

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 11, 1979

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the attention of the honourable members to the gallery on my right, where we have 32 students of Grade 5 and 6 standing from the Robertson School, under the direction of Mr. Ossman. This school is in the constituency of the Honourable Member for Inkster.

On behalf of all the honourable members, we welcome you here this morning.
Presenting Petitions . . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I beg to present the Fourth Report of the Standing Committee on Public Utilities and Natural Resources.

MR. DEPUTY CLERK: Your Committee met on Saturday, June 9, 1979, to consider the Annual Report of the Manitoba Hydro-Electric Board.

Your Committee received all information desired by any member of the Committee from Dr. L.M. Wedepohl, Chairman of the Board, and members of the staff with respect to all matters pertaining to the Annual Report and the business of Manitoba Hydro. The fullest opportunity was accorded to all members of the Committee to seek information desired.

Your Committee examined the Annual Report of Manitoba Hydro for the fiscal year ending March 31, 1978, and adopted the same as presented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, I move, seconded by the Honourable Member for Minnedosa, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING: I beg to present the Third Report of the Standing Committee on Public Accounts.

MR. DEPUTY CLERK: Your Committee met on Friday, June 8, 1979, to consider the Public Accounts of the Province for the fiscal year which ended the 31st day of March, 1978.

Your Committee received, or has been assured that it will receive, all information desired by any member from the Minister, Heads of Departments and members of the Provincial Auditor's staff with respect to receipts, expenditures and other matters pertaining to the business of the Province. The fullest opportunity was accorded to all members of the Committee to examine vouchers or any documents called for and no restriction was placed upon the line of examination.

MR. SPEAKER: The Honourable Member for St. Vita..

MR. WALDING: Mr. Speaker, I beg to move, seconded by the Honourable Member for Kildonan, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, in a few moments the Pages will be distributing copies of a new Securities Act, and if I may be permitted, I'd like to make a brief statement in connection with the distribution of that particular piece of legislation.

While formally introducing this Bill, Mr. Speaker, we will hope it will eventually become our new Securities Act, and which is modelled on the new Ontario Act. May I remind honourable members of what has been announced earlier, namely, that it is not our intention to move the Bill through Second and Third Reading during the course of this Session. Rather, we propose to have the Bill printed as an exposure draft for circulation to the industry and to the general public. This is done with the intent that people who have suggestions to make regarding the draft will communicate their views to the Manitoba Securities Commission. The Commission will take such representations into account, along with other relevant factors in any redraft of the Bill. So as to ensure that honourable members and the public are not misled, however, I emphasize that one of our overriding objectives regarding this legislation is to maintain substantial uniformity with the other provinces that are active in the field of securities regulation.

Since the late 1960s it has been the policy of the Manitoba Government and its neighbours to have basically uniform securities legislation, and this policy has been consistently applied here by both Conservative and NDP administrations. Thus suggestions for amendments to this Bill will have to be considered very carefully to ensure that they warrant additional departures from the basic uniformity the draft represents. Obviously, these proposed amendments of significant merit will be assessed in positive fashion; but just as obviously, where the sections in the present draft do not seem to pose any serious problems, proposed amendments, of a largely cosmetic nature, will likely be outweighed and discarded in our basic quest for substantial uniformity. I also underscore what I have implied, namely, that this Bill is not identical with that of Ontario, but like its predecessor, substantially uniform.

I may say that this Bill has been handled in similar fashion in other provinces, that is, by being introduced in the form of an exposure draft and then allowed to die on the Order Paper. The Legislature of Ontario as a matter of fact, introduced it several times before finally enacting it last year, and the Alberta Legislature followed suit as their 1978 fall sitting drew to a close.

The Alberta Minister of Consumer and Corporate Affairs also commented on the fact that, while fairly called uniform, these Bills are not absolutely identical. In a public letter dated November 30, 1978, he said, "Because of the desirability of reasonably uniform legislation among Canadian jurisdictions, Bill 76 is based in a large measure on the new Act recently passed in Ontario. At the same time, business in Alberta has its own distinct flavour and it is important that the new legislation deal with local needs and conditions." He went on to point out that comments or questions about the new Securities Bill were welcome and should be directed either to his office or to the Alberta Securities Commission.

I believe this practice of putting a draft Act out for public comment is a salutary procedure in the case of a statute as complex as a Securities Act. Honourable members are aware that a very close liaison is maintained between the Provincial Securities Commission across the country, and that while this statute originates as a predominantly Ontario product, our own Securities Commission and their counterparts in other provinces are responsible for more than a token input insofar as the finished statute is concerned.

Because of the protracted gestation period in Ontario the industry has already had many opportunities to make representations regarding the draft and I understand that it is fair to say that many of their representations have been taken into account and are reflected in the new draft now in the books in Ontario, and here before you for review. Thus, we are optimistic that the present draft will be largely free of trouble spots. However, to ensure that ample time for review is provided and to take advantage of any last minute changes deemed requisite in Ontario, we shall table the exposure draft as indicated and invite comments to our Securities Commission by anyone having an interest in this legislation.

And I might add, Mr. Speaker, that the Chairman of the Securities Commission has informed me that if any honourable members wish to be briefed on any particular aspect of this legislation during the course of the next few months, they are welcome to make appointments with him and they will endeavour to attempt to take him through the provisions of the legislation so that my honourable friends can have as great an understanding of the Bill as possible.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, we thank the Minister for his announcement and receipt of the draft copy of the Bill. Certainly this is one of the methods by which legislation is often handled. I recall that we handled the introduction of the Unicity legislation in a similar way and that the legislation was introduced by way of First Reading, and then there were hearings which involved the general public, and then returned to the Legislature and various colleagues were involved. So that this is certainly a proper and a very excellent way of bringing forth public response.

I say that because I wish to contrast this approach to the approach which the Honourable Minister of Education used to introduce legislation, then find that due to the reaction of the Teachers' Society and the Trustees and the general public as well as the opposition, to be required to withdraw the legislation, to be forced to withdraw the legislation. I believe that the approach used this morning stands in sharp contrast to that earlier approach by the Minister of Education.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Mines, whom I welcome back from his meeting with the Canadian Council of Resource and Environmental Ministers.

Mr. Speaker, is the Minister of Mines intending to take some action against people in southern Manitoba who willfully damaged and destroyed government property and took the water resources management of that area into their own hands?

MR. SPEAKER: The Honourable Minister of Mines.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, the matter is under investigation at the moment,

MR. GREEN: Mr. Speaker, it would I think serve the public interest if the people of the province were advised, and I ask the Minister: Is it a fact that certain residents of southwestern Manitoba willfully breached a dam on the Souris River because the Water Resources Department had for many years been approached by these people, and the best engineering advice in the Water Resources Department was that those dams were necessary. Were these dams, or was a dam, destroyed by people in southwestern Manitoba?

MR. SPEAKER: The Honourable Attorney-General on a point of order.

HON. GERALD W.J. MERCIER (Osborne): On a point of order, Mr. Speaker, I think that question is out of order inasmuch as it might prejudice the possibility of any charges being laid.

MR. SPEAKER: The point of order the Attorney-General has raised is one that should be taken under consideration.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, despite the fact that I don't agree with the Attorney-General, I have another question which certainly will not be out of order.

Was a dam on the Souris River damaged by citizens of our province?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: I don't think that that question can be answered at this point, Mr. Speaker. It depends partly on the technical definition of what is a dam, what constitutes part of a dam, and what does not constitute part of it.

MR. SPEAKER: The Honourable Member for Inkster with a fourth question.

MR. GREEN: Mr. Speaker, were Water Resources facilities in the Province of Manitoba in any way altered without the permission of the Water Resources Branch and by citizens in the Province of Manitoba acting without permission of the Water Resources Branch.

MR. SPEAKER: Order please. I would like the honourable member to consider the advice offered by the Attorney-General in this particular matter.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, with the greatest of respect to you, Mr. Speaker, I am not asking about people being charged; I'm not asking about persons named as a prosecution — and if this type of question is not permitted, it theoretically says, Mr. Speaker, that you cannot ask whether a fire took place on the basis that there may be arson investigation — I am merely asking whether certain Water Resource facilities which are in the charge of the members of the Treasury Branch, and which are voted on by the members of this Legislature, have been altered or in any way interfered with by people in the Province of Manitoba without the permission of the Water Resources Branch?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Mr. Speaker, a channel was excavated around a structure.

MR. SPEAKER: The Honourable Member for Inkster. my request is, was this done

MR. GREEN: Yes, Mr. Speaker, and with the permission of the Water Resources Branch, or was it done by people acting without such permission? .

MR. RANSOM: It was not authorized by my department, Mr. Speaker.

MR. GREEN: Mr. Speaker, I take it that the Minister has made no decision as to what is to be done, that his first answer is that the matter is now under investigation.

MR. RANSOM: That's correct, Mr. Speaker.

MR. SPEAKER: Orders of the day. The Honourable Member for Churchill.

MR. JAY COWAN: Yes, thank you, Mr. Speaker. My question is to the Minister of Labour. On Friday, June 1st, the Minister, in answer to a question in this House, stated that Canadian Bronze could possibly open approximately June 10th or 11th, and I quote, "if arrangements are acceptable to all parties."

In light of the statements in the press this weekend that the plant will not be opening today, can the Minister indicate which arrangements were found to be unsatisfactory, by which parties.

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): I think my words, Mr. Speaker, were speculative, that there was a possibility that it would open today. I understand that it's not opening today.

MR. COWAN: Yes, thank you, Mr. Speaker. The Minister's words were that if all arrangements were found to be acceptable to all parties. My question to the Minister is, if he can indicate if the Workplace, Safety and Health Division, Canadian Bronze, or International Molders' Union found the arrangements unsatisfactory, and in which areas?

MR. MacMASTER: I can't answer that particular question, Mr. Speaker. As far as we were concerned, if everything was in place and ready to go, then they were prepared to open today. I understand that they're not opening today.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Yes, with a supplementary, Mr. Speaker. Can the Minister inform the House as to when it is expected now, in light of this new development, that the full operations at Canadian Bronze will be resumed?

MR. MacMASTER: I'm not sure if the word full operation was resumed, but I can't tell the member when full operations will resume at Canadian Bronze.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Mr. Speaker, I'd like to direct my question to the Honourable Attorney-General. In view of the fact that a Court decision levied a nominal fine of \$500 to a company that violated The Workplace Safety Health Act in three different fashions, is the Honourable Attorney-General going to review the case to see whether there should be an appeal to the low fine?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: I'll take that question as notice, Mr. Speaker.

MR. SPEAKER: Orders of the day. The Honourable Member for Wellington.

MR. BRIAN CORRIN: My question, Mr. Speaker, is for the Attorney-General as well. Has the Attorney-General now had the opportunity, Mr. Speaker, to confer with his staff, and can he this morning indicate to members of the House whether or not he will be tabling the Inquest Report presented to him by the Provincial Judges Court at Portage la Prairie, relative to the death of Malcolm Chenier at the Portage Home for Retardates last January.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I answered those questions, I believe, on Thursday, and I would refer the member to Hansard of that date.

MR. SPEAKER: Orders of the day. The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Mines. In view of all the problems that have come about as a result of landfill sites, methane gas in heavily populated areas of the city, and perhaps in other parts of Manitoba, is the government giving consideration to a policy whereby they would no longer approve the establishment of any new landfill sites in heavily populated areas?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Mr. Speaker, I'm not, at this point, contemplating that sort of a policy. But I will be requesting a pretty thorough evaluation by my departmental people concerning problems that might arise with landfills, and ask for their advice as to whether any action should be taken. Certainly, it's the sort of problem which is reasonably topical right now, and we want to be satisfied that whatever actions are taken are going to be safe and effective in the long term.

MR. DOERN: Mr. Speaker, I'd also ask the Minister whether the government is considering a policy of encouraging alternative systems of disposing of garbage such as burning, etc.? Is there a policy, or is there any money available for the support and development of alternative systems?

MR. RANSOM: That depends partly, Mr. Speaker, on what the honourable member is referring to. We are looking at some new possibilities with respect to sewage disposal from rural towns. We're investigating the possibility of using irrigation as a means of disposing of the effluent from sewage lagoons, rather than being forced to dump it into streams. So, on the basis of that particular situation, then yes, we are looking at new technology, and I expect that my people always should be aware of development technology and can bring that to our attention.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Attorney-General and ask him if he can indicate what the current status of the Amy Street plant is in terms of closure or whether there is still some prospect of converting that plant to a garbage burning, heat producing, steam producing facility?

MR. SPEAKER: The Honourable Minister of Urban Development.

MR. MERCIER: Mr. Speaker, my understanding of that is that the City was taking steps to close

that plant. I can inquire into the exact status of that matter, however, and advise the member further.

MR. DOERN: Mr. Speaker, I would then ask the Minister whether in view of the fact there is a new administration in Ottawa, whether the Manitoba Government and/or the City of Winnipeg will be making an appeal to the new government in Ottawa to obtain funds to build that \$40 million plant that was considered?

MR. MERCIER: Mr. Speaker, the City has not indicated any intention up till now since the election of the new federal government in Ottawa, indicating they wish to make a further appeal to the federal government.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Speaker. A question to the Minister of Labour in regard to the explosion at Bell Foundry on April 27th of this year. Can the Minister indicate when his department or officials of his department first contacted either the union or the Workplace, Safety and Health Committee at Bell Foundry, for the purpose of investigating and having them present their recollection of this very serious explosion?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: I can't get that specific date, Mr. Speaker. I know that I've answered questions relating to this in Hansard. I don't know if this question is much different than the others.

MR. COWAN: Yes, thank you, Mr. Speaker. Well, the question for the Minister's information, is different than the others. The answer is pretty much the same and that is a non-answer. In pursuit of the subject — because there are a number of questions that still are unanswered — can the Minister indicate the date on which the Workplace, Safety and Health inspector finally went to the scene of this explosion for the purpose of first hand investigating the accident as per their responsibilities under The Workplace, Safety and Health Act?

MR. MacMASTER: My it's my understanding, the following Monday after the accident took place, and I answered that particular question, Mr. Speaker.

MR. COWAN: Yes, Mr. Speaker. I would just ask the Minister to confirm that the inspector actually went to the plant for the purpose of investigating the explosion on the Monday following it, which would put it near the end of April? And I would also ask the Minister as he has indicated that a report including recommendations, has been prepared by his department in response to this serious explosion, and the Minister has termed it "satisfactory to all parties". Is the Minister prepared to table that report in this House?

MR. MacMASTER: Mr. Speaker, I don't think it's necessary to table that particular report. What I said about the entire situation, I'll repeat once more: that it's been discussed with the Workplace Safety Committee; it's been discussed with the companies assessed with our department and the recommendations in general were agreed to and there is further follow-up that's taken place. And I've said all this in the House before.

MR. SPEAKER: The Honourable Member for Churchill with a fourth question.

MR. COWAN: Yes, thank you, Mr. Speaker. Perhaps then the Minister would be willing, rather than tabling the report, to report verbally as to what those recommendations were.

MR. MacMASTER: I think I've already made that clear in this House too, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Tourism.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, on Friday, I took a question as notice from the Member for Elmwood with regard to Ross House. It is operated by the Manitoba Historical Society and it's open now daily — well, Wednesday through Sunday from 12 till 5, until the end of August.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd ask the Minister if there was any problem in regard to the original opening, which was slated on June 1st. There was about a week delay. Was there some technical or financial problem in regard to that facility?

MRS. PRICE: Not that I am aware of, Mr. Speaker.

MR. DOERN: I would also ask the Minister whether the Historical Society receives funds from the province or the federal government for the purpose of operating Ross House.

MRS. PRICE: Well, the Historical Society does receive funds from the government, Mr. Speaker. I can't itemize precisely how they spend them though.

MR. SPEAKER: The Honourable Member for Churchill. stion is to the Minister

MR. COWAN: Yes, thank you, Mr. Speaker. My que of Labour. Can the Minister of Labour indicate or does the Minister of Labour have any information as to the current status of operations at the Northwest plant in the City of Winnipeg.

MR. MacMASTER: I'll take that question as notice, Mr. Speaker.

MR. COWAN: Yes, thank you, Mr. Speaker. A supplementary to the Minister. Can the Minister indicate as to when he expects to expand his investigation and his Lead Control Program into other lead-using industries in the province of Manitoba?

MR. MacMASTER: Very shortly, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Yes, thank you, Mr. Speaker. Does the Minister then have any indication as to which operations will be put under surveillance and as to how the department is going to determine which operations will come under the Lead Control Program?

MR. MacMASTER: There is a variety of industries being reviewed peaker. right now, Mr. S

MR. SPEAKER: Orders of the Day. The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, last Friday I asked a question of the Minister of Mines, which his Acting Minister took as notice. And now that he is back in the House, I will ask him again, whether it is the practice of the Parks Branch of his department to publicly state the reserve bid in advertisements calling for submission of tenders for the purchase of park property?

MR. SPEAKER: The Honourable Minister of Mines, Resources and the Environment.

MR. RANSOM: Mr. Speaker, the Parks Branch is not handling the sale of those particular cabins.

MR. HANUSCHAK: Then, Mr. Speaker, I will redirect my question to the Honourable Minister responsible for the Land Acquisition Branch, which I believe is responsible for the disposition of this property and I will ask him again. The question which I put to him on Friday, which he had taken as notice, whether he has an answer to it or not. In other words, is it government policy to publicly state the reserve bids in advertisements of this kind?

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Well, Mr. Speaker, I have not had an opportunity since Friday to take up the matter with members of the staff. If the member will allow me, I'll try to answer that question later on in the day or tomorrow.

MR. HANUSCHAK: Yes, Mr. Speaker, I wish to direct my question to the Minister of Agriculture. Is it now the policy of the Minister of Agriculture, in relation to the operations of the Manitoba

Agricultural Credit Corporation, to state reserve bids in advertisements advertising publicly owned farm land for sale in the same manner as the Land Acquisition Branch does, with respect to this position of log cabins?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES DOWNEY (Arthur): Mr. Speaker, it would be possible for me to discuss that with the Board of Directors of the Manitoba Agricultural Credit Corporation who handle the affairs of MACC.

MR. HANUSCHAK: Yes, well, Mr. Speaker, my question is, is it the policy of his department to state reserve bids in advertisements selling Crown-owned property?

MR. DOWNEY: Mr. Speaker, as I said, I would discuss it with the Board of Directors of MACC and it might be a good recommendation that they may agree with, but as I say, I will discuss it with them.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: My question, Mr. Speaker, is for the Honourable Minister of Mines, responsible for parks. By way of preface, Mr. Speaker, I would indicate that the information with respect to which I am about to ask a question is not privy to myself; it is on the basis of a complaint provided to me by a constituent, so I can in no way verify whether this information is accurate and I will ask the Minister if that's possible. The constituent indicated that he has been to the Birds Hill Provincial Park on the weekend and he asked why there were no lifeguards on duty at the lake area? And I would ask if the Minister could enquire as to whether or not lifeguards are indeed on duty at that facility and if not, when that will become the case?

MR. RANSOM: I'll take the question as notice, Mr. Speaker.

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, before announcing the Orders of the Day, it was our intention, perhaps if it were completed, depending on the kind of progress that is being made, that the Committee on Agriculture and the Committee on Municipal Affairs could meet this afternoon in tandem. I think that that is an arrangement that has been done in the past and one that I believe we can follow this afternoon.

This evening, perhaps the Committee on Law Amendments could meet to consider the Bills that are currently before that Committee.

On Wednesday night, the Committee on Private Bills and perhaps the Committee on Industrial Relations — there's only one Bill before that Committee — could meet in tandem as well, to consider the Bills that are before them.

Mr. Speaker, I wonder now if perhaps my honourable friend . . .

MR. SPEAKER: The Honourable Opposition House Leader.

MR. GREEN: Mr. Speaker, I don't see any problems with what the Minister is suggesting. I only have one observation and that is that somehow the Clerk would be sort of on roller skates, so to speak, with the people who wish to appear before Committee, so that they are aware and if there are any problems with those people, that the Committee be so advised that somebody wanted to appear and couldn't. But as I understand what the Minister is now saying, we will meet in the House this morning; in two Committees this afternoon and in Law Amendments Committee this evening. And maybe the other arrangements are tentative but depending on how we proceed.

MR. JORGENSON: That's it, Mr. Speaker. I believe that it just may be advisable for the House to meet this afternoon, prior to going into Committee, so that if the business of the Committees are completed, then we can come back in to the Chamber.

MR. GREEN: I know that when the Bills were introduced, there should have been an indication as to which Committees they are going to. I wonder, for sake of bringing people up to date, we

advise the House which are the Bills that are now standing before each of the Committees that are meeting this afternoon and evening?

MR. JORGENSEN: The Committee on Agriculture has only one Bill before it and that is an Act to amend The Natural Products Marketing Act and I believe the Clerk has names of people who asked to be advised when that Committee would meet and I believe they already have been.

Municipal Affairs has three Bills: An Act to amend The ; No. 19, an Act respecting Glenboro Hospital Planning Act, No. 14 District No. 16B in the Rural Municipality of South Cypress; and Bill No. 24, An Act to amend The Municipal Act.

In Law Amendments, we'll be dealing clause-by-clause with those bills that we had hearings on, I believe it was last Thursday.

In Private Bills, which it is, at the moment, our intention to have Wednesday night: Bill No. 10, An Act to amend An Act to Incorporate Les Reverend Peres Oblats in the Province of Manitoba; No. 33, An Act to amend An Act to Incorporate Bel Acres Golf and Country Club; and Bill No. 40, An Act Granting Additional Powers to Rossmere Golf and Country Club Limited.

In Industrial Relations, Bill No. 35, An Act to amend The Workers Compensation Act.

ORDERS OF THE DAY

MR. JORGENSEN: I wonder now, Mr. Speaker, if you would call Bill No. 39, and perhaps we could go through the list, as they appear on the Order Paper.

ADJOURNED DEBATES ON SECOND READING

MR. SPEAKER: Adjourned debate on second reading, Bill No. 39, The Statute Law Amendment Act (1979). The Honourable Member for Kildonan.

MR. FOX: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 54, The Manitoba Data Services Act. The Honourable Member for St. Vital.

MR. WALDING: Stand, Mr. Speaker, please.

BILL NO. 56 — AN ACT TO AMEND THE FAMILY MAINTENANCE ACT

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my words in respect to this Bill will be brief. I believe that note should be made of the fact that the involvement of some four officers will be required in the Family Court.

I believe that it should be mentioned that it was, in fact, the former Attorney-General, Mr. Mackling, who first introduced to the province the involvement of enforcement officers that would, in fact, follow through in respect to the enforcement of maintenance orders in default. Certainly that system is in need of improvement and strengthening. But it does date back to 1971 and 1972, when, in fact, enforcement officers were brought onto the staff of the Family Court in order to undertake a more active role insofar as the collection of outstanding default on the part of those that were defaulting on maintenance orders.

Secondly, I believe it is also important to stress, Mr. Speaker, that this must go beyond, this legislation must in fact go beyond simple phraseology. For too long in the Province of Manitoba, as elsewhere in Canada, there has been a system which has not in many ways been effective in ensuring that those in default pay their proper accounts to those that they are required to do so, by way of Court Order.

And I say, Mr. Speaker, that it is important that this legislation be backed up by the necessary staff and funding. If, in fact, it is the intention of the government to simply introduce the legislation, and not proceed with necessary backing of that Legislation through the financial requirement, then in fact this legislation could be more negative than positive. In fact, spouses could very well depend upon this legislation, expecting that the legislation will remedy all their problems, when in fact, due to restraint, or rollback, or cutback, or whatever is the common phraseology that is utilized by the government across the way, little, little is done by achieving the objectives of this legislation which otherwise is admirable.

So, Mr. Speaker, it's not just enough to bring in legislation, but it will be critical to see just

to what extent the Attorney-General and his government are prepared to back this legislation up.

I would feel much more content, Mr. Speaker, if, in fact, there were time limits imposed on this legislation, that after the default occurs, that specific time limits would be required within those time periods it would be necessary that the enforcement officers in fact would proceed with the collection.

Without those time periods, I believe, Mr. Speaker, it is too tempting, that this government, or future governments, may very well, in the process of cutback, and consideration of various priorities, ignore the necessary input necessary to the extent that we would end up with legislation which would arouse hope and expectation on the part of so many, but in fact, would result in that hope and that expectation being dashed as a result of inadequate machinery to support the legislation.

So, Mr. Speaker, certainly to the extent of the legislation, which I believe to a large degree confirms what already was an existing machinery which was established by the former Attorney-General, Mr. Mackling, and is being improved upon to some extent within this legislation, that we would support the basic principle and intent of the legislation, subject — and I would hope that the Attorney-General would clearly declare the intentions of this government insofar as what additional funding, what additional staffing, what legislation itself. machinery will be provided to back up the l

I believe it is important, I believe that very little is being done, then in fact, the legislation will be misleading.

I do believe also, Mr. Speaker, for this legislation to be effective, the Attorney-General will have to pursue further discussions, in consultation with his fellow Attorneys-General, as well as the new Minister of Justice, in order to ensure there's reciprocal arrangements better worked out, so that this legislation can be effected throughout other parts of the country, particularly that involving the obtaining of names and addresses of defaulting spouses.

To deal with the provision of names and addresses only within Manitoba, and not have the adequate machinery in order to deal with the obtaining of such names and addresses in other parts of Canada, in fact is far, far from perfect legislation. I believe most that do default, do possibly end up eventually outside the Province of Manitoba. So, I would urge the Attorney-General to use his good offices in order to pursue that objective, with his future conferences that will be held involving the Minister of Justice.

In conclusion, therefore, Mr. Speaker, with those reservations, it would be the intention of the opposition to support this legislation, to permit it to find its way to committee so that we might, in fact, hear the members of the public.

MR. SPEAKER: Are you ready for the question? The Honourable Attorney-General will be closing debate.

The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I want to thank members opposite who have spoken with respect to this Bill. I appreciate that in the main they have supported the principles contained within the legislation, and I am satisfied that the legislation will provide a mechanism for improved enforcement of maintenance orders.

The Honourable Member for St. Johns, in speaking to this matter, Mr. Speaker, asked a number of questions about details with respect to the mechanism and the apparatus that will be used under this legislation, and I would prefer to answer his questions in Committee. I can't answer them and it would require that I spend some time reviewing details of the operation of the Enforcement office.

He did make a comment, Mr. Speaker, about delays in processing payments through the Family Court. I want to indicate to him that an improvement has already been made in that process in that previously where cheques were made payable to the Family Court, were then handled through the Family Court and mailed out to the recipient spouse, that created somewhat of a delay. The improvement that has been made in that system is that the cheques are now made payable directly to the recipient spouse and are processed more quickly through the Family Court to the recipient spouse.

Mr. Speaker, the Member for Wellington and the Honourable Leader of the Opposition have referred to discussions and negotiations with the federal government. I indicated when I spoke to this Bill that I would be pursuing the matter of the availability of increased information from the federal government with our federal counterparts, and hopefully, there will be an improvement in information that does become available from the federal government.

The Member for Wellington referred to the fact that the present family laws across this country

are divided among ten provinces and the federal government and thus have created an unequal system of family law throughout Canada. And he urged me, Mr. Speaker, to press upon the federal government to in fact take upon themselves more jurisdiction in this particular field. And, Mr. Speaker, I want to indicate to him, if he wasn't aware, that I think Manitoba stood alone at the last constitutional meeting — Provincial-Federal Constitutional Meeting — when I in fact took that very position, that rather than agreeing with the federal government's position to transfer marriage and divorce jurisdiction to the provincial governments, I took the position that more jurisdiction in this area in fact should be transferred to the federal government in order to have a more uniform system of family law and greater enforcement of orders, etc. across Canada.

We stood alone in that position and I think since taking that position, I know the Provincial Council of Women in this province and across Canada have now subsequently urged the previous federal government to review their position and have supported the position that Manitoba took in the constitutional discussions.

So I look forward, Mr. Speaker, to pursuing that matter in future constitutional discussions because I think it is in a day and age where the mobility of people has vastly increased and people are transferred across Canada through business opportunities, educational opportunities, to a very great extent. It is my view that they should have the opportunity to avail themselves of equal family laws right across Canada.

Mr. Speaker, the Member for St. Johns and the Honourable Leader of the Opposition have raised the question of time limits. I will deal in detail with that, Mr. Speaker, when we are in committee to outline the kind of procedures that would be used. I don't think it's necessary to impose time limits on administrative routines in legislation. I would just say at this time that rather than the three-month delay that the Honourable Member for St. Johns was concerned about, Mr. Speaker, I think the steps that are authorized in the legislation, all of them I would think can be concluded no later than one month and it would be my objective, Mr. Speaker, to ensure that all of the steps in the enforcement process could be concluded within one month.

Mr. Speaker, I thank the honourable members for their comments and their support for this particular legislation. Mr. Speaker, the family law in Manitoba has been noted by independent outside viewers as the best family law legislation in Canada and I anticipate that these amendments to improve the —(Interjection)— The Honourable Leader of the Opposition said: "It was", Mr. Speaker. I want to point out to him the fact that one of the daily newspapers in the past few weeks, in a column outlining an interview with a gentleman from Toronto, I think a Mr. Cronbie, not Crombie, Cronbie, a family lawyer there for twenty years who has just recently published a book on family law — and I don't know the gentleman at all, but obviously he's a very wise man, Mr. Speaker. He noted, Mr. Speaker, that the family law legislation in Manitoba was in his view the best in Canada. And I think the improvements that are made will be made through these amendments to improve the most important practical problem of enforcing the orders, maintenance orders, under that legislation, will greatly enhance the legislation.

Mr. Speaker, this is an extremely important area because without enforcement obviously a maintenance order is not worth anything and it is a goal of our government to take all the necessary steps to improve that process and it will be, I can assure honourable members opposite, a priority within our department to improve the enforcement of maintenance orders. Thank you, Mr. Speaker.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 57, An Act to amend The Metallic Minerals Royalty Act. The Honourable Member for St. James. (Stand)

BILL NO. 58 — AN ACT TO AMEND THE MINING ROYALTY AND TAX ACT

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker, I'm prepared to speak on this Bill which I didn't speak to on the last two days out of respect of the Minister who was away on government business.

This is the Bill, Mr. Speaker, which is designed, as the Minister said, to equate the position of oil developers on freehold land, on Crown held lands. And the Minister indicates that it is intended to put them both into the same position and that it means a loss of revenue to the Crown, I believe he said in the neighbourhood of \$600,000.00.

Now, Mr. Speaker, it is not my intention to raise an issue at this time because I would like to know more particularly what the Bill purports to do. It seems to me that if it's intended to equate the two situations, it is just as easy to equate them by raising \$600,000 as by losing \$600,000.

And therefore the Minister is obviously doing more than equating the situation, he is embarked on his policy, which I disagree with and on which we have agreed to disagree, that somehow the removal of this wealth from the Province of Manitoba cannot be accomplished without making greater and greater concessions to the people who are removing it, especially at a period when their income is reaching record proportions and none of this relates to new oil. All of it relates to oil that was discovered and being produced and being sold at \$2. 5 a barrel and which the same people are receiving in the neighbourhood of \$14 to \$15 a barrel.

If I'm incorrect in that, Mr. Speaker, I would, of course, want to be corrected by the Minister, but in any event, what was done during the years of the previous administration, and I spoke to the Minister directly on this question, was that since these Bills do not go to Law Amendments Committee, since they stay in Committee of the whole House as being revenue legislation, what was done in the previous years, was that the Minister arranged an informal outside of the House meeting with the experts in taxation and in the oil fields or the mineral fields as it then was, and both are minerals — I'm talking about the hard rock minerals and petroleum — and have the officials available so that questions could be answered as to just how this Bill affects those areas. And I would urge the Minister to make that facility available. I'm sure that it could be accomplished in one of the afternoons that is being reserved for committees, and I'm sure that it won't take a long period of time and I'm not even certain as to how many of my colleagues would be interested in that area. But I, myself would: I know the Member for Transcona would and there are certain others who would. So, reserving a position, Mr. Speaker, we are not going to make an issue of it going to Committee but I would ask the Minister to facilitate the type of informational release that was done in the past and which will do him no harm whatsoever. It may strengthen the debate but that never does any harm either.

MR. DEPUTY SPEAKER: The Honourable Minister.

MR. RANSOM: Mr. Speaker, I assume that I'm closing debate by . . .

MR. DEPUTY SPEAKER: The Honourable Minister will be closing debate.

MR. RANSOM: Well, Mr. Speaker, I acknowledge the fact that the Honourable Member for Inkster has not really attempted to debate the Bill, other than to point out the differences of principle which exists between the members opposite and between the government and I think we have debated those at some length before, and we no doubt will continue to debate them in the future. I therefore would not propose to take any more time here, other than to say that it will be my intention to facilitate this sort of informal discussion that the honourable member has requested.

QUESTION put, MOTION carried.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, if you would just call the Bills in the order in which they appear on the Order Paper and I understand that if you have completed Bill No. 58, the next one on the Order Paper is 61. But I noticed that the Minister of Finance is not here and the Bill is standing in his name, so I wonder if you would go down to the next one, Bill No. 65.

BILL NO. 65 — AN ACT TO AMEND THE MINERAL TAXATION ACT

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, if I recollect correctly, this is one which deals with industrial minerals and the Minister again says that this is going to eliminate the royalty in industrial minerals. And I would like again, without taking issue at the moment, to find out from the officials in a more informal way as to just how this affects the taxation and why there would be elimination of royalty on the removal of mineral wealth from the public domain to the private domain, which is in effect what is happening. There is royalties on all other removals, timber — I guess I cannot make that as a universal statement because we don't charge a royalty on the wildlife there shouldn't some royalty with that are removed, but I don't know why regard to industrial minerals and I would look forward to having that explained to me.

When we are dealing with the informal committee, Mr. Speaker, I trust that the Minister is saying that that will apply to Bill No. 57 as well.

MR. SPEAKER: The Honourable Minister of Mines will be closing debate. The Honourable Minister of Mines.

MR. RANSOM: Mr. Speaker, the Honourable Member for Inkster said that the Bill would bring about the elimination of royalties on these industrial minerals. The correct interpretation would be, that it eliminates a tax royalty on industrial minerals from freehold property. A royalty will still be imposed under The Mines Act for minerals, industrial minerals taken from areas where the Crown owns the rights. So, this is eliminating one level of taxation on the Crown held rights, the Crown held minerals, leaving another one in place but removes the taxation from those that are privately held and brings Manitoba into a position that's consistent with other provinces. But I also would be happy to include this Bill and the other, Bill 57 in our informal review with departmental officials, Mr. Speaker.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSEN: Mr. Speaker, I would like to ask the Opposition House Leader if he would be prepared to move through certain stages of the Supplementary and Capital Supply Bills, at least to the point, up to second reading. If you're prepared to do that, we'll do that now, then you'll have the Bills in your hands. The Minister of Finance will be back this afternoon.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. JORGENSEN: Mr. Speaker, I move, seconded by the Minister of Highways, that Mr. Speaker do now leave the Chair, and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Emerson in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN, Mr. Albert Driedger (Emerson): Committee come to order. Resolved that there be granted to Her Majesty a sum not exceeding \$205,469,000 for various capital purposes.

Schedule A, Self-Sustaining Programs. The Manitoba Hydro-Electric Board, \$118,655,000—pass. The Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Chairman, I confess openly and publicly that until the Clerk gives me the schedule, I won't have it; now I have it.

Mr. Chairman, I would expect that the Minister responsible for Hydro will now inform us as to what the needs are for \$118,655,000.00.

MR. CHAIRMAN: The Honourable Government House Leader.

MR. JORGENSEN: Mr. Chairman, as I indicated, I simply wanted to proceed . . .

MR. CHAIRMAN: The Member for Inkster.

MR. GREEN: May I suggest, Mr. Chairman, in order to facilitate matters, that we stand the Hydro-Electric Board item by, and go to the other items, because I don't assume that the government will be able to deal with the item without the Minister responsible.

MR. CHAIRMAN: The Honourable Minister.

MR. JORGENSEN: Yes, that can be arranged, Mr. Chairman, if we want to stand that particular item until the Minister arrives, and he'll be here this afternoon.

MR. CHAIRMAN: The next item, the Manitoba Telephone System, \$35,256,000— pass. The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the Minister is here on Telephones, and I'm sure he would want

to inform us of the plans and the needs.

MR. CHAIRMAN: The Honourable Minister.

HON. EDWARD MCGILL (Brandon West): Yes, Mr. Chairman, I can summarize rather quickly the capital program which relates to the Manitoba Telephone System for this 1979-80 fiscal year. Approval for a total capital program of \$84.2 million is requested. The capital program will be financed by borrowings of \$35.2 million, generation of internal funds of \$44 million, and use of \$5 million available from previous Loan Acts for MTS.

The 84.2 million capital program is required to meet the continuing growth in telecommunication services, as witnessed by expected revenue increases in telecommunication services of 9.6 percent, or 16.2 percent with the recent rate increase.

It is of interest to note that in terms of capital investment per telephone, MTS has the lowest growth of any trans-Canada telephone system company over the last five years, and now ranks second lowest to Bell Canada, which enjoys considerable economies of scale. The member, s ask if that's good or bad, I think we can point with some pride to the fact that it is, in terms of capital investment per telephone, one of the lowest. rogram can be considered in terms of two

The MTS Capital P categories: (a) basic requirements, and (b) program requirements. Basic requirements represent about 62 percent of the total construction program, and is required to provide necessary capacity for forecast growth, and for movement of existing subscriber telephone equipment, and the replacement of worn-out or damaged telephone plant.

Basic requirements can be further broken down into the following major categories:

(1) exchange service, which is required to provide growth and increased usage capacity in the local exchange telephone plant. An additional 28,794 telephones are projected for 1979-80, for a year-end total of 692,791. The estimated number of daily local calls is expected to increase by 111,000, to 3,784,000 calls per day.

Toll service, which is required to expand the toll network, to provide increased telephone message circuit capacity, the long distance message forecast for 1979-80 is 53.7 million messages, or an increase of 8.6 percent over the number during the previous year.

Customer movement, which is required for the replacement of worn-out equipment, and the relocation of existing subscriber services located on customer premises, the movement involves telephone, data and teletype, mobile radio, paging units, PBX equipment, key sets, etc. The budgeted amount provides only for the movement of existing customers, and reflects an estimated inward movement of 178,142 units.

Under plant replacement, which is required for mandatory replacement of worn-out or damaged equipment and expenditures required for such things as highway moves, street widening, bridges, etc., the plant replacement in 1979-80 is estimated to be .53 percent of plant inservice.

Under the second category, Program Requirement, this represents about 38 percent of the total capital program, and is required to continue established system programs. These programs include growth, modernization and customer movement undertakings. The programs are required to provide new services, improve existing services, enhance operating revenues, reduce operating exhenses and replace obsolete and worn-out equipment.

The program requirement can be broken down into three basic programs:

(1) Growth Program, which is required for expansion of such programs as resort area service, local broadband network, intercity broadband network, mobile telephone service, touchtone service, system buildings, alarm-reporting service, and individual line service.

(2) Modernization Program , is required for such programs as multi-party service improvement, automatic number identification, computerized information systems, outside plant rehabilitation and modernization of long distance equipment.

(3) Customer Movement Program, required for the continuation of the Phone Centre Program.

In summary, approval for a total capital program of \$84.2 million is requested, financed by borrowings of \$35.2 million, generation of internal funds of \$44 million, and use of \$5 million available from previous Loan Acts for MTS. This compares with a program for 1978-79 of \$81.3 million for which the Legislature last year approved borrowings of \$41.8 million.

MR. CHAIRMAN: The Meer for St. Vital.

MR. WALDING: Thank you, Mr. Chairman, I thank the Minister for his introductory remarks on this particular item. I wonder if he could just clarify for me the amount that was asked under this item for the System last year and perhaps the year before, if he has that. I seem to recall that over the last year or two that the amounts being requested for the Telephone System were in the

40s of million dollars, or perhaps even 50. The question that flows from that is whether that included, for those years, amounts for Manitoba Data Services and I notice in this year's list that it is a separate item. And perhaps the Minister could tell us if there is a decrease for the Telephone System this year as to why it comes about that the System is requesting less in capital funds this year, and perhaps the Minister could tell us whether or not that comes about because of the rate increase this year.

MR. MCGILL: Mr. Chairman, the member asked about how this compared with last year. My information is that it was \$81 million in total last year for the System and for this year it's \$84.2 million. They are quite close in the total amounts, and last year we borrowed I think \$41.8 million as compared with borrowing a \$35.2 million. So, in general, there is a similarity between the amounts that were requested last year and this year and there is not any significant change in the appropriations.

Demand requirements last year were \$50.6 million as compared with \$50.4 million this year. Program requirements were \$29 million last year and \$30.8 million this year. And for various other projects we asked for \$1.3 million last year and \$3 million this year.

MR. WALDING: Thank you, Mr. Chairman. One question that I asked the Minister that he didn't answer, was whether the \$41 million requested in Authority last year included Manitoba Data Services, or was that a separate item again, last year?

MR. MCGILL: Mr. Chairman, I believe that it did, but I'm just going to accept that question for the moment and I'll have the answer for the member shortly.

MR. WALDING: Mr. Chairman, we have a Bill before us, a Bill 54, which, we are informed by the Minister, is to separate Manitoba Data Services from the Manitoba Telephone System. It's presently a wholly owned subsidiary of the System. Manitoba Data Services has a number of millions of dollars that was advanced to it by the Manitoba Telephone System which we would presume would have to be paid back to the System at the time that a separate board was set up for Data Services and it be made a separate independent entity. I wanted to ask the Minister whether the \$5 million that we see under Manitoba Data Services is for their own internal use or whether it is to be used to pay back that indebtedness to the Telephone System? And perhaps the Minister can explain to the House or inform us how that financial accounting is to be done between MDS and MTS. Is this the total amount of Authority that the House is going to be asked for to accomplish that separation of MDS from MTS, or is it intended that there should be another request brought to the House in order to accomplish that?

MR. MCGILL: Well, Mr. Chairman, I think the amount of Loan Authority that was available from previous Loan Acts for MTS of \$5 million I think should not be related to the financial accounting that will be undertaken when the separation of MDS from MTS is complete. That determination will be made on the basis of agreement with the Provincial Auditor, MTS and Department of Finance, which will not be related to the amount of capital available from previous Loan Acts for MDS. So there will be an agreement reached as to the financial accounting that will be made when the separation from MTS, which has provided the assistance and direction to MDS up to the point of its separation. Once that separation is complete then a separate determination will be made as to the payment that will be made between the two corporations in order to fully recompense MTS for its involvement up to that point.

MR. CHAIRMAN: The Honourable Member for St. Vital.
The Honourable Minister of Highways.

MR. ENNS: Mr. Chairman, I wonder, with the permission of the Honourable Minister for St. Vital, I do have some additional information on the subject matter that he is dealing with. It's listed at the bottom item of Schedule A Borrowing and I'll be making some comments with respect to the separation that my colleague now speaks of.

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

MR. WALDING: Mr. Chairman, you recognize the problem that we have of course, in that we have two separate items for this and I don't want to be out of order by discussing one of them under the other one. But as matters stand today, the two things are very closely linked since Manitoba Data Services is a wholly owned subsidiary of the Telephone System itself.

But I'm still not quite clear from the Minister's last reply to my question as to whether the \$5 million for which Authority is being asked is for some Capital expansion for the Manitoba Data Services. Is it to buy new hardware, new software, some new construction at the Norquay Building or has it to do with the repayment to Manitoba Telephone System of the indebtedness of Manitoba Data Services?

MR. ENNS: The honourable member does point out the dilemma that we both face inasmuch as that the change is just now taking place. The member will be aware that the Bill setting up Manitoba Data Services as a separate Crown corporation is in the works, has passed second reading. I could give him that information now with respect to the details of the \$5 million loan that is being requested for Manitoba Data Services here, but I would be out of order, Mr. Chairman, if I did so. Perhaps we'll just have to leave it at that. The Minister of Telephones is reporting for Telephones and I think the assumption that is being made with this Schedule is that The Manitoba Data Services Act that is before the House will succeed; a Crown Corporation will be set up, and that Manitoba Data Services will require Loan Authority of its own.

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

MR. WALDING: Thank you, Mr. Chairman. I wonder if the Minister reporting for Telephones or the Minister of Government Services could indicate to me simply whether the \$5 million is for the acquisition of certain capital assets such as new computer ware.

MR. ENNS: Mr. Speaker, I can indicate to you that the time in the present divestiture of MDS from MTS, MDS had through the MTS loan apparatus, a total of \$17 million in Loan Authority of which some \$12 million have been abated, leaving a \$5 million Loan Authority that it is deemed by Finance should transfer or should accrue to the continuing operations of MDS, and that in effect is what is taking place with this requested Loan Authority for MDS here.

MR. WALDING: Mr. Chairman, I assume from the Minister's remarks then that this \$5 million is to purchase assets and it's not there as a payment that could or will be made to the Manitoba Telephone System? Can he just confirm that, please?

MR. ENNS: Mr. Chairman, my notes further advise me that for the fiscal year, I have no difficulty in discussing this. I suppose we might as well do that, by leave, but we are somewhat out of order, that the capital requirements for MDS, as envisaged at this particular time, are for some \$3 millions. I can list a number of items that cover the \$3 million. It is also felt at this time that most of that, if not all of that \$3 million, can be and will be internally generated and that no new Loan Authority is specifically required for that \$3 million that I have listed for acquisition of capital requirements for MDS. But the corporation, the soon to become, you know, independent corporation, will require and has, you know, would be giving up some of the advantage that it has in Loan Authority if this \$5 million loan was not being requested for them, in their own right, rather than under the MTS Telephone Loan Authority. In effect that in this instance, there is a \$5 million loan reduction being made from the MTS normal request for borrowing authority. This is being transferred over to MDS.

MR. WALDING: Mr. Chairman, one reason that I was asking about Manitoba Data Services and the separation from the Manitoba Telephone System and the setting up of MDS as an independent Crown agency, is the fact that the Manitoba Data Services owes several millions of dollars to the Manitoba Telephone System. And that we would expect that when the separation is made, that provision would be made for the repayment to the Telephone System of that several millions of dollars, which presumably would affect the amount of revenue or of working capital that the System has to work with in this coming year. The question then arises is will this \$35 million be in excess of the System's total requirements for the year or is it expected that in addition to the \$35 million that there will be a further number of millions of dollars coming from whatever source, either from the government directly or from some other agency in order to repay the Telephone System its indebtedness? That's the question that I'm asking the Minister and I haven't yet received an answer for it. To what extent is the System's financial position going to be affected by the separation of Manitoba Data Services?

MR. CHAIRMAN: The Honorable Minister responsible for Manitoba Telephones.

MR. MCGILL: Well, Mr. Chairman, it's related to my honourable friend's question. In my opening

explanations I pointed out that there would be a total net program of \$40 million required by MTS, and if the \$5 million available through loans for MDS is available to MDS at this time, then the net borrowing will be \$35 million. If however, it develops that that is not available, the net borrowing could be \$40 million. So there is a provision there and we have quoted the \$35 millions as including this Loan Authority for MDS if it is available to MTS at that time. So it could vary between \$35 million and \$40 million.

MR. WALDING: Mr. Chairman, perhaps just for clarification, the Minister could make it clear what is the indebtedness of the Manitoba Data Services to its parent corporation the Manitoba Telephone System? How many millions of dollars does it owe?

MR. MCGILL: Well, Mr. Chairman, I believe I wouldn't be able to give that information immediately to the Member for St. Vital. We can obtain that information for him.

MR. WALDING: Well, Mr. Chairman, I don't have my notes with me, they're probably not up-to-date as of April 1st of this year anyway. I'm under the impression that the amount is somewhere between \$5 million and \$10 million which represents the investment of the Manitoba Telephone System in the Manitoba Data Services. Now if this separation comes about in this financial year, presumably that \$5 million to \$10 million would be returned to the Manitoba Telephone System, Now how is this \$35 million that's being asked for in Authority affected by that transfer of some \$5 million to \$10 million? Is the \$35 million figure arrived at by an expectation of some \$5 million to \$10 million or will that money that is to flow back to MTS presumably, to effect that \$35 million? I'm not clear of what the government's intentions are in this matter.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: Mr. Chairman, my understanding and subject to the Minister of Finance's return, we can discuss this in more detail at further committee stage, but that there is an amount approaching the \$11 million mark that is involved in the terms of moneys accruing to MTS with the separation of MDS. My understanding is that the dollars that we're talking about here — at least the MDS amounts — are separate from that, that that is a closing out of the books, if you like, transfer that will have to take place. It is being arranged, it is being negotiated by Department of Finance officials with Manitoba Telephone people and MDS people.

MR. WALDING: I thank the Minister for giving us a more accurate figure. I wasn't aware that it was as high as almost \$11 million that he mentioned.

Can the Minister reporting for Telephones then confirm that the Manitoba Telephone System expects to spend an additional \$11 million in this year over and above its present projections or will this result in a decrease in the amount that it borrows of some \$11 million from the \$35 million in Authority?

MR. CHAIRMAN: The Honourable Minister.

MR. MCGILL: Well, Mr. Chairman, the \$11 million, which was an estimate of the approximate amount that would be owing by MDS is not a factor in the request for Capital Authority that is being asked here. That will, I imagine, have an impact upon future borrowing requirements when that determination on that transfer is made. But at the present time, we're dealing with \$84 million in total of which \$44 million is internally generated and a provision for the use of previous MDS Loan Authority of \$5 million, which is separate as I tried to explain, at least I was attempting to when the question of the repayment and the settlement between the two corporations is to be made in the future. So our request of a net amount of \$35.2 million could vary by the amount of the \$5 million, depending upon whether or not that is available to MTS.

MR. WALDING: Mr. Chairman, it might be improper to debate Bill No. 54 or any part of it at this time, but I would like to ask the Minister reporting for Telephones if he has any comments to make on the principle involved in Bill No. 54. I listened very carefully to the Minister who introduced the Bill, trying to hear a persuasive argument for the separation of the Data Services from the Telephone System, and I will reply to that when the Bill comes up again for second reading. But would the Minister give us his opinions or reactions to the Manitoba Telephone System losing its subsidiary? What effect does he see it having on the Telephone System? Is the Minister presently reporting for the Manitoba Data Services; what advantages does he see for the Manitoba Data Services itself to be a separate corporation? The Minister is aware — both Ministers in fact, I'm sure — that

Manitoba Data Services now is required to keep a separate set of books, there is no interaction between MTS and MDS. There is no cross-subsidization between them.

The MDS is presently administered by its own board committee, which is a committee of Manitoba Telephone System's Board of Commissioners, so the two corporations are presently functioning as separate entities although one is a wholly owned subsidiary of the other. So I would invite the Minister reporting for Telephones to inform the committee of what advantages he sees either to the Telephone System or to Manitoba Data Services or of course more importantly to the province generally.

MR. CHAIRMAN: Order please. I would have to agree with the Honourable Meer for St. Vital that Bill No. 54 to be debated at this time would be out of order. If the honourable minister would care to answer the question in a general sense and the Honourable Member for St. Vital would be able to get his answers under debate on Bill No. 54.

The Honourable Minister.

MR. MCGILL: Well, Mr. Chairman, I think you are very right in your ruling that we might indeed get into a debate on Bill No. 54 at this stage which would not be appropriate to the considerations of the Estimates of MTS. So, I would prefer to reserve any comments which I might have with respect to the action which is being proposed by that Bill, and make them at the time the Bill is under debate.

MR. CHERNIACK: Mr. Chairman, I've just been listening — I admit not too intently — on the discussion that went on and I'm trying to get in my mind, clarification on a really very simple question, and if it has been answered, then the Minister can point it out. But it has not been answered in such a way that I have a clear picture. As I understand it, the Telephone System owns assets. Those assets are being transferred to the Manitoba Data Service, which is going to be a separate entity. As I understand from the Minister of Public Works or the Minister of Highways, one of them, that the Data Service component of the Telephone System is valued in some way — I'm not using the word "valued", I should use the word "owes" or is "indebted" in some \$11 million, which may or may not be the value of the assets. This, we don't know yet. So, my question — and I do understand this transference of the \$5 million authority. Once the Data Service acquires the \$5 million authority on the bottom line of the schedule we're dealing with, that releases an allocated \$5 million of unused authority with Telephones, which Telephones will use for other purposes, if the Minister has made that clear.

The question I have is, how much money will go from Data Services to the Telephone System to compensate the Telephone System for the transference out of its system of the value of certain goods? It may be \$11 million quoted; it may be a different kind of a figure. What we should be assured, is that there is a proper valuation that has been established or will be; that there will be a payment made, a transference of dollars from the Data Services entity to the Telephone System, to repay the Telephone System for the value of its investment, be it the \$11 million or another figure, and that that money, when it's received by the Telephone System will be used by the Telephone System to finance some of its programming. The Minister told us that they will generate internally, I think he said \$44 million. Maybe it's \$44 million plus \$11 million or \$44 million plus whatever the Data Service is worth, or maybe, the \$44 million includes the amount that should be transferred, but I am not clear on that. I don't think it's been answered, at least to the extent that it is known.

And let me now point out, Mr. Chairman, that it's not just casual interest that prompts my question, it is actual values as will be shown on statements that will be given to the public. I give you an example, that when the government took over the MDC interest in Tantalum Mines, it obviously paid too little for it, when the government obviously paid to the Manitoba Development Corporation too little for its shares in the Tantalum Mines. And the reason I say it's obvious, is that it later came along and said, "No, we're paying more money for the stock we have," because there wasn't an arm's length transaction and therefore, it is one that has to be looked at from outside. So, I think by the same token, we should be sure that the transfer of dollars from one Crown agency yet to be created to another Crown agency, is done in such a way that we can be assured that true value is shown and passed, so that the statements of both companies reflect the actual true market value or appraised value. We will be discussing that very aspect, as soon as we get to the Manitoba Agricultural Credit Corporation, and I think for that reason, that we want to keep our financial statements straight.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: Mr. Chairman, I believe the Honourable Member for St. Johns has correctly stated the position that we are in. I am somewhat reluctant to use specific figures, in the sense that those negotiations are now presently taking place to establish precisely what the Member for St. Johns is requesting, an accurate assessment of assets, if you like, that MTS quite appropriately needs to be refunded for, with the separation, and my information from Finance is that it's in the order of some \$11 million. I would again be, you know, somewhat reluctant to suggest how that particularly figures into MTS's loan requirements. My belief is at this point, it doesn't, in the sense that the transfer hasn't taken place. It's assumed that it will take place; one could not presume, I should say, even though we might have wanted to presume that the passage of the Manitoba Data Services Act would in fact, take place, and it will be duly proclaimed as a Crown corporation but that it still hasn't taken place to date. It will take place, hopefully very shortly.

The member's other comments — I think the explanation of the \$5 million shown under Manitoba Data Services is correct as I've stated it. It's the re-assigning, if you like, of capital loan authority that was available to Manitoba Data Services and needs to travel with Manitoba Data Services as it's set up as a separate Crown corporation. I think from that point, we're reasonably clear on it. I look for some acknowledgement from the Honourable Member for St. Johns, to understand that we're not in the dark with respect to the \$5 million loan transfer, that that is fairly straightforward and understood, that Manitoba Data Services had authority for some \$17 million, \$12 million of which were abated, leaving Manitoba Data Services with \$5 million to carry on. To the Member for St. Vital, who has more than a passing interest in the future of Manitoba Data Services, what it in effect does, it assures that Manitoba Data Services' financial situation will be unchanged with the separation; that they will retain for themselves as a separate Crown entity, the full borrowing authority that they had or that they enjoyed when they were a subsidiary of the Manitoba Telephone System. I think that's something that the Honourable Member for St. Vital ought to know.

Now it is, I suppose, regrettable and perhaps it should be laid off — this one question that continues, I cannot report to you as to the status of those negotiations, where they're at, you know, the figures that I'm using, the \$11 million that I'm using, has that been agreed to as being the accurate reflection of moneys owing to MTS? Those are the questions that my colleague, the Minister of Finance, more appropriately can answer.

MR. CHERNIACK: Mr. Chairman, clearly there is a problem created by the fact that we are now dealing with the Telephone System's request for capital authority, we have yet to deal with the Data Services' request for capital authority and we have yet to deal with a bill, which in essence, says that the Manitoba Government may assume a liability of the Telephone System, and thus, I guess relieve the Telephone System of the liability, and then pass on a liability, I suppose, by way of a loan, to the Data System, and that's another bit of debate. The way our systems and rules operate, it seems as if we're always going to be betwixt and between several actions. For example, when we debate the Bill, if it comes after as was planned by Government House Leader, debating the Bill would come after the passing of an authority, which isn't clear.

Now, I want to be as correct in procedure as I can. We're dealing with the Telephone System — it is clear to me that the Telephone System had expected to spend some \$5 million of authorized authority for the Data Services and now it doesn't have to spend it. So the Minister has said, fine, we still have the authority, we're going to use it to help improve an exchange service, let us say, My question is, and that's clear. That takes out the Data Service.

how will the statement of the Telephone System be improved, as improved it must be by the transference of assets to the Data Service and the corresponding receipt of cash or reduction of its liability, because really you know, we're going to be dealing with this Bill 54 later on, but it is really unclear, because it says that the government may enter into an agreement, under which the government undertakes debt obligations of the Telephone System specified in that agreement. That's pretty vague, Mr. Chairman, we're dealing with — well, I might as well say it — what has been termed by some lawyers to be called "inceptuous relationships" because they're all agencies of government and they're all being set up as apparent separate entities, but they are clearly not across-the-table type of negotiations. And in the end, the people of Manitoba will have one concern, and that is, that ratepayers of one agency are not subsidizing ratepayers of another agency, nor are ratepayers of two agencies subsidizing government, which is the taxpayer; or that the taxpayer is subsidizing either of the two or both agencies, which are presumed to be self-sufficient, based on rates.

Therefore, Mr. Chairman, I think it's important that we know what the picture will be, because we're being asked to approve of it in a sort of a blank way. Now, again, coming back to the fact we're dealing with the Telephone System, am I correct in assuming that the Minister has no idea yet, how much money will be coming into the Telephone System, nor how it will be coming into the Telephone System to compensate it for its loss of the assets of Data Services and how that

will be used by the Telephone System in its capital program or in its current program. Well, we're dealing only with capital and when the Minister gave us a picture of the \$80 million that they want to spend in capital, there is no recognition that they should be getting what I think is a refund of capital moneys by the transference effectively, the sale of assets. And I would have thought they ought to be there — I would have thought that under \$80 million, they would say that the Minister said, "We have 44 million self-generated." I'm not sure of the arithmetic which he gave us, but I think that includes \$5 million of existing capital authority and \$35 million he is being asked for. See, my question is simple. If it's \$11 million, then the Honourable Minister of Public Works made it clear that he doesn't know exactly what it is and doesn't want to be held to it — so it's X million; not \$11 million, it's X million. Why is that not shown as part of the self-generating \$44 million, or are we indeed going to be authorizing today an amount in excess of the Telephone System's needs.

And is there something wrong with that? I'm not so sure there's something wrong with it, except that this government is making such a big issue of control and not asking for more authority than they need and seeing to it that government is not given the opportunity to spend more money than the bare minimum, and it's beginning to appear to me that the Telephone System is going to get authority in excess of what it needs. I don't mind that either, as long as they say, "We want a cushion," just like the Data Service I think is going to say, from the basis of what has already been said, "But ; we'd like a cushion we may be able to generate the \$5 million internally but we'd like a cushion." That's not a bad thing to do, Mr. Chairman, but let's have it on the record that it's a cushion.

And that's why I again ask the Minister of Telephones does he have anything to show what will be done with the as yet unrevealed or unascertained value of the Data Service assets?

MR. CHAIRMAN: The Honourable Minister responsible for Telephones.

MR. MCGILL: Mr. Chairman, the Member for St. Johns expresses legitimate concerns about the manner in which the payment will be made to MTS when the separation has been completed, and wonders, among other things, why we are not including an anticipated payment of funds from MDS to MTS when that separation takes place.

Well, I think, Mr. Chairman, really, we have to deal with the facts as they are presently, and the fact is that no separation has yet occurred. It would be difficult for a statement to be made on an assumption that such a separation had occurred, since it's still before the House. And my understanding is that this capital program has been put before us, based upon facts as they presently are, and we are asking for a net authority of \$35 million.

Now, when the determination is made as to how MTS will be paid for its involvement in MDS, on its becoming a separate entity, assuming that the Bill does proceed and is passed, naturally, as Minister responsible for MTS, I will be as concerned as he is in ensuring that there is adequate transfer of the amounts. And that will be based, and the Minister of Finance will be able to comment in greater detail, but it will be based upon the balance sheets as they have been approved up to this point by the Provincial Auditor.

And, as my colleague, the Minister for Government Services, who is undertaking the responsibility for MDS and its new role, has indicated it'll be in the area of \$11 million. But, Mr. Chairman, the program as we're putting it before the committee at this time is based upon the present facts as they now exist, and when future determinations are made then there will be, presumably, more funds available to MTS.

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

MR. CHERNIACK: Mr. Chairman, I, for my part, would leave it with stating an assumption and wanting the Minister to confirm my assumption, and I think it's a fair one, and that is that when the amount is determined and when the manner of payment is agreed upon, that that sum of money, which may or may not be \$11 million, will not be used for capital expansion or re-investment beyond the \$80 million discussed. Because, in effect, that's what we're doing. We're voting effectively \$80 million, by supplementing \$35 million to what is now known, as the Minister said, on the present basis.

Then, one has the right to assume that if all that's being requested is \$35 million, that that is the program, and that the moneys that will flow, whenever they do or however they do, will be moneys that will not be used for expansion beyond the \$80 million, but will be used in some other way, and I would guess probably should be used for debt reduction, because I assume debt was acquired to invest in these assets, and then should be used for debt reduction.

Now, I think the Minister nodded his head, but rather than a nod, I wonder if he'll give a reaction

as to what he believes, or what he assumes should be the way in which the money will be used by the Telephones.

MR. MCGILL: Well, Mr. Chairman, there's nothing in the program as it is presented to the committee to indicate that any intent is made or included to use for a specific capital purpose the money which we anticipate will be available in the future when this transfer has occurred. So that, I am presenting this as the total capital program, and the Member for St. Johns suggests that when these transfers are completed, that one might anticipate that some debt reductions would occur. I'm not able to confirm that precisely, but I would certainly tend to think that that would be the way in which transfer funds might be used by the MTS in the future.

MR. CHERNIACK: One other point, Mr. Chairman. I have to react by saying that I would have preferred that the Minister would be more firm about his assumption as mine. On the other hand, he is being cautious, and I don't fault him for that either. But I would expect that he or his successor, if there is a successor before the transaction is completed, will take an interest on behalf of the taxpayers — and he's the only one whose responsibility it is to the taxpayers in the Telephone System structure — to make sure that the funds are indeed used in such a way as to not increase the program of the Telephones without Authority, but rather — and it can only get its Authority in this Chamber, I believe — but rather will be used in debt reduction, which I believe is correct, but I don't fault him for his cautious reply. I can understand that there are other people who will help make the decision.

The other point, and for the very same reason, is that of all the political stewardship involved in government and in agencies, I assume this Minister has the greatest responsibility to ensure that the Telephone System is being fairly treated in the transaction that takes place. Because, as I said before, this is not an across-the-table negotiation. It is a negotiation between members of the same family, and I think it must appear to be properly done, as well as being properly done, that there is a proper evaluation made, and a proper amount determined that will transfer, and that that should be publicly available. And I suppose in the long run it ought to be, because eventually the Public Utilities Board should play a role in assessing that it is a fair transfer of a fair value of the assets.

I would expect that the Minister of Public Works will, on the other hand, try to make sure that there is not too much being paid for the assets, and on that basis, we ought to be able to assure the taxpayers that there will be a proper and fair evaluation which will correctly show the amount, the value of the assets, in both sides of the ledger.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. ENNS: Mr. Chairman, I can't really resist the opportunity that the Honourable Member for St. Johns has given me to perhaps more clearly indicate why we're doing what we're doing. Precisely, Mr. Chairman, it is for reasons of accountability, so that the taxpayers of Manitoba know precisely what their computer service is costing them, what the deficit position of the service is, and that it not be intertwined or intermingled with the affairs of the Manitoba Telephone System. To use the Member of St. Johns' own words, that if there is a suggestion of an incestuous relationship, that somehow, perhaps, clouded the true financial accountability of the subsidiary, in this case of MTS, that this is what has motivated this government into bringing about this separation.

And so, unwittingly, perhaps, Mr. Chairman, but the Member for St. Johns has, in my judgment, aided and abetted me in successfully establishing Manitoba Data Services as a Crown corporation in its own right, that will respond to its own Board of Directors, that will come to this House for its loan authority, that will account to the general taxpaying public its operations from year to year in an annual report made to this legislature, and that there will be that clear distinction between the affairs of Manitoba Telephone System, and that of Manitoba Data Services.

Thank you, Mr. Chairman.

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

MR. WALDING: Well, Mr. Chairman, the Minister is starting to debate Bill 54 again, and I'd just like to reply to him insofar as his last remarks are concerned, what he is doing when he makes those remarks, Mr. Chairman, is to reflect upon the Provincial Auditor because it has always been the practice with the Telephone System and with Manitoba Data Services, if not actually by statute then by policy and by practice, that the accounts of Manitoba Data Services have been kept quite separate and distinct from those of the Telephone System. There has been no blurring, no intermingling of those accounts and the Auditor is the person who signs both sets of books and

certifies that it has been done properly, in accordance with established procedure and policy.

Now, when the Minister suggests that the reason for separating those two is that there has been some blurring or intermingling, he is saying that the Provincial Auditor has not been doing his job properly and that he has not insured that those accounts have been kept separate and have been shown to the Legislature's Public Utilities Committee as being two separate items.

Now, I'm sure that the Minister of Government Services did not intend to reflect upon the work of the Provincial Auditor. Maybe he'd just like to make that clear. But I assure him that if he will contact the Chairman, the Board of Manitoba Telephone System and those people who are charged with the responsibility of Manitoba Data Services and the Provincial Auditor himself, that he will obtain adequate assurance that those accounts have been kept separate, and it was always intended that they be kept separate and shown as separate and accountable statements to the House and to the people of Manitoba.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Yes, I'd like to ask the Minister responsible for the Manitoba Telephone System whether this capital expenditure of over \$35 million includes any funds for the construction of coaxial cable to provide cablevision service to the rural cable companies throughout the province. Does that figure include such funds and could the Minister indicate an approximate — if not precise, could he indicate it approximately — how much funding would be included in that overall figure of \$35 million?

MR. MCGILL: Mr. Chairman, the total capital program is \$84.2 million, and there is an amount included for local broadband and intercity broadband network of \$3.6 million.

MR. EVANS: Could the Minister indicate whether that figure of \$3.6 million will provide the full amount of electronic devices, the full amount of communication transmission for all of the cable operators in the province, that we now have, or is this only a partial amount toward that goal of servicing those cable companies to the extent to which some commitments have been made for servicing? In other words, does this \$3.6 million include the total service to the WestMan communities in question, for example, or is this only a partial payment toward that service or is it a partial payment towards extending service to all of the rural cable operators?

MR. MCGILL: Well, Mr. Chairman, as the member knows, the LBN System, the local broadband met network, the coaxial cable facility, which is cable of distributing a variety of broad-band communication services such as cable television and it could be used for educational television and educational communications between businesses and institutions in private homes, and of the 29 communities originally identified for CA TV service; Brandon, Selkirk, Carberry and Portage la Prairie were completed in September of 1978. Ten additional communities have been identified for a total of 39 eventually, and service to 39 communities could be spread over a four-year period. And we're dealing here with an appropriation of 3.6 for 1979-80; in 1978-79 we had 3.3 and so there will be a continuing program. So this is the total amount included in this year's capital program for the extension of the intercity broadband network.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: I thank the Minister for that information. For clarification, did I hear correctly when he said that this amount would provide for the extension of the service to ten communities this year or am I putting words into the Minister's mouth? He referred to ten communities this year and in effect, does that \$3.6 million look after this construction, making the broadband network available for those ten communities?

MR. MCGILL: No, Mr. Speaker, that is not quite correct. As the member knows, there were 29 communities that have been licensed and there have been 10 additional communities that have been identified for some time in the future, so on a four-year program some provision is being made for the possibility of adding to the 29 communities. But this particular appropriation does not relate to those 10 additional communities that have been identified.

MR. EVANS: I don't want to really belabour it, but I do want to get clear in my own mind. This Minister talked about a five-year program. Does this amount of money, 3.6 plus any moneys voted previously, is that sufficient to look after the 29 communities licensed in the western part of the province or is that a partial amount to those 29 communities?

MR. MCGILL: Well, I think, Mr. Chairman, that it could not be related directly to 29 communities. As the member knows, there is still negotiations going on with Westman Cable Television with respect to extension of service this year in the 1979-80 season to some additional communities, and that that contract has not yet been signed, so while we still hope that there will be some extension to some of the 29 communities, it's unlikely at this stage that all 29 would receive service during the 1979-80 season.

MR. EVANS: Right, well I just want to make a brief comment, and that is to encourage and support the Minister in every way I possibly can to get on with the job of assisting the extension of cablevision service to the communities in western Manitoba. I know the Minister has an interest in that and he is quite sincere in making sure that that takes place. I also would appreciate that he may be under pressure from other groups, other interest groups in the province. Life is not simple; government is not simple; and politics is the art of compromise. There may be many people that will not be satisfied with the approach of the Manitoba Telephone System but I think we have to recognize that the Manitoba Telephone System is an excellent organization, has done a fine job for the people of Manitoba over the many many years and is in a good position to support the rural cablevision operators. I would only hope that the Minister will be successful in being very expeditious in seeing that this cablevision service can get out to the rural communities via the broadband network that we're talking of. I appreciate that this broadband network has many possibilities, cablevision entertainment is only one small part of it; there are many many other possibilities.

I think it's very important that the Manitoba Telephone System be not undermined. I think it's critical that it play a key role in this province in communications. The field of technology I appreciate is changing very rapidly. There's talk about microwave utilization for getting the signals out to the rural communities and there is also talk about satellites and so on. But whatever, I think, and I'm not a technological expert in this area by any means, but I would urge the Minister that — or convey to him that in my view it's important that the MTS be supported and that its position be not undermined by any other device or any other system that may be suggested. I say that in this respect, Mr. Chairman, and that is that we would not want you to undercut a system that has been able to provide telephone service at among the lowest rates to be found anywhere in the world. It's an integrated system and I think there is some danger that if certain developments do occur, that the Telephone System could be undermined to some extent.

I repeat, I am no technological expert by any means. I really don't feel I have that much grasp of the technological implications but I do know that there is some serious negative implications for the Telephone System if some changes go ahead that are being proposed by some major cable operators in Winnipeg. So I would support the Minister in his efforts, with the Manitoba Telephone System, to as quickly as possible, as efficiently as possible, get service to rural communities, and in doing so, sustaining the position of the Manitoba Telephone System which is a system owned and operated for the benefit of all the people in Manitoba and not for any particular group that may have a particular vested interest.

Having said that, I would like to ask the Minister one or two questions regarding the telephone service in rural Manitoba. I am wondering whether, in the item before us, the Capital item before us for the Telephone System, whether it includes any funding for the extension or development of larger rural telephone areas. As all the rural members will tell you, there is always great pressure from people living in the smaller communities for the ability to phone to a larger area without having to pay long distance charges. You can't phone too far in rural Manitoba without having to incur a long distance charge and therefore it becomes very very expensive and the officials of MTS are aware of this. It's not a new problem and I think it's an objective that's worthy of achieving. I appreciate that there is a cost involved and I appreciate that it cannot be done overnight.

But I wonder if the Minister could explain I don't believe he — mentioned it in his earlier remarks; if he did, I didn't hear him — whether he could explain if there are any funds in this item to enable the telephone system to bring about an extension of the rural telephone area in any part of the province. I think the Minister knows what I'm talking about. I guess that's not the precise term that the telephone officials used, but it's the phoning area available to rural communities within which no long distance charges are levied, within which the cost is that cost of a monthly account from the Telephone System, the flat charge. To what extent then will we see larger areas coming about, if at all, through these funds?

MR. MCGILL: Mr. Chairman, the point the member brings up at this stage is one that I guess perhaps we receive more requests on than perhaps than any other single matter relating to MTS, and that is the way in which exchange boundaries are established. There are constantly applications

being received from communities who feel that an adjustment of exchange boundaries would better bring together those factors and those community services which are common to the area. Studies are being continued in this field to determine what increase of telephone monthly rates would be necessary to broaden the area in which non-tolled phone calls could be made. And this study is continuing. That has been a matter of continuing concern for Manitoba Telephone System, how to adjust the rental rates per month for exchange service to involve enlarged boundaries and which would cause a reduction of long distance revenues in the province, but at the same time, based upon the number of other telephones that an individual can contact without toll charges, would result in a different category and a different monthly rate. So I can assure the member that these are matters which are under active consideration by Manitoba Telephone System. I cannot identify precisely the amount of money that is allocated for such research but it is a matter of current interest to the MTS and those studies are continuing.

MR. EVANS: Yes, well I thank the Minister for that information, Mr. Chairman. I recognize that ultimately the users of the Telephone System have to pay for the operation of the Telephone System. It's really a matter of how it's paid; whether you pay it via long distance charges or whether you pay it via perhaps larger monthly statements, and I do appreciate that this is something that cannot occur over night. I know that at one stage people in rural Manitoba were asking for the province as a whole to be made one toll free exchange area, and of course that would require an enormous increase in the monthly telephone bills that subscribers would have to pay. I don't have the numbers but I recall it was a very very significant, astronomical increase. But there is this feeling in the rural parts of the province that they are somehow being discriminated against because for the rate they pay they don't feel that they have as much opportunity to use the phone as their friends and relatives do in places such as Winnipeg or even Brandon and Portage. I thank the Minister for that information and leave it.

On another item, I notice that the Telephone System goes into a great deal of promotion of telephones, the use of different kinds of telephones, coloured telephones, different styles, additional phones, and so on, and of course this is all part and parcel of I guess, expanding the services of the system, but at the same time there is a cost involved. I'm not really getting into the question of the legitimacy of non-MTS companies selling telephones. I'm not really speaking on that I'd like to make a point about this promotion of additional telephones in the home and different kinds of phones and so on, and I'm wondering whether this is in a sense wasteful ultimately, because, you know, there is a cost, or does it somehow make the system more economical? I imagine the management of MTS believes that the use of more than one telephone in the home, and whatever else maybe involved may provide for more revenue to the system and therefore they feel that it's a good thing, but at the same time Manitobans therefore are paying more on their monthly telephone bill. I just

wondered if the Minister would comment or does he have any comments on this whole matter of promotion of additional telephones within a household? Almost for the sake of having additional colour in the home or additional gadgetry in a sense. I'm certainly not suggesting we shouldn't have more than one telephone in a home. In fact, many of us have two and three phones and it's convenient, but I'm just wondering whether there may be some element of conspicuous consumption, some element of waste in what sometimes appears to me to be unnecessary promotion of additional telephones in the household.

MR. MCGILL: Mr. Chairman, on the second point that the Member for Brandon East introduces, earlier in his remarks he was quite complimentary of the management of Manitoba Telephone System and the very efficient way in which they were operating the utility and the rather impressive figures they had accumulated of the cost of telephones and investment in telephones as compared with other telephone systems in Canada and indeed on the continent.

So I think, Mr. Chairman, if he's accepting the guidance and the efficiency and the judgment of the management in other areas, he probably will agree that they would not be undertaking the promotion of colour phones and additional phones in the home unless it were economically profitable to the telephone company to do that. They have gone in within the past few years into phone centres and new systems of connecting extra phones in the house and installation of phone jacks in various parts of the house and encouraged people to buy additional sets and thereby to accumulate more revenue for the system.

The MTS has a large and efficient staff and they're anxious to keep them adequately employed and at the same time provide as much additional revenue for the system as can be given, so I would merely have to observe, Mr. Chairman, that this activity and this promotion is likely being borne out in the bottom line on the financial statement of the Manitoba Telephone System in terms of additional total revenues that are being provided.

So I would not be unduly concerned that they are being too ambitious in promoting the use of more and colourful phone instruments by the system. I'm sure that the returns are consistent with the effort and the expense that's being used by the telephone system. On the matter which the member introduced earlier, that is, the suggestion at one time that we might go to a completely toll-free provincial telephone system and pointing out as he did that this would mean greatly increased monthly rates for telephones. I am advised, Mr. Chairman, that that is not really the major impediment to seriously considering such a move, that probably the real difficulty would come with the complete overloading of the technical capacity of the telephone system to handle the amount of telephone traffic that would develop if everyone in Manitoba were able to dial without additional cost any other telephone in Manitoba.

So Mr. Chairman, not only is there a difficulty with respect to what increased rates would have to be charged to users, but there is a real technical difficulty in having the ability with the present plant to handle what would likely be a tremendously increased traffic load.

MR. EVANS: Well, I thank the Minister for that information. That is certainly a valid point, although I did not recall that. What did stick in my mind was the enormous cost that would be involved, so there would be two factors.

I'd like to explore with the Minister the impact of the technological changes being provided, coming about in the MTS, and of course being provided for partly through this expenditure before us of over \$35 million in Schedule A. There is an incessant drive to become more automated, and I think this is desirable. There are many significant technological advances that have been made in communications and I for one believe that the MTS should take advantage of those, but then this leads to the age-old problem of the impact, the negative impact on employees, and I have received a rather disturbing letter recently, and I believe the Minister has also received a copy of it, from a former employee of the Manitoba Telephone System in the Brandon area, who had worked with the MTS for five years and who says he has no complaint about his work and he had a very good work-in-training record, in his opinion, but but wherein he complains of what he calls the excessive transferring out of the Wesman area and the excessive cutback of staff in the past two years. He asserts in his letter, dated June 3rd, and I know the Minister has a copy of this, but I can always make a Xerox copy if he wishes of what I have here.

It's a letter dated June 3rd from a resident of the city of Brandon, who asserts in his letter an example, and I can't attest to the accuracy of it, but he asserts that in the past two years there has been a loss of 141 jobs. 141 jobs have been lost in the western region of the Manitoba Telephone System, either through cutbacks in staffing or through the transferring out of staff. So I'm sure some of that is due to the technological advances, but also disturbing, however, is the statement that is made in the same letter, that the employee-management ratio is changing drastically, in other words there seems to be cutbacks in the regular staff amounts without corresponding cutbacks in the degree of management. And therefore you have an employee-management ratio which he alleges is perhaps unjustified. In other words, the old saying, "Too many chiefs and not enough Indians", and he maintains that there has been this excessive cutback in staff and yet you have had a maintenance of the same level of management. In fact, he says it's been increased and that that is an unsatisfactory situation.

But I wonder if the Minister would care to comment; if not now perhaps when we get into the subject next time, about the impact of the capital improvement in the telephone system on employment generally of the system of persons in Manitoba, throughout Manitoba, and particularly with regard to what's happening in the Wesman area, because it seems that, if this person is correct and the letter he writes is a reasonable one — and a young man, I guess, I don't know the man, the person, I guess it's a man, a person living in Brandon alleges this — asserts this loss of 141 jobs in two years, which is a lot, considering the size of the MTS operation in the WesMan area. So perhaps the Minister would like to take that as notice and comment on it when we convene again on this matter, because I think the hour is 12:30, Mr. Chairman.

MR. CHAIRMAN: The hour is now 12:30. Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Swan River, that report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Yes Mr. Speaker. I have several changes on committees. On Agriculture: the Member for Minnedosa, Mr. Blake, for the Member for Springfield, Mr. Anderson; the Member for Pembina, Mr. Orchard, for the Member for Dauphin, Mr. Galbraith. On Industrial Relations: the Member for Pembina, Mr. Orchard for the Member for River Heights, Mr. Spivak; and the Member for St. Matthews, Mr. Domino, for the Honourable Member for Gimli, Mr. Cosens, and on Municipal Affairs the Member for Crescentwood, Mr. Steen, for the Member for Swan River, Mr. Gourlay.

MR. SPEAKER: Are those changes agreeable? (Agreed)

The hour being 12:30 the House is accordingly adjourned and stands adjourned until 2:30 this afternoon.