

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 7 June, 1985.

Time — 10:00 a.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports By Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Prior to Oral Questions may I direct the attention of honourable members to the loge on my left, where we have a former member of this Assembly, Mr. McGregor.

There are in the gallery 17 students of Grade 9 standing from the Ochre River School under the direction of Mr. Maki and Mrs. Maki. The school is in the constituency of the Honourable Minister of Highways. On behalf of all of the members we welcome you here this morning.

### ORAL QUESTIONS

#### Seat-belt and helmet legislation - collecting of data for comparison

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I direct a question either to the Acting Minister responsible for Autopac or the Minister responsible for the Motor Vehicle Branch. Mr. Speaker, some time ago we passed the legislation and, of course, it's been implemented, the compulsory wearing of seat belts and helmets. Has, either through the aegis of the Autopac Corporation or through the Motor Vehicle Branch, any special monitoring system been set up so that comparable data can be collected for comparison's sake over the next few years?

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Well, Mr. Speaker, there are a number of projects that have been undertaken to monitor this both through the University of Manitoba and through the Manitoba Public Insurance Corporation. We have not received the data from those, but we expect to shortly. We'll be looking forward to the comparative statistics at that time, but there have been a number of projects being set up independently to monitor the results of the seat belt legislation and the helmet legislation and the effect that it has.

**MR. H. ENNS:** I appreciate the fact that I probably should be directing these questions to the Minister responsible for Autopac, but it seems to me that owning the one insurance company in town that it would not be that difficult to, in a very systematic way, establish very clearly the wearing and non-wearing of seat belts and the type of accidents resulting thereof.

My question is, the Minister may take it as notice, has the Motor Vehicle Branch directed Autopac to, in a very specific way, monitor the legislation now in place with respect to seat belts.

**HON. J. PLOHMAN:** Certainly the Motor Vehicle Branch does not direct the MPIC. That is not their jurisdiction and the member is aware of that.

But the MPIC is doing an extensive monitoring program to determine the impact that the seat-belt legislation has on their total insurance payouts, and when these results are available and they may be available at this time - and I take that portion of the question as notice on behalf of the Minister responsible for MPIC - I'm certain that they will be made available.

We have already results that show that there has been a rather dramatic decrease in the number of injuries and deaths just on the first year's experience, but that is only one snapshot, and, of course, over a period of time it would be easier to get an accurate picture of the impact that it has had, but the initial results are very encouraging.

**MR. H. ENNS:** Mr. Speaker, to the best of my knowledge, the Minister still has to respond to the reasonably detailed report that he is in receipt of from a constituent of my colleague, the Member for Morris, Mr. Martens. We received no response from the Minister or the department on that report.

But my question to the Minister is, does he not appreciate that it's in the reporting, in the manner of reporting, that adds validity and legitimacy to the data that is being collected? I believe that was very much the essence of the point that Mr. Martens was making in the report that he sent to the Minister.

**HON. J. PLOHMAN:** Mr. Speaker, I don't know whether the member is questioning whether in fact seat belts reduce injuries or not. I'm certain that when the data is available, it will be proved conclusively that that is the case and therefore that is a good thing. It is true that the manner of reporting is important and that's why independent monitoring is necessary.

Now it's not a question - there are some statements being made by the Member for Morris that somehow we're sitting on this information. There was a change in the reporting and the matter of setting up the computer information, I believe in 1982, it was not done with any sinister plot in mind, in anticipation of setting up or putting or implementing seat-belt legislation. I indicated that clearly to the Member for Morris when he was asking the questions during my Highways Estimates.

When the Deputy Minister has completed reviewing the information - I indicated that the report was in his office - when he's completed reviewing the information and is satisfied with the report, that it is clear, the analysis that is done by the Motor Vehicle Branch and the information that they're supplying in response to the constituent of the Member for Morris; then he will

be sending it onto me and I will review it at that time and make it available.

I have not received that information at this time and I indicated it was the Deputy Minister's Office that is reviewing it. I've discussed it with him and I should be getting it shortly.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Mr. Speaker, a question to the same Minister. The Minister has indicated that the Deputy Minister has had that analysis now in his office for three weeks. I would ask him again when he will be tabling the analysis and what is taking so long? It certainly can't take over three weeks to review a report which is a total of 8 to 10 pages in length.

**HON. J. PLOHMAN:** Mr. Speaker, the Deputy Minister wants to be certain that all of the questions are answered and dealt with adequately; and when he reviewed the report, there were some areas that he felt were not complete and he's asked for more information. When he gets that information, he'll be sending it forward to me.

**MR. C. MANNES:** Mr. Speaker, I ask the Minister, will we receive his report in this Legislature in the month of June?

**HON. J. PLOHMAN:** Mr. Speaker, I anticipate that to be the case. I have no reason whatsoever to believe that there is any kind of information that I would not want to supply fully and completely to the members opposite with regard to the seat-belt statistics, accident statistics that are being kept by the Motor Vehicle Branch. I have every confidence that the legislation that we enacted has truly resulted in a significant drop in injuries and medical payouts, insurance payouts in this province. I am sure that the results will bear that out, Mr. Speaker.

### Highways Department - tendering of work to trucking firms

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker.

My question is directed to the Minister responsible for Highways and Transportation. In view of the confusion that apparently exists in the Lynn Lake-Thompson area, is it now government policy to tender all of the work out to trucking firms and other firms that were previously awarded work at the government hourly rate? Is it now government policy to tender out all of those jobs?

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Mr. Speaker, I explained that policy clearly in the House last week in response to questions from the Member for Minnedosa. I don't believe there is that confusion up there; I indicated, in a private discussion I had with the member yesterday, that initially

there was some concern when the directive came out from the department by the officials in the Thompson area that has been clarified, they are clear on what the policy is and according to the reports that I have, things are now proceeding smoothly.

There has been no change in the way the work is allocated. I indicated that hourly work was still going to take place, that it is a necessity in certain conditions for work to be let out in that manner, on an hourly basis. We have hourly rates that are published and that are consistent, we have a rotation system so that all of the equipment owners in a particular area have access, equal opportunity for the work that is available to them. We have a rather extensive program in Northern Manitoba. I believe there's a rather significant amount of work available and it will be allocated on an hourly basis.

If there is work that is over the \$10,000 mark for tendering purposes, that will take place by tender call rather than just being assigned on an hourly basis. I have indicated that to the members too, that that was the cut-off point. That does not mean, though that an individual contractor or equipment owner cannot receive more than \$10,000 worth of work in a particular year and that was the point that was being confused by the Member for Minnedosa, I believe last week, and I believe that is clear now.

**MR. D. BLAKE:** Mr. Speaker, I thank the Minister for his answer and for the conversation that we had yesterday. I was given to understand that the confusion had all been cleared up but I received three phone calls this morning, the contractors there had been told yesterday that by 2:00 o'clock today they're finished, there's no more work. There are seven drivers with one contractor up there and he's going to have to lay the men off; he doesn't know what he's going to do with them because he has to tender the job now. It's going to take two weeks or more for tender.

I'm asking the Minister, is it now government policy not to award work on an hourly basis in excess of \$10,000 and if they go to tender it'll be July before the tenders are called and approved and what does he do with the seven employees in the meantime?

**HON. J. PLOHMAN:** Mr. Speaker, obviously there is a process in place to have a quick call for tenders. It's a limited tender call and does not require the extensive advertising that is necessary for jobs in the range of \$10,000 to \$30,000, that are over the \$10,000 mark that we talked about.

We've also, in discussing it with officials, stated that we have to monitor it closely and that there should be some flexibility on jobs that are in that neighbourhood, especially in Northern Manitoba, because of some unique circumstances in terms of distances.

It may be that some of the equipment owners in the past have received rather unlimited amounts of work and that this now will affect their operations because there's going to be a rotation system in place; and it will have some impact on those who were receiving almost exclusively the work, two or three perhaps in some areas, that was the case. They received a lot more than the others, so there will be some impact there, but in the interests of fairness and distribution

of the work it is necessary to put in place this system and I've indicated clearly that we want to monitor the results. If there are hardships in place, I've instructed the department to immediately take action to provide some flexibility in the way they implement the system so that they reduce the impact of any hardships. I will look into those particular situations that the member is raising, immediately after question period.

**MR. D. BLAKE:** I thank the Minister for that report and I will speak to him later to have the matter resolved because the contractors have been told by the employees of the department that it will take two weeks to prepare the tenders and another two weeks to probably assign them and that was the reason for my question.

He tells us now that it's not government policy. Would he then instruct the highways officials in that department and the members of his department in that area to carry out the instructions that he has related to us in the House?

**HON. J. PLOHMAN:** Yes, Mr. Speaker, I've indicated clearly that we are going to look at that situation and make sure the policy is being clearly interpreted and correctly interpreted and that there is some flexibility if there's particular problems that are arising because of the implementation.

### **Air Canada Park - government contribution**

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Mr. Speaker, earlier this week the Honourable Member for Elmwood asked me a question about the Window Park. It is of course an initiative of the Core Area Initiative. The three levels of government are participating through the Core Area Initiative to the tune of \$400,000 and this is equally by the three different levels of government.

Air Canada also made a contribution of \$95,000 and there was \$43,000 extra by the City of Winnipeg. The project was implemented by the city and the design was approved and adopted by the Committee of Environment in city council and the park will be maintained by the City of Winnipeg.

By the way, Mr. Speaker, the official opening will take place at noon today and I imagine that all the members are welcome.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I wanted to ask the Minister, in terms of the design of the park which consists of some mish-mash of old columns and a pink tiled wall, etc., has the Minister or his department had any say or involvement in the design of this park?

**HON. L. DESJARDINS:** Mr. Speaker, that was approved before I became the Minister but I'm sure that the province approves the park. These old columns that my honourable friend was talking about, I think there is a meaning to it and if he should go to the opening today I think he'll understand a little better.

**MR. R. DOERN:** Mr. Speaker, I just wonder again whether the Minister could clarify whether in the whole North of Portage Development, etc., is he and his department taking an active involvement in design and the approval of design, or is it strictly a case of providing the funds and a hands-off policy.

**HON. L. DESJARDINS:** Mr. Speaker, the three shareholders meet - and I represent the province on that - and of course there is approval, but it did not start the day I became the Minister responsible. Many of these things had been approved and I have no problem with that at all. I think they're doing a very excellent job.

### **Prejudgment interest - introduction in the House**

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, the Government House Leader took a question that I asked him yesterday - perhaps now that the Attorney-General is present I could ask him.

I indicated that I had asked Legislative Counsel to prepare a Private Member's Bill with respect to prejudgment interest about three or four weeks prior to this Session and then the Throne Speech indicated that this type of legislation would be presented at this Session. I would ask the Attorney-General if indeed that legislation will be presented at this Session or, if not, would he object to my introducing a Private Member's Bill with respect to this matter so that insurance companies and Autopac could be encouraged to settle claims more quickly.

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Mr. Speaker, yes, the question taken by my colleague as notice and asked by the Member for St. Norbert yesterday was brought to my attention. I am having discussions with my colleagues on some problematic aspects of the bill. I think it's an important piece of legislation and it's something that ought to be crafted very, very carefully. I hope to get back to the member not later than Wednesday of next week and give him a definitive answer as to what our plans on that bill are.

### **Aboriginal rights - Position of government**

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, I believe the past few days the Attorney-General has attended a Ministerial Conference on Aboriginal Rights. I wonder if he could inform the House as to what position he took on behalf of the Province of Manitoba and whether there was a consensus at that meeting and if not, why not?

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** No there wasn't. There was some consensus, but insufficient consensus to lead towards any constitutional amendment. Why not is a very difficult question to answer without taking up too much time of the House. I would simply say this, that the position of the Government of Manitoba represented by myself and by the MLA for Rupertsland on this occasion at a ministerial conference, was the same as our First Minister had taken at the First Ministers' Conference on April 2nd and 3rd; namely, to support the federal draft which was tabled on the first day of the First Ministers' Conference on April 2nd, which we think to be a reasonable compromise and sets in place a mechanism for recognizing, in principle, the right of self-government, but then requiring a process of negotiations leading to agreements that would be very specific in nature recognizing the differences historically, culturally, legally, constitutionally, between the Inuit, the Indians and the Metis of Canada. It's too much to expect that one could have a comprehensive constitutional framework at this time.

In any event, there was no consensus on April 3rd last year and a testing of the waters on Wednesday of this week showed that, indeed, such consensus as there was on April 2nd and 3rd when it looked like there might be seven provinces that could come together on some notion has deteriorated somewhat in my view. In the result, Mr. Speaker, what we have had suggested by the Minister of Justice and the Minister of Indian and Northern Affairs is that regional and community discussions take place where warranted and where requested on certain specific aspects of self-government.

While I'm on my feet, Mr. Speaker, and directly relating to that I'm pleased to be able to inform the House that at my request and, indeed, the request of the others, the Minister of Indian Affairs, Mr. Crombie, has introduced into the House of Commons an amendment to Section 81 of the Indian Act which will give the reserves the right - those who want to - to legislate the trade and traffic and use and possession of alcohol on their reserves. That is moving ahead very expeditiously and I'm pleased at the federal response. I'm pleased that we played some role in bringing that along.

**MR. SPEAKER:** Order please.

I should remind the honourable member that questions which include the words "if not, why not" are clearly argumentative and tend to take up an undue amount of question period time.

The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, I wasn't arguing in any way. I did not have that intention. I was simply asking for information about the meeting from the Attorney-General and I thank him for the information he's supplied to the House.

### Job creation record - review of

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** I have a further question, Mr. Speaker, for the Minister of Employment Services and

Economic Security. The Minister indicated in the review of his Estimates that his Research and Planning Department has made no analysis or forecast with respect to future unemployment trends in Manitoba and has not analyzed the job creation trends that have occurred over the past year.

Mr. Speaker, I would ask the Minister, therefore, if he would seek an outside or independent review of the reasons why, during the past year - and this is the same as was compared from April of '85 to April of 1984 but now is the same for May of 1985 compared to May of 1984 - why Canada's job creation record increase is 3.6 percent and Manitoba's is .2 percent, the second worst in the country? Would he seek an independent review for the reasons why that is occurring in Manitoba, Mr. Speaker, if indeed, he will not have his Research and Planning Department look at it?

**MR. SPEAKER:** The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, I think the honourable member misquoted me or misunderstood me. When we discussed this in Estimates, I stated we didn't do any forecasting as such but we certainly, in our Research and Planning Branch, do a lot of analysis based on data which are supplied independently to us, as the honourable member knows, from Ottawa from Statistics Canada.

As I've indicated in the past and, indeed, as members opposite indicated when they were on this side, you can't take any one particular month and make a great to-do about that, but you should look at a pattern of development.

As I pointed out to the honourable member, and I don't think he can dispute it because the figures speak for themselves, during the entire period the Conservative Government was in office, the rate of job creation was below the Canadian national average for the entire four years; whereas our first three years of government, '82, '83, '84, we have surpassed the Canadian national average.

Now the honourable member is talking about the recent developments and I'm saying to the honourable member, as I've said to him in the committee, that we caught up from the recession rather rapidly, more rapidly than many other provinces in Canada. We became airborne, if you like, in terms of job creation much more quickly; but I would observe that the most meaningful jobs we have are full-time jobs and in this respect Manitoba is surpassing the national average in the creation of full-time jobs in Canada.

In the period taking the five months of this year, we increased our full-time employment by 2.6 percentage points, compared with the same period of last year and this indeed is above the national average and it's something we can be particularly pleased with in this province because full-time jobs give us more production hours, more work than part-time jobs and there is a trend in this province toward more full-time employment.

As a matter of fact, Mr. Speaker, I just note, if you look at this past month, we've had a substantial increase and we're talking about real jobs. There's 15,000 more people working in Manitoba this past month than there

had been previously and, of that, 16,000 were actually full-time jobs. We lost 1,000 part-time jobs, so there's really a substantial increase in full-time jobs and that's the kind of jobs we want for the people of Manitoba.

**MR. G. MERCIER:** Mr. Speaker, in view of the fact that Manitoba has the second worst job creation record in the country over the past year and beyond that and in view of the fact that the actual unemployment rate in Manitoba is still up in May of 1985, compared to May of 1984, in view of the fact there are more unemployed people since May of 1985 compared to May of 1984, and in view of the fact that Manitoba has the eighth worst record, in terms of percentage increase in employment of all provinces in Canada, is the Minister recommending any changes in job creation strategy by the province? Is he recommending that the payroll tax be removed or that the government reinstitute the Conservative hydro rate freeze or is he looking at any reduction in sales tax or Workers Compensation Board increases . . .

**MR. SPEAKER:** Order please, order please. The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, as we've indicated or as the figures show, for two months in a row now we've had a reduction in our unemployment rate and I think we're quite proud of it.

As a matter of fact, I was looking at what the members of the opposition, who were then in government in 1981, Mr. MacMaster, who was then Minister of Labour in February, 1981, was telling us that we were the third lowest in the country and I'm quoting: "We still are the third lowest in the country, of which I would think that the Leader of the Opposition would share my satisfaction with that particular point."

So he wanted us to be satisfied being third lowest. Mr. Speaker, we're the second lowest; we're not satisfied with being the second lowest, we're going to work on it, but I'm saying that we're doing very, very well.

In addition, when members opposite were in office, we had a massive exodus of people out of Manitoba to wherever and since we've been in government the past three years, our population has increased by 35,000 on a net basis. It's like adding a city the size of Brandon and placing it in the Province of Manitoba, so in spite of the increased population, in spite of the increased labour force, we still have a very, very good unemployment record in Manitoba.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please. The members will note that a lengthy question tends to provoke a lengthy answer.

### **Scientific Research Tax Credit - loss to Manitobans**

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Mr. Speaker, I address my question to the Acting Minister of Finance.

The headline today says that millions of dollars have been lost, of revenue dollars, taxation, because of the

Scientific Research Tax Credit, that ill-conceived and implemented policy of the former Liberal Federal Government.

I would ask the Acting Minister of Finance whether Manitoba's loss has been quantified and whether that number can be shared with the House at this time.

**MR. SPEAKER:** The Honourable Minister of Co-operative Development.

**HON. J. COWAN:** I would imagine that we can get some global numbers that we would be prepared to share with the House. As you are aware, we have very clearly stated our opposition to these sorts of tax breaks which don't serve the public of Canada, don't serve the Provincial Governments in trying to carry on their duties and we will continue to speak out against these tax breaks; and we look forward to the time when members opposite will start to talk about the type of tax reform that's required in order to provide for a more equitable system.

We stood firmly for that sort of tax reform; we will continue to speak out for that sort of tax reform . . .

**A MEMBER:** How about a resolution?

**HON. J. COWAN:** . . . and perhaps a resolution would be in order.

**MR. SPEAKER:** Order please.  
The Honourable Member for Morris.

**MR. C. MANNES:** Mr. Speaker, I thought the question was rather specific but maybe it wasn't. I'm glad though to enter into the debate and say that was one of the very first and early actions that the Minister of Finance federally took when he assumed his portfolio, was to remove that loophole.

I would then ask the Acting Minister whether the loss of revenue to Manitoba will be directly mirrored in an increase in deficit position of this province?

**HON. J. COWAN:** Any time that the Provincial Government loses revenue, for whatever reason, whether it's because of a situation like this or whether it's because of an attack by the Federal Government on the revenues of the province through an attack and reduction in transfers, it has a corresponding effect on the deficit. But what the real issue is, is what is fair in taxation policies and this government has very clearly stated that we believe that there has to be money raised to provide goods and services through taxation. We believe that there are times when deficits are required to provide those types of goods and services for the public of Manitoba and we believe that if we are ever to come to grips with the type of situation which we have been speaking out against time and time again, we need tax reform, legitimate tax reform that provides for more equitable assistance.

We called for that tax . . .

**MR. SPEAKER:** Order please, order please. The answer to a question should not be a speech.  
The Honourable Member for Morris.

**MR. C. MANNES:** Mr. Speaker, I didn't detect an answer there. But I would ask the Acting Minister, since

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his government obviously believes in deficit financing - \$1.8 billion over some four years - I would ask him then if this change would mean that Manitoba's deficit in this year might increase as high as \$600 million, because of the loss of revenue, because of this tax loophole?

**HON. J. COWAN:** Well we're back to the procedures that the opposition use quite often, and they've been proven wrong in every instance when they've tried to project what the deficit of this province will be. They want to discredit - and that's all they're out to do is discredit - the Provincial Government through their projections and all they end up doing is discrediting their own opposition when they can't get the facts and figures straight.

They've been wrong in every instance. — (Interjections) — Well the record speaks for itself. They have been wrong in every time that they've tried to suggest that the deficit will come in higher than what has projected and this side has been right in its projections.

But the real problem is the type of tax breaks that are promoted by Conservative Governments that do no good for the people of this country, and have a profound impact on the abilities of governments to raise the funds that are required for services.

No, we don't believe that deficits are necessarily right, but we do believe that you should not . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please. Oral Questions.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please.

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** May I direct the attention of honourable members to the gallery where there is a visitor from the Yukon, the Minister of Health and Human Resources, the Honourable Margaret Joe.

On behalf of all of the members, we welcome you here this morning.

Also in the gallery there are 27 students of Grade 9 standing from the Edward Schreyer School. They are under the direction of Mr. E. Linenschmidt and the school is in the constituency of the Honourable Minister of Natural Resources.

On behalf of all of the members, I welcome you here this morning.

### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker.

Would you please call for Second Reading of Bills 37 and 45.

### SECOND READING

#### BILL NO. 37 - THE PUBLIC SCHOOLS ACT

**HON. M. HEMPHILL** presented, by leave, Bill No. 37, An Act to amend The Public Schools Act for Second Reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. M. HEMPHILL:** Thank you, Mr. Speaker.

These amendments, Mr. Speaker, give effect to the government support to the Education Program as the main vehicle for funding public school education in Manitoba.

As you are all aware, in 1982 and 1983 we had a major review, the first really major review of education finance in about 20 years in the Province of Manitoba. It was conducted by Dr. Glen Nicholls. It was a major public review for the first time and we got a lot of valuable information out of that.

We had public hearings in seven communities, at which times briefs were presented by 142 educational organizations, groups and individuals. We released the report in December and asked for additional public input.

In November of 1984, school divisions in Manitoba were advised that the government had accepted, in principle, almost all of the recommendations of the Nicholl Report. There were a few that we had indicated we were undertaking additional study and those are under way at this time.

We did previously move in the previous years towards recommendations that were in the report, so we've had really quite an orderly transition to move towards the new principles of the program. We brought in the small schools grant; we brought in the supplemental and equalization programs in earlier years, and this is now the completion of the recommendations that we're undertaking in the Nicholl Report.

School divisions now are going to receive funds under three major categories. The first one is categorical grants. We've put the priority on categorical grants, Mr. Speaker, so that those things that are the top priority for government and for the education system and meet the greatest needs are the grant that receives the first priority in terms of receiving money.

An example of things that are under the categorical grants would be the compensatory grants, which are now, for the first time in the Province of Manitoba and almost in the country, trying to meet the needs of our large and increasing number of high risk, disadvantaged children.

The small schools grant is under the categorical grants and as we know, through our experience, this small schools grant has just been a life line to the 250 small schools in the Province of Manitoba and have given them a tremendous boost in terms of finally being able to move towards providing some of the same programs and having some of the same equipment and materials that other schools have had for years.

The weighted per pupil block grant is the second major component; and the third one is equalization. We introduced the equalization in 1982 and we've moved in each year towards increasing that equalization component. It increased from \$12 in 1982 to \$23 in 1984; and in accordance with our concern over equity

in the province, it's provided mill rate relief on an average of 3.8 mills in 1982, and 5.3 mills in 1983, and 7.2 in 1984.

What's happening here, Mr. Speaker, is that those school divisions that have the least and that are the least able to raise money, have been given additional money through the equalization grant. Because one of the principles that we have been following when we introduced the program - there were a number - is that we want to make sure that our children have an equal access to education in the Province of Manitoba; that they're all guaranteed an education, regardless of the wealth of the division in which they live; and that all divisions, despite the size of their local tax base, receive the funding they require to maintain programs.

So that the question of accessibility and equity and help for disadvantaged kids, really it doesn't matter whether it's poor school divisions, poor schools, or poor kids, we have moved to meet those deficiencies and those high needs in this program.

I think that the new program is going to be easier. It's less complicated and school boards are going to be able to handle it and understand it easier. We had major briefing sessions right across the province to explain the new program and we've had good feedback. We've had a lot of good feedback. We have about 20 school divisions receiving money through the Equalization Program which are indicating that without the equalization they would be in serious financial trouble, I think, this year and probably last year.

We have protected - in making the transition, we realize that a major change to funding is very complicated and it takes time to put it in place. So, we're not rushing it; we started it two years ago really by meeting some of the principals; we've carried it through each year. We're putting a bit more in place and we're doing it in a reasonable transition way. To that degree, we have brought in what we call the "variable block" this year, Mr. Speaker, and the variable block is to protect those school divisions, who might have been better off under the old program, from getting any less than they would under the new program. With the new system, those that were in a disadvantaged position are getting more and those that would have been better off under the old system have been protected so that they receive no less than they would have received under the GSE.

We have only three or four divisions that have communicated that they have some, what they consider to be unique problems with the new program and we're looking at those. In general, I would say the transition has gone well and we are now in discussions with school divisions after they have applied it for the first year to see what, if any, increased problems there are. We're continuing and we're prepared to make additional change where these have been demonstrated to us.

One example of that was a concern that was raised when we told them what the program was going to be this year. There was some confusion in terms of the special needs money. We had moved from paying 40-cent dollars for special needs to 100-cent dollars and they believed that new programs that were brought in, Special Needs Programs, would not receive the same funding. As soon as we got wind of that concern and that uncertainty, I communicated directly to school divisions that there would not be any limitation on the

categorical grants in terms of special needs funding and instructed personnel to ensure that any expansion of low-incidence special needs programming as of January or September, regardless of whether or not a division was on GSE or variable block, is recognized for additional funding.

So, Mr. Speaker, I think what we have done with this new program is that we have met what were recognized as being the major deficiencies of the earlier programs, ones that were brought in place in very different times and recognizing the changing nature of the population of our school children and the new needs that are surfacing for the high-risk disadvantaged schools. We continue to be prepared to look at making modifications or improvements as we go along getting information back from the school divisions about how the program is working.

I think we've met a lot of the major criticisms. Using 1980 as the base year caught a lot of divisions in a very inequitable position in terms of funding. We've corrected that. We've brought in an equalization program that did not exist before that is giving those divisions that can raise only \$5,000 on a mill instead of 26 or 27,000 on a mill as the rich divisions can, given them a better share and a fairer share of the money that's available and work to meet the high needs of our disadvantaged special, our handicapped children and children in institutions. We've moved in all those areas, Mr. Speaker.

I think that the moves have been largely regarded as positive by school divisions, by trustees, by superintendents. They're continuing to communicate with us, in some areas where they see some potential problems down the road and we're going to look very seriously at those. I recommend this bill to the House.

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Just a question for clarification, in view of the Minister's remarks, Mr. Speaker. I wonder if she could advise me whether this bill implements the 90 percent educational support financing that she said that she was in agreement with.

**HON. M. HEMPHILL:** Yes, Mr. Speaker, the question of moving towards 90 percent funding is a recommendation in the Nicholls Report and is one that we accepted in principle. It isn't necessary or it isn't a part of the bill, nor would it be. It's part of the funding decisions that are made every year and what we said is that we agreed in principle to moving away from reliance on property tax. We agreed in principle in moving towards the 90 percent funding that was recommended.

We also said very clearly at the same time that we did not expect to be able to move this year; that this was a very difficult year in terms of resources; that we were going to try to provide money this year to maintain educational programs and to provide some of the new requirements in the high need area and to maintain jobs, and we have been able to do that. We were quite open in saying that there were not going to be resources this year to move towards the principle of 90 percent funding. It would have to be done during a period when

resources to the province and to education were much better.

**MR. G. MERCIER:** Mr. Speaker, could the Minister indicate when she estimates it will be implemented?

**HON. M. HEMPHILL:** Well, I think I was quite clear, Mr. Speaker - when the resource base is better. We've done exceptionally well this year in areas like Health and Education, much better than other provinces with much better resource bases and with more money to do the job, done a much better job of maintaining our health and our educational systems. If you look at Manitoba, we're not closing down institutions, we're not laying off thousands of teachers, we're maintaining our programs, improving our programs and doing it by good management of the money that we have and better distribution of the money that we have and we're doing it by providing a reasonable amount of money to maintain the programs.

We will move towards the principle of 90 percent when the economy improves and the resource base is better. I can say that with whatever money we have had available in each year that we have been in office, the Department of Education and the educational system has been given a fair share of that money and been given a reasonable amount of money, the best amount that could be given to maintain programs and, collectively, between the school divisions and the teachers and the trustees and the Department of Education, we have maintained our system.

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

**MR. C. MANNESS:** Mr. Speaker, I move, seconded by the Member for Lakeside that debate be adjourned.

**MOTION presented and carried.**

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Prior to calling the next bill, may I direct the attention of honourable members to the gallery. We have 28 students of Grades 5 and 6 standing from the St. Adolphe School under the direction of Mrs. Gosselin. The school is in the constituency of the Honourable Member for Emerson.

On behalf of all of the members we welcome you here this morning.

### BILL 45 - THE PUBLIC SCHOOLS FINANCE BOARD ACT

**HON. M. HEMPHILL** presented, by leave, Bill No. 45, An Act to amend The Public Schools Finance Board Act, for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. M. HEMPHILL:** Mr. Speaker, this is a very minor bill that simply substitutes the words "government

support to education program" for the words "education support program." I rest my case.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNESS:** Mr. Speaker, we've reviewed this bill in some detail and although at times we're not always prepared to accept what is written or said by the Minister, we feel in this case we can pass this bill on to Committee.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Yes, Mr. Speaker, would you please call the adjourned debates on second reading on Bills No. 3, 14 and 26?

### ADJOURNED DEBATES ON SECOND READING

#### BILL 3 - THE VITAL STATISTICS ACT

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Community Services, Bill No. 3.

The Honourable Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Speaker.

I have studied this bill and it is my impression that the bill will resolve some of the difficulties experienced by Vital Statistics. Many of the amendments deal with in-house problems and this gives formal acknowledgement to practices which have already been implemented some time ago. Information will be released regarding adoptions which occurred prior to September 1924 and this information will be released on a confidential basis. The particulars of the father will be included in birth registrations and the act will acknowledge both mother and husband as natural parents in a birth resulting from artificial insemination.

Mr. Speaker, I have no objections to this bill going to Committee. I believe, however, that the Member for Fort Garry wishes to speak on this bill also.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Mr. Speaker.

I have one concern dealing with the bill. As my colleague has indicated, I've reviewed it and find that most of these changes are of an administrative nature. Some deal with the new changes in life and there's really no concerns about it.

The one concern I have though deals with the suggested amendment where it allows public access to do research on the information contained in the Vital Statistics Department. In the past, anyone can get certain limited information through either requesting for a birth certificate, death certificate, things of that nature, as long as you specify why you require it, who you are and pay the appropriate fee.

However, the new section proposed seems to want to suggest that all the information contained in there

which is normally restricted to the public can be used for research purposes. That can be a useful tool and I don't see anything wrong with it.

The concern I have though is the treating of that information in a confidential fashion. The proposed control of that confidentiality in my estimation is rather limited. In fact, all it does is that the director shall decide whether or not the request for this type of information is legitimate and should proceed and that's fair enough, but then if it does proceed, all the individual requesting the information is required to do is to sign a written agreement saying that they shall not divulge the confidentiality of the information.

However, that only controls it as far as that individual or person is concerned. It does not control it for anyone who may have that information or see that information. If this is going to be allowed, I would think that some stronger control mechanisms of the use of that information to ensure confidentiality, at least the consideration that perhaps any breach of this written agreement of confidentiality, the person could be prosecuted under The Summary Convictions Act. In fact, I would make that suggestion that it should be included, but I would also suggest that some greater protection be given because there is a fair amount of valuable information in there and keeping in mind the new Child and Family Act where certain information about adoptions will now be accessible under only very limited cases. People through inadvertence, not by design, may very well leak out information that is harmful or potentially damaging to people. I don't think that is what the government intended with this bill nor do I think anyone would want that to happen.

So, there may be a very strong case for allowing access to study that information in developing government policy. I think that's a fair position to be in. We must protect the integrity and the confidentiality of all of the information contained in the Vital Statistics Department. I would urge the government and I will be urging at Committee stage that much further consideration be given to controlling the access and the release and use of this information and to ensure at least a very strong penalty should that confidentiality aspect be breached.

Those are my only comments on it and I am prepared to move it to Committee stage, Mr. Speaker.

**QUESTION put, MOTION carried.**

### **BILL 14 - THE COMMUNITY CHILD DAY CARE STANDARDS ACT**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Community Services, Bill No. 14.

The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, just on a matter of House business, the Honourable Member for Emerson has indicated to me that we would appreciate having this matter continue to stand in his name, but has no objection to anybody else speaking.

**MR. SPEAKER:** Any other member wishing to speak to that matter this morning?

The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Mr. Speaker.

It is with great interest that I read the Minister's opening remarks dealing with these proposed amendments to The Child Day Care Standards Act and in reviewing her comments, one is not certain exactly why they're being introduced. There is reference that the intent is to clarify some of the sections of the act and to make it more flexible in its administration and, also that certain clauses were added as a result of recommendations by Crown counsel.

One can only surmise that most of this change or recommended change flows from the problems that the government had with a certain day care operation in Charleswood, and in reviewing the recommended changes and in dealing with people who are in the child care field, it is important to understand that there be good support and protection of children in day care facilities and that's a principle that we agree with and support. Hopefully, we'll be able to make recommendations to the proposed amendments that will in fact improve upon this aspect.

All people in the child care field are concerned about the quality of the service being provided. They want to make sure it's good, it's available to all and that the children who are under care of others who are not parents are, in fact, given the best protection and a good environment in which to operate.

Keeping that comment in mind, I wonder why certain changes were made because I believe the government's intent is to protect the children in care of others, but there seems to be some discrepancy or they're not quite sure on how they want to proceed with this legislation.

With the suggested amendments, suddenly the whole concept of day care changes. Previously there were several exclusions that allowed people to look after children but didn't bring them under the purview of the act. Now, day care basically means anyone who is looking after a child except a parent, falls under the purview of this act, and if you are going to look after children, you must be licensed.

The act goes on to say that, by regulation, the government will set certain licence categories. We don't know what categories they are; there are no criteria laid out in the legislation and I think there's a shortfall to the public, to the parents, to those who will be operating any day care facility, as to know what exactly the criteria are in issuing a licence, whether it be a Class A, B, C, D or a different name type licensing category. To leave it in the regulations which means leaving it to staff members in a department and then flowing through for approval at Cabinet, I think, is doing a disservice to those people who properly want to operate good and valid and careful centres for the care of children.

Without knowing the proper guidelines and standards and the whimsical change that is possible in setting the guidelines as to - this group could be in, this group could be out or your category will change from perhaps Licence A to a Licence B. I think it's important that the principles of the type of licensing be spelled out in the legislation and not be left to some nebulous reference that it will be included in the regulations.

By making the deletions in the act, and I understand why the government wants to provide greater control over those people who are providing child care, one has no quarrel with that issue, but you wonder if they've perhaps really looked at the suggested changes, and the impact they will have.

Basically, it says that anyone looking after or providing care and supervision for children, except for a parent, shall have to be licensed. What happens in the case where you have a parent who brings someone into their own home to supervise their children while they're away? There are exclusions for casual babysitting, casual and irregular babysitting, but any parent who wishes to have their child in their home and bring someone in on a regular basis to look after their children would have to be licensed, under this particular proposed amendment.

Also, you would have parents who are perhaps single, parents who are job sharing and because of the job sharing, one is sharing babysitting responsibilities and the care of children while the other one is working. Under this regulation, both of those parents would have to be licensed and I don't think that was the intention of this act. In fact, I hope it wasn't, because people are trying to accommodate the care of their children in the way that they think is best for them. They may not wish to send a child to some form of institution or formalized day care centre; they may want to have that child in their home or in a familiar setting. The proposed act, the way it reads, would require both of those people to be licensed while they're looking after someone's child other than their own.

This would also apply - and I understand that a great number of people do this, and for a variety of reasons - there may not be availability of space in day care centres or they want them to be looked after, a neighbour or a friend whom the child or children are familiar with and often these people are just looking after one or two children. The placing of those children by a parent with a non-family member will require that person to be licensed to provide that care and supervision of children. Again, I don't think this is what the government intended, but if you read carefully the regulations and the proposed amendments, that in fact is what is going to happen.

There is some question too of the before and after school programs offered by schools, religious organizations, some day care centres, other things like this. It would appear that they would fall under the licensing provision of this act and the question is, is this what the government really intended?

There is a deletion of the reference to private schools in the exemption clause. This means any school - and I have several in my constituency, Mr. Speaker, and I point out one - there is a private Catholic school on Pembina Highway that offers school up to, I believe it's grade 6 or grade 7, maybe higher now, but any child under age 12 in that system is subject to being licensed under this act because they will be providing care and supervision of children.

There is provision in the regulations, as suggested by the government, that they can exempt persons or groups of persons and they can exclude schools or part of schools. Now I can understand the dilemma that the government was faced with when dealing with that particular problem of the private day care operation

in Charleswood; but I suspect and I'm suggesting that the government has gone too far in the deletion of private schools and leaving it to a mere regulation as to what would be exempt and not exempt, because again we have no criteria as to what schools would automatically be exempted and what wouldn't.

The Minister indicated in her statement that it would clearly distinguish between pre-school and private schools, but that's for regulation. That's for someone in the department to set that criterion and, again, there is no way of ensuring that all people are treated equally. There are no standards set out as to what would be properly exempted and what wouldn't be. I would suggest that it would be unfair to all those who run private schools, not private day care centres, but who operate schools for whatever reason, from kindergarten on up should be exempt and that exemption should be contained in the act or it may cause a great deal of problems and anguish.

There are several deletions from the exemption clause and this is what causes me further concern because we may be creating more problems than we're solving. Again, I can appreciate what the government is attempting to do.

**MR. H. ENNS:** I don't know if I appreciate what they're attempting to do, Charlie.

**MR. C. BIRT:** Well on certain issues I might agree with you on that.

There is a deletion of clauses (f) through to (i), which basically says - that used to exempt a whole variety of operations where children were involved. The exclusion of one particular Section (f) of that particular act, would now require people who operate a "Y" Program, a 4-H Club Program, to be licensed under this particular operation. Anyone who goes to a summer camp, that camp operator must now be operated under this particular set of amendments. Clearly that goes beyond the concept of day care.

What is day care? We all understand it. Why are we putting in standards? For the protection and offering of good services to the community, but if a parent chooses to send someone to camp, why should that camp have to be licensed as a day care centre? But under these proposed amendments, they would have to be.

Also every community has at least one recreational or community club involved. The deletion of another section from the exclusion section would require any child going for soccer, baseball, hockey, would now have to be considered a day care and would have to be licensed under this particular amendment.

Now there are certain regulations or the regulations say, "We can exempt certain people or persons." Does that mean that we will have to list every community club to be exempt; do we have to list every camp that will be exempt from these regulations; and through human error, omission, whatever, some people may miss a particular name or whatever, and you would then get a double standard. Those who were looking after children would be in violation of this act, if they didn't qualify under the exemptions under the regulations and could be charged.

Clearly again, I would suggest that the thought given to this particular set of amendments has not gone as

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far as it should, in the sense it wasn't dealing with the area of concern that it was trying to address. It has gone too far. And to leave the . . . Section into that unknown world of regulations, I would submit, is unfair to the users of the service and to those who operate the service.

Something has to be balanced or juggled or carefully taken care of, in looking at what you're exempting and what you want to bring under control of these particular sections of the proposed act, if you prohibit a neighbour from looking after one or two children, they have to be licensed and with licensing you get a set of standards on how you're to operate. The particular person may say I'm not interested in looking after your children because I don't want to be licensed; I don't want to have to make expenditures on my house. I don't want the hassle of red tape and bureaucracy.

The problem that this does is, as the Minister has pointed out in certain press comments lately, that there is a great shortage of proper care facilities for children. In fact we don't have enough spaces. Now this particular thing will make it worse, and it seems to me we've gone a little too far in attempting to solve a very legitimate specific problem, but it's almost as if you're throwing the baby out with the bath water.

In moving onto other proposed areas, keeping in mind that they want to do the best thing for the supervision and care of children; they made provision to allow people or a director or a director's representative to inspect any premises where there may be someone operating a day care facility. So that little lady, who has taken in two children for her neighbour, may suddenly have an inspector knocking on her door because a neighbour has complained that she's looking after children. Can't you see it? Are you keeping children here? Can you imagine the trauma and the turmoil that that's going to cause the person who's trying to be helpful? I don't think that was what was intended but it was not carefully drafted.

But even if you were carrying out this and you want to say that that should be permitted, they can allow people to go in and see and check the facilities, to see what type of programs are being offered - and there's nothing wrong with that - to ensure that the program is good and adequate. But you have to ask yourself, why is it that they want to be able to see the books of account? What are they? It's really the financial records of any operation.

Now when you look at the type of program that the act wants to ensure, it said, "Every person providing day care shall at all times provide an environment that is conducive to health, safety and well-being of the children." It's a good principal. What does the book of account have to do with that provision of health, safety and well-being of the children? How can a financial statement tell you whether or not the health and well-being of the children are being well looked after?

I have been informed that the government has been attempting to get records of private day care centre operators, and they rightfully have been refusing to provide that information to them. What possible grounds would the requirement to produce your financial records have to do with standards and the care and protection of children? I would submit, Mr. Speaker, that none are being served and this is merely

an attempt to get through the back door what they can't now have produced.

A certain section says that a director may refuse to issue a licence, if there was a person associated with the operation that the director has some concern about. I think that's a very laudable situation because again you're trying to provide good and careful protection and control for the people who are operating these day care centres and to ensure that the children are well taken care of and protected. But it is a very nebulous, and I would suspect, very open licence, if you wish, in fact power to say your friend, your associate is not someone that we deem should be in the day care business or associated with it in an indirect sense.

An example, an individual may be operating a proper day care centre out of their home, fully licensed, meeting all the criteria, meeting all the standards that are set. That person's son might have been convicted under certain charges under the Criminal Code - nothing to do with children or anything else like this, but the director, if they deemed it possible, deemed it important that that was a person associated with - because that child, that individual is living in the house where these are operating - is detrimental to its operation and therefore the licence could be cancelled.

Again I would suggest that that is too broad of a power to be left in the hands of someone who is not accountable, and I'm afraid, when you leave that to delegated responsibilities of civil servants - and as well meaning and as well carrying as they are - that that is just a too broad and too general power to be given to them. I have no quarrel if that power is given to an accountability process, such as the courts or something like this, but it bothers me that some civil servant will have that authority, for no reason at all, to remove that licence because of an association that may deem it not proper to be associated with the operation.

Another concern is that the licence may be suspended; and that suspension they were given notice to clean up their act and if not it may be suspended. The concern I would have is that the suspension may happen so quickly trying to protect children and parents that it creates a problem. I think some advance warning should be given to parents because what I find surprising in all of this bill is that it's transferring a great deal of authority.

First of all, it broadens the whole concept of child care and what it means. It also transfers a great deal of discretionary authority to civil servants in the administration of this type of program. It doesn't go far enough to involve parents in the care and delivery of this type of program to ensure that, in effect, it meets the criteria. School divisions elect school boards; the trustees are elected because the citizens go out and vote for them; they are given the public trust to look after the particular concerns of their children.

Nowhere in this bill does it force or compel parental involvement in the operation of these centres. I believe that most day care centres have advisory parent bodies but I think advisory bodies can be very weak and often ineffectual. When you look at the concluding remarks of the Minister, and I'm quoting, "I must stress that the government alone can never guarantee quality day care and this requires the active participation of parents." Then it goes on to say, "We look towards parent involvement and ownership of day cares."

I would suggest that this act needs improving to put a stipulation or sections in it compelling, that it be mandatory for every day care centre to have either a board of directors of parents or a mandatory parent advisory body, and that they be involved in all of these new aspects of licensing standards, whether or not there is some query as to the manner in which the program is being operated or not being operated. In other words, you are really trying to build a co-operative relationship between the parents who have chosen the particular institution and the concerns of the professionals in the department that perhaps everything is not well, but maybe together we can work out a solution.

If you suddenly remove a licence from someone in order to protect the children, you're going to create temporary havoc because there are a limited number of spots available in day care today, and the parents will have a difficult time trying to find alternate or substitute care for them, especially if a lot of the areas that are normally in existence now are closed off or no longer offered because of some of the earlier comments I've made. I find it surprising that there is not a real thrust to make the parental involvement in the monitoring and the provision of day care a very specific component of the proposed amendments keeping in mind what the Minister has said.

Those are just a few of my comments and concerns on the proposed bill, Mr. Speaker. I will have more specific comments and criteria to raise during committee stage, but at the moment I would like to conclude my remarks on this bill.

Thank you.

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Speaker, I move, seconded by the Member for Rhineland that debate be adjourned.

**MR. DEPUTY SPEAKER:** Order please. I believe it was an understanding that this matter would stand in the name of the Member for Emerson.

**MRS. G. HAMMOND:** Correct. That's fine, thank you.

**MR. DEPUTY SPEAKER:** Agreed?

**MRS. G. HAMMOND:** Agreed.

## INTRODUCTION OF GUESTS

**MR. DEPUTY SPEAKER:** Before proceeding with debate, I would like to draw the attention of members to the gallery where we have standing a group of 15 students from Grade 11 from the Riverton High School. The group is under the direction of Mr. Wally Johannson. The school is located in the constituency of the Honourable Minister of Agriculture.

On behalf of all members I would like to welcome you here today.

## BILL 26 - THE TEACHERS' PENSIONS ACT

**MR. DEPUTY SPEAKER:** On the proposed motion of the Honourable Minister of Education, Bill No. 26, the Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Deputy Speaker. I welcome this opportunity to speak on Bill 26.

Firstly, before I go into the matter in any great depth, Mr. Deputy Speaker, let me register my criticism of the Minister with respect to the way she's handled the release of this bill. I think it was unfortunate, to say the least, that the Minister chose through the vehicle of public press release to introduce her agreement with the Manitoba Teachers' Society with respect to pension reform to the community at large without having the courtesy to lay before us the covering legislation. I sense a greater attempt to do so by various Ministers of the government opposite. It just leads me to believe that they hold this Legislature and Parliament in general in very low regard.

Mr. Speaker, there are many good aspects to this bill. However, there are also some areas that concern me greatly. I'd like to cover both at this time. Like many members of this House, I've had a lot of representation from various people within the whole area of Education. Certainly, many teachers, many school divisions and others who have come to me and, indeed, most members of this House asking us to support the legislation that is before us. As a matter of fact, I can say that I haven't had more than a handful of people indicate to me that they would wish we not support this particular bill. The lobby has been intense.

I guess, Mr. Deputy Speaker, it'd be so easy to facilitate the legislation and the debate and pass it quickly on to committee. The arguments on the surface for bringing forth the pension changes are acceptable - I say "on the surface." When we have individuals talking about what a stressful position it can be after one has committed many years of their life to this type of occupation, of course, stress does begin to wear on people. Although, Mr. Deputy Speaker, I must confess my occupation which is not teaching is one that I consider stressful also. I don't know of too many occupations in this world where the people who are so involved in them do not find a particular line of work stressful.

One week ago, there was a frost in the area. I thought I would have to reseed 2,000 acres of my crop - another degree of frost and I would have. The stress all the way through that night, Mr. Speaker, cannot be measured.

Another argument on the surface, Mr. Speaker, was the lack of mobility that teachers have as between schools as between divisions. I acknowledge that. We've seen with many of the laws, in effect, and particularly some of the provisions that have been passed over the last two years with respect to portability of tenure, whatever mobility is there is being decreased. Obviously, this has to prey upon individuals who see themselves locked into positions for a long period of time, so I can accept that argument, in part.

Then we have the argument on teachers burning out after having contributed 25 or 30 years to an occupation since their early years, upon graduating, and I can identify with that also, Mr. Deputy Speaker. But the best argument of all by those who give support to the reforms is that it would open positions for new teachers; it would allow new graduates to find a place to work and I can support that argument; and of course it's all wrapped up by the fact and it's made saleable by the fact that the teachers' pension fund, through their spokespeople,

the Manitoba Teachers' Society, are prepared to underwrite a portion of the cost.

So, Mr. Speaker, on the surface, the argument's overwhelming and I can see why there's been such an intense lobby and why so few people outside of education particularly, would be opposed. Nevertheless, there are concerns and they sort of fall into two areas. The first is the matter of principle. How fair is it that one very strong organized vested interest group could further improve their pension benefits when large numbers within our society have no pensions at all? How many times do we hear, as members of this House, widows 55 and over who have no visible means of support other than welfare? How many situations do we see where men or women have been removed or released from the workforce at the age of 45 or 50 and have no alternative to find their way back into the workforce and are just waiting to the age of 65 at which time they can come off welfare and receive pensions?

Mr. Speaker, what did we do just yesterday with respect to de-indexing of pensions? Try to have in place something so that these people, when they hit the age of 65 at least will have protection; but there's a whole area between 50 or 55 and 65 where there is nothing but welfare and yet we see a strongly organized group who are saying to government, we should have further pension benefits.

Some people, in response to that argument, will say that's up to government; it's up to them to find the means and the vehicles to support those who are less advantaged. Mr. Speaker, I don't know how we do that, but I do know that when there are times of scarce resources, certainly we have to put into perspective some of the priorities of the people of our society who require assistance in some form.

I know speakers, certainly on this side, may elaborate on this particular matter of principle and one of our major concerns. My major concern is that, however, of funding. What are the costs to government now? What will the cost to government be in the future and what are the costs going to be to the Manitoba Teachers' Society? Mr. Speaker, I can tell you in all honesty I'm having some difficulty uncovering all the future costs and throughout this I'll be challenging the Minister. As we move along the process of giving legislative support to this bill, I'll be challenging her to provide for us documentation in support of some of the claims she's made with respect to funding.

It hasn't been easy at all to uncover the true costs today and in the future with respect to this bill. I can tell you though that the ones that we have been able to uncover are horrifying and really point out the attempt by the Minister, to some degree, to mislead the people of the House and certainly the people of Manitoba.

Let's check some of the arguments, Mr. Speaker, and the costs. We are told on the surface, which was a good argument, that it would open positions for new teachers. It would remove the burnt out teachers and that argument was acceptable to many people, acceptable to the young parents. Of course, they hear of incompetent teachers and they do not want them to teach their children. They know that the present evaluation system and the techniques to remove incompetent teachers are not sufficient; they are inadequate. Young parents know this, so when they hear the argument, they're just too happy to support

any type of system that will remove a burnt out, incompetent teacher, and I agree with those that say there aren't many, but they are there.

Mr. Deputy Speaker, it's supported of course by the young graduates and their parents, where the hope of having a new job or a first job could be there if some other people would remove themselves from a specific area of the workforce. It's supported by the trustees who see some saving and that's the Minister's argument - but how long will that saving be there? I recognize that there will be a saving in the short term and it'll be supported particularly within those school divisions where numbers are falling, enrolment numbers. It's supported by the superintendents who, of course, see the same arguments.

It's supported by a large part of the public, the taxpayer public who, if they see any savings whatsoever within a school division or any of the other above reasons that I have just mentioned, would find themselves supportive.

The question is, how many positions will be opened? Is the present profile of teacher population, is it aging? Is the average age of teachers high? Is there a large number over 40 or 45 and in statistical terms, does that mean it's skewed? I think these are very legitimate questions and thanks to a copy of the age distribution of the teaching population presented to me or given to me by Mr. Smith of the Manitoba Teachers' Society, I looked at the profile of teachers' ages within the province because I wanted to try and find out when the greatest number would attain the age of 55. Would that happen in the next 10 years or would it happen later? We have to know the answers to these questions.

These are pertinent, because if the teacher population is older, then of course the greatest benefits will accrue very soon. If not, then the program is maybe devised more for the larger number of teachers who may be younger at this time.

So what do the facts bear out, Mr. Speaker? Well, I have the 1983-84 - and I know this could probably be updated by a year, but I'll use this for the sake of convenience. Mr. Deputy Speaker there are nine age breakouts. There's under 25; 25 to 29; 30 to 34; 35 to 39; 40 to 44; 45 to 49; 50 to 54; 55 to 59; 60 to 65. For the record I'll quote the numbers within each of those classifications.

Under 25, there are 618 teachers; the next group, 1,716; between 30 and 34, there are 2,468; the next group, 2,671; following upon that, 1,998; the group 45 to 49, there are 1,304; from 50 to 54, there are 930; from 55 to 59, there are 589; from 60 to 65, there are 216.

Mr. Speaker, if you plot that out and if you do some statistical work with it, it may come as some surprise - at least it did to me - you have a normal, perfect bell-shaped curve. There's no skewness to it. There isn't a heavier number of teachers that are older; there isn't a larger number of teachers that are in the young classifications. If you do some statistical analysis, if you try to find the median to try to determine at what age are half the teachers below and half the teachers above, you come up with a number of 37. That means that of the total of 12,518 teachers, 6,259 of them are below 37 years of age; and the same number above 37 years of age.

If you do another statistical analysis and try to find out what the average age is - using data which is a

year old, I confess - the average age comes to 38.01. Mr. Deputy Speaker, the figures are staggering. The teaching profession in Manitoba is young, on average. I don't know of another profession within the Province of Manitoba that can stand up and say that the average age within it is 38 years of age. I don't know of one. I would challenge the members opposite to find me one.

Mr. Speaker, the argument then, on average, isn't the fact that the teaching profession is growing old, because it isn't. So if there isn't a preponderance of older teachers, then I suppose one asks the question, who is the program brought in for?

A final couple of points, Mr. Deputy Speaker, with respect to these figures. There are almost as many teachers under the age of 25 as over 25; 618 to 805, respectively. Did I say over 55?

**A MEMBER:** 25.

**MR. C. MANNES:** Well, I meant to say almost as many under 25 as over 55; 618 to 805. Under 30, there are 2,334 teachers in the Province of Manitoba; where over 50, there are 1,735. Again, I submit, Sir, that the teaching profession is young, on average.

Yet the Minister said on Page 2387 of Hansard, and I would quote what she said: "We have a very significant number of teachers who are in the 50- to 65-year age grouping, many of whom still have 10 or 15 years left of work." Well, I guess significance is in the eye of the beholder, Mr. Deputy Speaker; 13.9 percent of the teachers today are over 50.

How many positions might be created? The Minister, in answer to my question, told me that 185 normally retire last year - and I remember when we went through Estimates procedure and there was a major increase in the allocation, the appropriation being directed towards pension retirement benefits. I asked the Minister why, and one of the reasons was, she said, "In 1984 there was an abnormally high number of teachers retire, higher than average." In response to my question the other day, she indicated that there were nine more last year than expected, and again expected retirements in the area of 185.

Again, the other day in debate, she said that if all over 50 retired, that 600 new positions would be open, the same as the total number of graduates. Well, let's say that happens, Mr. Deputy Speaker, and it cannot happen again, what she is saying is that if we were to take all the teachers who are 50 and over today and have them retire, there would be room for all the new graduates of one year. Then what would happen for the next year, the next class of 600 graduates?

Mr. Speaker, as you can see, this bill, by the very figures I have presented, isn't going to provide positions for continuing graduate class sizes of 600. It will for maybe one time, but not beyond that. This is basic elementary mathematics. There's nothing more to it, so let's not suggest for one moment that this is going to be the panacea that's going to allow entry for even the majority of graduates into the teaching profession. It is not.

Then the question is begged, who will benefit the most? Quite obviously those people or the 600 graduates over some combination of years, who may

find their way into teaching, either sooner or at all, because of this new policy, will find obviously some benefit. But again after you've hit that 600, I don't believe there will be a benefit to the numbers of graduates in years to come. So it's not going to be the graduates to come in the future that are going to receive the benefit; not the whole number that graduate.

It's not going to be the burnt-outs because they come at all ages, Mr. Deputy Speaker. I've seen teachers burnt out at 30; I've seen some of the best ones at 58 and I don't care what profession it is. There's just no . . .

**HON. A. ANSTETT:** Politicians.

**MR. C. MANNES:** Yes, well there's a good example from the Member for Springfield. Some politicians are burnt out at an early age, and if they're not burnt out, they will be sent out by the electorate at the next election and I think he's referring to himself. So, Mr. Deputy Speaker, burnt out comes at all ages in all professions.

The question is, who is going to benefit the most? Mr. Speaker, I claim it's obviously the 11,500 other teachers who are between the ages of 20 and 50. What are benefits and the costs then of government? To me this is the most important issue, the funding of this particular bill and legislation, should it be passed.

Remember what we heard, Mr. Speaker, when I asked the Minister what this would cost and the Member for St. Norbert posed some similar questions in this vein. The Minister indicated that the Teachers' Society would underwrite the cost for the first five years. She then said that the net effect of this agreement between the government and the Teachers' Society would have the Teachers' Society paying 70 percent to the government's 30 percent of the benefits. I asked in question period yesterday - I was ruled out of order, I might add - if the Minister would provide the documentation, the ledger where the costs and the benefits on either side are so shown so that we on this side can reach some conclusions as to whether we agree with the statement of not.

The Minister then said that the cost to government would be \$6.2 million. That was what the Minister said in her opening speech and then under question she said, well, what I mean is the present value. People who understand compound interest rates, Mr. Deputy Speaker, then fully understand the significance of saying 6.2 million or the present value of 6.2 million. The net result of leaving out some of those terms are so significant, so large, that it befuddles the mind and I'll give some of my numbers a little later to prove that point.

Mr. Deputy Speaker, then the Minister said it was cash value, but before it all, before some of the cost terminology was laid before us, we were led to believe that the costs were insignificant of providing this. I believe today that a large number of viewers, either watching question period on TV or reading media reports, think that the cost of this program is not large.

Well, Mr. Deputy Speaker, today we are beginning to unravel the costs. Once the Minister indicated to us that the cash costs in 1992-93 to government would be \$1-million-plus, then it became obvious, Sir, that over the 40 years that the Minister talks about, the

cost of this program is going to be \$50 million - the cash cost that we can identify right now of this program to government.

Well, Mr. Deputy Speaker, when we add the future cash costs of the earlier pension changes - and it's just come to light that the pension changes we passed in this House two years ago that are finding their way into many acts now, I have it on good authority that the cost to the government within the Teachers' Retirement Pension Fund, that one aspect of government support is \$23 million - the changes that we just passed two years ago. So, if you add that 23 million to the 50 million that this is going to cost the government over 30 or 40 years and you also add another area that I don't even understand fully myself yet, but some people are saying that section dealing with commuted value adds another \$10 million to the government.

Commutated value, there's a growing discussion within this whole area of commuted value and what it means. I don't understand it fully but what the government has given the teachers of the province over the last two years, given that this becomes law, the cost to government over 30 or 40 years would be upwards of \$80 million - cash costs payable in the year that they come forward. Yet, the Minister introduces the bill and says that the present value of it is \$6.2 million.

Well, Mr. Deputy Speaker, if I'm wrong on any of these numbers, I challenge the Minister to tell me where I'm wrong, because I'll have more to lay before her. Who is this program for? Is it for the beginning teachers? Is it for the school divisions? Is it for the burnt-outs? Well, I don't believe so.

Mr. Deputy Speaker, we know who the program is for. Remember, this is not matching of pensions which will be many times greater. This isn't the basic pension fund, an agreement reached by the teachers and the Duff Roblin Government of 1961, the major portion. No, this just the change in policy which removes penalty for those teachers who are prepared to retire, want to retire at age 55.

Mr. Deputy Speaker, I can't believe that the Minister of Finance of the Government of Manitoba could accept this. I can't believe for one moment that he — (Interjection) — Well, I'd love to have been in the Cabinet room when this was being discussed. I can't believe for one moment he wouldn't put up some very strong counterarguments to those who would introduce this. I can't believe that there wouldn't be some penalty in place for individuals wishing to retire early. The Civil Service Superannuation Fund has a three-quarters of one percent penalty for those who take early retirement.

How could the Minister of Finance allow one group to go down to no penalty? It's a known fact that those individuals who take early retirement take from the fund, in a proportional sense, more than they've put in as compared to the individuals who work to 60. That's right.

So, Mr. Speaker, I tell you these are staggering numbers we work. What happens if all public servants were to be given this? This is why I can't understand the Minister of Finance. How many civil servants and public servants and municipal servants and people in support of the teaching profession - how many are there in total that would want this same type of pension benefit? I estimate roughly 60,000 people in the province

who will be lining up to this government for the same benefits; 60,000 people. This benefit will be provided to 12,500. Yet, the Minister of Education stands in her place and tells us the cost in present value terms is 6.2 million. So, Mr. Speaker, let's realize the significance in a cost sense to the government and the people of this province.

How does the pension fund work? I'm led to believe that in 1961 the Roblin Government of the Day said that we will not put our half contributions and invest it. What the Government of the Day said is, we'll keep that money back, we'll invest it in roads, hospitals and schools and when it's called upon by the individual who's retiring, the government will have money in place. That made good sense and I don't argue with that.

The government was prepared at that time and since that time is prepared to match at retirement, but they were also prepared to match the benefits accruing to the fund from the teachers' own investments. Last year, I think it was \$35 million or something that the fund earned, and the government has said that they will also match those benefits when they're called upon and it's a good set-up for government. Indexing occurs, and the Minister told me it's roughly 5 percent, but it's between 3 and 8, I understand, with the greater figure going to the person within the profession who has worked a longer period of time at a lower salary, where the 3 percent indexing might accrue to the individual who is earning a higher income.

And in the size of the fund - if people are asking - today it's \$350 million and it is from teachers' contributions that have built up over that time. The Civil Service Superannuation Fund, which is a fund which works similar to this, is almost \$500 million. Now we can see, just to digress for a second, why the First Minister of this province is interested in looking at the Quebec model of taking control of these massive professional pension funds. I'm sure, very quickly, he could find access to one over a billion dollars. I wonder what their approach will be to the individual funds and to the teachers.

I'm told that the funds must make 8 percent to remain viable. I was told though, and the Minister has said that this was the greatest coup from the government's . . . because the Teachers' Society conceded that the government not pay the revenue guarantee and the Minister said that could be \$12 million over three or four years.

I then pick up an article where Mr. Smith of the Teachers' Society said that it is unlikely the Pawley Government will save \$12 million from a revised teachers' pension - and this comes out of the Winnipeg Free Press, May 9th. So this is another area, once we move to committee, where I would hope the Minister would begin to elaborate, and again, hopefully, she'll give us some further detail on the 70/30 split.

It's a powerful bill. No one really understands how high future costs could be. I did a basic computation with the contribution by the government, just the straight pension, the matching of the half portion, the basic pension. Last year within the Minister's Estimates she had a figure of \$19,300,000 that was to be directed toward the - under the agreement, by the way, made in 1961. That's the law of the land and there's nobody that disputes that. Mr. Speaker, if you apply a 9 percent rate of inflation - and maybe it's too high, apply whatever

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one you want - a 9 percent rate of inflation to that figure over 30 years and you sum up what it's going to cost the government, what the Government of the Day has to have in place for teachers over the next 30 years, the sum of that number compounding comes to \$2.867 billion. That's what the government of this province has to have in place to meet its obligations to one group in our society.

When we look at the Civil Service Superannuation Board, which is greater, much greater in size than this, you realize what the government of the future has to have in place to support the professions within the province - and it has to have. That was the deal made and every government has to stand to it. The only point I'm trying to make, Mr. Deputy Speaker, . . .

**A MEMBER:** It boggles the mind.

**MR. C. MANNES:** . . . how can one group come back and then ask the government to commit itself to another \$50 million to \$60 million for that same period of time? What do members opposite see coming in the line of economic generation in this province over the next 20 or 30 years that's going to be able sustain that type of expenditure and commitments to those who deserve it?

That's why I find this whole area of pension, I find it so interesting because I don't believe that the members opposite have stopped for one moment to really look at the impact to the province of the pension changes in years to come. — (Interjection) — The Minister of Municipal Affairs scoffs at me, Mr. Deputy Speaker. I ask him to tell me where I'm wrong.

There are good points to this bill and the Minister has covered them adequately, and to quote her words, "It will include the definition of common-law relationships; it includes many of the pension reforms that were passed in this House." Common-law spouse, the legalizing for pension purpose, common-law purposes, common-law relationships, apportioning of benefits by marriage break-up, and I only mention that one because I made a claim before that the cost of changes was \$23 million to the government over 30 years. That hasn't even been identified. The main portion of that is because of the up-front costs the government has to put forward to meet the apportioning of benefits on marriage break-up.

The Minister goes on to indicate — (Interjection) — The Minister asks, is there something wrong? I never claimed there was nothing wrong; I'm just asking the members opposite to realize the costs associated when they make these changes because I don't think there's a member opposite that has an understanding of the impact to the province, in a fiscal sense.

Mr. Deputy Speaker, there are other parts to this bill. The provision made for teachers to purchase future educational leaves, although we have some questions, on the whole, that's a good change; and certainly the best is the benefit for part-time teachers so that they are now included in the formula for receiving pension benefits. I think the Minister realizes - hopefully she does - that she has full support in that area.

To sum up, I honestly believe that the removal of the 7.5 percent penalty over five years will be a major cost to governments in years ahead. To me this is a real

coup for the Manitoba Teachers' Society. The government has not sold out, Mr. Deputy Speaker, they've capitulated totally. There's no other word you can use. Their reasons for doing so, well I'll leave to the imagination.

Mr. Speaker, this program could have merit in 10 or 15 years when we knew where this province was going in an economic sense. Maybe by that time we'll have hit our own oil or maybe minerals will be coming out of our - but at this time, Mr. Speaker, the pension reform without any penalty, it's coming just too soon. The province today can't forecast ahead far enough to see where the revenues are going to come to support it.

So, Mr. Speaker, as I've indicated before, I'm shocked that the government would accept the cost. Many of the changes, however, with respect to part-time teaching are most acceptable. I guess it'd sum it up best by the lead paragraph in the Free Press and I'll put it on the record on a May 8th editorial which said, "The Pawley Government has chosen perhaps the most expensive conceivable means for creating jobs to ease unemployment. It has created a perpetual drain on the provincial treasury for enrichment of teachers' pensions in order to open up a few dozen teaching positions a few years earlier than would otherwise have come open. As a method of regulating turnover in the provincial teaching corps it is inefficient; as management of the public treasury it is irresponsible."

Thank you.

**MR. DEPUTY SPEAKER:** The Honourable Member for Kirkfield Park.

**MRS. G. HAMMOND:** Yes, I move, seconded by the Member for Gladstone that debate be adjourned.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** I think there may be a predisposition, Mr. Speaker, to call it 12:30.

**MR. DEPUTY SPEAKER:** Is that agreed? (Agreed)  
The hour being 12:30, this House is - Private Members' Hour?

Private Members' Hour.

The Honourable Government House Leader.

**HON. A. ANSTETT:** I believe there may be a predisposition to dispense with Private Members' Hour. If there is leave to dispense, I would be prepared to move adjournment.

**MR. DEPUTY SPEAKER:** Is that agreed? (Agreed)  
The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker.  
I move, seconded by the Opposition House Leader that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. on Monday.