

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, April 8, 1974

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MR. CHAIRMAN: We left at 5:30; we were on Manitoba School Capital Financing Authority. The Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Mr. Chairman, I am informed by the Minister of Education that at 5:30 the Member for Birtle-Russell inquired about a certain item which was used in reduction of the needs for the School Capital Financing Authority, namely some 5-1/4 million dollars. I understand the Member for Birtle-Russell inquired as to where that revenue was from. I checked over the dinner hour and confirmed that that is debenture moneys that are payable by the school divisions in repayment on account of previous construction loans which are now coming through current of the school divisions in repayment of the financing provided by the School Capital Authority.

MR. CHAIRMAN: Manitoba School Capital Financing Authority--the Member for Brandon-West.

MR. MCGILL: Mr. Chairman, the amount of \$14 million, as explained by the First Minister in the absence of the Minister of Finance, includes a number of schools that he gave to us. I presume that these are mostly additions to schools or there may be some new schools in, but I'm wondering if we could have some more detail on that Construction Costs. I'm thinking of the new directions that the school curriculum is going in and the compulsory courses in physical education that are going to become--well, they're optional this fall and then in 1975 will become compulsory. I'm wondering if the Minister of Education is aware of schools that don't have a gymnasium that are going to be in the position of having to provide a compulsory course in physical education. Now, can he also tell us at the same time whether this \$14 million would be in any way connected with the need for providing some additional facilities of that type where they are not now part of the schools? Perhaps, Mr. Chairman, we could have some answers from the Minister of Education in that direction.

MR. CHAIRMAN: The Minister of Education.

MR. HANUSCHAK: Well, Mr. Chairman, the capital funds that we are approving for school construction costs tonight, these are funds for--well, it's--there is some new school construction there as well as additions to existing buildings, and some may be major renovation, that is renovation other than just repairing floors or ceilings but where walls may be removed and this sort of thing. And these either alterations, additions or new buildings have been approved--no, I believe that the honourable member does know where the buildings are, the school divisions. This the First Minister had indicated to the House before we rose for the dinner hour. These construction projects had been approved possibly two, some even three years ago, and now they are, the planning, in fact the construction is on the verge of being completed and the bills will be paid during the forthcoming year. So that's the general makeup of it, and hence what we are approving tonight may not reflect most accurately this year's curriculum planning for the forthcoming years. But no doubt--well, in all our high schools, the honourable member was particularly concerned about physical education, physical education had been on the high school program of studies for many years and that hasn't changed. The minimum time allotment and the need to--well, it was in Grade 10 up until now; now the student will have a choice to complete his physical education requirements during any one of the three senior high school years so that is the only change that has come about. But, generally speaking, insofar as our high schools in Manitoba are concerned, I would say that all of them, they may not have the same amount of physical education space, but all do have sufficient space to conduct a physical education program.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, my understanding is that while there have been compulsory Phys. Ed. courses in 9, 10 and 11, that it will be with the new curriculum that this will become a credit course, and I would assume that some of the high schools will have difficulty in building a credit Phys. Ed. course unless they have the proper facilities. And we know, of course, that all of the school divisions are faced with greatly increased costs this year in spite of the additional assistance that's coming from the Department. I expect it wouldn't be an exaggeration to say that education costs in the province are going to be up somewhere between 11 and 13 percent across all of the school divisions and that the additional

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(MR. MCGILL cont'd) assistance that the Department is going to provide in the way of increased equalization grants is probably going to amount to perhaps one or two percent of that. So that all the school divisions are now in the predicament of having to find through a special levy the money that will be needed to meet these additional costs, unless of course the Department comes up with some further assistance. So, Mr. Chairman, I'm bringing up this point about the cost of additional facilities because while it is, as I say, optional this fall, next fall a credit course in Phys. Ed. will have to have some adequate facilities in order to, I presume, be acceptable to your Department.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, on dealing with a Capital Supply bill tonight, I would not wish to get involved in the debate of operating expenses because I'm sure there will be a more appropriate time for that at some other time. But getting back to the capital end of the operations - and again I wish to impress upon the Honourable Member for Brandon West that insofar as physical education is concerned, all that we are really saying is that some time during the three-year senior high school period one must complete a year of physical education. And this always had been so and it is the same course that we're talking about. We have not revised the course, we're not anticipating any major revision this year, so essentially it's the same physical education course that is now on the high school program, and we're simply saying that some time during the three-year term the student ought to take one year of physical education as opposed to the way the program studies reads now, which makes physical education compulsory in Grade 10 but not in the other grades.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, on this topic, the amounts shown here I realize are not the full amounts for school construction for the coming year, they're added borrowing authority. If I understood the First Minister correctly before the supper hour, the total for construction would be in the order of \$25 million, somewhere in that order, and that this represents added borrowing authority to go along with that. I think that to put this in perspective, we have to look at the total implications of education and in your regular estimates for public school system for which this \$14 million applies, it would appear that you've reverted back to very much of a retrenchment position as far as financing of the public school system is concerned, whether it's through capital authority for building purposes or for financing of the public school system, and I think it's one of the most critical areas of the entire budget. Whereas we've seen a growth in the Budget of 21 percent for the government's operations this fiscal year, the growth in the support of the public school system has been 1.9 percent in your own stated estimates here, and I think that it's going to impose an extreme difficulty on the system.

The capital authority doesn't appear to be that far out of line with some of the previous years. About \$25 million, as I recall, is about the same level of borrowing that was used in the last years of the former government when the value of the dollar was considerably higher than it is today, so what appears to be here as significantly less, not only in the planned upgrading of the school facilities from a capital point of view but drastically reduced really, when you consider the inflation factor, the support for the school grants is drastically reduced to the point where it actually represents a decrease in support if you consider the inflation factor. And it can't go without notice that the budgets that are now being presented by the school boards indicate that the special levy is going to increase anywhere--most of them range in the order of 40 percent. As a matter of fact, the City of Winnipeg itself is probably one of the lower at about 20 percent, and you've got 44 percent in St. Boniface, 26 in Transcona, 44 in St. Vital, 40 in Seven Oaks, 21 in Fort Garry, 40 percent in Assiniboine South, 38--and so on down the line. I think those numbers don't coincide exactly to the school divisions but it gives you an idea of what is happening to the school divisions in spite of what we're presented with here in the way of financial support to the school divisions. It represents, from all appearances, a probable 10 mill increase in school taxes on property, and this is probably putting it on the very conservative side, if you like, stating it at 10 mills, because some of the special mill rates are going to increase by substantially more than 10 mills.

Now, that represents a catastrophe sort of a growth in mill rate that probably has never been experienced before in the history of public education for a growth of 10 mills in one year. It was at one time considered fairly top level if you had a growth of five or six mills. But I think that we're at the stage where perhaps now the Minister can explain to us, at this point

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(MR. CRAIK cont'd) where the budgets are being made up by the school boards, why the government's retrenchment policy with regards to education, because there's unquestionably the same number, roughly, of students in the province of Manitoba, roughly the same number of teachers, and we have essentially a frozen budget. And in fact when you take into account the inflation effect in the last year, we have a reduction in support to the public school system.

So I think, Mr. Chairman, this most important matter should be dealt with at this time at the point where the budgets are being made up by the various school divisions and, of course, topping that off, we'll have growth of mill rate for municipal budgets that are reported to be the same magnitude, which means that we're going to have probable mill rate increase of the order of 15 to 20 mills.

A MEMBER: Right.

MR. CRAIK: And this is an astounding growth in taxes on property, and I think it's particularly bad when this government has always put forth the concept that they supported a revenue based not on property, a mill rate on property, but a revenue based on some more substantial sources that might be available to the provincial government through other forms of taxation, and if we now find ourselves going into a reversion back to the bad old days where we've got mill rates of this order, we're approaching, Mr. Chairman, a point where we're going to be talking about hundred mill taxes on property, and 100 mills represents 10 percent of your assessed value of your property that you're going to have to pay every year; and it's going to be an unbearable load that's going to be imposed.

Now the government can bring out all the programs it likes about rebates and so on, but the rebate system which may pump 40-50 million dollars into alleviating some of the taxes on those who have more difficulty in paying, isn't going to be a substantial assistance in this respect, because this growth in mill rate, say at 15 to 20 mills in total, is going to offset perhaps the majority of the rebate that is being given by the government. So it turns out, Mr. Chairman, that we can talk about the rebate gimmick, if you like, all you like, but in actual fact what really counts is the amount of money that's put into the Budget to finance the public school system and there's just no question that we're facing a crisis.

It's noteworthy that the session has gone on this long without this being considered in the fashion it should be considered, and I think perhaps this is the time we should be doing it on the second reading of this bill, due to the Interim Supply bill which has now gone by, or the Capital Supply bill which is now before us. And I think that we'd better get at it, Mr. Chairman, because we have a problem facing our property taxpayers that is going to be unparalleled in magnitude at least as long as anybody in this Legislature can consider, because we're facing, Mr. Speaker, a mill rate now of 70 mills, add 15 or 20 mills to it and you're getting up to the bracket where I think in some of the rural constituencies already, the mill rates are at 100 mills, so this will put it well over the hundred mill mark. And in the urban area, the mill rate is now running around the 70 mark, they're going to be up in the 80 to 90 mill range at least, and perhaps in some areas it will be as high as the 100 mill point. This is something that the government should be explaining at its earliest opportunity because it's only in the last two weeks that this has come out very fully and been disclosed as the budgets are being made up by the municipalities and the school boards.

So we'd ask why the government at this point, if they can give some explanation of why this retrenchment direction they're taking in education, and has it fallen off the priority list now for support by the government. And is it too late for us to do something about it in the interests of the property taxpayer at this time?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, I must say to the Honourable Member for Riel as I did to the Honourable Member for Brandon West, the matters that he is raising in tonight's debate are certainly valid ones and they're matters to which we ought to address ourselves, and they're matters which the government has indicated over the past while that we're very much aware of and that we will deal with. It's only two or three weeks ago that we were put in the position where we were able to obtain an over-all view of the budgets as they relate to special levies and so forth. But, Mr. Chairman, again I wish to repeat that I'm certain that there'll be a more opportune time to deal with the operating expenses of our schools, and the time will be when we're dealing with the estimates, the spending estimates of my

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(MR. HANUSCHAK cont'd) department, and that is the time to go into a full debate of the matters raised by the honourable member, and I really do believe that it would be much preferable in the interests of orderly conduct of business of the House if we were to separate the debate on the Capital Bill from that on the Supply bill. So the questions that the honourable member raises will be answered and there'll be all kinds of opportunity for a thorough debate of them, but I do not believe that now is the opportune time to go into the operating estimates debate.

MR. CHAIRMAN: Order please. The point is well taken and I believe we can proceed. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, if I may just take a moment. Some of the calculations of the Honourable Member for Riel were not quite the way I understood them and I thought that he would probably like me to recap for him. I understood him to have the impression that we've been spending some \$25 million a year in Capital Authority on schools. If that is his impression I thought I'd better give him the figures I do have because they don't coincide with that impression.

I'm looking at the last ten years of Capital Authority. In 1965 I have nil; 1966, 10 million; 1967, 10 million; 1968, 15 million; 1969, 25 million; 1970, 23 million; 1971, 20 million; 1972, 10 million, 1973, nil; and this year 14 million. I would explain that last year, for example, when there was nil authority requested, it's because there was a carryover from previous years. In this year there was no carryover, and as I understand it, the Premier did list some \$26 million worth of planned construction for the coming year, but of that \$26 million there is an estimated \$7 million that will not be required in this year, and the figures that the Premier gave were \$26-1/4 million less 5-1/4 of moneys that will be coming back through the year in internally generated capital. There's some \$7 million that it is just not expected will be spent in this coming year and that's why the net request for authority is 14 million. I hope that just gives a little more accurate information that I have available.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. MARION: Mr. Chairman, I would like to direct a couple of questions in view of the statement just made by the Honourable the Minister of Finance, with respect to the Capital Authority required in the next two years on school construction. From the area from which I come, we are now planning on the closure of two schools and we're planning on building two new ones notwithstanding the fact that in the next five years - and I think the Minister is probably aware of this - in the next five years we expect a 40 percent decrease in student population in the St. Boniface School Division. Those are figures that I checked out with the school board no more than 10 days ago. In view of this I find it difficult - and perhaps the Minister could answer this for me and the other members in this House - I find it difficult to understand why we would need \$7 million in 1975 for the construction of school plant and a further \$7 million for 1976, because we're told that we're not using the entire 14 million in 1975 although we're asking for the authorization of it. I wonder, in view of what I've said and knowing that the decreased enrollment in public schools is a trend throughout the province, perhaps not to the marked degree that I mentioned of 40 percent in the next five years in St. Boniface, I wonder if the Minister could throw a little bit of light on why last year we need no capital authority - I realize we have \$6 million that we used from previous years or the two previous years borrowing authority - but why we would need authorization for \$14 million now.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: It would be helpful if the Honourable Member for St. Boniface would help me now understand him. He was talking about \$6 million last year, 7 million this year, 7 million next year, and frankly I don't know where these figures came from that he is talking about, and therefore I cannot deal - I thought I explained the current figures to the Honourable Member for Riel but what I told the Honourable Member for Riel do not jibe with what the Honourable Member for St. Boniface said.

MR. MARION: . . . am I right in assuming that the Minister mentioned that although we're asking for authority for \$14 million in borrowing, we're only going to use \$7 million of that for 1974/75?

MR. CHERNIACK: No, no.

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MR. MARION: We're asking for what we're going to use in 1974/75. Well my question is even the more valid then. In that case could the Minister throw some light on this subject in view of the decreased enrollment and the fact that we have had some school buildings that were up for sale in rural areas, and I know that we have two in St. Boniface that are destined to be closed in this coming year.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Well the honourable member ought to bear in mind that the bills that we're paying now are those for construction projects planned and approved, initiated probably several years ago. And although the honourable member may be quite right that in some areas the population is decreasing whether - the school population - whether it will decrease in the school division of St. Boniface to the extent of 40 percent over the next five years, to the best of my recollection those predicted figures do not jibe with what I have in my office although I am well aware of the fact that there will be, that there is an anticipated decrease in enrollment in some parts of Metropolitan Winnipeg. But despite that over the past few years there still had been need for the construction of some schools in some areas. With the formation of unitary school divisions, with the building of schools to--new high schools and the need for replacement of old buildings, hence the need for school construction, the payment of school construction costs remains at some level which varies from year to year as the Honourable Minister of Finance had pointed out just a few moments ago.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you very much, Mr. Chairman. My question is directed, and comments, are directed to the Minister of Education and they relate to the joint use of facilities both for educational purposes and recreational purposes. I know the former member who represented St. James, and was part of your cabinet, was a - maybe the word promoter is not the correct word, but a believer that recreational facilities should be an integral part of educational facilities in a community, and I know as a member of the St. James and St. James Assiniboia Council he used to voice this opinion quite strongly from time to time. Last year the City of Winnipeg met with MAST, the Manitoba Association of School Trustees, to develop a policy on shared facilities of this nature, and it was endorsed by MAST as well as the City of Winnipeg that this type of approach to providing both the educational services as well as the recreational services would appear to be the most economical and the most efficient method of providing this type of service to the community. I'm wondering in the \$14 million that's in the Capital Budget for this year, what share of that moneys is going towards such facilities, and if any are; also what is the province's present policy towards this because they have indicated last year with their recreational grants from the sweepstake earnings I believe they allotted something like \$15,000 for community committee for recreational purposes. I'm wondering if the fact that they have indicated that they are willing to provide moneys towards recreational facilities in the urban areas that have they developed a policy in regard to making it a joint venture on new schools to provide some kind of capital towards the recreational facilities in these schools? I know that the City of Winnipeg presently has committed itself to quite an extensive capital program trying to adjust to the schedule of school demands in the City, so that they can assist in developing these recreational facilities at the same time a school is being built in a new area. I know also that the City has also developed a new policy on land dedication in new suburbs, that there is a new dedication in terms of acreage for a school site, now taking into consideration that the school will also be used for recreational purposes in the community, so it's adding an additional cost to the urban areas to provide this additional acreage. I'm wanting to know if the government is prepared to now state a policy on what they are prepared to put forward in terms of capital assistance for these type of facilities when a school is being built in a new area.

I know that in particular there was one school ground or school site that had to be absorbed with the new Convention Centre, and I believe I am correct in that the school division, I believe it was the Provincial Government at that time, would not turn over the land to the Convention Centre but in turn stated that it was worth, I believe, somewhere in the order of \$350,000 or \$500,000. Yet on the other hand, the urban area such as the City of Winnipeg, were prepared to dedicate a portion of the land assembly towards recreational and educational purposes sometimes for a fee of one dollar.

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(MR. MINAKER cont'd)

So that in view of the fact that the urban areas are faced with this ever-increasing mill rate, not only for municipal services but also for the operating costs or the special levy for education, I would hope, and I would think it would be the responsibility of this government with their many sources of revenue to come forward with a policy, particularly in the capital expenditures for recreational sites, to come forward with a policy in regard to assistance for recreational facilities that would be an integral part of a new school rather than turn this responsibility over to the urban areas, which they have done to date in saying that we'll let you build a swimming pool or a community centre adjacent or as an integral part of the school facility, but you pay for it.

I believe that this is wrong, Mr. Chairman, that if we are trying to provide an efficient and economic method of providing recreational facilities as an integral part of an educational centre that the government should show some recognition that the urban governments are trying to provide an efficient type of service and try to encourage them with some type of capital grant towards such a facility, because at the present time all the efforts seem to be with the local school trustees and with the urban or municipal governments towards this end without any monetary initiative or assistance from the Provincial Government. I think the Provincial Government would do itself well by encouraging this type of a facility, whether it be in Killarney or whether it be in Thompson or whether it be in Winnipeg, that this is the way that we're going to have to go if we are going to provide these type of services.

The other thing that the Provincial Government should give consideration to is that even though they provide the capital initiative, which we hope they would towards such a facility, the actual operating burden or the operating cost from year to year would be that of the municipality and is part of the problems that the present municipalities have with operating costs. And if we look at what is developing in our municipalities with this ever-increasing operating costs, we look at the services that they are providing, police and fire protection we can't cut back on these, then the one particular area probably that will suffer will be the recreational area. For this reason I would ask the government, if they haven't got a policy on capital grants or capital assistance toward integral complexes of education and recreational facilities, that they should come forward with one because this is something where they could assist the urban areas and municipality areas in getting these needed facilities at the most economical and most efficient manner. I know that at the present time, as I indicated earlier, the initiative seems to be with the local school boards and the local municipalities without any recognized assistance towards such a venture from the Provincial Government, yet in turn they have recognized that there should be some responsibility of the Provincial Government towards recreational facilities in the last two years with the capital grants that they have put forward from the Sweepstake earnings. I would suggest, Mr. Chairman, that if we believe in this joint use of recreational and educational facilities, the government could best put forward its interest and its support by including in new school sites some capital contribution toward the local recreational facility and not just towards the educational facilities.

So I would ask the Minister of Education if he could at this time comment on what the government policy is towards the shared facilities of schools for recreational purposes, if the government has any policy of providing capital grants towards the municipality or the area towards recreational facilities at the time they're building new schools, because this is a problem with the municipalities and urban areas at this time and we would surely like to hear from the Minister as to what the government policy is on this particular subject.

MR. CHAIRMAN: I believe these questions that are being raised could be dealt with on the estimates of the Department of Education, but if we proceed - the Honourable Minister of Education.

MR. HANUSCHAK: Well, Mr. Chairman, the Honourable Member for St. James, I believe he asked a couple of questions. 1. Is there anything in the Supply Bill or in that item in the Supply Bill that we're presently debating tonight at this point, included for recreational purposes? The answer to that question is no. This is strictly for the instructional component, the cost of the instructional component in our schools. But insofar as our policy on the matter of joint use, I'd like to inform you, Mr. Chairman, that there is a close working relationship between my department, the Public School Finance Board, and the Department of Tourism,

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(MR. HANUSCHAK cont'd) Recreation and Cultural Affairs, which does inquire into and examine the recreation and cultural needs in every community wherein there is any major construction or addition, and there are a number of examples of that at the present time where there have been such joint ventures. Perhaps the closest one that comes to mind offhand without checking the records - there may be others - but a few examples, Wellington School I think is a perfect example, where the school was built, financed by the Public Schools Finance Board, and a large portion of the cost of building the gymnasium and a larger gymnasium, because a larger one was built there than what the education needs of that elementary school would have warranted, was paid for by the City of Winnipeg, And you find the same elsewhere. King Edward School, community use is being incorporated into the planning for that school, and William Whyte and others. The collegiate at The Pas, where a swimming pool was built adjacent to the school, again this was a joint financing effort. Private funds as well as municipal went into the payment of it. And this is the type of use that we attempt to encourage.

Now the honourable member also asked, is there any capital assistance for the recreational component. Well, I think the honourable member may know that--now I don't want to, because this is out of the Department of Tourism, Recreation and Cultural Affairs--but there are grants being made for capital expenditure of recreational facilities, I believe up to a maximum of \$20,000 per community per recreation project. In the City of Winnipeg I think this works out to something in the order of close to a quarter million dollars, because it's \$20,000 per Community Committee as well as winter works assistance and so forth, which also assists in defraying the capital expenditure.

But in summing up, Mr. Chairman, I just wish to assure the honourable member that joint use of school facilities is something that the government encourages; in fact he will find that the legislation in the Public Schools Act was amended by this government to allow for more effective and efficient joint use of school facilities by municipalities and school divisions. So this is something that not only we encourage but we also assist.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. To the Minister of Education. Could the Minister advise what type of co-ordination there is between the Tourist and Recreational Minister and his own department, because this was one of the major problems that the urban governments have in trying to co-ordinate grants from one government department with the scheduling of school facilities, and I know in the area of the Honourable Member of Sturgeon Creek this was one of the major problems that that particular school site - a recent one - had in that there was joint use of facilities but because the grants were not available for the recreational facilities, that it will mean additional costs in construction at some future date to tie onto the existing school these type of facilities that were to be joint use. And the school has sort of been--I can't use the word because it's not parliamentary, but it was half (censored) designed because of this very problem, that there was a lack of co-ordination of, say, recreational grants with the school scheduling of the construction of the school. And I grant you that in that case the capital was going to have to be put forward by the City of Winnipeg.

But this was my point, that if the Provincial Government believes that there should be recreational grants to urban areas and also believes in the fact that there should be joint use of facilities for the maximum of efficiency in economy, then I would like to know what kind of co-ordination there is between the two departments, because it would make sense to me that the two would be co-ordinated so that if the community would like to incorporate a community centre with a school site - we're not only talking about auditoriums but we could be talking about the dressing room facilities and showers, etc. for a skating rink - that if there was some kind of co-ordination between the two departments along with the municipality, that we could get our end objective more efficiently and maybe get it at the same time, and I was wondering if he could comment on what kind of co-ordination--if there is any, at this time between the two departments.

MR. HANUSCHAK: Well, Mr. Chairman, one must bear in mind that there are two levels of government involved in the school construction process, provincial at the one level and then the relationship between the municipality and the school division at the other. And much as the initiative and the original request for school construction comes from the school division, not from the Department of Education, similarly whatever requests come forth for recreational facilities must also come from the same level - that is, the municipality, the

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(MR. HANUSCHAK cont'd) city. And so insofar as our involvement is concerned, we can offer all the expertise, the expert advice and assistance, the professional assistance that may be required in enabling municipalities and school divisions to assess and determine their needs and translate them into meaningful, adequate building projects, but the initiative has to come from the municipality and from the school division and the co-operation has to come from there, at that level. As I indicated to the honourable member in response to the previous question that to the City of Winnipeg there was \$240,000 made available to the Community Committees, That money was paid to the City of Winnipeg and it's at the city's disposal, and it then becomes the responsibility of the City of Winnipeg and the school divisions within its boundaries to plan joint expenditure, if they wish, of those funds or a portion of those funds, to be expended jointly for the provision of better, more effective recreation facilities or facilities for cultural activities within the City of Winnipeg with reference to that particular grant, or in any other municipality and school division.

MR. MINAKER: Mr. Chairman, I have one more question for the Minister of Education. What is the department's present policy in regard to assisting in the acquisition of land in an urban area? I'm particularly thinking where the City of Winnipeg has indicated that they wish to use land as a joint shared facility both for education and recreational purposes. And what happens sometimes is that the land dedication as such in the development agreements allots a certain percentage or acreage of land for recreational facilities, and what has happened in the past few years is that in order to acquire additional land to handle the recreational facilities, that they have had to purchase from private owners and at sometimes quite costly prices in the order of sometimes \$30,000 per acre. And I'm wondering what the department's policy is on assisting the municipalities in this regard to the cost of such land.

MR. HANUSCHAK: Well, I think those of us who, as the honourable member was for some time, were active in municipal government, well appreciate the problems that school divisions have frequently been up against with respect to the cost of the acquisition of land or dedication of sufficient land for education purposes, and then of course the municipality for the acquisition of sufficient land for recreation purposes. And in some cases there have been agreements where the distinction between education-recreational purposes was not merely spelled out, or it was treated as one dedication for one purpose, education and recreation, and then the problem did arise in determining between the two, apportioning between the two, sufficient land for educational purposes and recreational purposes. And this, I've had discussions with the Association of School Trustees and the school trustees have with their respective municipal councils, and I'm advised that, you know, there is a keen awareness of this problem at the present time and it's a matter of negotiation, the development agreement, and phrasing that particular clause within it in sufficiently clear terms to provide for - and I suppose hard bargaining - to provide for dedication of sufficient land to meet both purposes. I think that clarity within the agreement, that would go a long way toward minimizing the types of problems that some of the suburbs--I can't think of a specific example in the honourable member's part of the city, but I do know that that did arise in River East, and perhaps in St. Boniface or St. Vital, but River East was one example and Seven Oaks, I think, had a similar problem which hopefully would be avoided.

MR. MINAKER: Mr. Chairman, from the Minister's answer I would then conclude that there is no policy of the government with regards to purchase of such land or the assisting the municipalities in purchasing these lands. In other words, does the municipality have to provide the land for the school site at no cost to the Provincial Government, or will the Provincial Government purchase this property from the particular municipality that's involved if they have to in turn purchase it from some private owner? And what portion do they ever pay for any of this additional land that's required on a joint use site that might possibly, a portion of, go towards recreation? Does the School Financing Board pay the municipality for the purchase of this land?

MR. HANUSCHAK: Yes, Mr. Speaker. The cost of the construction of new schools includes the cost of the acquisition of land, of sufficient land for it. For education purposes, yes.

MR. CHAIRMAN: Manitoba School Capital Financing Authority--The Honourable Member for Birtle-Russell.

CAPITAL SUPPLY

MR. GRAHAM: Mr. Chairman, the Minister of Finance a while ago gave us the figures for the last eight or ten years on Capital borrowing for the construction of schools, and I would like to ask him, the figures that he quoted, did they include the entire cost of construction of educational facilities or was that just the portion that was raised through capital authority rather than through the actual current revenues?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, it would include the bulk of the construction costs - that approved by the Public Schools Finance Board. But there may have been some instances where the school division would have wished to add some other features into the building, which they would pay out of their own reserves, but this certainly includes the bulk. The cost of whatever additions have been built in, I'm sorry, Mr. Chairman, the information on the Capital Supply Bill would not have those facts.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, there's another aspect to this and all the money that is used I understand is not entirely provincial. I believe there is federal money involved in some of the construction at various times. Could the Minister indicate what portion in the vocational schools, and so forth?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: I believe that the regional schools, regional high schools, the technical vocational schools, are - there is assistance from Federal Government funding but the normal schools, I mean the public schools, generally are fully funded provincially.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, on that question I think that last year or the year before, the Federal Government took the balance of the moneys that were made available for that program, and I think at the time there was an announcement or disclosure in the House that this money was to come into the provincial coffers as directly, the remainder of the money left in that fund--(Interjection)--the vocational program. As you recall there was a 75 percent sharing to a point and then a 50 percent sharing, they got down to the 50 percent sharing and they said, here take all the rest of the money. Since the Regional Schools that you referred to I believe come under the school division's authority, I presume that that money is included in this money, or not this money but in the money that goes from the Provincial Government to the school boards. Are they built entirely separate from the money you're talking about here?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: No, the federal assistance for the building of our regional vocational high schools is not shown in the figures that we're dealing with tonight. The balance that the honourable member is referring to which was, I'd be guessing at this point in time, but most of those funds were used up but what was remaining, or what is remaining I should say, is presently earmarked, or a portion of it is earmarked for the development of the multi-campus type of vocational high schools in the area along the Red River, Morris, McDonald and boundary - three or four school divisions around there where some classes will be offered at Morris, others at Altona, some at Dominion City and St. Jean, and funds are being used for the provision of suitable facilities to offer instruction in that fashion in that particular area but that is quite separate and apart from the funds that we are dealing with tonight.

MR. CRAIK: I wonder, two questions then. Could you indicate how much of the Federal money was turned over to the province at the end of their cost-sharing arrangement, turning over of the lump sum or full amount to the provinces; and secondly, if it doesn't show up here, is there - where does the borrowing for that purpose show up?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I'm quite satisfied that that type of expenditure is not included in this line. This is the Public Schools Financing Authority which is the authority for the school divisions and is, as the Member for Riel would remember, is used to finance the construction of authorized schools for school divisions.

The other question he asks in relation to the regional schools, I think that the Honourable Minister of Education can accept that as notice and give that information separately, since I'm quite satisfied it doesn't come in this line before us now. That might be acceptable to the Honourable Member for Riel. If it isn't, I really don't know how else to handle it.

MR. CHAIRMAN: Order please.

CAPITAL SUPPLY

MR. CRAIK: There's no . . . in either Schedule A or Schedule B that shows that.

MR. CHERNIACK: I was trying to speak from my chair. I agree it doesn't show that and that's why I say that I think I would ask the Minister of Education to take this as notice so that he can then inform the honourable member about it at a later stage.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. MARION: Mr. Speaker, following a number of questions with respect to the \$14 million that we're being asked to authorize this evening, so that I might be completely clear, I would like to ask the Minister of Education whether or not this amount of money is committed to actual construction programs for the year 74/75, or is it for programs that have already been undertaken, and are we buying the debentures back in the amount of \$14 million? I'm still not clear.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, these are the bills that we will have to pay this year for schools that are presently under construction, which may have been approved, one, two three years ago and--(Interjection)--They're under construction now, yes; some of them may have been completed or on the verge of being completed.

MR. CHAIRMAN: Manitoba School Capital Financing Authority . . .

MR. HANUSCHAK: Mr. Chairman, if I just may remind you that with reference to the \$7 million that we do not think we will spend, those are probably still on the drawing board and may not get off the drawing board before the end of this fiscal year.

MR. CHAIRMAN: Manitoba School Capital Financing Authority - passed. The Member for Morris.

MR. JORGENSON: Mr. Chairman, just one question. The Minister's answer somewhat intrigued me. He suggests that the \$14 million that is currently under consideration is essentially the result of decisions that were made several years ago. In the light of the statement made by the Member for St. Boniface to the effect that there is a considerable reduction in the school population within the last year or two - and perhaps anticipated - are the plans of the department so inflexible that notwithstanding a decrease in school population they're still going to go ahead with construction plans that may or may not be necessary? It seems to me, Sir, that if the situation changes, and it has been an observation of mine that in the Department of Education there is an inflexible planning authority, that notwithstanding changes that take place from time to time, notwithstanding the possibility that there may be a necessity or a desirability of changing plans, those changes never take place. They continue forward whether they're - it's something like the French defense of the Maginot Line during the outbreak of World War II, notwithstanding the fact that the line was no longer defensible they still continued with a plan that proved to be inadequate. Now surely, surely the department is not that inflexible that taking into consideration changes that take place from time to time, that those plans cannot be changed so that they can meet the changing situations. I would hope that the Minister would not tell us that we're that inflexible in our movements in the Department of Education.

MR. CHAIRMAN: Order please. Order please. Order please. It is now 9:00 o'clock. Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions, has directed me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I move, seconded by the Honourable Member for Emerson, that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: The first item is Private Members' Resolutions. Resolution No. 27, the Honourable Member for La Verendrye.

MR. BANMAN: I move, seconded by the Member for Sturgeon Creek,

WHEREAS the bond presently required for licensing the automobile dealers is \$5,000; and

RESOLUTION 27

(MR. BANMAN cont'd)

WHEREAS the escalating costs of motor vehicles due to inflation has resulted in an increase in the sum of moneys exchanged during the purchase of an automobile; and

WHEREAS Manitoba consumers have suffered financial losses due to the low sum of bond money required for automobile dealers;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of increasing the sum required for an automobile dealer's bond from 5,000 to 20,000.

MOTION presented.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker, the resolution I present here today deals with a change in the Highway Traffic Act but I feel one could safely say that it is really Consumer Legislation. At present the only criteria for somebody when he wants to become an automobile dealer is that he post a \$5,000 dealer bond. This means that he needs no service facilities to look after the cars he sells, he needs no qualifying mechanics, he needs no premises, and all that is required is this person to receive a bond and presto, he becomes an auto dealer.

The problems that have cropped up because of this bond being the only criteria are fairly numerous, and I would like to tonight just elaborate on several of the problems facing not only the dealers as a whole but the general consumer public.

I would like to point to one specific case, which happened in Winnipeg this past year, where a specific dealer sold three stolen automobiles, and I may add at this point that a dealer acts as a clearing house. In other words, if there is a car that has a chattel mortgage on it, or has a Conditional Sales Agreement on it, when it passes through a dealer, a licensed dealer in the Province of Manitoba, that dealer acts as a clearing house. This gives the assurance to the customer who is buying the car, that this car is free of liens and encumbrances.

This past year in Winnipeg a local dealer sold three stolen automobiles. These people paid for these cars with hard earned money and, as I mentioned, bought them in good faith because they understood that the dealer was acting as a clearing house and would stand behind the product that he sold, and should any problems arise, he would be there to underwrite them. They felt they were protected against this lien, thefts and Conditional Sales Agreements. The three persons who bought these stolen cars were not adequately covered by the \$5,000 bond. I would like to point out, and as I mentioned in my resolution, that the average price of a car is substantially higher from what it was five or six years ago and these particular three cars that are in question, exceed the amount of \$11,000. So you can see that what has happened here is that if the dealer is not strong financially, it could bankrupt them and would leave the customers with the loss. This would mean that the customers involved in this particular incident would be faced with a collective loss of about \$6,000, which is not recoverable under the present circumstances.

A \$20,000 bond would make the dealer more responsible and would insure that the public and the consumer would receive the protection they deserved. I would like to point out to the members opposite that it is really - the increase to \$20,000 would really not pose a hardship of any dealer who wishes to go into the automobile business. A \$20,000 bond would mean an increased cost of \$150.00 to a dealer per year, because the established bonding rates are \$10.00 per \$1,000, which means that the bond now would cost the dealer \$200.00, whereas before it cost him \$50.00.

As I mentioned before, I think one of the big reasons that we in Manitoba require such a bond is that at present the criteria for becoming a dealer are very very limited. British Columbia, Ontario, and even Saskatchewan, have much more stringent laws. I would at this time like to read several differences from the Manitoba law to the Ontario law, and would start: "That every motor vehicle dealer shall only operate from premises for a branch premise that are approved by the Registrar; that have an office for the conduct of business, and upon which is erected a sign, clearly visible identifying the motor vehicle dealer's registered name and the premises to the public; and that the dealer's name be listed in the telephone directory. Every motor dealer shall maintain a repair facility or have a continued agreement with an authorized repair garage, whereby the owner of the garage agrees to carry out repairs on the behalf of the motor vehicle dealer."

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(MR. BANMAN cont'd)

It goes even a little further and it forces the dealer to disclose in any advertising, let's say if he's advertising in the Classified Ads in one of the local papers, that if it is a dealer advertising and it is not a private sale, he is then forced to disclose his name and give his address. I think another good feature where a person sometimes feels he is buying from a private individual, wants to create, wants to buy from a private individual, and then when he finally does call a certain specific number, finds out it's a dealership. The British Columbia government has very much the same idea as Ontario does, and the dealer must again be properly licensed; the places of business have to be registered with and approved by the registrar. The Province of Saskatchewan, again, very much the same thing. The dealer's telephone number has to be listed in the directory; he must be suitably signed - in other words the place of business has to receive the proper signs, and he must have an office for a place of business.

Now, as I mentioned, our law as far as dealers in Manitoba is very loose. A person can post a \$5,000 bond, can operate out of a house, advertise in the paper under the Classified Ads in the local papers, sell out of many different locations, different premises, have different people selling for him, and does not have to have a repair facility for his motor vehicles.

Now, in closing, I would just like to mention several things. After talking with several different bonding companies and having heard of several other instances where problems have arisen, they inform me that the officials from the Department of Highways have asked in the past, by the Highways Department officials, that certain dealers be required to have higher bonds. This, they feel, would - if you want to call it - weed out the fly-by-nighters. However, they have declined to deviate from the prescribed legislation, namely the \$5,000 bond, because they feel if they would move from that the problems would be many, and it would be up to the Highways Department then to determine which dealer should have a \$5,000 bond, which dealer should have a \$10,000 bond and so on and so forth. Therefore, I would submit to the government and to the Minister of Highways that he consult with his people seriously and increase this bond from \$5,000 to \$20,000.

In closing, I would just like to add that the Manitoba Motor Dealers Association have made presentations to the Minister and it is my understanding that at first it was received fairly favourably and then it has not been acted upon. So I would ask the Minister to have a good look at this. There are changes required in this act and I hope the Minister sees fit to act on some of these changes.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, in rising to speak to the resolution from the Honourable Member for La Verendrye, I'm just wondering, Sir, what moves the honourable member. I would state that possibly there is a conflict of interest. I believe that he is a franchised auto dealer and possibly that he might have less concerns about this if he was not. However, Mr. Speaker, several months ago the government was approached by the Automobile Dealers Association with a view of having the dealer's bond raised from \$5,000 to \$20,000 or even \$25,000. The arguments used by the Association were that the raising of the bond would eliminate the bad dealers and that the cost of purchasing such a bond would only be a couple of hundred dollars and the result would be made to raise the moral and financial stability of those wanting to engage in this business as well as giving more protection to the public.

Mr. Speaker, after the government, and enquiring from the Minister, the government examined these facts, it seemed on the surface to be a very logical step and the government and the Minister proceeded to take the appropriate action which was requested by, I believe, the President of the Automobile Dealers' Association to bring in the necessary type regulation which would bring about the change in the bonding procedure in effect from \$5,000 to some \$20,000. At the time, Mr. Speaker, I find out that the Association, or it was understood that the Association represented the majority of the dealers in Manitoba - at least that was the indication from the President, that they represented the majority of the dealers in Manitoba. However, when the intentions of government were made known, became widely known that the government was in fact moving to change the regulations to bring about the change in the bonding procedures from some \$5,000 to \$20,000 or \$25,000, the government was then approached by many small dealers stating that the increased bonds would knock a lot of the reputable small dealers out of business. And he did come in, in fact, with a petition.

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(MR. SHAFRANSKY cont'd)

He also informed the government and the Minister that the Association was comprised of mostly franchised dealers, by the major manufacturers. That would be GM, I would suppose Datsun, all those major manufacturers of automobile dealers, and the Association was actually made up of the franchised automobile dealers in the Province of Manitoba. The small automobile dealers informed the government and the Minister that they did not in fact represent the majority of dealers. In fact, it was stated that the Association had a membership of approximately 175 out of an approximate total dealership in the Province of Manitoba of some 533 dealers. The government then proceeded to check with the bond underwriters and found that the majority of them would be very reluctant to issue the additional bonding to independent dealers. If the members would like, I could go through some of the various underwriting firms and their position, but the fact is that the majority of them did not indicate that they would be prepared to underwrite the increased bonding from five to 20 thousand dollars.

Well, Mr. Speaker, the Minister then proceeded to check other provinces and when it was found that this was not going to be the case, that they were not in fact going to be prepared to bond the small independent dealers, the Minister proceeded to check with other provinces and found that no two provinces are similar in their bonding requirements. For example, we can go to Nova Scotia - it was found that there was \$200.00 deposit when going into business and no bond. In Quebec they have the highest, \$35,000 for dealers, no bond for salesmen. Ontario \$5,000 for dealers, no bond for salesmen. New Brunswick \$5,000 bond for the dealer, and salesmen no bond. Prince Edward Island, there was no bond required for the dealer nor for the salesmen. Newfoundland required the dealer to deposit a \$1,000 bond to the Motor Vehicle Branch. British Columbia had only a \$5,000 bond. Saskatchewan dealers--it was a little different situation in Saskatchewan; dealers with five or less salesmen, a minimum of \$5,000, and dealers with five or more salesmen \$10,000 bond and no bonding of salesmen.

Mr. Speaker, as you can see, we have a great variety of methods of bonding in Canada, and the small independent dealers have asked at this particular time for time to make proper representation on their behalf so they would have ample opportunity to state their case, and they number some over 358 compared to the franchised dealers which are members of the Automobile Dealers Association, some 175.

Mr. Speaker, I would like to state that the Minister and the government is vitally interested in supplying the public with as much protection as possible. However, this protection must be realistic and should not be put out in such a way that it would knock reputable independent dealers out of business.

Mr. Speaker, therefore I would like to move, seconded by the Honourable Member for Emerson, that the resolution be amended by deleting all the words after the word 'WHEREAS' in the third line thereof, and substituting the following:

MR. SPEAKER: Order, please.

MR. SHAFRANSKY: "The Ministers responsible for the Motor Vehicle Branch across Canada will be meeting in Winnipeg this fall; and

WHEREAS the Minister of Highways intends to make the subject matter of this resolution one of the priority subjects for discussion, hopefully resulting in a uniform bonding procedure across Canada;

THEREFORE BE IT RESOLVED that the Minister strive for uniform bonding procedures for car dealers across Canada.

MOTION presented.

. continued on next page

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MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker, Well, Mr. Speaker, I rise for a few moments, not that I am particularly prepared to make any in-depth speech on the subject matter, but really, Sir, maybe to suggest just by way of some opening remarks, that right about now, Sir, we should, I think perhaps all of us be beginning to address ourselves to clarifying the meaning of the word "amendment", particularly as used in a parliamentary sense. Somewhere in the back of my mind there seems to have been some suggestion that when you're amending something that you're making some change to the principle -- not to the principle, no. As the Member for Morris corrects me, not to the principle but to some of the details attached to a core principle that's espoused in a resolution. Now the Honourable Member from Radisson, who is fast earning his name as Shafty Harry, you know, is just standing up time and time again and shafting our resolutions beyond all possible recognition, Mr. Speaker. Now, Mr. Speaker, I don't want to get into any conflict with you, Sir. You're accepting these amendments, I assume that on the basis that they are not changing the principle of the resolution put before us, but simply changing some of the details. The big detail that they're changing, of course, is they're just deleting a whole resolution. However, we'll try our best to work with these obstructions that we find in our path from time to time.

What I wanted to say, Mr. Speaker, in a more serious way, unfortunately we have a demonstration just now of how difficult it is to deal with our honourable socialist friends opposite when we have a resolution like this presented from somebody in the business community in this particular business; does he receive any credit for it? No. His motives are firstly questioned as a matter of a conflict of interest or as a matter of some particular purpose other than what was clearly identified in the resolution as being essentially consumer protection motive in the resolution. No, the attitude taken by friends opposite is that you can't trust any suggestion coming from the business community itself as to perhaps how to improve, how to make their business operate better, how to make their business operate in a more protective manner as far as the consumer is concerned. No, the first reaction is one that that's impossible for that kind of self-improvement to come from within the business community itself.

I take exception to that, Mr. Speaker. I suggest that really in my own mind, as the Honourable Member from Radisson rose, that he perhaps had a legitimate point of privilege to raise at a particular time when the honourable member suggested that perhaps the Honourable Member from La Verendrye was motivated through self-interest by bringing in this resolution. Well, Sir, just the opposite of course is in fact true. It's true that he is involved in the particular business involved, but it will be an additional cost to him to be in business should this resolution succeed. I think what you have here, though, is an understandable concern by legitimate, independent businessmen who want to afford a greater protection for their consumer, who recognize and who realize that it's the one or two rotten apples in a barrel that give business and independent business a bad name from time to time. And I couldn't help but, you know, raise in my own mind the question as to who is this government concerned about. The bonding companies, who the honourable member suggested may or may not be all that willing to write a new bond as when he parades the list of accomplishments of other provinces, and Newfoundland and Prince Edward Island kind of lead the list? Well, what a departure, Sir, from the kind of brave new world our socialist friends were going to carve out for us in this little Cuba here in the midst of the North American continent. That's not really the kind of new world that we were led to believe we were going to expect, particularly, Sir, in the area of consumer and consumer legislation. You know, here we have entrenchment, reaction, if ever you saw it.

Now furthermore I take some exception, because I do think there should be some coordination between the various Ministers and departments in that government, because if I'm not mistaken I think that if I buy a baler or a horse mower or something like that from a farm implement dealer, my farm implement dealer is, by law, requested to have a \$10,000 bond, you know. If I buy \$50.00 worth of baler twine from my independent dealer, farm dealer, he has to have a \$10,000 bond. Now that's what you gentlemen passed just two years ago and imposed, I might say, on a group of independent businessmen who are in a far poorer position to meet this kind of a bond. If the bonding companies suggested to you that they may not want to underwrite honourable gentlemen like my friend from LaVerendrye

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(MR. ENNS Cont'd) or other independent automobile dealers, then, Sir, I can tell you that it is considerably more difficult for independent farm implement dealers to come up with a \$10,000 bond. But, you see, that was, oh, probably in the heady days when this government still had a little bit of vim and vigor into them and when they were going to protect the consumer.

Mr. Speaker, I don't want to belabour the point except that surely, surely some consistency is called for. If an independent farm implement dealer is required to place a \$10,000 bond, then surely an independent automobile dealer, particularly if it is requested - and I understand it has been requested, and rejected by this government - that they should consider, that they should - - you know, I find it strange, inconceivable, that they should be paying more attention to the one or two or three bonding companies or underwriting companies in this province, rather than listen to the hundreds, several hundreds - I think the Honourable Member from Radisson suggested there were some 300 and some independent automobile dealers - who have requested this action, and it's obvious you have a situation where you may well have the support of the House in this matter, this government shows a, you know, very strange kind of reluctance to work together in the interests of the people that we should all be working for, namely the consumer, so that a person buying a car in Manitoba is not going to be put in a position should that dealer fail, should he go into bankruptcy, should he be a disreputable dealer, that that person residing in Manitoba could, as a result of insufficient bonding, suffer a financial loss.

You know, honourable members opposite, they don't sort out their thinking to that extent. It's obviously, Mr. Speaker, and this is what really disappoints me from these gentlemen, particularly that occupy the non-treasury benches opposite. I was told, Mr. Speaker, that in one of my other moments I referred to them in an unkindly way which I really shouldn't do, and I retract that on this occasion, but I ask you now to consider the position, you know, and really whether or not on this kind of an issue, you shouldn't consider mounting some kind of a palace revolt on the front bench, in the interest of consistency, if nothing else, because socialists do like to be consistent. You know, if they want to be wrong they like to be wrong all the time, you know, not just part of the time. And I've in a few moments graphically illustrated a point to you. You know, you accept the farm dealer; well now, maybe that's because of the different kind of position that different Ministers occupy on the party opposite. In other words, if the Honourable Minister of Agriculture, there soon-to-be-leader, suggests that \$10,000 is a legitimate and fair bond for small independent farm equipment dealers to have, then nobody questions that. There's no speech coming from somebody like the Member for Radisson that suggests that we should first of all peruse the other provinces, we should find out particularly what Prince Edward Island and Newfoundland are doing in this case. No, they just -- in fact that bill, if we recall, the Farm Machinery Bill, was passed in the dying days of the Session of '72. The farm equipment manufacturers had hardly time - and I mean really hardly time; they had but one or two days to fly in from Toronto and where not all, to make their case, but that bill was slammed through and we have a \$10,000 performance bond slapped on every independent farm implement dealer.

A MEMBER: Whether he sold machinery or not.

MR. ENNS: That's even whether -- in fact in some cases I'm told that it even applies to what we would call, one of those vanishing occupations, a blacksmith's shop, and there's not too many of them. But he's asked to post a \$10,000 bond. But that shows you, Sir, the power of the Minister of Agriculture. Nobody questions when the Minister of Agriculture, you know, proposes that kind of a situation.

Now I don't like to say this to my honourable friend the Minister of Highways, who has always been a kindly kind of a person and whom I have every reason, Sir, whom I have every reason to believe that he'll continue to be so. It's that time of year where most of us, coming as we do from rural Manitoba, begin to worry sincerely about the conditions of our roads. I know my own road, provincial road No. 518, is one that I'm always in constant dread of, because it could well not be there by the time I get home if the thaw increases, so I'm very reluctant, very reluctant to in any way kind of raise the personal antagonisms of the Minister of Highways.

With a few of the other Ministers, I'm not that concerned. I'm not -- you know, it's become part of my life to check through my cancelled cheques at the end of the month and

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(MR. ENNS Cont'd) just see how many I've sent to the Minister of Finance lately, but that's part of our life. Whether it's through Autopac or through what have you, the Minister of Finance seems to be the favorite person that most people in Manitoba send cheques to these days, and we'll be sending him a few more this month. But I do have to say that for some reason or other the Honourable Minister of Highways has been unable, has been unable to use any influence with the honourable members opposite, because he can't support or bring through that caucus the idea that a private or an independent automobile dealer should have at least the same kind of a bonding requirement that a farm implement dealer has.

I say to you, Mr. Speaker, that there is a degree of inconsistency there that really should not go unchallenged. I think that the resolution before us at least deserves the merit of a more serious debate than simply the amending it out of existence kind of approach that it has received today; and I really think, Mr. Speaker, that the government has no justifiable logic to offer other than perhaps that they don't know too many independent farm implement dealers and that they know more independent automobile dealers. I don't know. It could be a fair surmise because there are not too many of the boys opposite that live out in the country, but I can't for the world of me, when I think of my own independent farm machinery dealer that I deal with, when I think of how important those few remaining independent farm machinery dealers are to us in the country, and in many cases they operate fairly modest, small to modest businesses, yet they are required by this same government because of their concern for the consumer - in this case the farmer - to bond themselves to the extent of \$10,000.

Now an automobile dealer that regularly deals with nothing else but four and five and six and seven thousand dollar items --(Interjection)-- that's fine. That's fine. But you also sell a \$200.00 repair, you also sell a \$500.00 mower, you also sell, you know, what have you. I'm just asking for a little bit of consistency.

MR. SPEAKER: Order please.

MR. ENNS: Mr. Speaker, I'm sorry. I'm being diverted. I'm just asking for a little bit of consistency in this resolution. What we have, of course, Mr. Speaker, unfortunately another demonstration by the members opposite, that they do not attach any significance or importance to the suggestions coming from members opposite. You know, they make their offhand ruling that this resolution will be thrown out without even taking the time, without even taking the time to see whether it is consistent with the position that they took in this same Chamber on a very similar kind of situation, just a few years ago. Mr. Speaker, it indicates to me that their concern for consumer protection has to be considered pretty shallow, that their concern for consumer protection really is more predicated on whatever the politics of the day decide, and somehow or other, Mr. Speaker, I can only suggest that somebody got to them politically on this resolution.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I want to rise, first, to say that I shared some of the concerns that the Member for Lakeside just expressed a few moments ago concerning what has now become the daily censorship hour in this Legislative Chamber, and I think he only missed one particular point of the argument, though, and that is to try to understand why this particular form of deletion goes on. I think, if I can be so bold to give a quick sort of analysis, I think that we can detect the fine hand of the Attorney-General here at work, that the Attorney-General was so frustrated last spring when he couldn't sort of close down the Last Tango in Paris by using the courts, that he thought maybe he'd come back to the Legislative Chamber and start giving us restricted ratings and adult parental guidance ratings, and I suppose that that's what we're into now, is that we have a little classification board and I suppose from now on, I would only caution members on this side of the House that when they begin to word their Private Members Resolutions that they should be very careful to make sure that they conform to the standards of decency and purity which obviously emanate from the Attorney-General, who has told his colleagues along the way that well, after all, if the courts won't go along with our sense of what's right and wrong, we'll start applying it to the Legislative Chamber. I think that that's really the spirit that we have to address ourselves in from this point on, is the fact that we're now having to sort of deal with a kind of a 31-man sort of type censorship board, and I suppose that that's fair enough because,

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(MR. AXWORTHY Cont'd) after all, it's part of the new rules that we're finding out are being introduced into this House daily by some process of osmosis, and I suppose if they can't get censorship one way they can try another.

I was very disappointed, really, as was the Member of Lakeside, in the reception that the government members gave to the proposal by the Member from LaVerendrye. I don't think in any way it was an act of conflict of interest; I take it purely and very genuinely in the spirit in which he offered it and that is an act or a proposal to help the consumer of this province to deal with the problems of the automobile and I would even go further than the Member of Lakeside and say that I think it's accommodation if someone, particularly who is dealing in his own field, is able to analyze it with some objectivity and decide that there are improvements and reforms that will be required. I suppose that that is something that is often times difficult for many of us to do is to sit back and look at our own activities and ask how it might be changed, and I think that it speaks well of the particular principles of the Member from LaVerendrye that he was prepared to say that he was doing this based on the fact that he believes, very sincerely, that the consumers in Manitoba who are buying new or used automobiles are not receiving a fair protection, and that therefore he proposed this particular measure to improve the financial position of the dealer and to give it more security and stability.

I had only wished that we had received more detail both from the Member from LaVerendrye and from the government side, perhaps more appropriately from the government side because I would suspect they would have more information in this regard to bonding, but exactly what has been the numbers of defaults as a consequence of the lack of bonding. Rather than presenting that kind of information, all we received again from the Member from Radisson was a litany about what other provinces do, and I don't know about other members of this House but I'm getting so tired, really, of hearing always, you know, we can't be so bad in Manitoba because, after all, this is what P.E.I. is doing or not doing.

Well, you know, as we tried to remind the members on Friday, it's not important to the members of this House what's going on in Prince Edward Island really. What's important is going on in Manitoba, and if we can improve things and change things and make them better in Manitoba, that should be our concern. And while I think that always it's useful to make some comparative analysis, it certainly isn't the standard by which we should measure a everything as to whether some other provincial legislature hasn't lived up to its responsibility sufficiently.

So I think that in this whole matter there has been a particular weakness in the response of the government benches, particularly for this reason, that as I listened to the Member from La Verendrye present us his motion, it struck me that he was really beginning to talk about an issue of fairly major implications in the Province of Manitoba at the present time, and it is simply that the automobile industry in the 1960s went through a period of very massive growth. I think the figures - and I stand to be corrected by the Member - the volume or numbers of automobiles produced in Canada doubled in the 1960s, and the major car manufacturers at that time began very slowly but very perceptively to continually put the onus for the quality control back onto the dealer, and rather than doing their job at the factory level, which was to make sure that those cars coming out didn't have all those bumps and grinds and rattles and roars in them, they began to increasingly place the onus on the dealer, which obviously added an increasing burden of cost and an increasing burden of having to honor or protect the warranties as limited as they may be. And I think that this is really the kind of issue that I find coming to mind as I listen to the member present his resolution, that what he's really saying is that the very scope and volume of the production and sales of automobiles has doubled and those automobiles that are now made have many new gimmicks on them and mechanical safety devices, more complicated machinery, and that therefore it places a greater responsibility upon the dealer for a greater capacity for the mechanical work and greater capacity for quality control before the car leaves the showroom, and all the rest of the kinds of additional burdens and costs are now beginning to reside more and more on the hands of the dealer, and that therefore we should probably have a right to expect that the dealer would have some way of representing that he has the capacity to meet those requirements, that if he isn't able to meet them, then perhaps he can't provide the full service to the consumer that would be required. And it may be - and this is the reason I

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(MR. AXWORTHY Cont'd) rose today to really ask the question - it may be that it is through the symbolic representation of the \$20,000 bond that the consumer can have some assurance or guarantee that that dealer from whom he's purchasing his automobile has enough substance or wherewithal to ensure that he would be properly able to comply with the requirements and standards of the warranty system and to make sure that when a product goes out and there is some difficulty with it, that that dealer is able to meet his responsibilities and so the consumer again doesn't get stuck one more time.

It's that particular argument that I would like to extend, if I may, Mr. Speaker, just a few more moments, because I think that part and parcel with the recommendation that we heard today about bonding, I think it's also very incumbent upon this House to seriously begin to look at the question of warranties as they apply to automobiles, particularly the warranty on old and used automobiles, because this is one area where there has been a great deal of publicity and certainly a great deal of advertising - all the major car manufacturers advertise what a wonderful deal you can get by buying their cars and getting 12 months warranty. And yet I believe that the evidence that is beginning to appear, demonstrates that in fact those warranties are not in any way foolproof systems, and I would recommend to the reading of this House a piece, or an article written by Jacob Zeigler, who is a professor of law at Osgoode University, who recently completed a study of the warranty system in the Province of Ontario, and he indicated that of all new cars sold, a full 50 percent of them, a full 50 percent of them had to be returned for some kind of defect, and of that 50 percent well over 48 percent found - well over 48 percent found --(Interjection)-- I'll be getting back to Manitoba in a minute if you'll have a little patience. You people continually run out of patience, that's one of your problems; you just don't have enough patience. If you come back to the question of out of that 50 percent who have defective automobiles, a full 47 percent reported in the survey that they were not able to receive satisfactory completion of the mechanical work, in many cases were burdened with extra costs.

Now the point where I come back to Manitoba is we do not have any kind of information of a similar kind in Manitoba. We don't know if that's working or not. And I wouldn't want to press upon the Minister of Consumer Affairs when he's not here, but I would think that is something the Minister of Consumer Affairs might have been spending his time doing. But he obviously hasn't because we haven't heard anything from him about it, and we certainly know that with that Minister of Consumer Affairs if he is doing something we'd certainly hear about it. So we have to assume that at this point in time we aren't looking really at the problem of warranty protection in the Province of Manitoba. We're not looking at both in terms of what it cost the consumer in terms of additional cost for the actual work of the mechanic's time as opposed to the parts. We're not looking at the question of what is the onus of responsibility of the dealer as opposed to the manufacturer when it comes to warranty. We're not certainly looking, or haven't been looking, at the question of whatever kind of - and I don't think there is any real warranty protection other than for 30 days on used cars.

So it really comes down to the question that as cars become more complicated machinery, as they become more and increasingly almost a necessity in the kind of world that we live in, that the kind of protection and consumer proposal that the Member for La Verendrye was making isn't available in the Province of Manitoba on the field of warranties.

I would also point out for some form of evidence, that I recall reading a report recently of the Federal Government's Box 99 Consumer Complaint Bureau, and they pointed out that out of 11,000 consumer complaints they received, close to 4,000 had to do with defects in automobiles. And the fact that in many cases the consumer was not able to get satisfactory service, parts or, in many cases, couldn't get an automobile replaced that was totally unable to operate.

And there is a famous court case that happened in British Columbia back in 1971. I could give you the citation on that, it's the Whitburn versus Belmont Motors in 1969, in which a Ford Cortina was returned no less than 17 times for repair - it never did end up working - but the consumer couldn't get any return back on it. He still is driving that Ford Cortina around, I suppose, with the electrical system not working.

So it simply demonstrates, I think that it is a very important responsibility of this Legislature to not only pick up the spirit of the consumer protection offered by the Member

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(MR. AXWORTHY Cont'd) from La Verendrye, but perhaps to take it one step further and begin to ask how we can look at the question of warranties to see whether we should not have perhaps a specific act dealing with products warranties, which would spell out very clearly the implicit warranty obligations of dealers in the automobile industry and attempt to provide that there would be proper arbitration and mediation in any disputes, which I don't believe is now available. I think we should be looking at how the warranty systems themselves can be - those that are deceptive in their wording or in their meaning, can be eliminated. We should be looking at how the warranty can apply to used automobiles as well as to new ones, and we should be looking at how we can establish sort of express warranties for certain express parts of the automobile system.

And I think that that ties hand in hand in with the proposal for bonding because I think the ability to service a warranty depends upon the substance and the complement of people and machinery and facilities and services a dealer can offer, so that there is an obvious connection between the two. I think it is incumbent upon the government to demonstrate that it isn't incumbent upon it, that the connection doesn't exist, and that in fact you could still have a full servicing and protection of a warranty system without requiring a more extensive bonding system as we've heard this evening.

So, in light of this particular concern that I have, Mr. Speaker, and that members of my group share about the consumer protection of automobile buyers, we would sort of like to suggest to the House that we think that this opportunity offered to us by the Member for La Verendrye should be extended, and that we should begin to look at ways that we can further protect the consumer. And in that respect, Mr. Speaker, I would like to amend the amendment as follows - I'd like to amend the amendment of the Honourable Member from Radisson by adding the following clause:

"BE IT FURTHER RESOLVED that WHEREAS the warranty protection to the consumers in the purchase of automobiles is not adequate, that a special committee of the Legislature be established to review automobile warranty protection schemes in the province and report recommendations for legislative and administrative changes in the warranty protection."

(Tape or mike failure for 40 seconds)

MR. AXWORTHY: I would advise you that you consult the Member from Assiniboia as he was the one who wrote out this amendment.

MR. SPEAKER: Well, possibly he too needs lessons in drafting amendments.
--(Interjection)--

(Failure again for approximately one minute)

MOTION presented on the amendment to the amendment.

MR. CHERNIACK: Mr. Speaker, I'm sorry, I had a little difficulty following the amendment. Does it say, "Be it further resolved that whereas"? I'm sorry, I didn't hear it clearly.

MR. SPEAKER: Let me inform the members I'm suffering with a cold and I'm not in the best mood for debate or for anything else, and I have asked this before, that when members are going to make amendments they should make them out in more than one form so other members can participate in the discussion. Would the Clerk kindly read it just in case my voice isn't carrying through.

MR. CLERK: That the amendment of the Honourable Member from Radisson be further amended by adding the following clause: BE IT FURTHER RESOLVED, and WHEREAS the warranty protection to the consumer in the purchase of automobiles is not adequate, that a special committee of the Legislature be established to review automobile warranty protection schemes in the province and report recommendations for legislative and administrative change.

MR. SPEAKER: Are you ready for the question? The Honourable Member for La Verendrye. The Honourable Member from Morris.

MR. JORGENSON: I rise on the point of order dealing with the amendment as now proposed. I now have a copy of the amendment proposed by the Member for Radisson and I'm sure that you will agree, and I concur with the point that was raised by the Minister of Finance, that if the sub-amendment be taken in conjunction with the amendment, there is indeed a conflict. I don't think that the sub-amendment as it's presently worded, attached to the amendment moved by the Member for Radisson, makes for the kind of an amendment

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(MR. JORGENSON Cont'd) that is acceptable in this House, and I do believe, Sir, that, with all due respect, there has to be some changes in the amendment. I don't think that the amendment's out of order except that the Whereas clause seems to me to be misplaced in this present form. I wonder, Sir, if in the light of the time that is available to us at the present time, if you may not want to take that amendment under consideration and determine whether or not in its present form it is acceptable to the Chair.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Well, Mr. Speaker, I wanted to endorse the suggestion by the Honourable the Member from Morris. I think possibly you would like to have an opportunity to look at it. Frankly, I think it's so constructed that it grammatically destroys the intent which I think is fairly clear, and possibly, Mr. Speaker, you would want to give the Member for Fort Rouge an opportunity to request a rewording which could be possible, I believe, if you leave the question open rather than if you call the question so that it is debated on and then there wouldn't be that opportunity. And in view of the hour and in view of your own physical distress, Mr. Speaker, may I suggest that maybe you ought to see the clock as being 10 o'clock so that the matter can remain open for further consideration.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, before you call it 10 o'clock I would like the opportunity to comment on that. I would certainly concur that if there is some confusion in the wording that any clarification that would make the intent more readable and understandable and comprehensible to the members of the House I would be in agreement with. I apologize to you, Mr. Speaker, and the members of the House, that in the heat of debate I wasn't able to construct a perfectly grammatically ordered resolution, but I thought that there should be some . . . for spontaneity in this House and that therefore I would be quite prepared, however, to have it amended over and have it read at the next consideration of this particular resolution.

MR. SPEAKER: Is that agreeable to the members? (Agreed) Very well. The hour being 10:00 o'clock, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Tuesday)