children for DPTB, diphtheria, pertussis or whooping cough, tetanus or polio, have saved countless of lives of both Manitoba children and children worldwide. However, now that the disease is under control, side effects are becoming more and more noticeable.

Can the Minister tell the House today if the Department of Health is monitoring these side effects, which include death and some destruction to the nervous system, and are they then giving those results to the physicians and those who administrate the vaccine?

MADAM SPEAKER: The Honourable Minister of Health.

HON. W. PARASIUK: Madam Speaker, I'll have to take that question as notice.

MRS. S. CARSTAIRS: Madam Speaker, is the Minister of Health prepared to introduce to this House legislation similar to that in Ontario which requires mandatory reporting of adverse reactions and, further, it mandates that parents must be informed that there are side effects to this vaccine.

HON. W. PARASIUK: Madam Speaker, again in taking the previous question as notice, I'll take into account the question just raised by the Member for River Heights. I'll look into the matter, and I'll report back to her and to the House.

MRS. S. CARSTAIRS: Finally, Madam Speaker, and again the Minister will probably have to take this as

notice, but there appears to be a less toxic vaccine available in Japan. Will the Minister undertake to have his department do a comparative study of the two vaccines, thereby making a decision which would be in the best interests of the children of Manitoba?

HON. W. PARASIUK: Madam Speaker, I will take that question as notice. I'll just add one aspect to that.

I believe that, if in fact there is a vaccine that is developed in another country, I believe that the evaluation in terms of whether in fact it will be licensed for use in Canada is done by the Federal Government. But I'll make sure that my department does check with the Federal Government with respect to the vaccine that the Member for River Heights has raised.

1988 Income Tax Guide

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Madam Speaker. I direct my question to the Minister of Finance.

Two Sessions ago, the Member for Kildonan sponsored a resolution in the House where he attacked the unwieldiness of the federal-provincial tax form and how difficult it is to the average Manitoba tax filer to prepare their tax form under that system.

Today, Madam Speaker, thousands of Manitobans are having great difficulty in filing properly their 1987 tax form, primarily as a result of the merciless attack on their income by the Minister of Finance. I specifically point out the 2 percent tax on net income.

Madam Speaker, my question to the Minister of Finance: Why was the government so cowardly in not providing for the development of the 1987 tax guide a proper and honest understanding of the 1987 tax revisions, primarily the 2 percent tax on net income? Why did the government deliberately attempt to hide from tax filers the impact of that 2 percent tax?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: First of all, Madam Speaker, to deal with the issue of being cowardly, yesterday the Member for Morris spoke in the Budget Debate and did not back up his claim that he could bring about a reduction in this year's deficit to \$200 million. He avoided pointing out -(Interjection)- I will.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. E. KOSTYRA: I would hope that the Member for Sturgeon Creek would give the same courtesy to me that I give to him.

I would have hoped, Madam Speaker, that he would have had the courage to point out to Manitobans where he would have brought about a reduction of \$134 million in expenditures in order to meet his deficit target to deal with the kind of cutbacks that he would propose in services.

In regard to the question on the forms -(Interjection)- If the member doesn't want me to deal with the

preamble to the question, if he doesn't want me to deal with the preamble, then don't make the preamble, Madam Speaker.

In regard to the question in terms of the forms, we are not cowardly in terms of our approach of taxation, Madam Speaker. We've been up front putting forward our position with respect to tax reform, our position with respect to tax increases in last year's Budget. We don't try to hide away significant increases in gasoline taxes like the Federal Government does where it attempts not for people to see those kind of increases.

In terms of the forms themselves, those are decisions made by the Federal Government. The content of the forms were reviewed by our staff but not the forms themselves. In terms of the guide, the Federal Government does not consult with the Province of Manitoba at all in regard to the guide, does not ask for our input in the guide. If they did, we would have told them we would have no difficulty in their providing a better explanation in the guide with respect to that tax.

I also point out that the Federal Government has had some experience in terms of how a net income tax is implemented at a provincial level, because that was done in Saskatchewan in last year's income tax, and I presume that they followed a similar course of action. But in terms of the guide, they did not ask us for any input in the guide. If they did, we would have had no objections for a better explanation than what's being provided. We have nothing to hide.

MR. C. MANNES: A supplementary question, Madam Speaker.

Given that March 1 has passed and that tax filers have missed the opportunity to decrease their tax liability and given that many Manitobans have not paid their rightful tax because indeed they were unaware that they had to go to additional schedules to pay the additional 2 percent tax on net income, what is this Minister of Finance going to do to right the situation so that they will not be penalized, having missed the opportunity to buy down their tax liability?

HON. E. KOSTYRA: Again, I pointed out that the difficulty with respect to the tax guide was not of the province's doing. We would have had no objection if that would have been explained better.

In terms of any potential tax liability, I would remind the member that the tax was deducted at source for those who are receiving paycheques back to July 1 of last year, so that the kind of situation he describes would not impact very many people, certainly not very many who receive -(Interjection)- it may impact some self-employed or some people who get a disproportionate part of their income from investment, but it certainly would not impact those who receive regular paycheques because they would have been having that money deducted at source in accordance with their own wishes, as they declared their dependents and their particular situation, Madam Speaker.

Out-of-Canada hospital costs

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker. My question is for the Minister of Health.

The existing policy for payment for out-of-Canada hospital benefits is approximately 75 percent of the U.S. costs but the new policy, as of April 1, will pay something under 30 percent of U.S. costs. My question to the Minister is: Do the new rates reflect actual costs of hospital care in Manitoba?

MADAM SPEAKER: The Honourable Minister of Health.

HON. W. PARASIUK: Madam Speaker, that policy was announced in the Budget. We used to pay 75 percent of hospital costs outside of Canada, and we are now going to pay the costs as we pay for those procedures if they are carried out in Manitoba.

There are differences between ourselves and especially the United States. There are some American hospitals where the charges are extremely high compared to Manitoba. I think that's because they don't have a particularly efficient system of health care, Madam Speaker, and we do. I'm not sure whether, in fact, Manitobans should be providing that type of extra subsidy for people who leave the province and in fact can get insurance coverage of an extra nature when they are outside of Manitoba, often on holidays extending from three to six months.

That is a matter of policy, of establishing priorities to ensure that we can put the money to the Manitoba health care system while at the same time providing some modicum of protection, equal to that which we would provide for Manitobans, for those Manitobans who travel outside of Canada.

MADAM SPEAKER: The time for Oral Questions has expired.-(Interjection)- I don't hear unanimous consent for leave.

ORDERS OF THE DAY

BUDGET DEBATE

MADAM SPEAKER: On the adjourned debate on the proposed motion of the Honourable Minister of Finance, and the proposed amendment thereto by the Honourable Leader of the Opposition, the Honourable Minister of Government Services has 37 minutes remaining.

HON. H. HARAPIAK: Madam Speaker, I'm pleased to stand and once more give support to the Budget Debate.

Madam Speaker, before I begin, I would like to once again thank the constituents of mine from The Pas who have given me some strong support over the last six years, and I continue to enjoy strong support from all parts of my constituency.

It is a diverse constituency, Madam Speaker, that is comparable to some of the other constituencies in the

central part of the province, including Swan River, Dauphin, and the Interlake, made up of farming communities. The farming community is going through some of the same difficulties that many of the other farming communities are going through. They have actually come through in a little better condition, because of the fact that there has been diversification to a much greater extent in the constituency of The Pas than there has been in some of the other farming constituencies in the Province of Manitoba.

The forest industry has also been very healthy, although there are discussions under way at this time on Manfor. I know that members of the Opposition often talk about selling Manfor, if they ever get into government again. They talk about Manfor as an example of a Crown corporation that is out of control. I would say, Madam Speaker, that Manfor is an example of a Crown corporation that is being well managed. It has been turned around from the years when it was known as Churchill Forest Industries, and now there is a cooperative attitude out there in the Manfor, which includes the members of industry . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

The Honourable Member for The Pas has the floor. If other members would like to carry on private conversations, they can do so elsewhere.

HON. H. HARAPIAK: Thank you, Madam Speaker.

It appears that the members of the Opposition are more interested in having private meetings and discussing their own dilemmas, rather than listening to members debate the Budget Speech.

But as I was speaking on the forest industry, Madam Speaker, the industry is being well serviced by the nursery that was built in The Pas. The nursery was built as part of the efforts put forward by the Jobs Fund. The Jobs Fund was brought forward three or four years ago, when we were in the midst of a recession, and we felt there had to be some intervention in the job creation in the province. That has led to some of the difficulties that we are experiencing right now of a high deficit. I'll say more on that later but I was speaking on the nursery. The nursery has, at this time, 26 units that will be supplying enough plants for reforesting all of the forestry needs in Northern Manitoba.

Fishing also makes up a big part of the traditional employment in the constituency of The Pas. The fishing industry at this time is in a healthy state, but there are members of my constituency who are looking at some further opportunities in the areas of marketing the coarse fish which, at this time, are not utilized whatsoever. The fish are caught in the fishermen's nets and then disposed of. They are looking at a market, they are working with a firm called Dynasea (phonetic) from California, who feel that they have a market, not only in the United States but in Europe as well, where they could market all of the coarse fish that could be caught and marketed in that part of the world. So I hope that negotiations that are going on will bear some fruit, because I feel that is a resource that is being wasted at this time. I think that there's a lot of potential in there that can be utilized to a much greater degree than it has been to this time.

Trapping is another traditional means of employment in Northern Manitoba. They have been enjoying fairly good success, but there is a concern within the constituency of the initiative being taken by the British Government at this time to publicize the fact that the furs being sold in Britain are being caught by a leg-hold trap. Madam Speaker, there have been a lot of improvements made in the whole trapping industry in this whole area, and I think the Manitoba Trappers' Association have been very progressive in some of the changes they have made in the whole trapping industry. I would hate to see this industry affected to any great degree, so I was pleased when the Minister responsible for Native Affairs sent a telegram via Joe Clark to the British Prime Minister that we are concerned with the initiative being taken against the trapping industry in Britain.

Madam Speaker, before moving on further to the Budget Debate, I would like to just mention for a moment, the Member for Minnedosa has made a decision not to run for re-election. The Member for Minnedosa spent 18 years in this House, and part of that time has been spent as a critic of Northern Affairs. I know that he is often a member who throws barbs across at the members of opposition, but I know that the Member for Minnedosa, who was a bank manager in my constituency in The Pas at one time, is a member who works hard to represent his constituents, and he certainly will be missed in the House when he does make that final decision to retire.

Madam Speaker, I would like to speak in support of the Budget. I think it is a very responsible Budget which recognizes the needs to reduce our deficit. As a member of the Treasury Board, I had played a role in part of the design of this Budget, and I want to share that there were a lot of difficult decisions that needed to be made.

Madam Speaker, there are those within the party, as there are throughout society, who don't feel that the deficit needs to be reduced. There are those differences of opinion within our caucus and within our membership throughout the province who feel that, as a social democratic government, we don't have to worry about reducing our deficit. We only have to worry about delivering the programs.

I want to share with you that I am one of those who feel that we do have to reduce the deficit, because it is reducing our ability to deliver programs, Madam Speaker, when it is taking that amount of dollars to service our debt. So I am one of those who feels that the deficit must be reduced because it is going to be reducing our flexibility as a government to deliver programs in the years to come, and it's going to be reducing our flexibility to deliver programs in the coming years.

Madam Speaker, in this Budget, we have had to make some difficult choices in the choices we had to make and when we had to reduce our Budget, but we have continued to deliver on the social programs that are so much a part of the social democratic platform. Madam Speaker, day care is one of the areas that we are committed to as a government, and day care once again gets support in this Budget. Madam Speaker, I have had the opportunity to go to Ontario and observe some of the day cares that are operating there, and I know that the standards of our day cares are much

higher than the standards that are evident in any other jurisdiction in Canada. The day-care standards that we have here are looked at as a measuring stick by other jurisdictions right across Canada. I have talked to people who are involved in day-care programs in Ontario and, when they are looking at making improvements to their day-care program, Manitoba's day-care program is what they use as a measuring stick.

In the area of education, once again, we are showing that is a priority with this government. I know there are needs to address some of the changes that need to be made, and the Minister of Education is in the process of the addressing some of those areas of needs. One of the areas that there has been a lot of interest in, in Northern Manitoba, is the area of university. I think that is an area we in the North, all the members of the North, are receiving a lot of questions from our constituents on when they are going to be getting an opportunity to have a university that has programs delivered in Northern Manitoba. Our constituents are at a great disadvantage when they come into the city, because their costs are much higher because of the fact that they have to pay for the transportation and the lodging when they come into the city, rather than just living in with their parents or whatever support system that the people in the urban part of the city may have.

So that is an area that is going to be addressed by the Minister of Education, and I look forward to the day when we are able to deliver a program throughout Northern Manitoba. I don't think that it needs to have a physical facility in Northern Manitoba, but the programs need to be delivered to all parts of the province. I think that, with the technological advances that have been made in this whole field, we can deliver some of the programs to every community in Northern Manitoba. I think it is just a matter of getting the organizations in place so that students would be able to receive the same type of an education program in the communities in Northern Manitoba as they presently can get in the City of Winnipeg.

One of the areas that is of a priority in our spending is the area of Community Services. We are moving to a one-tier system, which the Minister of Employment Services announced last week, and it is also an area that will lead to more consistency in the social assistance that people throughout the province will be getting.

As has been raised on many occasions, the whole area of health care will be getting priority in our spending. Health care is a difficult subject to approach, Madam Speaker, because most people believe - and I agree with them - that we have an excellent system in Northern Manitoba. But we, as a society, cannot afford to continue to have the costs in health care escalate at the rate they have escalated in the last 10 years. So it is difficult to approach this subject, but I know that the Minister of Health has brought forward a package to deal with the health reform, and I know there is going to be a need for cooperation between all of the people who are affected in the delivery of the health care system in Manitoba if we are going to be making those improvements in the health care system, but I know that it'll be happening. With the will of the Minister of Health and the support of his colleagues, those improvements will come about. We

are also looking at the cooperation of all the health delivery systems in Manitoba to help us overcome some of the difficulties that occur in the health care system.

Madam Speaker, last summer, there was a 75th anniversary celebration which was celebrating the extension of Manitoba's boundaries beyond the 53rd Parallel. It was extended 75 years ago to the present boundary system that we enjoy today.

There were several speakers who were present at that celebration which was organized by church groups and members of the Keewatin Community College, which dealt with the expansion of Northern Manitoba. There were several speakers who all came from Northern Manitoba. There were speakers who dealt with the growth of industry including the farming. Don Lindsay, who was a farmer in the The Pas, in the Pasquia area, was one of the people who came forward as a very well-informed farmer who spoke on some of the difficulties that they faced in farming in the The Pas area. But he also spoke of some of the results they have in agriculture in the farming area.

There was also a speaker dealing with the forestry industry. The forest industry has been a part of The Pas' history. When The Pas was first started up, the The Pas Lumber Company operated in The Pas by bringing their logs down the Saskatchewan River. At that time, it was one of the main employers in The Pas, and for many years the forest industry came to an end until the Churchill Forest Industry was started up in The Pas during the term of the Tory administration. The intent of the Churchill Forest Industries was to create employment and utilize a resource that was quite abundant in that area.

I think, by and large, it has been successful. It has utilized the resources in there. Unfortunately, there were some unfortunate dealings when the whole place was being built, but that is behind us, and I think we have to look forward to what can be accomplished in the whole forest industry sector.

At this time, there are a couple of firms that are looking at buying Manfor. I support this effort of the Minister of Energy and Mines to try and come up with a firm that will come and make a capital investment at Manfor. We need to utilize the hardwoods that are available in that part of the province as well. At this time, the hardwoods are just being wasted. They are not being utilized at all. So if this capital investment is made at Manfor, then we will be utilizing the hardwoods that are plentiful and at this time not being there.

During the celebration we had a guest speaker, Madam Speaker, by the name of Judge McPhee. I'm sure that many of the Tories are familiar with Judge McPhee. He is well identified in Tory circles. He spoke of some of the early days in The Pas when he was a member of the judicial system and later on he moved to Thompson when Thompson became more of a centre.

He also shared with us that he was a snowbird. He went south every winter to enjoy his winter season in McAllen, Texas, and he spoke quite glowingly about Texas. I guess I was fortunate enough last year to go on a holiday and join some of our friends who are also retired in the same area of McAllen, Texas, which was a very enjoyable place. Someone in the crowd asked if it was that enjoyable, why didn't he go to McAllen

all year round. He spoke, Madam Speaker, about some of the benefits of living in Northern Manitoba. He spoke about the lakes and the outdoors which he would never leave. He enjoyed that to a great degree.

He also spoke about the judicial system, about how much more the judicial system in Canada had to offer in comparison to the judicial system in the United States. He felt there was a much fairer, more effective system and that was one of the benefits that we, as Canadians, took for granted and we needed to sometimes travel outside of our boundaries in order to find what we really have as a benefit to us as Canadians.

But he also spoke about our health care. He said that was the most important item that brought him back to Canada. He said that we take our health care system for granted until we go to some place like the United States where people who are subjected to some health problems need to have the money up front before they can get some of the services that we quite often take for granted that are covered by our health care system.

So, it was refreshing to hear someone who has had the opportunity to travel to other countries, an educated person who has travelled and says that one of the main reasons that he comes back to Canada and enjoys his stays in Manitoba is because of the health care system.

Madam Speaker, my friend, the Member for Flin Flon, the Minister of Energy and Mines, spoke when he addressed the Budget Debate about the legislation that had been passed by this government which will help Manitobans to lead a better life. He rhymed off a number of pieces of legislation that will make Manitoba a better place for Manitobans to live and to raise their families and make this a much more humane society.

Madam Speaker, the Budget points out, too, the relative strengths of our economy. Six years of economic expansion has been enjoyed by this province, mainly because of the policies of this New Democratic Government. We recognize that overall the deficit that we are faced with right now is because of some of the approaches we took in the early years of our government. We recognized at that time, Madam Speaker, that we were going into a recession. We were faced with a choice at that time of practising acute, protracted restraint as was being practised by many of our provincial governments across Canada either to the west or east of us, or we could have become aggressive as a government and intervened in the economy.

We chose to have a social democratic approach to the difficulty we were faced with in the province and we did intercede. Madam Speaker, it worked. Our economy was one of the most effective ones in all of Canada at that time in meeting the unemployment needs that were existing in Northern Manitoba. But, Madam Speaker, it does have a price for it. That is why we are now faced with the deficit we presently have.

Madam Speaker, over the last five years the real domestic growth in Manitoba has increased at the third-highest rate among the provinces by 4.9 percent, compared to 4.4 percent in the average right across Canada as a whole. Investment was a major factor in the strong economic growth. The upsurge in residential construction, which began in 1983, Madam Speaker, is continuing to provide jobs for the people of Manitoba. As well, it is providing quality and affordable housing

for the citizens of Manitoba. There were 8,174 housing starts in the province last year, the highest number in nine years. Non-residential growth, new investment, Madam Speaker, also increased by 56 percent over the last five years. It was double the national increase of 28 percent.

Madam Speaker, housing is one of the areas that we in the North are faced with to a much greater degree than the people in the urban parts of the province. It appears that we have some special housing needs and that is why the Minister of Housing, early this winter, organized a housing conference to address some of the needs of the people in Northern Manitoba.

We cannot be utilizing the normal approach to the housing needs that exist in Northern Manitoba. We have to take into consideration, Madam Speaker, the lifestyle of the people who live in the North and the way that they heat their homes in a traditional way, as well as the way they prepare their foods. The traditional way of housing construction does not work in Northern Manitoba. That is why we have had the housing conference. We received many suggestions from the people of Northern Manitoba which will, I'm sure, help to alleviate some of the difficulties that we are faced with in Northern Manitoba.

One of the ways that I think we can approach it is in the building of log homes. When I was Minister of Northern Affairs, there was a proposal come forward from one of the communities in Northern Manitoba saying that they had the logs in that area to build the homes. If they had a sawmill, they could construct some houses on their own. We went and, through the Manitoba Jobs Fund, we purchased a sawmill for that community and they, at this time, have built several homes. I'm sure that the Member for Arthur, who is a critic of Northern Affairs would be especially interested in this, because I think that they have shown that they can build a home at much cheaper cost than they can the traditional route, and through Sweat Equity, have been able to construct those homes where there is no money outstanding on it, so they won't be faced with a mortgage for the rest of their days.

Madam Speaker, I'd just like to address the area of Berens River for a moment. When I was Minister of Northern Affairs there was a proposal brought forward to address the roads in Berens River. At that time we recognized that there were many years of neglect. I don't think that the previous administration even knew where Berens River was because they had never been in that constituency. Now they criticize us for the work that we have been doing in trying to meet the needs of the people in Berens River.

Once again, through the Jobs Fund, we let a contract go in that community to crush some gravel in that area because the gravel is not available in Berens River. Just because of the terrain and makeup of the land there's no gravel there, so we had to crush rock. At that time we crushed rock. Now there is a stockpile which is there and is ready to go and address the needs that are in there with the roads. But unfortunately, the Federal Government is reneging on their commitment to fix the roads in Berens River. Last year when I spoke to members from Indian Affairs, they said that they would willingly come forward and work in a cooperative way with the province to fix the difficulties that community was faced with. Unfortunately, at this time,

they have chosen to withdraw as they have in many other areas. They make a commitment and then they don't carry through with it.

As a matter of fact in the area of treaty land entitlement, Madam Speaker, it's a question that has been raised on many occasions in this House. When I was the Minister of Northern Affairs, I just took over the portfolio the two previous Ministers had been negotiating with, the treaty land entitlement, and they said they had an agreement in principle. All we had to do was cross the "t"'s and dot the "i"'s and we had an agreement. Then the Minister for Indian Affairs at that time came down to Winnipeg supposedly for the signing ceremony. The Minister for Indian Affairs at that time came to Winnipeg. We were prepared to sign the agreement as it was, but those bureaucrats at the last minute decided there were a few items that didn't quite meet their needs as a Federal Government. So we at that time said, okay, if their needs couldn't be met, then we would have to have another meeting to come forward.

They have been procrastinating, Madam Speaker, since that time and when the present Minister of Indian Affairs came into office, I repeatedly tried to arrange a meeting so we could work out the final details on that treaty land entitlement. He refused to come forward and meet. Up to this date he has refused to come forward and meet with the present Minister of Northern Affairs, to bring those negotiations to an end, and to once and for all settle the treaty land entitlement, an agreement that was very close to being signed.

We are prepared at this time to sign that agreement, Madam Speaker, but our critic for Northern Affairs wants to pull whatever influence he has over the Federal Ministers. If he wants to give them a call to come forward and sign that agreement, then we are willing to sign that at this time and finally put that agreement to an end, because I think it is a good agreement that has been negotiated with bringing forward the concerns of all Manitobans. I think it is a fair agreement that would satisfy all people, but unfortunately the Federal Minister of Indian Affairs will not come forward and sign that agreement at this time.

Madam Speaker, I spoke previously of our different approach to the whole area of job creation, and I said we use a different approach compared to the Tory governments right across Canada. Instead of practising acute protracted restraint, we brought on the Jobs Fund. Members of the Opposition called it the "fraud" fund, but I think that they were quite surprised at some of the results that we received with the Jobs Fund. There were projects brought forward in every constituency of Manitoba, projects that provided not only jobs for Manitobans, but they provided meaningful infrastructure which improved the quality of life for many Manitobans.

Under the Jobs Fund there was one particular project in The Pas which built a walkway between the St. Paul's senior citizens complex and the hospital in The Pas, Madam Speaker, which made that place much more efficient in receiving the health care needs of the citizens of the St. Paul's residence, and also it improved the operation for the hospital. They didn't have to bring their patients out into the cold in order to get them to see the doctor. So it was a very positive improvement that was made to that constituency.

Madam Speaker, three years ago under this government we brought forward some proposals to deal with training in Northern Manitoba. The Limestone Employment Training Agency was created, which was brought forward because of the need that we found when we went throughout Northern Manitoba.

We found the Native people had not had an opportunity to have gainful employment in the previous developments that had taken place when our power stations were built in Northern Manitoba. One of the things that they lacked was the training to find those jobs. And it's great to say that there is a northern preference clause which would give northern people preference in the hiring, but if you are not qualified to work on those job sites, then they really can't take advantage of it.

That is why we created the Limestone Employment and Training Agency, Madam Speaker, and it has had a very positive effect on Northern Manitoba.

There are over 1,700 Northerners who have been trained. The majority of them, Madam Speaker, are northern Natives. They have successfully completed or some are still undertaking a variety of training programs. Time does not permit me to go into all of the lists of all the successful training that has been taken by some of them, but I will highlight some of the programs that have been taking place, Madam Speaker.

Madam Speaker, this spring, the first journeymen carpenters will graduate from the Limestone Training and Employment Agency. Their apprenticeship program has been put in place, and the first journeymen will be going on to the worksite. This is a beginning, and there are many more that will be following, and some of the other trades that there have been journeymen programs for. There are journeymen programs for carpenters, electricians, pipefitters, rebar workers, and mechanics. They will lead, not only to obtain work at the Limestone, but also in the future.

The critic for Northern Affairs asks what they will be doing in the future. Madam Speaker, they will be in a much better position to have gainful employment after the construction is finished with Limestone than they would have been prior to taking that training. If there is no construction going on, they are trained to meet some of the needs that are existing in the communities. They can work there as electricians or journeymen, plumbers, or some of the other workers so as to re-meet the needs in their own communities for some of the service trades that they require in those communities as well.

Madam Speaker, this year we will also see the first graduates of a degree engineering program. It is a four-year program and I know that many of these people will have a lifelong career as engineers, not only with the Limestone Training site, but also with some other lines of work once their training has been completed.

Madam Speaker, I would like to speak briefly on the Department of Government Services. In the past, the Department of Government Services was providing primarily a service to its clients. Over the last two or three years my department has come forward with a more balanced approach, and one on service, and also it's strengthened its control as a central agency. This latter focus was to ensure that the provisions of sound operational advice to Treasury Board and other departments and the way program efficiencies and

effectiveness could be implemented in the programs that we deliver as a Department of Government Services.

As part of this new balanced role, the department is looking forward to providing the Treasury Board with sound analysis on departmental space requirements by all the departments within Government Services. Government Services is also providing consulting advice to other departments and agencies with regard to facility management and construction of service operations as the department is being called upon more and more to provide this type of advice as we continue to implement innovative changes to the areas of extended cleaning, construction control and projected management.

I believe that my department is now working close to balance between service and control, both providing what departments want, and ensuring from an overall government perspective that departments have what is required, and that is a delicate balance between one that has to be continually assessed. Through all this, Government Services will continue to come up with innovative ways of managing government assets and providing an adequate level of accommodations and services at the most reasonable rates that are possible in this environment.

Within the environment of scarce resources, my department will also attempt to address those issues that are related to the Decade of the Disabled. We recognize we do not have unlimited resources, Madam Speaker. However, we believe that we must do whatever is possible within resources to provide access to many of the government facilities that we have. We have had several meetings with the members of the disabled community who feel that they need the access to not only the Legislative Building but many of the government buildings where they do get services as a community.

My department has also been proactive in implementing several cost-effective initiatives over the past year. We hope to continue this trend, Madam Speaker, by finalizing our review of the postal operations with a view to continuing to operate an effective and efficient internal postal operation.

We are also looking at expanding teleconferencing capabilities in the province. In this modern day and age of technological advances, there are many improvements that have been made, and we feel that there can be many efficiencies brought up by having conferences by television or by telephone rather than going to the expense of travelling and meeting in either the city or any other place.

We are looking at computerizing the material supplies in the Office Equipment Branch and to add efficiencies and effectiveness in that area. We are continuing the innovation of the provincial garage. There were many ideas that were brought forward on how we could become more cost-effective and we are continuing to deliver on that study.

Madam Speaker, we are also continuing to work in the area of our labour relations and trying to institute many policies such as Affirmative Action and policies of work environment policy which will help the rapport of our department.

Madam Speaker, I believe that we are a service-oriented department and we are delivering in a most efficient way. Madam Speaker, there have been many

efficiencies made within Government Services as there have been in many other departments in an effort to reduce our deficit. I am sure that the people will recognize that we have not cut back in our commitment to deliver on the social programs and at the same time we have come up with efficiencies on how we can make reductions in overall operations of government.

I know, Madam Speaker, that the Minister of Finance spent many hours in bringing forward this Budget, and I would hope that the members opposite would take the opportunity to come forward with some positive suggestions on how they can make improvements rather than going back to their rhetoric which they usually go back to.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Madam Speaker.

It's not one of the brighter moments of this Legislature for me to have an opportunity to rise and speak in response to the Budget Address because, just a minute ago, the Minister responsible for Government Services said that their government would continue to seek innovative ways to manage our tax dollars. Madam Speaker, I don't think we can take too much more of their innovative tax-dollar management.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Mr. Deputy Speaker, we've seen, during the duration of this government, the squandering of millions upon millions of Manitoba's taxpayer dollars. We've seen losses in our Crown corporations that have been absolutely staggering. Mr. Deputy Speaker, I'm sick and tired of the actions of this government when it comes to hiding what is really going on in the governmental affairs of this province, hiding it from the people and misleading the people in the direction that this government is moving the finances of this province.

Mr. Deputy Speaker, the record of management is dismal. I see some members opposite smiling. Well, if they want to smile about the conditions that they brought Manitoba's finances to and the state of our Crown corporations, then I hope that the taxpayers of this province will have an opportunity to see those smiles, and an opportunity to wipe them off when we go to the next election.

Mr. Deputy Speaker, we have to look at the way that the Budget is drawn up, and it is with a great deal of pride that the government said that they were introducing additional expenditures in health care and that health care was one of the priority areas. Well, it is very much the manner in which we referred to a disaster back home, we shut the door after the horse is gone. We have a situation where, under this administration in the previous five years, we've seen a deterioration of what we consider good health care across the province. We've seen with a great deal of pride the announcement of their new initiatives. Well, I would like to deal with the constituency question at this point.

Mr. Deputy Speaker, the health care system of this province has been evolving so that we try to put more and more people in their homes. We try to keep them

in their familiar settings, try to keep them as comfortable as we can in their declining years so that they can enjoy life and enjoy their surroundings. Not only the elderly but also those who are infirm or unable to take care of themselves are encouraged to return to a home setting and encouraged to have their health care delivered other than in a hospital setting.

Well, it seems to me, Mr. Deputy Speaker, that part and parcel of that should be an improvement in the pre-hospital care systems of this province, in other words, the delivery of ambulance and emergency care services throughout the communities of this province. When I look at what happens to the ambulance and pre-hospital care systems across rural Manitoba particularly, there is a vast difference between our communities. There is no direction from central health care officials, because they consider ambulance care part of the municipal responsibility. For years, those who are responsible for pre-hospital care have been saying to the previous Minister of Health particularly that this has to be changed. If pre-hospital care is not going to be considered part of the health care system, then perhaps the funding to municipalities could be handled in a different way.

I would like to suggest to the Minister of Health that if he wishes to sincerely consider what is going on outside of the concrete curtain around the City of Winnipeg, this is one area where the delivery of health care services to people in rural Manitoba could have some improvement and could have some impact as the result of the initiatives that he wants to take with the health care system.

The delivery of free hospital care, if it cannot be changed and will not be changed for The Municipal Act, then perhaps it should be considered a shared cost with the municipalities because, frankly, what we have in the changing of the manner in which we deliver health care to the people of this province, and the gradual changes that I described a few minutes ago, we have an offloading of the costs of delivery of health care and universal health care to the people of this province to the municipalities.

Offloading is a word that they're quite familiar with across the way, Mr. Deputy Speaker. We hear it constantly in reference to transfer payments, but we're starting to hear it more and more from the municipalities, when they talk about offloading from the province to the backs of the property holders who pay taxes within the municipalities. I would simply like to draw to the attention of the House and to the Minister of Health the fact that Manitoba pays \$2.24 per capita. Newfoundland - the Newfies - to the east of us, pay \$5.45 per capita, and that ranges all the way up to Ontario at \$17.44, and British Columbia - where the members opposite are wont to compare services to so often - they pay \$20 per capita for their free hospital care, in assistance to the municipalities in the delivery of this care to the people in their provinces.

Mr. Deputy Speaker, I think that when we look at this area of responsibility, we have to give some serious consideration to reorganization. The Deputy Minister of Health said that we shouldn't look at free hospital care by itself, and said we should look at the entire health care funding system. Mr. Deputy Speaker, that's cold comfort to those who are selling lawnmowers, those who are acting as dogcatchers part time, in order to

supplement the ambulance services within their communities.

I suggest that is an area that, with the new found interest and initiatives that the Minister of Health wants to implement, he should seriously consider some changes. It would make a significant difference to the delivery of health care in rural Manitoba.

Mr. Deputy Speaker, when I look at the Crown corporations within this province, and I look at the number of dollars, the numbers of millions of dollars that we have lost or are in the process of losing, we are in fact mortgaging the futures of our children and our grandchildren, and we're doing it as a result of the mismanagement and the complete incompetence of the government opposite to control expenditures in relation to government Crown corporations. We have allowed this administration to look at Crown corporations as being an extension of the government, and I know that there are many of them over there who would feel proud to be associated with that statement; it's an extension of the government.

When they treat the Crown corporations in that manner, they can bloody well accept the responsibility for what goes on in those Crowns, because that's how they've handled them; they have used them and manipulated them to their own public good. They have held back figures from the people of this province, they have manipulated the position of the Crowns so that it appears that they are in fact serving the people of this province, and that they are in fact holding the hands, if you will, of the people of this province and leading them into the promised land.

If we look at the balance sheet and how our Crown corporations have produced in the last four or five years, the last five years, Mr. Deputy Speaker, it seems to me that this a promised land that many of us hope we would never achieve entrance to.

We see a total loss in Crown corporations in the last five years, Mr. Deputy Speaker, of some \$478 million - a total that is absolutely staggering - a half billion dollars, almost, gone down the drain. And what do we have? We have another layer of bureaucracy put on, as we affectionately refer to the super Minister across the way. He was going to lead us out of the wilderness. He was going to correct the problems of our Crown corporations. Now what do we have? We have another loss and another fiasco in connection with MPIC, but they forgot to tell the super Minister what was going on.

Mr. Deputy Speaker, a few years ago, when the former president of MPIC was so dishonourably discharged from his position by this government, it's beginning to look as if he was fingered because he couldn't accept the political interference to drive down the rights. So they fired him. They found a reason to fire him. They wanted to get rid of a man who was prepared to tell you that this corporation was going down the tubes if you continue to meddle with it in that manner.

Now we have another president that has been fired or removed or voluntarily resigned, depending on who you listen to, but he hasn't completely left. He's got a \$98,000 contract left, plus he's going to sit on some government boards. Oh, and the Minister says he's going to appear before the committee of Natural Resources. I'll tell you, frankly, I would a lot sooner have him appear before that committee of Natural

Resources if he in fact was still not under contract to MPIC. That \$98,000 contract ties the former president into the corporation.

Why did Mr. Silver suddenly have the goat horns tied to him? Was it because the changes that he proposed to the corporation were politically unacceptable to this government? Is that what was wrong? Or is it because there were so many problems as a result of the tinkering that went on in this corporation in the last four years that there's no way that he could continue to sit on the problems that he saw within the corporation? Is that why he was given the golden handshake?

Suddenly, Mr. Deputy Speaker, the members opposite have a great deal of interest in the papers in front of them. They're not prepared to deal with the reality of what they've done to this corporation and what they're doing to the other Crown corporations within this province.

A \$478 million accumulative loss in the last five years - that amounts to \$1,732 for every family in this province. Now the super Minister says that's nothing. Well, it may be nothing to him, but to my family and to the families in my constituency, to the average Manitoba family, that's a lot of groceries, Mr. Minister.

Every dollar that we have been paying in this province in taxes, the loss means that these five Crowns lost \$1.87 for every tax dollar that we've raised in this province between 1982 and 1987. If the people of this province would put that into perspective when they look at the increased dollars that are taken from them in personal income tax, I think that not only would there be people on the steps of this Legislature protesting Autopac increases, not only would they be protesting what was the one issue that is crystallized in the eyes of the people of this province, what is wrong with this government, why they all of a sudden are coming apart at the seams. The people of this province are beginning to realize that they were bamboozled and fooled and cheated in the last election by the way these corporations were managed in order to protect this government.

Mr. Deputy Speaker, if the people in this province could put it in perspective in what it meant to their individual wallets, they would be on the steps of this Legislature, and they will be on the steps of this Legislature asking for the removal of this incompetent and corrupt government.

Mr. Deputy Speaker, there have been a lot of questions asked on MPIC in this Chamber, but I'm afraid that the questions exceed the answers by a great deal. On at least two occasions, I asked the Minister responsible for MPIC to give us a breakdown on his increased claims costs. There are eight parts that I would like him to have answered. He didn't answer them, he hasn't answered them, and he hasn't given us a commitment that the corporate officials will have an opportunity to speak on their own behalf within the Natural Resources Committee and Public Utilities of this Legislature in order to respond directly to questions about how we develop the claims loss figure that we have in this province.

The Minister today deliberately distorted the question that I asked him when I talked about claims loss reserves. He referred to the \$72 million reserves that we have, but he refused to answer the question about what was involved in our claims losses. Every other

insurance corporation across this country, Mr. Deputy Speaker, has recognized for the last four years that we had a tiger by the tail in the insurance industry.

But did MPIC realize it? Well, perhaps the officials within the corporation did realize what was going on. Perhaps they knew that the claims loss figure in this corporation had to be adjusted actuarially. But did they deal with it? They didn't have a chance to deal with it, Mr. Deputy Speaker, because this government didn't want the figures to be shown prior to the last election. MPIC was to be the flagship of their re-election.

What makes us so mad on this side of the House, Mr. Deputy Speaker, is that if the facts had been known about MPIC, there are two or three seats in this House that would have been Conservative and we wouldn't have to deal with that incompetent bunch of rascals.

Mr. Deputy Speaker, when we talk about what has gone on in this corporation and when we talk about the cost to the people of this province, there comes some serious questions that have to be raised about MPIC. The manner in which this corporation has been managed has led those of us on this side to say that it should be required by law to present its right changes to the Public Utilities Board.

What happens if they go before the Public Utilities Board? There's not going to be an immediate and dramatic change in the rate structure such as we saw this year, but there will be a dramatic change in the way the corporation prepares its rate structure for the public of the province.

First of all, they will have to clearly state what goes into the structure of those rates; they will have an opportunity to show the people of this province what created those rates; and then they will have to justify their reserves and justify the claims reserves that are involved in the ultimate premiums cost to the people of this province.

Mr. Deputy Speaker, that may seem simple, but it seems to be a solution that eludes the members opposite. They don't want to talk about appearing before a Public Utilities Board. They don't want to talk about accountability in front of the Natural Resources and Public Utilities Committee of this Legislature. That's why there's a crisis in the minds of the people of this province regarding our Crown corporations, because we no longer have accountability that we can trust. The answers that we are receiving are not forthright and they are not direct, and they do not shed light into the corners of this particular issue which we on this side believe is so important to the future of this province.

Mr. Deputy Speaker, the changes that were effected in MPIC this year were only in place for a short period of time when the people of Manitoba began to realize that there was a real huge impact coming down the chute at their pocketbooks.

Mr. Deputy Speaker, what happened at that point was that all of a sudden the people of this province became galvanized into some sort of action. We saw that action demonstrate itself on the steps of this Legislature and shortly afterwards the Minister, being scared and worried of the political impact of what was going on, decided that it was time to make changes.

Those changes were changes that the people of this province needed. Some of those changes were beneficial to the operations of the corporation, but what they were was an acknowledgment, however, that this corporation had come off the rails.

Before Christmas, the Minister was not interested in merit systems and discounts for good drivers. That wasn't included in his plans and he said so. But all of a sudden after the New Year and into February he decided it was time that would be implemented.

Mr. Deputy Speaker, we then heard of all the problems that were involved with these last minute changes. Merit systems - you can take your meritorious driving record from Manitoba and go to B.C. and, with an affidavit or a record from Manitoba of what your driving record was, receive some recognition. You come back, and you're considered a new driver. You're going to be discriminated against and there's no meritorious rating for you.

Now, that's not even funny, but the fact is it is amusing that this was introduced in such great haste that the result was that there was a poorly thought-out situation that was introduced to the people of this province.

We've been trying to find out what went into the claims volume, what went in to make up the figure of costs for MPIC this year. Mr. Deputy Speaker, there's approximately a \$63 million - now said to be a \$61 million loss for MPIC. If we take off \$23 million which is considered to be an actuarial adjustment, let's look at what's left. We know that the bodily injury claims of this province went up by 30 percent, but the volume of claims this past year only went up 1 percent - 1 percent. Two years ago we had a change of 34 percent and 7 percent - pardon me, three rates back. That tells me that this corporation must have known what was coming four years ago, when the changes first began.

(Madam Speaker in the Chair.)

Mr. Dribnenky went to the Legislature in Toronto, and he talked there rather freely, answered the questions of the legislators there and he said this: I think there's a combination of factors that took place, one of them being that our rate structure did not keep up with what was happening on the claims side. The other factor is we had a dramatic escalation in claims for the last four years. And then he went on to say, "That's the reason we're in a catch-up situation on our rates, and you've been hearing about all the dramatic rate increases we have in mind for this year." Now, that's not what the Minister has been telling us, Madam Speaker. The Minister has been telling us that they didn't see this coming. That's like the drunk on the highway who got hit by a truck - he didn't see it coming. It doesn't matter that he was in the wrong lane.

Madam Speaker, I will quote from Mr. Runciman who was questioning Mr. Dribnenky in Ontario. He said, ". . . but as you have suggested, they have been inadequate - that is the rates - for the past couple of years." Mr. Dribnenky: "That's right, that's correct."

Madam Speaker, how long do the people of this province have to continually be misled by the Minister responsible for MPIC? We've been misled in his explanation of how the rates were structured. We've been misled in what has led up to one of the most dramatic increases, an increase that can in no way be called a 24 percent or an 18 percent. You are looking at increases all the way up to 120 percent for various vehicles within this province. And then we see "Back Door Billy" dealing with the truckers; we see him dealing with the tow truck operators; he wants to meet with

the taxicab operators. Who else is he meeting with behind closed doors to adjust the rates for Autopac? Is that any way to run a Crown corporation? It simply shows how badly out of whack this corporation is. It shows that the management has been not either allowed to manage or is totally incompetent, Madam Speaker.

Madam Speaker, I'd like to quote once more, Mr. Dribnenky. He said, "In the past year the expenses were a bit higher, but as I have indicated before, obviously if you're going to lose \$60 million, your revenues are not high enough. Okay?" "Okay," said Mr. Dribnenky. He was feeling the pressure of that Legislature and those members who wanted answers to what was happening in Manitoba, and we deserve the same privilege in this province, Madam Speaker.

Madam Speaker, I tried to outline to you earlier in question period today the claims costs and the bodily injury claims and how they changed in this province in the last four years. I would like to take the opportunity to do it now.

Madam Speaker, in 1984, bodily injuries went up 13 percent. In 1985, they went up 34 percent, and in 1986, 17 percent - a total of a 74 percent increase in three years. And this past year in 1987 we saw a 30 percent increase. They couldn't see it coming. The truck hit them and they didn't know it was coming.

In 1984, the claims numbers increase was 3 percent, and in 1985 - 7 percent, and in 1986 - 10 percent. But do you know what they were in 1987? The claims numbers increase was 1 percent, 1 miserable little percent and we get an increase between 18 percent and 120 percent in Autopac rates in this province.

The Minister all of a sudden thought he could change the face of the automobile insurance industry in this province, and he managed to do it after there was an election. In 1985, Madam Speaker - 1985 - the bodily injury claims increased 34 percent and the number of claims increased by 7 percent and we did not have an increase in the insurance rates in this province.

Madam Speaker, that's why the Minister has been lying to this House. He knew what was coming down the pipe. He knew that the costs were going up, Madam Speaker, and he misled . . .

MADAM SPEAKER: Order please, order please.

Would the honourable member please withdraw the remarks that the Minister was lying to the House?

A MEMBER: You can't deny the truth.

MADAM SPEAKER: Would the honourable member please withdraw those remarks?

MR. G. CUMMINGS: Madam Speaker, the Minister has, on numerous occasions, said that they did not see this rate increase coming. Madam Speaker, he then went on to quote various sources to say that the increase . . .

MADAM SPEAKER: Order please, order please. Order please.

MR. G. CUMMINGS: . . . was two years behind.

MADAM SPEAKER: Order please.

MR. G. CUMMINGS: They're behind because . . .

MADAM SPEAKER: Order please, order please.

The honourable member has been asked to withdraw the remarks that he made that the Minister lied to the House, which is unparliamentary. A dispute over the facts is one thing, but unparliamentary remarks must be withdrawn.

The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, if the Minister would be forthcoming with the people of this province and with the members of this House, I would withdraw it; but he hasn't been and he will not be and I'm not withdrawing it.

MADAM SPEAKER: For the last time, I ask the honourable member to withdraw the remarks that the Minister has lied to the House.

The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Madam Speaker, we have tried, on numerous occasions, to receive forthright and direct answers about the claims costs on automobile insurance in this province. The Minister has baffle-gabbed every answer he has given us. He has not told the people of the province what's going on. Mr. Dribnenky is wrong or the Minister is wrong. One of them is lying to people of this province.

MADAM SPEAKER: Unfortunately, I have no alternative but to name Mr. Glen Cummings for disregarding the authority of the Chair.

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, I move, seconded by the Honourable Minister of Health, that the Member for Ste. Rose be suspended from the service of this House for the remainder of the present sitting.

QUESTION put, MOTION carried.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the members.

The question before the House is that the Honourable Member for Ste. Rose be suspended from the service of this House for the remainder of the present sitting.

A STANDING VOTE was taken, the result being as follows:

YEAS

Ashton, Baker, Bucklaschuk, Cowan, Doer, Dolin, Evans, Harapiak (Swan River), Harapiak (The Pas), Harper, Hemphill, Kostyra, Lecuyer, Mackling, Maloway, Parasiuk, Pawley, Penner, Plozman, Santos, Schroeder, Scott, Smith (Ellice), Smith (Osborne), Storie, Uruski, Wasylcyia-Leis, Walding.

NAYS

Birt, Blake, Brown, Connery, Cummings, Derkach, Downey, Driedger, Ducharme, Enns, Ernst, Filmon, Findlay, Hammond, Johnston, Kovnats, Manness, McCrae, Mercier, Mitchelson, Nordman, Oleson, Orchard, Pankratz, Rocan, Roch.

MR. CLERK, W. Remnant: Yeas, 28; Nays, 26.

MADAM SPEAKER: The motion is accordingly carried.

The Honourable Member for Ste. Rose will please leave the Chamber.

The Honourable Minister of Municipal Affairs.

HON. B. URUSKI: Thank you, Madam Speaker.

I am very pleased to participate in this debate, especially after the antics and the display of members of the Opposition, and especially the critic for the Public Insurance Corporation.

If you can't win an argument on the facts, Madam Speaker, let's make them up and call somebody a liar and get yourself thrown out of the House to get headlines. That's the way the Opposition plays. Madam Speaker, if you can't win the debate on television or on the facts, take your marbles and take your bat and ball and go home just to get a headline.

Madam Speaker, I have not seen the kind of debate in this Legislature, the kind of antics, in my 20 years in the Legislature that I have seen in the last couple of days, the kind of misinformation, the kind of antics.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs has the floor on the motion before the House which is the address of the Honourable Minister of Finance.

HON. B. URUSKI: Thank you very much, Madam Speaker.

Let's examine the debate that went on today.

The members opposite, the Leader of the Opposition and the Member for Ste. Rose, alleged that somehow the government and the corporation knew that claims costs were going to rise out of proportion and they did not act sooner, looking in retrospect. They politically dealt with the rates and kept the rates politically down. Let's examine the facts, Madam Speaker, as to what has occurred.

Let's deal with the facts, Madam Speaker, and not the nonsense of the Member for Arthur.

Madam Speaker, in 1984, the corporation had 208,000 claims registered against it. On the existing rate structure in 1984, the corporation ended up having an \$18,845,000 profit at the year end ending October 31, 1984 - an \$18 million profit.

Madam Speaker, in the following year, the corporation registered against it 224,000 claims and registered a profit on that year of \$9.3 million in 1985 on the existing rates. Rates were held at a 2 percent decline in 1984 and a zero increase in 1985. At the end of 1985, the corporation had accumulated reserves of \$72 million. Madam Speaker, that was at the end of October 1985. Between October 1985 and March of '86 was the election, Madam Speaker.

In the election period, Madam Speaker, what did we hear from members opposite? We had the Leader of

the Opposition saying to the public of Manitoba, if you elect us Conservatives, we in fact will reduce your premiums by 10 percent, lower those reserves by \$20 million and give you back 10 percent because this corporation and this government has been overcharging Manitoba motorists. That's what you said.

And now you're saying no, that's wrong. The figures are right, but no that's wrong. Madam Speaker, that's what they said. Madam Speaker, that in fact is what happened. By October 31, 1986, the corporation had an operating deficit of \$18.7 million. What actions did the government take? What actions did the former Minister take on recommendations from the corporation? Premiums were increased on March 1, 1987 by an average of 9 percent. Madam Speaker, for vehicles in high loss ratio categories, increases up to 30 percent. Action was taken immediately, Madam Speaker.

Now, let's look at the claims cost then, Madam Speaker. At the end of this year that increase was in place; we suffered a \$61.5 million loss on operations because claims costs went right out of the limits. And we'll deal with those claims costs.

I want to show my honourable friends how deceptive they have been in terms of saying that somehow our reserves are inadequate at trying to hide reserves. We'll deal with those points very shortly, Madam Speaker.

We raised premiums this year, and what did we have members of the Opposition saying? They arranged demonstrations of Manitobans to protest the higher increases of rates, but their research director went to Ontario and said, look, we're not standing with Manitobans against those high increases. We believe that those high increases are okay, because if the corporation has to break even, it has to break even. That's what their research director said to the Ontario Legislature, Madam Speaker.

Let's see what happened to claims and claims costs over the years. I said in '84 - 208,000; '85 - 224,000; '86 - 246,000 claims, and last year or this fiscal year that we are debating, 249,000. The numbers in terms of increases are fairly substantial, but the real telling point, Madam Speaker, is the cost per claim.

In 1984 the average cost per claim was \$718, Madam Speaker. In '85 that figure rose to \$804, Madam Speaker. In '86 that claim rose to \$871.00. Madam Speaker, the real trying number is between '86 and '87 from 871; it's \$1,001 on a pure claims cost. The Member from Ste. Rose went outside the Chamber this afternoon and said we were hiding our claims costs. Why wouldn't we tell him what the claims costs were? Madam Speaker, if he looks on page 3 of the annual report, he will be able to tell what the total claims costs in one, two, three, four, paragraph five. The higher repair costs and injury claim settlements experienced in 1987 contributed to an increase in the average cost per claim of \$1,119 from \$891 the previous year.

Now, the media should be aware that the figure that I quoted of \$1,000 does not include adjusting costs. The two figures are the pure claims costs and the figures in the annual report include all the adjusting costs. That's the only difference in the claims costs.

Madam Speaker, an increase of almost, what would you say, over \$220 on 891, what kind of a percentage increase would that be? About a 25 percent increase. Very close to 25 percent, Madam Speaker. A 25 percent

increase in claims costs in one year, Madam Speaker. That shows where the bottom line of the corporation ends, how does it show? 249,000 claims with record claims totalling \$306 million. Madam Speaker, an 87 million bringing total claims, with expenses of 29.5 million of \$335 million. That's what the figures were for year end.

Earned revenues, on the other hand, Madam Speaker, were \$274 million including \$237 million in premiums and \$36 million in investment income.

Madam Speaker, for members opposite to play the kind of antics that they have been playing is just despicable, because they believe that they can fool Manitobans. They believe that since they tried to convince Manitobans that reinsurance losses were somehow going to be paid by motorists of this province in Autopac, that they are now on a roll. But, Madam Speaker, they should not think that Manitobans will believe the kind of antics we saw today. When they couldn't win the debate on the facts of the issue, they will resort to calling people names.

Madam Speaker, that I believe Manitobans will see through, and I believe that the media will show that out, will point that out. I believe the Member for Niakwa knows and does not agree with those kinds of antics, that he would stand up and say, look, that is wrong. We should not play games with people.

(Mr. Deputy Speaker in the Chair.)

Mr. Deputy Speaker, what has happened to claims costs? Let's deal with the major increases, one of the major increases in claims costs in the corporation, and that is the bodily injury claims. In 1984, Mr. Deputy Speaker, we had 10,000 claims in bodily injury for an annual cost of \$43 million. In 1985, we had 11,400 claims in bodily injury, for a total of \$52.8 million in claims costs. In 1986, we went to 12,664 claims, for \$65.2 million. Mr. Deputy Speaker, in 1987, that went to 14,400 claims for a total of \$85.2 million, a major increase in claims costs. And those members opposite want to go around this province and want to come in this Legislature and say that something was hidden.

Mr. Deputy Speaker, every annual report of the corporation has been audited by outside auditors, has been reconfirmed by the Provincial Auditor with an unqualified statement. If they are saying that the auditors are lying, let them stand up in this House or get out of the Chamber and say that the auditors of the corporation are lying and the corporation and the Provincial Auditor has been lying. They don't have the intestinal fortitude, Mr. Deputy Speaker, because they know that they are walking on very, very thin ice, that they would be sued right out of their pants.

MR. C. BIRT: Oh, don't threaten us.

HON. B. URUSKI: Why don't you do it? The Member for Fort Garry says, "Don't threaten us." Mr. Deputy Speaker, let him go out and make that statement. Do you have the guts to make the statement and say that the auditors have lied on all these statements? You know you don't. You know that you're skating on thin ice, that you don't have a leg to stand on, so you'll resort to the tactics, as the Member for Ste. Rose. That's the kind of nonsense you're dealing with.

Mr. Deputy Speaker, what the Opposition members don't want to accept is that the corporation and the government have been more open on this issue than any other government in the history of this province. They don't like myself and members of the executive team meeting with the media, meeting with Manitobans, to share the financial information on this corporation.

Mr. Deputy Speaker, on the day of this House opening, I shared the unaudited figures with members of the Free Press, two reporters. I want to indicate that and put it on the record. Mr. Deputy Speaker, the Winnipeg Free Press is certainly no friend of this government. It took them three weeks to obtain outside auditing information, and they made countless phone calls back to myself and back to the acting chief executive officer to confirm the numbers. They were not convinced that we were telling the truth.

Mr. Deputy Speaker, that audit, confirmed by the Winnipeg Free Press - and I want to quote from that article. Their editorial writers wouldn't allow or the editor would not allow, to put that article in a Saturday paper. They wanted to print it in a Sunday paper, probably where fewer Manitobans read the Sunday paper but, Mr. Deputy Speaker, the telling point of that article, even the Winnipeg Free Press is prepared to confirm it, and I quote from the article of February 21, 1988, "Portions of an external Autopac audit obtained by the Free Press support the government's contention that it couldn't have predicted early in '86 that Autopac would go on to lose a total of \$82.5 million in the next two years."

Mr. Deputy Speaker, that's why the Conservatives are so uptight, because all the ballyhoo, all the muckraking, all the innuendo that they've put on the record over the last two years is now washing back on them. When you start throwing mud, start throwing dirt, Mr. Deputy Speaker, you will lose ground, and that's what's happening to the Tories. They kept on throwing dirt and now they're losing ground, because it is coming back to haunt them.

They know that they were inaccurate in the statements that they were making, in the assertions that they were making, Mr. Deputy Speaker, and now they know that they are losing ground. That's the reason that they're playing with the antics that they're playing today, Mr. Deputy Speaker. If you can't win them, call them liars and get yourself thrown out of the House, and then get a headline. That's the kind of antics that we see in terms of the debate today.

Mr. Deputy Speaker, without a doubt the program of Autopac is the best anywhere in the country. The benefits are the best in Canada, no question about that, Mr. Deputy Speaker. There is just no doubt about the benefits there. I want to take honourable members through some of those benefits that we had in the corporation, Mr. Deputy Speaker. Let's look at some of the benefits. They should look at the annual report, Mr. Deputy Speaker. My honourable friends should look at that annual report very carefully to see how benefits have improved in the corporation from 1971 to 1987.

Medical expenses, Mr. Deputy Speaker, \$2,000 in '71; 1987, \$100,000, a 4,900 percent increase in benefits to Manitoba motorists; partial disability benefits in 1971 were \$25 a week, that's moved to \$60 a week in 1987, 140 percent increase; actual earnings above the maximum \$25 a week, to date \$60 a week, 140 percent

increase in benefits; total disability, they're all in the annual report. Impairment benefits rising from \$6,000 to \$20,000, 200 percent increases; payment for self-supporting spouses of victims rose from \$2,000 to \$10,000 over the years, 400 percent increase; death for young people under 18 went from \$500 to \$2,000, 300 percent increase.

Those kinds of benefits, Mr. Deputy Speaker, have increased in this program over the last number of years. There is no doubt about it that Manitobans view this program very dearly but want improvements, want to make sure that the corporation is operating in an efficient mode, Mr. Deputy Speaker, and is there to get into the 1990's and onward. This government is committed to improving on the performance of the corporation, on the programs and the benefits.

Mr. Deputy Speaker, that's why we set up an independent review of the corporation's activities and the programs that we offer. We asked Judge Kopstein to, in fact, conduct a one-member review commission onto the corporation's operations, as well, and dialogue with the public of Manitoba in this whole area and come up with recommendations how to improve the program. Mr. Deputy Speaker, members opposite, some of them at least, the critic last night said that was a good idea. Mr. Deputy Speaker, have they offered one iota of constructive criticism and constructive advice during this whole debate? No, Mr. Deputy Speaker, not one area. Well, I shouldn't say that. The Member for Ste. Rose, my critic, talked about, and I want to deal with - in his letters to me - some of the letters he wrote me. He wrote me in December. He wanted me to stop any changes in the rate structure that will hurt the driver with a good record. He said to me if the licence fee is to be increased by \$20 we must consider the impact on a family of two, Mr. Deputy Speaker, two dependent drivers at home.

Mr. Deputy Speaker, I have to say that we reacted not to the member of the Opposition but he wanted changes in the driver premium; we brought out the merit program. There will be motorists in Manitoba who will be paying less for the driver's insurance premium this year than they did last year, by the very changes that even members opposite suggested. But let's just see what they are suggesting to spend more money but don't charge more, Mr. Deputy Speaker.

Now he indicated in December that we must not move to a \$500 deductible, Mr. Deputy Speaker. We didn't move to a \$500 deductible; we went to a \$350 deductible. He didn't want us to go, Mr. Deputy Speaker, we listened to the constructive criticism. He's saying last year Autopac unfairly hit a small group of driving public, the commercial drivers, and he doesn't want rates to go up for them.

Who is he saying should pay the kind of exposures that the corporation felt on commercial operators like taxi drivers, Mr. Deputy Speaker? Should we say to the rest of the motoring public that when you have a loss experienced over the last five years, an average loss ratio on taxis of 196 percent? That means that for every dollar the corporation took in it paid out \$1.96 in benefits to the taxis. Mr. Deputy Speaker, is my critic saying that we should not have raised the premiums for taxi drivers? That's obviously what he's saying then, Mr. Deputy Speaker, that we should skew our rating system to, in fact, give the benefit to the commercial

drivers and have all of you who drive private passenger car vehicles take up the slack. Because where else are you going to get it, Mr. Deputy Speaker, other than that, other than maybe a direct subsidy from the treasury? Is that what the Conservatives are, in fact, saying? That, in fact, we should cross-subsidize the motorcycles?

Mr. Deputy Speaker, should we say that our average loss ratio on motorcycles which is almost \$2, in fact, a five-year average is 176 percent over five years, that we should somehow take from the car motorists and pay for the losses in motorcycles because our premiums are going up too high? Is that what they're suggesting? Mr. Deputy Speaker, obviously they want to play a role and manipulate the rates to deal with certain people.

You know, Mr. Deputy Speaker, there is only one bottom line for the Conservatives. They will use every tactic they can to destroy public automobile insurance. They will use every underhanded tactic, Mr. Deputy Speaker. Well, they talk about wanting to cross-subsidize. They want to talk about cross-subsidization for the commercial operators and, Mr. Deputy Speaker, they want competition in the Autopac side. What will that do to the young people?

Mr. Deputy Speaker, Angela Welch campaigned for the citizens of this province and I give her full marks, but she was led down the garden path by the Conservatives. Because, Mr. Deputy Speaker, and I said that on television last night, if you're going to deal and I regret, I don't think we did a good job because there is now a second generation of Manitobans who know nothing but Autopac and who don't know the fairness that Autopac has brought in for a quarter of Manitoban drivers, and that is the drivers under 25, the kind of fairness that has been brought into play for over 100,000 of our motorists, those under 25. Because, Mr. Deputy Speaker, for the first time in history, since 1971 young drivers are being treated on their record. They are not being rated by having rates like even Angela had, \$1,200 just when you cross the border for a young female under 25.

If she would have told that insurance company that she had three claims last year, as she told me, on her 1987 car, can you just imagine, Mr. Deputy Speaker, what her premiums would be? Mr. Deputy Speaker, I bet you they would have pushed her into the facility. They would have told her, we're not insuring you. You pay at least \$4,000 or \$5,000 on those claims because we're not touching you. You're a bad risk, you had three claims last year.

Mr. Deputy Speaker, we have not done a good educational job because I regret - and I think the corporation has not done a good job because over 100,000 motorists in the Province of Manitoba have been treated more fairly and the bulk of them . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please, order please.

I hear the voice of the Member for Riel louder than the member who has the floor.

HON. B. URUSKI: Mr. Deputy Speaker, what we have heard - and I want to say again, it is the young people who will be the major losers with their "let's have more

competition" ring. Mr. Deputy Speaker, it sounds good right now. People are mad. I agree that, when you have an increase in excess of \$100 on your premiums over what you paid last year, you'd be damned annoyed. There is no doubt about that and I will accept that criticism, Mr. Deputy Speaker.

But when you look at a running average and look at where our premiums have gone - you know, I wish the Member for Riel who is an Autopac agent, that he at least would treat this issue in a very impartial manner, that he would at least to his customers, if he's representing this corporation adequately - and I say that to all agents, that they treat the corporation fairly. Some of the comments I hope that I get from agents who say, yep, they've mismanaged, are only repeating the Conservative line. I hope the Member for Riel, when he is in his office as an agent, does not stoop to those kinds of tactics knowing that they are inaccurate, Mr Deputy Speaker, because that would not be doing a service to the public of Manitoba, spreading the kind of malarkey that the Leader of the Opposition and the Member for Ste. Rose have tended to spread.

But what we have had over the last couple of years from the Conservatives, the Member for La Verendrye wrote letters, look, we need more money for driver safety. Mr. Deputy Speaker, the corporation is spending \$1.5 million annually on safety programs. The Driver Education Program is sponsored by the corporation. At least, I say to the Member for La Verendrye, thank you to say let's do more for the young drivers to improve the future of Manitoba's driving, and the corporation is working on that.

But his colleague, my critic says, we should not be spending any money on improving the driving habits of Manitoba motorists. He called in to a CJOB program that I was on. You know what he said? He said, look, you're cross-subsidizing Manitoba motorists. You shouldn't be spending this kind of money on the driving public. Mr. Deputy Speaker, if there was any program that a publicly operated insurance corporation should be involved in, it's providing good driver training for the future of Manitoba's motoring public. It will pay dividends in years to come in terms of the safety of the drivers.

Mr. Deputy Speaker, we're also involved in the ALIVE campaign providing a cost-sharing with some of the radio stations in providing for buses in Brandon and in Winnipeg these last few years to say to people, if you drink, don't drive. The corporation is involved in that, another good move in terms of the whole area of improving driving habits.

We will also be involved, I want to share with my honourable members, in the whole drunk driving area. The corporation will be actively involved in that whole area over the next couple of month. We will be promoting safe driving in this province, Mr. Deputy Speaker, and we will be spending insurance dollars.

A MEMBER: Why not the government?

HON. B. URUSKI: The government is involved in that as well.

Mr. Deputy Speaker, over the last two years every member, the Member for La Verendrye saying spend more money on safety, wrote to me. The Member for

Pembina, last year, wanted my colleague to pay out .75 million on an ex gratia on an insurance claim where there was no insurance coverage, Mr. Deputy Speaker. That's what they were lobbying for, Mr. Deputy Speaker, for the corporation to pay claims when there was no insurance coverage. Those were the allegations.

The Leader of the Liberal Party, the Member for Fort Rouge, Mr. Deputy Speaker, or River Heights, I'm sorry, the Member for River Heights came and said, we're not dealing with body shop owners in a good way. Raise body shop rates. Mr. Deputy Speaker, in 17 years, body shop rates went up 400 percent from \$8 an hour to over \$32 an hour today. There are over 200 more body shops in the Province of Manitoba operating today. Members of the opposition say, well you're not dealing with these people fairly. Mr. Deputy Speaker, we negotiate with all of them fairly.

Spend more money, Mr. Deputy Speaker, and then when the claims go out of sight, there is inefficiency. Somehow the corporation is not operated efficiently. On the one side pay for claims, pay more for body shops.

Mr. Deputy Speaker, the real telling issue of this corporation in Manitoba is that the consumer price index from 1971 to today has gone up in excess of 325 percent. I want honourable members to listen to this, 325 percent increase in the consumer price index. Autopac rates in that same time frame, Mr. Deputy Speaker, has risen 225 percent, almost a third less than the consumer price index in this province over a 17-year history. That's the fact of the matter, Mr. Deputy Speaker. The difficulty is, and I have to admit, the gyration that premium rates take and have taken over the years.

Mr. Deputy Speaker, in 1981 when you were in government, the last year of your term, when you couldn't put yourself to wrecking the corporation because you had only a year left. You had to get the corporation on sound financial footing, you lost money. You raised premiums by 18 percent, an 18 percent increase. Mr. Deputy Speaker, revenues to the corporations this year will increase by 18 percent. Mr. Deputy Speaker, where were the members then complaining with their own government? Were they demonstrating that somehow an 18 percent increase in '81 was okay, but an 18 percent increase this year was not okay? Is that what they're saying?

A MEMBER: They didn't increase the sales tax. They didn't do all that the same year too.

HON. B. URUSKI: Now they really want to fudge the issue. The usual tactics of members opposite. If they can't win the argument on the debate, let's fudge the issue.

Let's deal with the whole question of the issue of insurance rates and what happened - Mr. Deputy Speaker, 18 percent in 1981. This year's revenue . . .

A MEMBER: People know we manage well. They know you can't manage. That's the difference.

HON. B. URUSKI: Mr. Deputy Speaker, that's why the people threw you out. That's why the people of Manitoba threw you out. They knew that your bottom line was

to get rid of the corporation after spending three-quarters of a million dollars on the Burns study.

Mr. Deputy Speaker, they are playing up to the emotions of Manitobans to say that when premiums increase as much as they did, we want to increase the competition. That is a nice way. And you know how they could easily do it? They could create a mutual company as is being suggested by Mr. Burns and company, sell the shares and make it a mutual company as has been suggested by the Member for Ste. Rose, but you know, the one thing you'll have to do, you will have to devalue the shares so that when they are put on the market, the share prices will go up. They will be bought up, and little people will make a profit, and that's one way of getting away with privatization of a public company and have that corporation controlled by very few people. That will be the move of the members opposite in how public insurance will be dealt with if they are elected, Mr. Deputy Speaker, and that will be the issue.

Mr. Deputy Speaker, as sure as I stand here, the Conservatives in Saskatchewan will privatize the potash corporation. They will be selling shares.-(Interjection)- Well, Mr. Deputy Speaker, I will tell you that will be the trend of the way Conservatives will operate in privatization, but we will not put out shares. We will not. Mr. Deputy Speaker, that's going to be the role of the Opposition and they will want to hide from that and they will want to twist and turn from their entire plan of trying to get rid of that corporation.

Mr. Deputy Speaker, it is very clear over the last couple of years that what they want to do, because they fought against it. I mean, let's look at the record: 1971 - who demonstrated with all the agents? Even the Member for Riel, I am sure, was an agent. He's never had it so good, Mr. Deputy Speaker. He's never had it so good. I venture to say that maybe his competitive spirit with his fellow agents isn't as good, his program isn't as good, in terms of attracting enough customers through his door because he has to compete with his fellow agents; but I can tell you, Mr. Deputy Speaker, that the revenues to agents will go from something like \$16 million to in excess of \$22 million this year. That's what will go to agents, Mr. Deputy Speaker, and all the agents of Manitoba have done very well. I believe, in the main, agents have done an excellent job.-(Interjection)- I have said that. I have said that in the main, but there are one to two that I venture to say that I am concerned about in terms of the kind of rhetoric that continues to play. If they want to engage in the field of politics, let them get themselves elected and come into this house. I have no difficulty with that, but when they are serving the public and mouthing the kind of innuendo and information that is not factual, that is spread by members of the Opposition, they should check their facts, Mr. Deputy Speaker, and I don't take that lightly at all.

So, Mr. Deputy Speaker, what have we had in this Chamber over the last two years and the last few days? We've had a debate where all the figures have been put on the table, and they will have ample opportunity over the next weeks and months to get into all the detail in the corporation in terms of claims costs in terms of bringing the executives there, but I venture to say that will not be the tone of the debate.

I will tell you what the tone of debate will be, Mr. Deputy Speaker. The tone of debate will be to bring

Mr. Silver, who will be coming to committee, and say, where did you guys differ? Why did you pay Mr. Silver \$100,000 in terms of him leaving the corporation that was mutually agreed upon? -(Interjection)- Of course, he's a good man, but we still had a contract with Mr. Silver, but there was in terms of my assessment and his that the corporation should take different directions. Mr. Deputy Speaker, he also wanted to go to the private sector.

We had an existing contract with him. We had to in fact bring about - we would have had a severance provisions to be involved in that contract. So, Mr. Deputy Speaker, we came upon a mutually agreed upon decision, and members of the Opposition accused us, why did we in fact now bring this forward so quickly.

Mr. Deputy Speaker, we came to an agreement and the corporation had to be made sure that it runs, and that there be a continuity of management there. We made the decision, we agreed on a Friday. On Monday, the announcement was made. Mr. Deputy Speaker, they wanted to know why Cabinet wasn't involved. Mr. Deputy Speaker, the corporation has to continue running, and so we made the decision. I, in my discussions with Mr. Silver, we came to a mutually agreed upon parting of the ways. I asked him to stay on in terms of providing advice, to come to committee, to serve on a couple of boards, because his advice is good to the government. So, Mr. Deputy Speaker, in lieu of the separation agreement and in terms of where our contract was, we came to an understanding.

That contract will be tabled in the House as soon as we have it but I venture to say, Mr. Deputy Speaker, that will be the debate. It will not be on the workings of the corporation. It will be what will be the differences, what some members say in Ontario about the claims, where did Mr. Silver disagree with me, what did members opposite say. That's going to be the tone of the debate. I will predict that today, Mr. Deputy Speaker, because all the figures are on the table, and members are the ones who are fudging them.

MR. DEPUTY SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you very much, Mr. Deputy Speaker.

I've got a bit of a problem. Why is my light flashing? -(Interjection)- Thank you very much.

Mr. Deputy Speaker, I rise today to take part in the debate on Autopac. It seems that the last time I stood up, I remember the Attorney-General pointing his finger over at me and saying, why don't you talk on the Throne Speech, why don't you talk on the Throne Speech. I was talking on the Throne Speech, Mr. Deputy Speaker. I just want the Attorney-General to know that I kept my mouth shut, and I allowed the debate to take place before without making any remarks, because I think that Autopac is a very important function of the Budget process.

I'm very, very disappointed inasmuch as I had heard some remarks coming from the Minister responsible, disappointed to the point where I'm going to have to repeat some of the remarks that were made and condemn the Minister for making those remarks.

It's a sad day, Mr. Deputy Speaker. I rise today because, even though my health has not been of the

very best because I've had a bit of a cold and I was afraid that maybe my voice might break while I was talking, but it might be the last opportunity that anybody, particularly myself, will have the opportunity of debating in this Legislature, because the way things are happening and with the Budget vote coming up very, very shortly, I still feel that there is an opportunity for the Member for St. Vital to gather up his courage and support what he said he was going to support and condemn what he said he was going to condemn.

Mr. Deputy Speaker, in a lot of cases, I don't like the rules, but there's no way that I'm going to break the rules because I don't like them. When I got elected, I was told that if you don't like the rules, change them, and I'm doing everything I can to change them, I'm not going to take my ball and go home under any circumstances. I'm going to stay and I'm going to fight and I'm going to change that government. That's what we're going to do.

I'm not going to lower myself into a level that is condemning the government.- (Interjection)- No, I'm not going to condemn the government for some of the things that have come from the government because I'm really, really disappointed. I have put up with so many things. I've listened to one member over on that side saying, "Get back in your hole, Albert." I just can't believe that these things go back and forward, and then we're accused of being the ones who initiate this type of debate, that we are the ones.

A MEMBER: . . . started that this afternoon.

MR. A. KOVNATS: Oh, was that this afternoon? Well, what happened the day before yesterday? What happened over two years ago when I looked across and I saw a member giving me a Nazi salute? Now, I didn't start it, and I'm not about to try and get worse than anybody else and say that this is what happened to me in the past and I'm going to get even. That's not my nature but you just drag that part out of me.

I have never made any comments. I think once I made a comment about how some of the members had attended an anti-American demonstration in which an American flag was burnt. I think once I made a remark, and just as a passing remark, because I don't think that's the type of thing we should be using to fight one another. We've got many, many other factors that we can fight, legitimate things, Mr. Deputy Speaker.

To say some of our remarks are despicable, I think is despicable; to accuse us of lacking intestinal fortitude and not having the guts to do something, well, we will find out about who's got intestinal fortitude and who's got the guts.

Mr. Deputy Speaker, this Budget indicates to all Manitobans the lack of concern and the lack of feeling and the contempt that this New Democratic Party Government has towards Manitoba and Manitobans, the "I don't give a damn" approach to the consequence of their actions and the consequences of their non-actions.

For whatever reason, they've been closing hospital beds, they've been covering up Crown corporation activities, the MTX in Saudi Arabia, the MPIC losses in the reinsurance, Workers Compensation, all kinds of things that we can touch on, but I guess we'll be

getting into these departments very, very shortly and we'll be able to be a little bit more critical. I just hope that we could bring it all together for that final vote on the Budget, which comes next week, so that we can replace this government.

When is this government going to accept the responsibilities given to them and listen to the pleas of those that have been the hardest hit, the Manitoba taxpayer? And you know, Mr. Deputy Speaker, any time that anything happens, we find some sort of an excuse, some sort of an excuse. We blame the Federal Government, we blame the weather, we blame the poor drivers in the Province of Manitoba, we blame the Chamber of Commerce, we blame the small businessman. I was talking to a small businessman and he was asking me, Mr. Deputy Speaker, "How do you start a small business in Manitoba?" And I guess the answer is that you start with a big business and you elect an NDP Government. I see a lot of smiles.

A MEMBER: There are no smiles on this side.

MR. A. KOVNATS: Well, there are no smiles on this side because we're a serious Opposition, but the Government of the Day have smiles, and it reminds me, Mr. Deputy Speaker, of the chap that rushes into the hospital and he has a spear through his chest, and he's bleeding and he's gasping for air. The nurse on duty said, "Quick, get in here and we'll see what we can do for you." And she says, "Does it hurt?" And there he is, with the spear in his chest and she's saying, "Does it hurt?" Only when I laugh. Mr. Deputy Speaker, they're laughing while they are causing pain throughout the whole of the Province of Manitoba.

I listened to some of the remarks of the Finance Minister and, you know, I was just restraining myself from bursting into laughter because some of the remarks that were made during the Budget address - one of the remarks was, "We have managed well." The laughter was just swelling up inside of me trying to restrain myself, to have a remark like, "We have managed well." Another remark, "No government is perfect." The laughter is still inside. No government's perfect, least of all this government.

And I think there was a remark made, and I think it was the Minister of Energy who made the remark about, "We have made mistakes." He certainly didn't have to get up and say it. Everybody in the province knows that they've made mistakes. "We have always worked to the best interests of the people of the Province of Manitoba." The laughter is still inside of me just trying to restrain myself. Does it hurt? Only when I laugh.

Mr. Deputy Speaker, the planning of this government leaves something to be desired. I recall a few years back when there were plans being made between England and France of building a tunnel under the English Channel, between England and France. With the engineering and the technology, they were going to start from England and from France at the same time and they were going to meet in the middle. One very enterprising reporter at a press conference said, "Well, what happens if you don't meet in the middle?" And the engineer looked at him and said, "Well, I guess you end up with two tunnels." This is what this

government has been doing. They don't realize the consequences of their actions.

A MEMBER: They can't even build a bridge in the right place, never mind a tunnel.

MR. A. KOVNATS: That's right. We're talking about having two tunnels when there should be one. They have built bridges to nowhere, bridges that cost somewhere in the area of \$20 million. They have built roads that lead nowhere. There's a road out at Black Island that leads nowhere. We had a demonstration today, Mr. Deputy Speaker, of a group of people who were asking for the roads to be fixed. What reply did they get from the government? Not my responsibility, it's the federal responsibility, it's not my responsibility.

Do you remember the story I think I once told about the waitress who was in the restaurant? The waitress was in the restaurant and the chap was sitting there having his dinner and he had a beard, and his beard was on fire and he was yelling, "A glass of water, a glass of water!" And the waitress yelled back at him, "I'm sorry, that's not my table." I'm not going to accept the responsibility. That's what this government is doing. They're not accepting the responsibility. Fix the road, and we'll fight it later to see whose responsibility it is.

Mr. Deputy Speaker, the popularity of this government has slipped. The Premier's responsibility has slipped just in the last little while also, although he seems to have been working at relieving himself of being a popular Premier.

There was a poll taken on one of the television stations last night - 84 percent thought that the Premier, Howard Pawley, could not lead the New Democratic Party Government into a win in the next election - 84 percent. I guess, on the opposite, there were 16 percent who didn't understand the question and voted, yes.

I hope that the Premier will not be too upset about the results of the poll. I wouldn't want him to lose any sleep because, you know, he still has a job to do, at least till we vote out this proof on the Budget vote.

Mr. Deputy Speaker, I keep making the mistake that it's Madam Speaker in the Chair, and it's out of deference to Madam Speaker that I sometimes make the mistake. But I've been getting all kinds of letters from people, and phone calls and personal visits from friends and strangers, and by and large the questions that are being posed to me is, when are you going to get rid of the NDP?

I hope that's it's not going to be the full five years of their term because I know that they're going to hang on as long as possible. But unless we can come up with a non-confidence motion that will defeat them, they're going to hang on right to the very, very end, and that's going to be to the detriment of all Manitoba.

And I had one fellow said to me just the other day - Mr. Kohnats, he says, why do you want to be government? Do you realize what's going to happen? He says, your group will be government because I think you've got an excellent team under Gary Filmon's leadership; I believe you've got an excellent team. But why do you want to be government and take over all of the problems that these people are going to leave you? -(Interjection)- The legacy, that's right.

Mr. Deputy Speaker, I made a commitment to the people who voted for me and that commitment is to

try and get rid of these people across the way and be the government so that we can manage Manitoba in a proper manner and see that there's some future and some legacy for our children.

I listened to the Premier spreading fear and gloom, where he said - Mr. Deputy Speaker, he accused us of all kinds of things, of giving up on schools and personal care homes and hospitals. Mr. Deputy Speaker, we make a commitment right now. Any reduction in deficit will not affect the services that we will be providing to schools, personal care homes and to education. I give you that as a commitment.

Mr. Deputy Speaker, I hope that these people will stop looking for the soft spot and keep patting themselves on the back. They become contortionists by the time that they're able to pat themselves on the back so, rather than become contortionists to the point where they can't pat themselves on the back, they hire what we call communicators. These communicators are people who go around and tell everybody how good the New Democratic Party Government is doing.

I think it's a waste of money, and what they have done is - it's pretty difficult for them to compliment the government for some of the things that they've done, particularly with the reduction - there was a reduction in the amount of the deficit from last year to this year. It was taken over because of the uncommon taxes that were placed on the people of the Province of Manitoba the year before. But this reduction in the deficit, all it does is relieve the hurt a little bit. Instead of the people of the Province of Manitoba drowning in 20 feet of water, they've got us drowning in 10 feet of water but they're still going to drown, Mr. Deputy Speaker, because they haven't corrected that situation.

Mr. Deputy Speaker, if it was you or I and we had a credit card, and we were spending money that we didn't have just so that we could have some of the comforts that we can't afford by having the ready cash, and if we had our credit card, we go out and we buy something but, somewhere down the line, when we purchase anything on a credit card or if we incur a deficit, we have to pay it somewhere down the line.

With my credit card, I have to pay it. With the deficit, what they are doing is placing it on the backs and on the shoulders of my children and my grandchildren. What a beautiful legacy we're leaving to the future of the children of this Province of Manitoba, a deficit that will probably never be able to be paid off. We will be paying off the interest forever.

I must continue, Mr. Deputy Speaker, even though I'm a little uncomfortable. If my throat gets a little tickle, I'll just take a drink of water.

Mr. Deputy Speaker, 0.9 cent a litre increase on leaded fuel, who does it affect? It's the people who can least afford it, the people with the older cars - the people who can least afford it. If you're going to tax these people, tax them. Don't put it under the guise of an environmental mask of advising that because of the emissions, we're going to save the children from these emissions that come from -(Interjection)- that's just a lame excuse. I think that we should be doing something to eliminate the emissions from this type of gasoline, but not as an excuse that we are trying to save the children. They are going to tax these people; let them tax them. If you really want to get rid of that emission from leaded gas, ban leaded gas. Don't use an excuse that it's going to save the health of some or the other.

I'm disappointed there was nothing in the Budget and I think the Minister - I'm going to take a crack at the Minister of Health, because he never should have taken the change in portfolios.- (Interjection)- No, he should never have taken the change in portfolios, because he had a responsibility to me and to all Manitobans to develop energy in the Province of Manitoba. He's left it with somebody else, and I don't think that it's going to come about.

We have discussed it in the past, Mr. Deputy Speaker, about how we are going to experiment with hydrogen power, about how hydrogen power is the greatest boon that could come to the Province of Manitoba. We should be developing hydrogen right now, and he has shirked that responsibility. Sure, he said that it was his responsibility because the Premier told him to go into health, but he should have stayed in energy because I trusted him in energy to develop hydrogen. That's where the Province of Manitoba's future is. It's in the development of energy.- (Interjection)- No, I'm not going to make any other outside excuses, but he never should have taken the health portfolio.

Mr. Deputy Speaker, we will be advancing and supporting any technology that will be promoting the advancement of Northern Manitoba. We will be supporting - (Interjection)- that's right. Try to take claim for the Port of Churchill before, no way. We are all here supporting Northern Manitoba. If anybody wants to get up and say that it's me who's going to see that Churchill is going to be developed, that's a lot of baloney. We are all going to work towards it and, if it means a military presence up in Churchill like we had before at the rocket range, I say that we negotiate for a military presence even if it's United States of America, who just happen to be our very, very best friends.- (Interjection)- That's right. There's all kind of advancement in Northern Manitoba and Churchill, all kinds of advancement, Mr. Deputy Speaker.

Let's not turn our back on our American friends. You know, and I'm only going to make one passing remark on free trade. I hope that people will understand that free trade will not take away our sovereignty. I think free trade will make Canadians more responsible for Canada. There is no way that I would allow anything to take away from our Canadian sovereignty and our Canadian support for our monarchy.

We don't come up with the ideas. I listened to the Minister responsible for Northern Affairs - is that Northern Affairs? - all kinds of ideas. I listened to him complain and condemn when people were making remarks about the fur trade, about how some animals are caught in traps, and I'm not going to get into that. That is not as important as some people make it out to be, because it really is affecting the livelihood of a lot of nice people up in Northern Manitoba. I don't want to see their livelihood affected.

We should be developing it. We've got an excess of fish through the federal marketing board. We should be using that fish so that we could be feeding fur-bearing animals. I think that the Natives should be involved in it. We are training them to be what they were in the past, hunters and people of that nature. There is a market for the fur trade, and we should be encouraging that market, using some of the things. We've trained the Natives to work in Limestone, which is over and done with, and if we have any more great big - (Interjection)- Pardon me?

A MEMBER: Three more years.

MR. A. KOVNATS: Oh, no, well, I'm not worried about that. We've trained them for Limestone. At first, I wasn't quite in support of it, because I thought it was just a very short-lived something. Now, I can accept it a little bit. I wasn't really happy about the preferential hiring, because there were other Manitobans who should have had a chance. When I was speaking my mind, I am speaking my mind for all Manitobans. I know the plight of the Natives in the North. We do have to look after some of these problems to the point of encouraging them into that type of work.

We should be developing the fur trade business for the Natives in the North by supplying them with the expertise and the food that might have been going to waste anyway. Nobody has ever suggested anything to me of that nature. I would hope that maybe the Minister responsible will take it into consideration, so that it can benefit some of the people in Northern Manitoba.

(Madam Speaker in the Chair.)

Madam Speaker, I'm going through some difficulty here because of my cold, and I have had a chance to speak my mind to some extent. Just in closing, I'm going to cite something from Shakespeare. It's from Henry V, Act 3. I think the Minister of Education is aware of the soliloquy that I'm going to repeat here.

A MEMBER: Probably committed it to memory.

MR. A. KOVNATS: It might be committed to memory. As a matter of fact, Madam Speaker, I have committed it to memory, and it's very, very appropriate. I'm going to read it for the Member for Flin Flon, who very generously made some uncalled-for remarks about read my lips. I attach more than just the words of, read my lips. I think that an apology one day will be forthcoming from that Minister when he comes to his senses. Who started it and who ended it isn't really going to matter. I think that, if we all withdraw some of the things and try to get our thoughts together in a cleaner fashion, this would be a better place to work and to live.

Madam Speaker, the soliloquy starts:

"Once more unto the breach, dear friends, once more;

Or close the wall up with our English dead.
In peace there's nothing so becomes a man
As modest stillness and humility."

Now the part that, I think, is a message to all of us here in Manitoba:

"But when the blast of war blows in our ears,
Then imitate the action of the tiger,
Stiffen the sinews, summon up the blood . . .
Now set the teeth and stretch the nostril wide;
Hold hard the breath and bend up every spirit
To his full height!"

Madam Speaker, to all Manitobans, particularly those who are trying to get a change in the government, I tell them: Imitate the action of the tiger, stiffen the sinews and summon up the blood, and fight like hell to get rid of this government.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you very much, Madam Speaker.

I guess as I rise today I'm a little disappointed in that I rise on a day when a member has chosen to come into the Legislature and try to make his forum, and make the position - would the Member for Turtle Mountain please stop banging on his mike?

Madam Speaker, when a member lowers this House by coming into the House and using and casting false allegations on individuals and using the House as a forum, thinking that because he cannot achieve his objectives by true analysis, that he will use whatever drama he possibly can to try and emphasize a point which he cannot substantiate in facts themselves.

It's sad, it's a misuse of this Legislative Chamber. It's a misuse of his privilege that he has as a representative, that any of us have as representatives of the people who send us here. They don't send us here to act like fools and stand up and scream and holler and use unparliamentary terminology in the House to try and make a point. If they cannot succeed in making their point through debate, through honest debate, through in-depth analysis, then that's a failure on the individual's part themselves on either side of the House.

Madam Speaker, if I could just make a few comments in regard to Autopac, which has been discussed at some length already today, I wonder what kind of fool's paradise the members of the Opposition want Manitobans to live in.

Three years ago in an election campaign they were campaigning and saying that Autopac had reserves that were too high. What did they need reserves for? They were going to pay the reserves back and they were going to give credit to the people who had 15 and 20 demerit points, would get the same benefit back as people who had 4 or 5 merit points. No question whatsoever of giving the deductions on the basis of whether or not the people were at risk or were a higher risk to the corporation, or a higher risk of operating their vehicles on the road due to past accidents or infractions. No recognition of that whatsoever, and yet they come into this Chamber now and all during this Session, before the Session started, on a one-line track of trying to destroy the Manitoba Public Insurance Corporation.

Madam Speaker, it is indeed sad that when we have services that are compulsory, and I don't believe there's anybody here who does not believe it should not be compulsory to buy insurance to protect the people on the road when you're on the road with your vehicle. No one is saying I don't believe that people should be allowed, as they did in times not that many years ago, and perhaps even in a couple of provinces still, where there was not a requirement to have an insurance contract to protect other people from you and your vehicle on the highway for the public liability. When it is compulsory to have insurance to drive a vehicle, I think it is appropriate that companies operate within a public sector to provide that service. I don't like the idea of forcing people by law to patronize any particular companies in the private sector. If it's going to be compulsory, there's certainly a role for it to be a publicly held company, let alone efficiencies in operating the firm.

I note that some members opposite have tried to make allegations that the corporation was being run

inefficiently, that there could be gross savings, that somehow or other, when they have a total operating cost or administration cost of \$10 million, the members opposite have tried to make the public believe that, through administrative efficiencies, the corporation could have not had a loss this year. They could have somehow or other saved \$60 million out of \$10 million. What bunk, what absolute bunk.

And as for the reason that the corporation was in difficulty, you just had to look at the statements that were tabled today. One sees that premiums earned \$237 million; claims costs - \$306 million. It's not due to mismanagement; it's due to additional claims costs.

And why are the additional claims costs up? One factor is a slight increase in the number of accidents. More importantly, it is the cost per accident to repair the vehicles. And alongside that is the increasing incidents of everybody wanting to make personal injury claims.

I'm going to relate something to you here that happened to me this fall. And while I say almost everybody, if you just listen for a second, you will understand.

Last fall I had the unfortunate circumstance to be entering an intersection under a green light and I had a careless driver pass two other vehicles and come through on the inside lane, skidding along, because he'd tried to run a red light and couldn't make it. Unfortunately, he crashed into our vehicle. The damage to my car alone was in the vicinity of \$4,000.00. The vehicle that hit us was an old van - damage to it wasn't all that much. Probably the damage to the vehicle would have written it off because the vehicle was of that age. But because of the type of impact that it was, in twisting our car around and us as occupants inside the car, all of whom were strapped in, we still had some impact, and, as a consequence, twisted backs and some muscle spasms.

So it was appropriate, the next day when I took my vehicle into MPIC, to put in a possible personal injury claim, they asked, "Was anybody injured, were you injured?" And I said, "Yes, I had some injury. I don't know how serious it is." My wife was in a similar circumstance. That was now some, I guess, 5 months ago.

The adjuster called me, the personal injury adjuster, a few weeks ago and he said, "You haven't followed through on the claim. Would you like to make a settlement?" And I said, "No, I don't believe I do," because I hadn't really tested myself physically yet at that point to any great strenuous exercise. I was hoping to shortly thereafter in some extensive cross-country skiing and I wanted to see if the injury would still affect it. After that, I found that it did not affect it at all. So I said, "No, I don't want any settlement, I don't think it's proper for me to put in a settlement when I have not had any loss of employment opportunity or loss of income due to the injury."

I may well have saved the ratepayers - not the taxpayers - and that's something you guys confuse all the time. You think that because we have a public corporation that taxpayers are somehow or other supposed to come in and subsidize the corporation and pick it up. You know, there's a heck of a lot of Manitobans who don't happen to drive vehicles, who don't happen to own vehicles, who are taxpayers. But

they have no responsibility whatsoever to finance in any way the Manitoba Public Insurance Corporation. That's to be financed by the automobile users, the drivers and the owners of vehicles. It's not to be subsidized by the state, but somehow or other you people are trying to give the public the impression in this province that there should be some kind of a subsidy from the state towards the operation of the company. Nothing can be further from the truth, and I for one will do my darndest to make sure that the state is not moving into subsidizing corporations.

Your history of subsidies is quite long when you consider what you did to Hydro back in 1979, with the introduction of the Hydro rate freezes as a way for the public taxpayer to subsidize the operations of Hydro. That has now cost the Department of Finance in this province close to \$600 million, since approximately \$600 million now has been paid out by the Province of Manitoba for stabilization funds towards Hydro, a totally inappropriate expense to be burdened upon the taxpayers and the tax base itself.

It should be fully supported by the people who are consuming electricity, the ratepayers, those who have and use electricity. It's something totally separate from the tax package but, unfortunately, members opposite have tried to confuse the two, and have pulled tax subsidies into the operation of the corporation.

If I could go back to the accident incident once again, the adjuster told me - and this shocked me, because it gives an indication of what people are expecting from the insurance corporation, and it's not just Autopac. I suppose it's many others as well, but just because you have insurance, people think that the insurance company's supposed to pay you for damn near anything. He told me that I was the first person that he had ever heard of that had turned down, that had said, no, I did not have sufficient injury to claim anything under the so-called area of pain and suffering. I had not even gone to a physician to check it out or, more importantly, to someone like a physiotherapist who could do the proper assessment and give treatment, if necessary.

One area in the corporation I would definitely like to see altered is to have our basic insurance not to be covering the areas of pain and suffering unless you pay; if you want the coverage, pay an additional premium for it, unless of course the individual has lost work time and lost income due to the injury. People somehow have the impression that there's a gravy train there, and just because you have insurance that they're supposed to pay out every time you have any kind of an accident at all, whether or not the personal injury is significant or whether it really affects you in how you conduct your life or your income-earning potential.

It's absurd, the expectations that we have in this, and I guess this was reinforced a couple of nights ago on the radio with a gentleman by the name of Belton, who worked for various insurance companies across the country, and is somewhat of an expert on the area.

He said that what's happening here in Manitoba now, as far as the rate increases, is parallel with what's happened in other parts of the country. The only difference is, in the other parts of the country it started earlier, hasn't stopped there. When one sees the requests that some of the private insurers in Ontario are requesting a 40-some percent increase this year

just to break even, you know that the increases are going to continue in Ontario and other provinces as well. The public can't expect - no one can expect as a consumer of a product to get more than what they are paying for, a dramatic increase in settlements paid to them compared to what they pay for the insurance themselves.

He stated that one of the reasons the insurance rates have gone up so much is because of what he terms social inflation. He called social inflation wonderful judgments on the parts of the courts, the higher frequency of bodily injury claims rising both out of automobile accidents and other kinds of accidents a tendency for people to seek compensation for claims of that nature even though they may have been at fault themselves and have a generally higher expectation that society, as a whole, to be looked after in the event of any occurrence of any type.

Madam Speaker, that's one of the reasons the automobile insurance division of MPIC is having difficulties today. It's not unique to Autopac, its parallel with the insurance industry right across the country. We, as politicians, have a responsibility not to try and play on the expectations and build unreal expectations on the part of the public, but to try and give reasoned expectations on the members of the public.

The Member for Riel earlier today - the Deputy Speaker noted that he was making more noise than the member speaking. As an insurance agent, I wonder how many insurance companies that he works for as an agent would keep him as an agent if, when they came up to renew their premiums, he damned the corporation. How many of those would have, those companies, would keep him as an agent?

What is the expectation of a corporation like MPIC to have agents actually working against the firm? The payments out in commissions to agents actually exceed the administrative cost of operating the whole firm. That's something I would hope that Judge Kopstein, in his review of the corporation, looks at as well, is whether it is appropriate the commission levels that we're paying to the agents in the whole agent system, whether it's still appropriate today or not. It certainly is a great deal of convenience, no question of a great deal of convenience, but it's a very expensive service when you see a cost of some \$11 million a year in commissions to the agents for providing the service that they do.

That service should be investigated and the value we're getting for that service should be investigated just the same as with the body shops and the efficiency and the appropriateness of the charges made by body shops against the charges to the corporation.

Madam Speaker, I would like before I leave the issue of Crown corporations just to make a couple of comments if I could in regard to privatization.

To me the idea of selling off commercial Crowns that are non-utility, non-compulsory service is appropriate. I do not believe that there is a necessary public service that is gained out of the operation of commercial corporations. That is a purview and should be the purview of perhaps a combination not only of investors and the managers of the operation but of the workers as well. And for us, as we did responsibly a couple years ago and stopped the bleeding, in terms of Flyer, it's exceptionally difficult to run a corporation, as one

can see now with the MPIC, but to run a corporation in a public venue.

It's very difficult to attract people who have sufficient expertise to be able to run a manufacturing operation like Flyer as well as a private sector firm can, because they deal not in the public sphere and operate their company and manage their company on the front page of the newspapers as much as they do in their own boardrooms. It's difficult to attract people to come in and take the flack that accompanies the operation of Crown corporations. Certainly with Flyer, it is one indication that it was virtually impossible to get sufficient management expertise to operate the firm. There are also the additional pressures, the Opposition's and the government's pressures on the corporations. I believe that those factors turn out to be negative externalities for the operation of the firms, in general, and cause greater inefficiencies in the operations of the firm, rather than to greater efficiency in running the operation of the suggested company.

Madam Speaker, it's my hope that before too long the Minister responsible for Manfor will also be coming before this House, or making a public statement if the House is no longer in Session, of the success in turning over that corporation to a private firm, maybe some combination, either a complete buy out by an individual firm, or a buy out by not only the firm but perhaps also the employees participating as well. That, to me, would be ideal. Whether or not it's possible, I don't know. I don't know whether the employees are interested enough in putting up funds to try and save the company or to take over the company and whether they can pay what the company is worth.

But I was pleased the other night to see that the employees of the piston reciprocating engine plant at Standard Aerospace have succeeded in raising sufficient funds from themselves to take over the operation of that firm after Standard Aero had announced they were going to close down the reciprocating engine division. It makes me feel good to see the individuals working in the plant value their jobs to the extent that they're willing to put money up front to buy out the plant and then to take over the management of that operation.

I have faith that they will operate that facility well and not only retain their own jobs but perhaps even grow from the base that they have and create more jobs in the Province of Manitoba in the aerospace industry; something the Federal Government has not done a thing to help last year when they decided - purely for political purposes - to send off a multimillion dollar arrangement for maintenance and repairs of the F-18s, take it from the Winnipeg, the low bidder - Bristol Aerospace - and ship it through to Canadair Limited.

That ties in with Crown corporations as well, to some extent, because I believe one of the incentives why the Federal Government did that is because they just sold off Canadair, and one of the ways that they tried to make Canadair viable itself is to give huge subsidies to the company, and those huge subsidies to the company have come off the defence contracts that the company will now be receiving - a defence contract that Bristol Aerospace here could have supplied at significantly lower cost, and according to the experts evaluating the contract, not only at lower cost but with higher technical capabilities.

Madam Speaker, I would like to spend some time speaking about global issues and global economy, how it affects us in Manitoba and in Canada. I would like - (Interjection) - Well, the Member for Charleswood wants me to talk about nuclear submarines. I'll only say about nuclear submarines that our Federal Government, of his political stripe, the Conservative Party, has definitely now shown that they think more of spending on guns than they do on butter.

They are willing, with no second thought, to spend \$10 billion on a bunch of useless nuclear submarines to patrol an area which is presently now not armed by Canada, where there are proposals for demilitarizing a whole area. We're willing to go out, as a nation, and spend \$10 billion at the same time that they're cutting back dramatically on the transfer payments to the provinces to provide essential services to Manitobans and to Canadians right across the country.

They would rather spend \$10 billion to have a bunch of so-called world-class nuclear submarines than provide and maintain first-class services both in post-secondary education institutions across the country and in the health services delivery, let alone other government programs that the Federal Government cost shares with the provinces and then provinces deliver. It's very sad when the Federal Government puts more priority in buying - what I think they will end up being - expensive toys rather than providing essential services.

Ask your constituents what's more important, for the Federal Government to maintain or to increase the funding to the level of 50-50 which they had promised they would when we entered into the arrangements in post-secondary education and in health care, or should they be spending the money buying a bunch of subs? Ask them which one, and you'll see, very quickly, the kind of response that you get from your constituents.

Madam Speaker, one of the focal points - really it's a flashpoint, too, I guess one could say - in the world economy has been Third World debt, a debt of various nations, and I would like to put on record just what the debt has been of some of the countries, and I'll start with the biggest debtor in the world which is the United States, biggest foreign debtor of some \$400 billion now. That has virtually all come in under the government of President Reagan, the ideological soulmate of so many of the members opposite, the people who would dearly love to bring his policies into this country.

I fear that, with the free-trade arrangement as proposed between Canada and the United States, we will have more and more policies of the type that Ronald Reagan has perpetuated upon his people in the last eight years. They will be transferred through to us. Because the capability of the Canadian Government and the Provincial Governments across the country to maintain and provide the level of services which we now enjoy will be jeopardized as they continually erode the tax base and try to get us having the same tax base as they have in the United States, which admittedly is lower than ours to some extent. They transfer tremendous onus on the individuals and, instead of through the public sector, send it through the insurance sector, in particular through buying health insurance premiums in the United States, families paying thousands and thousands of dollars a year.

I don't think I could buy health insurance, if I lived in the United States, for my family for as much as my total tax bill has been this past year. I don't believe it would be possible. The members opposite tend, I believe, in their pushing constantly for lower taxation, for mimicking of American economic policies, that is the future they'll have for us as well. They will destroy our public programs, and they will force us to go into private sector to try and provide for the services which are much more efficiently administered through the public sector than through the private sector, health cost in particular.

While I am on health costs, I would like to make a couple of comments in regard to our health system. I am somewhat surprised at the campaign that is being waged currently by members of the Manitoba Medical Association. I had occasion the other day to take my daughter into the doctor for some of her shots, and the doctor had out a couple of these publications called "Healthwise." The doctors, through the association - I don't really believe the association speaks for that many of the physicians themselves. The ones I've spoken to don't necessarily agree with the campaign that they are waging. But one of the publications is interestingly titled, "Balancing Health Care Budget Government's First Priority."

For some reason or other, the MMA believes that our health system, that the hospitals who administer it, should not adhere to the financial guidelines, or not guidelines but the money that is provided to them to operate the facilities. They should be able to go off this - several years ago, the Health Sciences Centre did - and build on a new facility without the approval of the Health Services Commission, going into debt to do that with no provincial approval whatsoever, and then ending up coming back to the province and saying, listen, we have this debt, will you take it over for us?

The hospitals have a responsibility to function within the appropriations that they are given by the province. If they can raise additional funds, fine. But they have no responsibility and should not be going and borrowing money to maintain the operations of the facilities. I fully support our current Minister of Health and our previous Minister of Health in trying to get the hospitals back on line and to realize that the province wasn't going to come through and rescue them every time they mismanaged their resources, every time they spent more than they were allocated in some ways, even in competition with other facilities in another part of the city, just to say that they had the same sort of facility.

I would suggest to our Minister of Health that in the future we're going to have to have more constraints on our health care delivery system on how the money is allocated, where the money is allocated and what kind of return we are getting for those expenditures.

A woman called me this morning complaining about taxes and complaining about the government not paying all of her Pharmacare costs. I find it somewhat disturbing that people, and it's not infrequent, that people believe that they should be paying less in taxes and getting greater amounts of services.

How do we head that expectation today? We have members opposite who go into election campaigns promising tax reductions and more services. At the same time, they are somehow or other going to fictitiously eliminate the deficit. That's the sort of

campaigns, and with those sorts of campaigns, you just build on real expectations.

We have the federal Prime Minister, Prime Minister Mulroney, talking about sacred trust of a number of services. And when he gets into office, what does he do? He continues what the Liberals have started before him of a decrease in the amount of funding to provide for these essential services, these sacred trusts that he called. They have consistently reduced the amount of expenditures that are going to the provinces to enable them to carry on the provision of these essential services.

Madam Speaker, I had some figures here on just how much the Federal Government has cut back and how much we have assumed in additional costs to provide health care and to provide the post-secondary education areas of which were traditionally 50-50 funded by the Federal Government.

Back in 1981, federal transfers to the province made up 42 percent of our Budget. That was the last year the Tories were in office. They still ran a \$256 million deficit, but they got 42 percent of their funds from the Federal Government. Today, Madam Speaker, that has dropped to 30 percent of the funds. That's one heck of a lot of money to be picked up by the various smaller administrations in the provinces. Who it hurts most is the poorest provinces, the have-not provinces, the Maritimes in particular but also Saskatchewan and Manitoba. We don't have the fiscal capacity to raise the taxes and raise the revenues that Ontario has, or Quebec has, or B.C., or Alberta has. It's just not here.

I would like, if I can pick it up quickly here, to read something from Standard and Poor's, their evaluation of the consequences of the federal transfer payments to all the provinces. I quote from Standard and Poor's. They state that such federal assistance - and they're referring to the EPF program and equalization - "Such federal assistance has been trending downward as a percentage of revenues, placing an additional burden on own-source revenues, raising the effective tax burden and reducing fiscal flexibility. This is particularly the case in the western provinces which have seen their resource revenues decline in recent years. In all provinces, the ratio of own-source revenue to personal income has risen."

They go on to talk about the debt burden of the whole nation. They state - and this is Standard and Poor's again - "The active role that Provincial Governments play in their economies and the high deficits they have incurred . . ." - and I might note that much of the reason for these higher deficits in all the provinces has been because of the dramatic reductions in funding for essential programs from the Federal Government. The Standard and Poor's goes on to say, "The active role that Provincial Governments play in their economies and the high deficits they have incurred results in higher debt levels than those of the states in the United States or regional governments in other developed countries." Standard and Poor's places primary emphasis on broad measures of debt such as net public sector debt and net tax supported debt. They go through and they note the public sector debt in the various provinces. I would just like to give you what they are, measured against the gross national product of the various provinces.

Net public sector debt as of March 31 varies from a high of 64 percent in the Province of Quebec, 63

percent in Newfoundland, 59 percent in New Brunswick to a low of 32 percent in Ontario. Net tax-supported debt follows a similar pattern, with Newfoundland at 45 percent of GNP for gross domestic product, Quebec 44 percent, Nova Scotia 43 percent.

Madam Speaker, they also note that for a few provinces, particularly Saskatchewan and Alberta, high budget deficits have caused a rapid rise in the debt burden from a low base. In Saskatchewan's case in particular, they inherited almost a generation or a couple of generations, with the exception of the years under Premier Thatcher, all CCF and NDP years. They took over a government that had virtually no debt. The Saskatchewan CCF and NDP had always made it as a basic principle that they did not borrow to operate their governments. It's a darn good principle, something we could all - provinces right across the country could learn from. But unfortunately since they've had the Tories come in with the Reagan rhetoric, that Devine entered into office with and he has now built up a debt, in a few short years, that is simply massive.

What are they doing to try and reduce it? In the last campaign he came out offering \$1 billion to farmers to try and buy their votes. They took the money. A lot of them now are having difficulty paying it back. The bankers in New York and Toronto are now telling the government in Saskatchewan, you've got \$1 billion out there, there's no security on that money whatsoever. You gave the money out and you took back no securities, no obligations on the farmers to pay back. So what has happened? They have now forced obligations on those people who haven't paid it back. He said they were three-year loans, and they've now extended them to 10 years, but with security.

The banks are having difficulty because this is an additional \$1 billion worth of security levelled against farmers, who are already indebted to the banks, because the banks don't give money without security. So this has put the farmers who took the money in an even worse situation than they were before they received it. Because now many of them, I suspect, are lucky if they have any net equity left at all, having been forced to take on the additional guarantee against their properties toward the Province of Saskatchewan.

Madam Speaker, in continuation, in general financial terms, I would like to send a word of warning, I guess, to my colleagues. I think it's a word of warning not just to Manitoba but to all the provinces. It comes from the Dominion Bond Rating Service, a company headed by a former Manitoban, a former Winnipegger by the name of Walter Schlater.

They finished their report off by talking about Canada as a nation including our provinces, and a debt situation that we've gotten ourselves into. He states, and I'll quote this whole paragraph: "Starting from a relatively very strong position in the mid-1970's, Canada's financial position has deteriorated in the 1980's. Net debt in 1982 was 12.42 percent of GDP. In 1987, it will exceed 35 percent of GDP. Combined public sector net debt is approaching 50 percent of GDP, which is the weakest of the major OECD countries. Federal expenditure restraints include slower growth in federal contributions to shared-cost programs with the provinces. This is putting increased pressure on the provinces to curb expenditures and to raise more of their requirements from local sources. Due to the nature

of revenue and cost-sharing agreements between the Federal and Provincial Governments, the weaker federal position has a negative implication for all provinces."

Madam Speaker, some members opposite have raised, as members on this side have also raised, the consequence of running successive large deficits in this province and in this country. We have in Manitoba now, our total debt, the cost of servicing our debt, is some 13.8 percent of our total revenues, \$585 million, an increase in one year of almost \$85 million. If you include the fallacy of the previous government's obligations upon the taxpayers for the hydro rate stabilization, one raises that percentage point to almost 15 percent. That's 15 percent of every dollar, 15 cents of every dollar that we collect as revenues from taxes has to be paid out for statutory obligations. That is before we can spend any money on health care, before we have money for universities, for public schools, before we have any money for the provisions of the so-called social security blanket. Madam Speaker, I believe that we, as a responsible government and we as responsible politicians, have to dramatically reduce the deficit that we operate, not only in this province but in this country.

It is no benefit to the provinces for the Federal Government to attempt to pass off huge amounts of additional burden to the provinces as they have done. The funding must be restored. The Federal Government must repriorize and give greater emphasis to the provision of those areas that Prime Minister Mulroney called the sacred trust just a few years ago, and stop giving away billions of dollars as they have in quick-fix solutions, poorly spent and poorly accounted money. One only has to read the federal Auditor-General's Report to see how money has been squandered in many areas that are much lower priority.

We at the provincial level have also, I believe, to have greater emphasis on the priorities of the three primary sectors of education, health and social services. I believe, as my colleagues do, in bread and roses but I believe that, if you spent too much money on roses, you may not have sufficient to buy your daily bread.

Thus, I'm calling on my colleagues to do more work, and on my Ministers in particular, because they are the ones who have the responsibility for providing the programs. I call upon them to reduce the expenditures in most of the non-essential programs so that we may have more funds and greater flexibility to provide those essential services which all Manitobans expect.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Madam Speaker.

It is my pleasure to speak to the Budget Address. The government of course desperately tried to bolster the failing morale of members opposite through this Budget Address, because lately the bungling by all the Cabinet Ministers certainly has destroyed the credibility of this government.

I know very well that they did not succeed in bolstering that morale because the people of this province certainly don't believe statements such as what we saw in the Budget when we are saying that the provincial economy is strong. Well, nobody is going to believe a statement

such as that. Everybody in the province knows that this is not true.

Services which improve Manitoba's quality of life are being protected and enhanced. Nonsense! You haven't got the money to do it and you know it. You have to cut back on a lot of these programs and you know it. So when you're making statements such as that, you're losing all credibility with the people. You have lost all credibility.

Significant resources have been put into new initiatives to make our health care system more effective. Well, we would hope, but again, you haven't got the money; you can't do it.

Income and sales taxes remain unchanged. Well, we had such a huge increase last year that, of course, you didn't have to or you didn't dare touch that particular area this year.

Major reductions have been made to the province's operating deficit. Yes, the deficit is not going to be quite as high as what it was last year, but it's still high and you are running into deeper and deeper problems when we see how much of a cost there is in interest. The people of this province, they certainly do not believe statements such as what we have seen in this Budget and they have really lost all confidence in this government.

Now, Madam Speaker, no matter which department we look at, there was evidence of gross mismanagement - mismanagement that indicates that the government does not have the capability of piloting a good ship, mismanagement that indicates that Crown corporations with their huge write-off of debt of \$185 million, this is something new to the Province of Manitoba. This has never had to happen before where we have such a huge, huge write-off of \$185 million. That is unbelievable.

Workers Compensation has accumulated huge deficits in spite of the fact that we've had huge increases in premiums and it just again shows, Madam Speaker, that something is drastically wrong with this government. In 1981, they had a surplus of \$36 million, and in 1986, we have a deficit of \$84 million.

What has happened? What's wrong? Do you people ever bother to take a look at what you did wrong? Obviously, you did something wrong because there has not been that type of an increase in injuries that you had to increase the premiums at the rate that you have done and still come up with such a huge deficit. What's wrong? Is anybody taking a look at what's wrong? I doubt it.

We have seen huge increases in the premiums, and, Madam Speaker, it's small wonder that the business community is angry. We have seen huge increases in the Workers Compensation that have to be paid. We have seen increases in corporation tax, increases in payroll tax. We have the highest taxes in Canada and that makes it very difficult for manufacturing or industry or a business to operate in this province and that other provinces can really attract industry better than what we can. They're in a much better position than we are to attract industry, and, Madam Speaker, that is going to make things very difficult for us in the future for this province. I will come back to manufacturing and industry a little later on, but first of all, I would like to make a few comments on the Department of Health.

The Minister has been trying to tell us - or he is telling us - he makes a statement that health care in

Manitoba is the best in Canada. That's another statement that nobody believes anymore. Health care in Manitoba is not the best in Canada. The mental health program, according to psychiatrists, most of whom have left this province, say that that is the worst in all of Canada.

The School of Ophthalmology is closed. We are closing hospital beds left and right and we have long waiting lists for elective surgery. How can you possibly say that health care in Manitoba is the best in all of Canada?

We see the health care in Manitoba fast deteriorating and falling apart, and again why do we see this? Because we're not running a good enough ship. Incompetence and bungling by this government is prevalent in all the departments. Ministers cannot get the control over spending. Ministers cannot provide services, especially in the social services area, because the money just isn't there.

It is easy to run a department when you can increase expenditures by 10 percent every year as we saw in the early Seventies when the economy of this province was quite strong and before we had an expenditure of \$523 million for interest costs on our deficit alone, and that figure is going to grow and grow and it's going to make it more difficult, Madam Speaker, for this government to retain the social services which they always take great pride in providing for Manitobans.

It is very easy, Madam Speaker, to implement programs and make people dependent on government, but when you get into a situation such as this and when you have people dependent on a particular program, it is impossible to remove that program, and that is why this government is finding themselves in such great difficulty.

This government has a shortage of funds and we are seeing cutbacks all over the place. No matter which way you look, whether you're looking in senior citizens problems, home care, in spite of the fact that they say that we are closing hospital beds but we'll be providing more home care, that is not the truth. I'm getting reports from all over the province that you're also cutting back on home care. So you're cutting back all over and you have to because you just don't have the monies. Then why come up and say, oh, we have the best health care system in all of Canada? That just is not true.

We lack the accountability that is needed. We have too much mismanagement. The people of this province, Madam Speaker, they have just lost complete confidence in this government and that makes it almost impossible then for any government to carry on and do a good job.

But why do we have these problems? Why does this government have so many problems? Madam Speaker, the word is out all across Canada that this NDP Government has created a climate that is not conducive to attracting new business, new capital. You must have a steady increase in industry, especially manufacturing. If you want to generate the kind of capital that is required to sustain all programs implemented by governments. We do not have that kind of growth. Manufacturing, Madam Speaker, and industry, every job that they create also requires somebody in the service industries to look after those people. It has a tremendous multiplying factor in it. The one area where we are fairly strong in Manitoba is as far as service industry is concerned. We have ample people in the

service industries, but we are falling short on the industrial end of it.

I would just like to turn to page 12 of "The Manitoba Economy: Past, Present and Future." This was done by the Social Sciences Division, the University of Manitoba, done by Greg Mason, Director, July 12, 1987. I have a draft copy over here. I would just like to see what he has to say about manufacturing and where some of our problems come from.

"One important precursor," and I quote, "of economic health is the level of investment. In manufacturing, real investment has increased in Canada, but tended to fluctuate and decline slightly for Manitoba. This decline for the province is noticeable after the 1974 recession, and more recently after the 1981/82 recession. The recovery in 1984/85 has not been sustained and real investment in Manitoba manufacturing has failed to reach previous 1979/80 peaks, further confirming the general decline. More than any other economic indicator, these data are the most ominous for the manufacturing sector in that they set a general trend for expansion."

We have a number of other areas that I would like to quote from this report. On page 23 of that report, I quote: "The trends noted above stress a stable population base for Manitoba, declining manufacturing, a service sector which will also stabilize with population, and rates of growth that will be at the national norms for the next five years or so. Beyond this the future becomes less robust.

"In particular, consider the following general conjectures:

1. No new minerals or primary resources will be discovered in Manitoba over the next decade;
2. The relative prices of primary resources will change slowly - in particular, the price of oil will rise . . . for the next three years, and then will exceed inflation levels by about 2 percent to 3 percent reflecting constrained supply;
3. The wheat economy will never recover its former role as a basis for wealth generation anywhere in the West and particularly in Manitoba where agriculture will become more diversified and producers will ship larger shares of products to consumers within the North American continent."

Madam Speaker, this is why manufacturing is so important, because the agricultural community is going to be in a difficult state for many, many years to come. The only way that we will be able to pull up our socks in agriculture is going to be through special diversification.

Here again, what is this government doing when you come up with new crops which require cooperation with this government, such as beans? What do we get from the Minister? Absolutely nothing. In spite of the fact that Alberta and Saskatchewan are going along with this program but, in Manitoba, where we already have a well-established bean industry, we are saying no, we're not going to go along with it. Madam Speaker, I just don't understand that kind of logic. It just does not make any sense whatsoever.

"Manufacturing will demonstrate a mixed performance. Although some sectors (electrical products, printing and publishing, and specialty clothing)

will continue to flourish, others such as transportation equipment and food and beverages may face risks."

"Winnipeg will continue" - this is interesting - "Winnipeg will continue to grow in population, implying a declining economic rural base. Some regional settlement areas will flourish" - and then it goes to some of the areas, and one of the areas that is going to be doing all right is the area that I represent. They are going to remain stable, while others such as Dauphin, Brandon, based on primary industries, may decline. "These readjustment trends are now well established and the internal migration of economic activity and people toward Winnipeg has profound socio-economic and political implications."

He gets back again, and I quote, "Perhaps the most important trend is the relative weakness of the manufacturing sector, which influences transportation in its guise as equipment and rolling stock and as goods mover. More generally, the weakness in Manitoba manufacturing poses problems for the entire economy."

MR. E. CONNERY: it's weak because this government hasn't supported it.

MR. A. BROWN: Madam Speaker, other states, provinces, have found themselves to be in the same situation, but they did something about this. There is no easy solution and there is no easy, short-term solution, and the solution certainly isn't in looking forward to blaming everything on the Federal Government and wait for them to bail us out.

The solution is to go and work, create a climate that is going to attract industry, and that will mean, Madam Speaker, that we will have to be able to compete with other provinces. We cannot tax industry and business to the extent that we have been doing. We have a lot of taxes over here, such as the corporation tax, such as the payroll tax, which they do not have in other provinces, and on top of that we have the highest income taxes in Canada.

We cannot possibly attract business and industry under those circumstances. Yet if we don't do this, then we are going to get into a worse state of affairs than what we are at the present time, so the government has a bit of a problem. They will have to realize that they cannot continue on in this way.

I think that one of the saving factors that we could possibly have through all of this - it certainly is something which gives us some heart - is that if free trade were to be implemented, there would be a possibility then for us to attract more industry and manufacturing to Manitoba, providing that we are competitive with other provinces. If we are going to continue on in the way that we are, then of course industry and manufacturing are not going to establish here and they're going to by-pass us.

There are also some other indicators which tell us that Manitoba is in trouble. For the first time in a decade, our labour income has decreased. It has decreased 2.4 percent. That is the first time in the last 10 years that this has happened, and that means that our economy just is not moving along the way it should, that we have a very sick economy.

Investment - we have seen tremendous increases in investment, in public investment that is, but when you

go to private investment then you see that there is a 6.5 percent decrease in investment over last year, and this just confirms what I was saying, that manufacturing and industry, they are just not coming to Manitoba. You don't see huge expansions. The people that I talk to involved in manufacturing and industry, when they talk about expansion, then they talk possibly about going down to the States. Because, over there, Madam Speaker, they have a climate which is so different than what we have over here. They really welcome industry over there.

I went down to Minot because our firm had been receiving many letters from the Town of Minot that we should come down and take a look at what they had to offer business, and I tell you, it looks very attractive. They will set you up over there with almost no investment. All they want is your expertise on how to run a business, and employ people from the States.

While we were there, I was really amazed at how many people from Canada already were there. There were a lot of people who had moved there from Manitoba and Saskatchewan.- (Interjection)- Yes, businesses that have moved to Minot and are manufacturing over there. They say that the climate is so different than what it is in Manitoba that you don't have nearly the red tape and the harassment, and the high taxes.

We were looking at a building and comparing the taxes - I'm talking about municipal taxes now, which is all part and parcel of doing business. A building which was larger than what we are operating in, our municipal taxes on the building that we're operating out of are \$34,000 a year, and the taxes over there were \$6,000.00. That's a huge difference in municipal taxes.- (Interjection)- Over there you have an incentive. If you make a dollar they'll still allow you to keep some of it. They won't take all of your money away.

So I must say that we have a lot to learn, and the government would do well to go down there and find

out what kind of incentives really are available for business.

Well, Madam Speaker, it's almost six o'clock. I was going to finish by six. Again, I just want to say that this government is in a real dilemma. They will not be able to get themselves out of the deficits that they're in. As a matter of fact, the deficits again are going to start growing. This year they're going to be getting more money in from the tremendous tax hikes that we had last year. But they have no way of generating more income, and all they can do on that side is say: Well, the Federal Government is going to have to come and bail us out. They don't realize however, that the Federal Government - that we are all taxpayers in the Federal Government too, so it's still money out of the taxpayer, and it is this government - this government - that will have to come up with the incentives.

This government will have to take the initiatives to attract industry, to attract the kind of industry so that we can build a larger tax base and again provide the services which we so cherish in this province.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Madam Speaker, I move, seconded by the Minister of Energy, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: Is it the will of the House to call it 6:00 p.m.? (Agreed)

The hour being 6:00 p.m. then, the House is now adjourned and stands adjourned until 1:30 p.m. tomorrow. (Thursday)