



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLVI No. 71 - 1:30 p.m., Monday, October 28, 1996

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert, Hon.	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim, Hon.	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David	Riel	P.C.
PALLISTER, Brian, Hon.	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 28, 1996

The House met at 1:30 p.m.

PRAYERS

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, on Thursday a matter of privilege was raised against myself in this House. I wish to at this time table a letter for your perusal and for the House and for the media, for that matter, that might help in the decision-making issue that you have taken under advisement.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Telephone System

Mr. Clif Evans (Interlake): Madam Speaker, I beg to present the petition of Edward R. Arndt, Ross McDougall and Devin Crowler requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Guaranteed Annual Income

Mr. Doug Martindale (Burrows): Madam Speaker, I beg to present the petition of Don Sullivan, Jack McLachlan, Elizabeth Carlyle and others requesting that the Legislative Assembly urge the Minister of Family Services (Mrs. Mitchelson) to consider withdrawing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, and that this annual income increase as prices increase and that this new legislation also provide for the creation of real jobs, with a goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing that allows them to meet their needs and the needs of their families.

Manitoba Telephone System

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, I beg to present the petition of Joe Roth, Steve Palamar, Muron Standera and others requesting the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

READING AND RECEIVING PETITIONS

Manitoba Telephone System

Madam Speaker: I have reviewed the petition of the honourable member for Interlake (Mr. Clif Evans). It complies with the rules and practices of the House (by leave). Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Manitoba Telephone System has served this province well for over 80 years providing province-wide service, some of the lowest local rates in North America and thousands of jobs and keeping profits in Manitoba; and

THAT MTS contributes \$450 million annually to the Manitoba economy and is a major sponsor of community events throughout the province; and

THAT MTS, with nearly 4,000 employees including more than 1,000 in rural and northern Manitoba, is one of Manitoba's largest firms, headquartered in Manitoba and is committed to Manitoba; and

THAT the provincial government has no mandate to sell MTS and said before and during the 1995 election that MTS was not for sale.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba request that the Premier (Mr. Filmon) withdraw Bill 67 not sell the Manitoba Telephone System to private interests.

* (1335)

Guaranteed Annual Income

Madam Speaker: I have reviewed the petition of the honourable member for Burrows (Mr. Martindale). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT in 1976 Canada signed the United Nations Covenant on Economic, Social and Cultural Rights which recognized the right of everyone to make a living by work which is freely chosen, recognized the right of everyone to an adequate standard of living, including adequate food, clothing and housing, recognized the right of everyone to enjoy a high standard of physical and mental health, and provided for the widest possible protection and assistance to the family; and

THAT poor children and adults in Canada continue to die at a higher rate and earlier age than people with adequate incomes; and

THAT Bill 36, The Social Allowances Amendment Act, will create even greater poverty among the poor in Manitoba by eliminating government responsibility to ensure that everyone who lacks adequate food, clothing, housing and health care has these needs met; and

THAT the bill proposes to punish people by cutting them off from social assistance or reducing their benefits if they fail to meet employment expectations; and

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Family Services to consider withdrawing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care and that this annual income increases as prices increase and that this new legislation also provides for the creation of real jobs with the goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing that allows them to meet their needs and the needs of their families.

INTRODUCTION OF BILLS

Bill 302—The Grand Lodge of Manitoba of the Independent Order of Oddfellows Incorporation Amendment Act

Mr. Leonard Evans (Brandon East): Madam Speaker, I would move, seconded by the MLA for Swan

River (Ms. Wowchuk), that leave be given to introduce Bill 302, The Grand Lodge of Manitoba of the Independent Order of Oddfellows Incorporation Amendment Act; Loi modifiant la Loi constituant en corporation « The Grand Lodge of Manitoba of the Independent Order of Oddfellows », and that the same be now received and read a first time.

Madam Speaker: Is there leave? [agreed]

Motion agreed to.

PRESENTING PETITIONS

Manitoba Telephone System

Madam Speaker: Does the honourable member for Broadway have leave to revert to Presenting Petitions? [agreed]

Mr. Conrad Santos (Broadway): Madam Speaker, I beg to present the petition of E.J. Richmond, Marguerite Ogilvie, Brenda Pauls and others requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell Manitoba Telephone System to private interests.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw attention to the public gallery, where we have this afternoon forty-five Grades 2 and 3 students from Lacerte School under the direction of Madame Préjet and Mademoiselle Dumont. This school is located in the constituency of the honourable Minister of Urban Affairs (Mr. Reimer).

On behalf of all honourable members, I welcome you this afternoon.

Also in the public gallery, we have sixty-three Grade 11 students from the Diocesan High School under the direction of Mr. Allan Smith and Mr. Blaine Lassen. This school is located in the constituency of the honourable member for St. Boniface (Mr. Gaudry).

On behalf of all honourable members, I welcome you this afternoon.

ORAL QUESTION PERIOD

Teaching Profession Government Support

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I had the opportunity again, since the House was recessed for the weekend, to attend a meeting of parents and teachers in the community of Brandon. Regrettably, the government was unable to send any one of their 31 members to that meeting, and it is consistent with a basic contemptuous attitude that we are picking up from the members opposite in terms of the legislative policies they have towards public teachers and the kinds of statements we hear them making.

At a recent public meeting in Seine River, at the lawn bowling club, it was reported that the Premier (Mr. Filmon) had stated that teachers were only protecting their own salaries in terms of raising issues of public education. We on this side believe that teachers are part of the solution. Members opposite obviously believe they are part of the problem.

Why is the government continuing to disregard and disrespect our public teachers in the province of Manitoba, and I would like that question to be answered by the Acting Premier, please.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I indicate, first of all, that we are not ignoring the needs and interests of teachers. Teachers we value very highly indeed. Indeed, almost half of our caucus is composed of teachers and many of us have teachers as—our own children are teachers or our spouses are teachers so we know, understand and value the work that is being done by teachers.

With regard to the rally, the member knows that I did receive an invitation this time. I had not the previous two occasions. This time I did receive an invitation to the rally which pleased me very much. It meant a great deal to me to be invited, and I had accepted the invitation to attend the rally if, and only if, I were not called into committee. The member opposite knows because his government House leader along with our government House leader called Bill 32 for the day of the rally, and as the minister responsible for Bill 32 it was a requirement that I be there.

As well, I note that members of our caucus were in full attendance at the committee hearings as required by them as well, so I wrote immediately that the committee hearings were called. I faxed a letter to the president of the Teachers' Society indicating that with regret I could not attend the rally, but that I had very much appreciated being invited. I did appreciate the invitation, and next time perhaps the rules of the House will be such that the Minister of Education and her colleagues might be free to attend and be with the teachers as they discuss their concerns.

* (1340)

Salary Levels

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I asked why not one of the 31 members opposite would attend that meeting. I guess if it was a ribbon-cutting ceremony they would have about eight or nine members of the government side there.

I also asked the minister and Acting Premier a question dealing with a town hall meeting attended by the Minister of Education, by the Minister of Government Services (Mr. Pallister), by the Speaker and by the Premier (Mr. Filmon), wherein the Premier stated that teachers are only interested in protecting their own salaries, which I thought was an insult to the many teachers that we know and listen to that are interested obviously in kids, public education and the quality of public education, and are fighting to keep up with the cutbacks, the \$43 million that has been cut by this government. A parent goes on to say, in writing, and I will table the letter for the minister, she heard this testimony at the committee hearing on Saturday that—[interjection] No, but the Minister of Government Services was there—the Premier went on to say that the teachers are paid 15 percent more than the private sector over a comparable period of time.

Is that also the motive behind Bill 72, the policies in Bill 72, that they only care about their own salaries, which we do not agree with, and that they are overpaid by some 15 percent according to the Tory government after the election?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, we have said repeatedly through all of our dialogue on Bill 72 that what we are seeking to do is to address the concerns that were brought

forward by the Manitoba Association of School Trustees which indicated that over the 40 years that the existing legislation on binding arbitration has been in place, over the last 10 to 12 years the things that are bargained, the scope of the bargaining and the precedents that have been set by individual arbitrators have taken that original agreement far away from what it was originally intended.

School trustees contend that they are losing their ability to manage and that the rates they are having to pay their salaried employees in the teaching profession have escalated beyond similar professions in the private sector, and statistics bear out the reality of that. But never, never, to my knowledge—I do not recall the Premier (Mr. Filmon) making the quote that was attributed to him—but I can certainly indicate that never in my experience have I said teachers are overpaid.

I have indicated statistically that over a course of time the raises accorded to the profession have been in excess of those awarded to other professions, but that is not to say or to be interpreted as any slight on teachers. It is simply a statistical reality. The legislation is intended to introduce balance, fairness and protection for teachers, things for teachers in this legislation far beyond what they currently have, and I believe the balance is a good one, Madam Speaker.

Mr. Doer: The balance that used to be achieved in this province used to be done so between trustees, parents and teachers together, unlike the unilateral, autocratic and dictatorial approach of members opposite. The minister is now confirming that the true motivation of the government is in the morning to cut \$43 million or some 2 percent per year from public education and then in the afternoon cut the salaries based on the 15 percent statement of the Premier.

I would like to ask the Minister of Education, who is telling the truth, the Minister of Education's assertion about the Premier or Mr. Tom Barker when Mr. Barker said the teachers only care about their salary levels? We believe that teachers care about kids, they care about parents, they care about curriculum, they care about the future of this province, unlike members opposite who do not care about teachers in our public education system.

Mrs. McIntosh: I do not accept the preamble of the member opposite. The member opposite is putting words

into the mouths of people that were not said. He is taking comments about statistical evidence out of context and attributing subjective commentary to objective information.

* (1345)

Point of Order

Mr. Doer: On a point of order, Madam Speaker, the minister is imputing motives. I am merely quoting from the letter of a parent that attended the same meeting that the Minister of Education and the Premier (Mr. Filmon) attended.

Mrs. McIntosh: The same point of order, and then if I may continue my question, the member opposite is saying that I am imputing motives to him, I am not. I am simply indicating that one must not make subjective comments about objective statistical analysis. He can quote from a letter, that is fine. But I do not know the writer, I do not know the letter, I do not know the context. I am saying statistical evidence is not an imputation of motives.

Madam Speaker: Order, please. The honourable Leader of the official opposition does not have a point of order. It is clearly a dispute over the facts.

Madam Speaker: The honourable Minister of Education, to complete her response.

Mrs. McIntosh: I am very surprised that the member opposite would call this a unilateral piece of legislation in light of the fact that the request to have legislation such as this brought forward was requested three successive years, two with formal resolutions passed on the floor of convention by the trustees of Manitoba who in turn are elected by the entire population of the province of Manitoba.

In addition, consultation was done on this issue, and I reiterate that if the member feels this legislation is being brought in because we want some way just to simply hurt teachers, the member is wrong. We value teachers highly. There is much in this legislation that is so good for teachers, replacing collective rights with individual rights that they could not get through a collective agreement.

Madam Speaker, we can talk more about this in committee tonight but if I were a teacher right now I would be very pleased with what I see in this legislation, contrary to the rumours, innuendo and the false information that is being distributed about it.

Access Programs Bursaries

Ms. Jean Friesen (Wolseley): Madam Speaker, my questions are for the Minister of Education.

On four occasions in Hansard and again last week, the Minister of Education has said that many students from former Access programs received annual nonrefundable bursaries of \$25,000 to \$27,000. Over the past year I have written to the minister several times to ask exactly how many Access students this involved. In response the minister has prevaricated. She offered hypothetical situations; she rolled loans into bursaries; she added four years of bursaries together and eventually said she could not give me any number.

I would like to ask the minister to confirm that the real reason she refused to answer a very straightforward question is that her own departmental records, which I received on Freedom of Information, show that since 1994 no students have received bursaries in that amount.

Hon. Linda McIntosh (Minister of Education and Training): I would indicate to the member that 25 students, approximately 25, give or take one or two, have received bursary amounts in excess of \$25,000.

Madam Speaker, I would also indicate that for the years in which she spoke, she used the figure of \$25,000 and for those years no individual student in any one year received \$25,000, but four students did receive bursaries and some are in the area of, like, \$23,900, \$23,000, so very close to the \$25,000. There are 25 students who, over the course of their studies, have received more than \$25,000.

I would like to table a sample case showing a single parent with three dependants living in northern Manitoba being eligible for up to \$33,000, with an Access bursary of \$26,890.

I have tried to explain this to the member from every perspective I can think of. I have tried to explain it by

individual by year, by individual over time of study, by the eligibility, by the actuals. I do not know how many different ways I can explain to her that Access students can get an unlimited amount of money over and above their loan if they need it, and she just does not want to accept that reality.

* (1350)

Ms. Friesen: Madam Speaker, what I have been looking for is a straightforward answer to a straightforward question.

Would the minister confirm that she has just done exactly what she did over the past year? She has rolled years of bursaries into one, she has given a hypothetical situation, but her own Freedom of Information says that the number of Access students who have or are receiving nonrepayable bursaries between \$25,000 and \$27,000 annually—what the minister had put on the record—show that no students have received bursaries in those amounts. Will she now retract that statement, that there are no students?

Mrs. McIntosh: As I have indicated, I have tried to explain from individual by year, individual by program, individual by eligibility, individual by actual. The member has zeroed in on, how many individual students received more than \$25,000 as a gift. I am saying to the member that overall 25 students right now have received more than \$25,000 over the course of one or two years.

She wants to cut off an individual student per year at \$25,000. I am telling her that someone last year got \$24,000, so technically, yes, last year nobody got \$25,000, but one got \$24,000, another got \$23,000, and anybody is eligible for more than \$23,000, \$24,000, \$25,000. Witness the sample case I have just tabled showing an eligibility for \$33,000.

So I do not know what more the member wants. Access is able to provide money in this amount. That is the point, that is the message and the member wants to go on and on. She may, but it is counterproductive, and I think she would have more immediate issues to address right now.

Madam Speaker: The honourable member for Wolseley, with a final supplementary question.

Ms. Friesen: Madam Speaker, would the minister now retract the statement she has made several times in Hansard, and which shocked so many Access students, that they had received annual free grants of \$25,000 to \$27,000? Will she now retract that so that Manitobans can be assured that this is not a government which has slipped across the line into the practice of habitual deceit? Because that is what it is.

Point of Order

Hon. Jim Ernst (Government House Leader): On a point of order, Madam Speaker, if you will refer to Beuchesne, I am not sure of the exact section, but a question that has been asked before ought not to be asked again. This is the third time.

Madam Speaker: The honourable member for Wolseley, on the same point of order.

Ms. Friesen: Madam Speaker, yes, it is the same question because I have not received an answer, and the minister is doing exactly what she has done over a year in writing. She is prevaricating, she is dissimulating, and she is not dealing honestly with the citizens of Manitoba.

Madam Speaker: Order, please. On the point of order raised by the honourable government House leader, there definitely is a reference in Beuchesne 409; however, I have been informed that, in Manitoba practice, rarely is that citation followed. However, I would remind the honourable member for Wolseley that on a supplementary question, the question requires no debate, no preamble or midamble and should consist of one carefully drawn sentence.

* * *

* (1355)

Mrs. McIntosh: Madam Speaker, I would submit that the question has been answered. The member just does not like the answer because it shows we are good to Access students.

Let me quote the Hansard from which she is quoting because I think it is important with her allegations of dishonesty that I quote what was actually said in Hansard. There were a couple of statements that I made

in Hansard, one, October 10, where I said, "Those who need money are given a straight gift over and above the loan of up to \$25,000, \$27,000 . . . a year if they need it, if their needs require it. It is not repayable in any way to the Province of Manitoba."

Then on—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

The honourable Minister of Education, to quickly complete her response.

Mrs. McIntosh: Thank you very much, Madam Speaker. On that same day, I had indicated that many of the students receiving \$25,000 or \$27,000 a year—

Ms. Friesen: How many?

Mrs. McIntosh: Pardon me?

Ms. Friesen: How many students received that much?

Mrs. McIntosh: Well, Madam, Speaker, you know what—

Madam Speaker: Order, please. I would remind the honourable member for Wolseley that this is not a time for debate. A question has been asked, and the honourable Minister of Education is attempting to complete her response but cannot do so when she is so rudely continually interrupted.

The honourable Minister of Education, to complete her response.

Mrs. McIntosh: Thank you very much, Madam Speaker. I do not know what more I can say. I have tried to explain it, as I say, from three or four different perspectives. The member has a Freedom of Information request that zeroes in on one specific item of that response. I have given her all that information. Now I suspect—I do not know if she wants me just to keep going until she gets an answer she wants.

Madam Speaker: Order, please. The response has been put.

Holiday Haven Nursing Home Investigation

Mr. Dave Chomiak (Kildonan): Madam Speaker, the minister has indicated that a consultant will be hired by Holiday Haven Nursing Home and that the minister will have his department personally investigate the many complaints which I will be forwarding to his office, and they will be forwarded within 10 days.

My question that I would like to ask the minister is, why, since the minister has had a file of complaints from Holiday Haven dating at least back for two years, has he only taken action in this area in October and after this matter has become a very public issue?

Hon. James McCrae (Minister of Health): Madam Speaker, any complaints that come to my attention are then taken up with the facility or personal care home involved in the complaint. That would be the normal course of the handling of individual complaints that might come forward.

I assume, because of an escalation of complaints and issues in recent times, the department met with the Holiday Haven personal care home representatives earlier this month to address the problems from a systemic point of view as opposed to an anecdotal point of view, to address the problems that may have been somewhat longer standing in that particular place. So we expect that with the help of a consultant that Holiday Haven will be able to address the shortcomings that exist.

Mr. Chomiak: Madam Speaker, I would like to table a letter dated July 28, 1994, from the minister's department to a person complaining about problems at Holiday Haven, with some very serious problems.

Can the minister explain why, two years after receipt of this letter, some of these problems have not been addressed? In fact, they are some of the very problems that are a concern today. Why does this department not follow up and initiate action?

* (1400)

Mr. McCrae: I thank the honourable member for tabling this information, and it will be taken into account in the review that is presently underway.

Health Care Facilities Accreditation

Mr. Dave Chomiak (Kildonan): Madam Speaker, along the same lines, can the minister explain why the Health Sciences Centre, and now we have heard Brandon Hospital will be facing difficulties with their accreditation, because the government has known for years of major problems, particularly in the operating room, where you know last week at Health Sciences Centre what the difficulties were, why the department has sat and done nothing with respect to those centres, particularly the Health Sciences Centre, and now it is in danger of losing accreditation because of government inaction year after year?

Hon. James McCrae (Minister of Health): In the case of the Health Sciences Centre, the plan for the city of Winnipeg was announced on August 20, and work will go forward to address issues related to physical plant issues at Health Sciences Centre in furtherance of the plan announced on August 20.

With respect to the Brandon General Hospital, I was pleased to share a platform with the honourable member for Kildonan and the honourable member for Inkster (Mr. Lamoureux) last Thursday evening. We addressed a number of matters brought forward by some 258 members of the public who attended that evening. Brandon General Hospital is also part of a larger plan for the regionalization of the city of Brandon. The hospital CEO has recently resigned his position. I am pleased to note that Brandon General Hospital has put together a number of directions in terms of how they will manage their immediate and shorter-term and medium-term issues. One of them, I am very pleased to note, is the opening up of their processes to the public.

Child and Family Services Agencies Reduced Workweek Impact

Ms. Marianne Cerilli (Radisson): Madam Speaker, hearings on The Child and Family Services Act have been occurring at the same time as there have been more deaths of small children known to Child and Family Services. A brief presented at these hearings representing the staff says, selected policies of fiscal restraint now appear to be driving decisions regarding acceptable levels of risk for the children of Manitoba.

The report goes on to say that 12,269 days have been lost to Child and Family Services to the children and families of Manitoba due to Filmon Fridays. I want to ask the minister responsible, will the government end its Filmon Fridays at Child and Family Services which amount to putting the agency on crisis mode for 40 days?

Hon. Bonnie Mitchelson (Minister of Family Services): I thank my honourable friend for that question because it does allow me the opportunity to indicate that we have year after year put more resources into our Child and Family Services system. Some \$13 million over the last five years have been added to Winnipeg Child and Family Services. I guess it just seems that no amount of money is able to ensure that there is better care for children who need our support and our services. We will continue to work very diligently to try to ensure, through some of the new initiatives, through the review of the act and through the new direction that we have taken in the department, that all Manitobans have the opportunity to participate in trying to help form and support healthy families.

Ms. Cerilli: Will the minister admit that there have been no real financial savings with these Filmon Fridays since they have been forced to hire 40 staff and have people on night duty, and there have actually been real costs of increasing the risk for error, either in having children apprehended who do not need to be apprehended or leaving children in families where they are injured or even killed?

Mrs. Mitchelson: Madam Speaker, as I indicated earlier, we have been putting additional resources into our Child and Family Services system year after year after year, and it is of some concern, of course, when there are children that are abused or even child deaths. It is not an issue that I take lightly. It is an issue that ministers of Family Services, regardless of political stripe, over the years in Manitoba have had to deal with, as they do in all provinces right across the country.

I would like to indicate that there are—it is not only the hours of nine to five, Monday to Friday, that we find children in dangerous circumstances in families. It happens after hours and on weekends also, and I have to indicate that I would hope that all of the work that is done by those that are working in the field is work that will improve the circumstances of children in families in Manitoba.

Ms. Cerilli: Madam Speaker, I want to ask the minister to understand that we are asking her to reconsider her policy of Filmon Fridays at Child and Family Services, especially given that Fridays have the highest incidence of abuse disclosures from children. Given all of these considerations, will she look at the impact of Filmon Fridays on the caseloads and on the children in families in Manitoba?

Mrs. Mitchelson: Madam Speaker, I know that very often allegations of abuse or children left abandoned or neglected is not necessarily on a Friday, but it happens. Monday to Sunday, 24 hours a day, we find that there are children that are apprehended at all times of the day and night, so what we want to do is ensure that the additional resources that are going into our Child and Family Services system, some \$13 million extra in Winnipeg alone over the last number of years, are being used in the most appropriate fashion to ensure protection, care and support for children and families.

École Lavallée Funding

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is for the Minister of Education.

On October 10, my colleague from The Maples asked the Minister of Education if federal funding was available for École Lavallée in St. Vital. In response she claimed that she continually grovelled for education funding from the federal government. I find that image disturbing since it is not true. The minister's cuts to education are a responsibility to no one else. If matching funds for the St. Vital school, École Lavallée, are available, will the minister support this project?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I appreciate the member's support for education in his district because over time he has proven to me his credibility on this issue, so I take his question seriously.

I indicate, first of all, that all capital for new schools comes through the Public Schools Finance Board. Those decisions are made by that body and not by government. Government will allocate a certain amount of funding to the Public Schools Finance Board, and from within that allocation, it will prioritize the needs of the province and

assign capital projects on that basis. So that decision would have to go through them.

I also indicate though that we do repeatedly ask the federal government to reinstate its transfer payments. Those cuts are huge, and the OLE funding cuts are huge as well. I know the member has tried on occasions in the past to be of assistance to us on that issue.

Mr. Gaudry: To the same minister, Madam Speaker, if her department has applied for federal funding for École Lavallée School, and if she has been refused, will she table the rejection letter or the letter of approval?

Mrs. McIntosh: I do not have such documents to table. I can indicate to the member that in our dialogue with the federal government on issues of funding for French language education, we have addressed the overall picture of the federal transfer cuts, the funding for French immersion, the OLE funding, which have had huge cutbacks in recent years. A positive response from the federal government on those issues would be very welcome. It would enable us to deal with individual requests such as this more easily.

Education System Provincial Responsibility

Mr. Neil Gaudry (St. Boniface): To the same minister, will the minister admit that education is a provincial responsibility regardless of where the funding comes from?

Hon. Linda McIntosh (Minister of Education and Training): Yes, indeed that is true. Education is a provincial responsibility, and ministers of Education right across this nation have indicated that they prefer the consensus provinces can come to as a group for national direction. Ministers across the nation at the same time have said that though it is a provincial responsibility, over the course of the history of Canada, the federal government has always provided a certain amount of money for post-secondary education which has been drastically and dramatically cut—\$220 million cut this coming year for health and education and family services here which is roughly the equivalent of the University of Manitoba operating budget.

If you follow the time at which the cuts began to be implemented—it was not necessarily with just this

particular federal government—you can see that, prior to the massive decreases in federal transfer cuts, we had a lot more money and were able to fund education much more highly than we currently are right now.

Manitoba Telephone System Privatization

Mr. Steve Ashton (Thompson): In 1995 the Conservatives ran a fraudulent election campaign in which they said they would not sell MTS, a misrepresentation they repeated numerous times in this Legislature.

I would like to ask today, on a day which will probably have the first vote ever on the sale of MTS, that of the members of the Legislature, if the Deputy Premier (Mr. Downey) will not finally do the right thing and, given that fraudulent election campaign, put the decision on the future of MTS to the people of Manitoba, a shareholders' vote of the people of Manitoba?

Hon. James Downey (Deputy Premier): Madam Speaker, I would first of all like to say to the member that I do not accept any of his preamble about the election and the manner in which it was carried out. As the member knows, there are 57 people sent to the Legislature to express themselves as to the direction the government is going and the actions they are doing. He has had that opportunity to do it. We have had the opportunity to do it, and there will be a vote take place.

I can assure you that there is a sensitivity to the people that we represent in the province of Manitoba, and it is our intention to do what we believe is in the best interests to carry on the future of this province in a very positive way.

* (1410)

Privatization—Public Hearings

Mr. Steve Ashton (Thompson): Well, since at least 23 of us told the truth to the people of Manitoba in the election, not the 31 government members—

Madam Speaker: Question. The honourable member for Thompson, with a supplementary question.

Mr. Ashton: Madam Speaker, if the Deputy Premier is really serious about being sensitive to Manitobans, will

he at least—since this bill will probably be voted upon in second reading today and will be going to committee tomorrow—ensure that hearings will be held throughout rural and northern Manitoba to make sure that Manitobans can have a first-hand opportunity to speak about the future of their telephone company?

Hon. James Downey (Deputy Premier): Unlike other provinces in this country, the public does have the opportunity to come before committee, come to this Legislature, as they have done when the New Democratic Party were in office, when the Conservative government are in office, have the opportunity to come forward and express themselves. That, Madam Speaker, they will have the opportunity to do and will continue to have to do as far as we are concerned.

Madam Speaker, they did not have the opportunity to speak out, other than when the next election came, when the former New Democratic Party spread \$27 million over the sands of Saudi Arabia through the Manitoba Telephone System.

Mr. Ashton: My question was very simple, Madam Speaker. Will this government hold hearings in rural and northern Manitoba about the future of MTS, a decision that will be made on November 7, just barely over a week to go? Will they hold hearings throughout Manitoba?

Mr. Downey: Madam Speaker, as I indicated previously, the public will have the opportunity to come before the committee of the Legislature when the bill goes before it, which is a normal process. Nobody will be denied the opportunity of presenting themselves and that I think is extremely important, that the opportunity remain as legislation is presented in this province, unlike when I said actions like the New Democratic Party carried out when they spent \$27 million in the sands of Saudi Arabia without the right to do so by the people of Manitoba.

Manitoba Telephone System Manglobe Contract

Mr. Jim Maloway (Elmwood): Madam Speaker, my question is to the Deputy Premier.

Earlier this year the government through MTS entered into a contract worth \$3 million with a newly formed

company called Manglobe Virtual. Since no tendering process was used, I would like to ask the Deputy Premier what criteria were employed to select the successful applicant.

Hon. James Downey (Deputy Premier): Madam Speaker, I will take that question as notice.

Madam Speaker: The honourable member for Elmwood, with a supplementary question.

Mr. Maloway: Madam Speaker, my supplementary to the same minister is this: Since the corporation, advanced its first \$375,000 in February—can the minister tell us what results he has to show for this expenditure?

Mr. Downey: Madam Speaker, as it relates to any activities carried out, I can assure the member that any programs or any development are carried out in the interests of the development of activities in the province of Manitoba, whether it is creation of employment, technology, but I will, as well, get additional information for the member.

Mr. Maloway: Madam Speaker, my final question to the same minister is this, and this is an easy one that he should be able to answer. That is, what was the purpose of the additional \$125,000 advanced to this company by this minister from his I, T and T department?

Mr. Downey: Madam Speaker, as I indicated, I am prepared to provide the information. The agreement that was entered into with Manglobe, as I said, was to create and develop technology to create employment for the people of Manitoba.

If the member has additional information that I should be aware of, I would invite him to provide it. I am quite prepared to make sure that any activities carried out by my department and by this government are appropriate. I am quite prepared to respond back at an appropriate time.

Westfair Foods Labour Dispute—Mediation

Mr. Daryl Reid (Transcona): Last week, I asked the Minister of Labour why he would not appoint a mediator to resolve the dispute that is taking place currently

between Westfair Foods and the retail-wholesale employees employed in that company. At that time, the Minister of Labour said that there was a unique situation and that there are unique concerns, and that is why he will not appoint a mediator.

I want to ask the Minister of Labour, are the unique concerns that he talks about with respect to this strike the fact that Westfair Foods has contributed to the Conservative Party since 1988 some \$40,000 and that is the reason why this Minister of Labour will not appoint a mediator because Westfair does not want him to appoint a mediator?

Hon. Vic Toews (Minister of Labour): As indicated in my response to the member's question last week, we continue to look at the situation. We continue to work with both parties. I understand there is a conciliation meeting set for November 4. Some of these unique concerns will be discussed there, and I am trusting that in time a resolution will be arrived at in respect of this particular dispute. We are prepared to do as much as possible to try to get these two sides together. It is a difficult situation, and I am confident that in time they will resolve their dispute.

Mr. Reid: I want to ask the Minister of Labour, because he does have a double standard with labour relations, why this Minister of Labour is listening to Westfair Foods and their \$40,000 contribution to his party when he knows full well that he appointed a mediator to deal with the strike during the University of Manitoba strike last year that was not called for by both parties at that time, and he went forward and appointed a mediator. Why is he relying on the fact that both parties in this case have not called for a mediator and that he will not appoint a mediator in this case? Why will he not do the right thing and appoint one now?

* (1420)

Mr. Toews: Again the member indicates that there is some kind of double standard. I can tell this House that there is no double standard, not like the kind of double standard that the NDP used in 1988 when the Leader of the Opposition (Mr. Doer) was in power, and he told striking workers at the Health Sciences Centre that the provincial government is not involved in a dispute

between the hospital and the union. He said it was not any of our business at that time.

I can tell you that this government continues to stay involved in an appropriate and in a prudent way, unlike the member opposite who said that labour disputes are simply the concern between the employer and the union. We have never said that. We do not set a double standard such as they do now that they are in opposition.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Employment Creation

Mr. Frank Pitura (Morris): A survey made public last week by the Canadian Federation of Independent Business indicated that Manitoba responses point to some of the most confident business people in the country. Manitoba's small- or medium-sized businesses are expected to lead Canada in hiring over the next 12 months.

Of the more than 900 Manitoba respondents to the survey, 34.8 percent of those who hired or who intend to hire did so because of business growth. This is the highest level in the country, a full 7.6 percent higher than second-place New Brunswick. So, while members opposite criticize incessantly, businesses move aggressively forward, taking full advantage of the longest-running tax freeze in North America as well as the strongest balanced budget legislation in the country.

Our government has long recognized that government alone cannot create jobs and wealth. However, leadership and a strong long-term policy framework can provide a favourable and competitive economic climate for the growth of jobs and the economy. It is encouraging to see once more that our policies and legislation are having tangible, positive results on Manitobans.

Madam Speaker, it should also be noted that the Canadian Federation of Independent Business found that new hirings are, for the majority, career opportunities. This bodes well for young people graduating from community colleges and universities. They can graduate with the knowledge that career opportunities are available, opportunities that will allow them to remain in

Manitoba, to live, work, invest and raise a family. Thank you.

Politician/Media Spelling Bee

Ms. Diane McGifford (Osborne): Madam Speaker, just when Manitobans were convinced that politicians were not even speaking to each other, we politicians managed to pull another rabbit from the hat. It is too bad that journalists have fled the gallery because I refer, of course, to the politicians' resounding victory in last Friday's spelling bee, one event in School Division No. 1's 125th anniversary celebration, an event which featured politicians versus journalists.

After much early-morning swagger and braggadocio, evident to all Friday morning Free Press readers, the journalists at high noon were roundly trounced by a team which included the Premier (Mr. Filmon), Councillor Garth Steek, school trustee Betty Granger and me, the MLA for Osborne. The defeated team of Lindor Reynolds, Roger Currie, Marjorie Stevens and Diana Swain were unrepentant, and despite a 22 to 19 loss, refused a public retraction of their boast to, quote, make mincemeat out of the political team. Even the CBC coverage, supposedly unbiased, continued the myth of journalistic superiority. All I heard were whispers of, wait till next time. Of course, we will wait till next time, and we will be ready.

The Filmon team, or more properly the McGifford-Filmon team, developed a strategy of consultation and teamwork, clearly the basic socialistic principle of co-operation. Clearly, this principle carried our team to victory. The final word, undoubtedly, Manitobans will sleep securely tonight safe in the knowledge that the member for Osborne can spell "accessories" and "scissors" and the Premier has mastered the spelling of "deficit" and "aardvark." Indeed, this Premier can even spell "potato."

Economic Growth

Mr. Mervin Tweed (Turtle Mountain): I think every now and then we must highlight some of our province's economic performances, and I would like to share a few of these with the members. Manitoba is the only province to have recorded five consecutive years of rising private sector investment. The total increase between '92

and '96 was 22.3 percent, which is five times the growth rate of Canada. Manufacturing investment in Manitoba has been very strong since the Canada-U.S. Free Trade Agreement came into effect in '89. Over those eight years, real manufacturing investment has been 73 percent higher than in the preceding eight years.

The Free Trade Agreement has also been a boon to Manitoba exporters. Over the past four years, merchandise exports to the U.S. have increased 124 percent, the largest increase by a substantial margin of any province and well above the national increase of 86 percent. Retail sales in '95 and '96 have grown at more than double the national rate. This strength may be explained by the fact that Manitobans have among the lowest level of household indebtedness in the country.

There has been a revolution in Canada in Canadian agriculture over the past few years. Manitoba farmers have shifted production and are investing in new capacity, especially livestock. Thanks to these changes and to current strong grain prices, farm cash receipts from the market have grown at double-digit rates in both '95 and '96.

Madam Speaker, this government has been working hard to ensure that Manitoba's economic prosperity continues to perform well. We will continue to follow our fiscal strategy of balancing budgets and repaying the debt. We will also continue to provide a stable and competitive tax regime. Thanks in part to fiscal discipline, Manitoba has one of the strongest economies in Canada, and it is easy to see why the CFIB stated that Manitoba has set a standard that many other provinces should follow.

Manitoba Telephone System

Ms. Rosann Wowchuk (Swan River): Madam Speaker, over the past three years, Manitoba Telephone System has systematically been stripped of valuable assets such as cable and telemarketing. At the same time, Manitoba Telephone has been told to cut over 1,000 jobs. Three hundred of those were cut this last spring. Many of these jobs have been cut, of course, removed from rural Manitoba making a mockery of this government's decentralization policy. Rural Manitobans know very well who the losers will be once MTS is sold off.

On June 10, MTS filed application requesting residential rate hikes of up to 80 percent for rural Manitobans. The politically appointed CRTC are reviewing this request at this time, but it is clear such hikes will greatly benefit the new owners of MTS. Small wonder that once again today the provincial government is refusing to hold hearings outside the Legislative Building. Despite wasting over \$400,000 advertising the so-called reasons for dumping MTS, the government knows that rural Manitobans do not believe this government.

* (1430)

In the last week alone, rural municipalities such as Lac du Bonnet, Brokenhead, Grandview and others across the province have passed resolutions asking that hearings be held outside of Winnipeg. This government has refused to listen to rural Manitobans, and, once again, they have broken their promise on MTS. Nowhere did they talk about the sale of the MTS during the election, and they have no mandate to sell the system. The government also has a responsibility to listen to people outside the city of Winnipeg, and we urge this government to go out and hold public hearings in the rural communities, as they should, since it is the rural communities that are going to be most drastically affected by the sale of MTS and will suffer the greatest increase in telephone rates and the greatest loss of services.

National Science and Technology Week

Mr. Ben Sveinson (La Verendrye): Madam Speaker, as most members know, Technology Week was held last week from October 18 to 27, and, indeed, it was a huge success. National Science and Technology Week was first held six years ago to encourage public appreciation of science, engineering and technology and the importance to our quality of life. In Manitoba, the week was aimed at increasing awareness of the importance of science and technology in the education and business sectors and sustaining science and technology activities throughout the year.

Science is Investing was the theme of this year's event which was celebrated with hundreds of activities taking place across the province. Highlights of the Manitoba activities included 21 scientists, engineers and investors volunteering their time to work with schools and share

their experience with students and teachers. Organizers plan to recruit more scientists and continue that activity year round.

Science and technology workshops will be held for educators in October and in November. Through live seminars and video conferencing, teachers will have the opportunity to discuss topics such as gender equality in science and technology training and careers, generic skills in the workplace and how to involve business and parents in raising science and technology awareness among young people. The CIBC is also training young people in Internet technology and entrepreneurship so they can act as a resource for small business, especially in rural areas. A pilot project is underway with students and staff from River East Collegiate.

Madam Speaker, I am proud of my government's support of Science and Technology Week. As the honourable Minister of Education (Mrs. McIntosh) said, the more we can promote science and technology, the more we can benefit our children for generations to come.

Last week was a chance for everyone to focus on this important task and to ensure these activities are continued throughout the year. Thank you.

ORDERS OF THE DAY

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Law Amendments be amended as follows: Osborne (Ms. McGifford) for Elmwood (Mr. Maloway) for Monday, October 28, 1996, for 6 p.m.

Motion agreed to.

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, the committee change made last Thursday needs to be rescinded. I move, seconded by the member for Morris (Mr. Pitura), that the motion to amend the Standing Committee on Law Amendments meeting October 26, 1996, at 10 a.m. by substituting the member for Lakeside (Mr. Enns) for the member for Pembina (Mr. Dyck) be rescinded.

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the composition of the Standing Committee on Law Amendments for the meeting of October 26 at 10 a.m. (be amended as follows): the member for Lakeside (Mr. Enns) for the member for Fort Garry (Mrs. Vodrey).

Motions agreed to.

Hon. Jim Ernst (Government House Leader): My apologies, Madam Speaker, I believe there may be a will of the House today to waive private members' hour.

Madam Speaker: Is there leave of the House to waive private members' hour? [agreed]

House Business

Mr. Ernst: I would like to announce that for Tuesday, October 29, at 9 a.m., the Standing Committee on Agriculture will meet to consider Bills 18, 40, 51, 70, 77 and any other bills that may pass between now and the end of today's business. That is 18, 40, 51, 70, 77 and any other bills that may pass later today. [agreed]

Madam Speaker, simply for now, refer Bills 18, 40, 51, 70 and 77, and if there are other bills passed later, I will announce them as being referred but for now just the bills that I called. [agreed]

Madam Speaker, I would like to announce that the Standing Committee on Public Utilities—no cannot announce that one yet. Sorry. The Committee on Industrial Relations will meet tomorrow evening at 6:30 p.m. to continue consideration of Bill 26. [agreed]

Madam Speaker, would you call Bills 67, 59 and 68.

DEBATE ON SECOND READINGS

Bill 67—The Manitoba Telephone System Reorganization and Consequential Amendments Act

Madam Speaker: To resume second reading debate, Bill 67 (The Manitoba Telephone System Reorganization and Consequential Amendments Act; Loi concernant la réorganisation de la Société de téléphone du Manitoba et apportant des modifications corrélatives), on the proposed motion of the honourable Minister responsible

for the Manitoba Telephone System (Mr. Findlay), standing in the name of the honourable member for Selkirk (Mr. Dewar), who has 23 minutes remaining.

Is there leave to permit the bill to remained standing?

An Honourable Member: No.

Madam Speaker: No? Leave has been denied.

Also standing in the name of the honourable member for Interlake, who has 16 minutes remaining.

Mr. Clif Evans (Interlake): Madam Speaker, I appreciate the opportunity to continue comments on Bill 67 and MTS.

Madam Speaker, very ironic over the past couple of days, the constituents, my constituents have spoken loud and clear to the disgust that they feel over how this government has reacted to MTS and what its intentions are for the future of MTS. The comments, of course, that I have received are the comments that we have brought prior to this debate to this House. We have asked questions. We have been told, no, we are not going to privatize MTS or any part of it.

Madam Speaker, what I have heard from the constituents is, how can this government run on any mandate, how can this government say that they are good managers of governments, of business, et cetera, when they themselves did what they could prior to the election and prior to their announcement to privatize MTS, how could they say that they are good managers when they themselves made every effort to destroy the credibility of MTS by forcing MTS to sell off certain assets, to sell off things for a dollar on a hundred?

The people in this province and people in my area know the agenda. They feel and they say that the agenda is strictly to help its corporate friends. We have seen that in the past week. We have seen issues come out indicating that this is the way it is going to be.

* (1440)

I have had phone calls, I have met people on the street saying to me, Clif, what can you do, what can we do, what can anybody do to stop this government from going

ahead with its privatization? I have indicated to them that we are in the process of doing whatever we can to make sure that this government is aware that you, the people of Manitoba, do not want privatization of MTS. We have told this government that the people of Manitoba do not want to have the availability to buy shares in something that belongs to them, something that has belonged to the people of this province for over 80 years.

The corporation itself has made money. The people that work with MTS, over 4,000 people, have been diligent in trying to be able to provide the services for this corporation to provide the services for the people of Manitoba. There is a good phone service, a cost-productive phone service and a service that MTS has so diligently also made every attempt to increase the technology, to increase the capabilities of MTS, to be able to provide not only your regular house service. Our rates are one of the lowest, if not the lowest in this country. Our technology department within MTS, from what I understand, is one of the best in North America.

Why do we want to sell an asset off that is doing so well in so many aspects within the realm of this corporation? The bottom line to all of this is again, and I repeat, it is so that this government's neoconservative agenda can be serviced and can provide those corporate friends, those stakeholders, those future shareholders, large corporations, large companies, people with an enormous amount of wealth perhaps that would want to take and go and buy shares.

But the common person, the people on the street, the people in Arborg, the people in Ashern, the people in Fisher Branch, and I am sure people in the ridings of some of the government members cannot afford to buy shares, do not want to buy shares; they own it already. Again I say, how can members opposite, how can government backbenchers support a mandate such as this, support a government and a cabinet such as this who told the people and ran on in the election that they would not sell MTS. Lo and behold, after the election was over, MTS is up for sale. How can the members opposite also support the mandate of this government and its Leader when we have the same situation with the Jets, we will save the Jets? Madam Speaker, the people of this province, the people in my constituency, the people from Riverton, the workers, the people who work for MTS in

my constituency, cannot understand nor fathom one tiny bit why this government would want to sell such an important asset.

The people of this province are tired of this government's smoke and mirrors: We will do this; we will not do that; we are doing it for you. They know that this government, this Conservative government is not doing anything with any legislation, with any decision making for the people of this province. I will tell this government that we will do and make every effort to make sure that the people of this province, come the next election, tell this government that they do not want them anymore to govern because they are sick and tired of being run by corporations and not by human beings. Thank you, Madam Speaker.

Madam Speaker: Is there leave to permit the bill also to remain standing in the name of the honourable member for Elmwood?

An Honourable Member: No.

Mr. Jim Maloway (Elmwood): Madam Speaker, I am pleased to be given the opportunity to speak to this bill. It is with some trepidation that I deal with this issue, because I can tell you that this is a fundamental and very large change to the way business is conducted here in the province of Manitoba. What we are talking about is a telephone system that has been in the province, it has been under the ownership of the people of Manitoba since 1908. It has approximately 4,000 employees, and it is a mainstay of the Manitoba economy. It is a company that generations of people in Manitoba can identify with. People have worked for this company; people have retired from this company, so it has a long-standing tradition in the province of Manitoba. So one would have to be very surprised to think that a government in Manitoba would eventually sell the province of Manitoba's—one of the jewels in the crown.

Now, Madam Speaker, the issue of rates is a very, very important issue in this whole debate because what we see here is a company that will be turned over to private interests, and in short order, over a period of two or three years, we are going to see rates double and triple for service in this province. We are going to see rates that have been maintained for rural people and rates that have been maintained for people in the North over the years,

subsidized rates changed to where rates will go up tremendous amounts for rural people and northern people, and this is a consequence of turning the corporation over to private hands.

We have been opposing this initiative since it was first announced, and I want to talk about how it was announced, because during the election, this government at no point made any suggestion that it would privatize the corporation.

Even months after the election, the government was standing pat, saying that privatization was not something that it had in mind when, in fact, we all know that that was not true, that this government was planning the sell-off, the privatization of this company all along. In fact, we have to be very suspicious about the way this government, the methods this government uses when it comes to such fundamental questions, because we are aware that in Ontario, the Ontario government is looking at privatizing the Hydro corporation, and we know that this government, in the run-up to the next election, will do what it did with the telephone system.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

It will tell the public that it is not planning privatization when, in fact, the wheels are already in motion, and we see that with the breakdown of the Hydro corporation into component parts, in fact the very same sort of system that was employed for the telephone system in this area.

Manitoba Public Insurance is another area that they say they are not planning to divest themselves of, but we know that that is what is in the cards. We know it is in the cards. We know that they would dearly love to reduce the size of the "civil servants" in Manitoba, and by getting rid of 4,000 here and another 4,000 with Hydro, they will be talking about a remaining 4,000 left who work for Crowns in Manitoba.

Now, the reason that we know that this initiative of theirs would be in the wind is because of the free trade agreements that have been in place now for nearly 10 years, and we know that ultimately that is what is driving this. We are locked, the national economy, the provincial economy are locked into the Free Trade Agreement, into

trade agreements which in a way are forcing us to divest ourselves of Crown corporations. What it is in effect doing, at the end of the day what will happen is, this corporation will in fact be owned by a large American or a large international conglomerate.

* (1450)

The member for Lakeside (Mr. Enns), who has been around here a long time, will recognize this, that in 20 years time there will be next to no business owned in Manitoba, that in fact the telephone system will be owned internationally, the hydro system will be owned internationally and, with that, rates will rise across the board, wages and benefits will fall across the board, and people in Manitoba will basically be serfs to international capital. That is essentially where this government is driving us, Mr. Deputy Speaker.

I think that there will be a reaction. There will be a reaction on the part of the people in Manitoba. The government can tinker with the education system, the government can tinker with the medical system but, at the end of the day, a year before the next election, it can run a million-dollar advertising campaign and delude people into believing that it is restoring the service, the system, to where it was in the past and attempt to fool people one more time.

But with the telephone system, that is not possible. This is a system that once the cows are out of the barn, they are out, they cannot be put back in. Once this system is sold, it is not coming back. In fact, this telephone company will be sold to private-Manitobans will be given first choice. Certain Manitobans will buy shares as happened with the Brick situation in B.C. a number of years ago. Over a period of time, maybe a short period of time, big groups of shareholders will buy out the little people, and the shares after a while will be owned in foreign hands or will be in large corporations, and the government's intention to have the system owned by Manitobans will be to no avail.

It will not work at the end of the day, and people around here, if they do not recognize it, should recognize it, that once the system is sold, once the shares are sold, there is no turning back, and this government will have to carry the can three years from now in the election when the telephone rates double and the telephone rates triple,

because it is not going to be possible for them at that time to explain that we had nothing to do with it; it was not our doing. In fact, the public will know that it was their doing. So this, Mr. Deputy Speaker, may in fact be their undoing.

Another reason why it might be their undoing is that this issue transcends the whole economy. This issue deals directly with every single person in Manitoba who has a phone. So, in the education area, for example, not all people have people going to university or going to school so you miss some people here and there, but with the telephone system, every single person, or every family in Manitoba, most every family in Manitoba—

An Honourable Member: Ninety-seven percent.

Mr. Maloway: Ninety-seven percent have telephones. They pay their bills every month, and they are going to notice the rates increasing time after time. We will be out there reminding people, people in the rural areas, people in the North, people in the city, we will be taking great pains to remind them whence these increases came. We are going to tie these increases, we are going to tie the service questions into the people that brought it to them, the Progressive Conservative government, the Progressive Conservative Party, and they are not going to be able to hide on this one.

They may have some satisfaction in the short run of knowing that they can ram this decision through the House, that they can proceed and sell off the corporation, but at the end of the day, they will not have the last laugh on this issue, and that is something that I think is fairly clear at this point. We look at other jurisdictions that have privatized corporations such as this. We look at Alberta, we look at England where Margaret Thatcher in 1979 started privatizing everything under the sun, and we see the messes that have developed because of that. In Alberta we have seen major increases in the telephone system rates as a result of what that government had done. As a matter of fact the government wants to do this because this is part of their ideological agenda. They were held back for the period of the Sterling Lyon years, they have been held back because they have not been the government for a number of years, and when they did form the government, they had a minority situation so they were not confident of their ability to be able to get these things through. So finally, for the first time in

many years, they find themselves with a majority government and now they want to do all those things that they have been wanting to do so badly for so many years, and we are seeing it by the bushel at this point.

Now the telephone company has also been divested of some of its assets that it owned. It owned a cable company which the government sold off, and I wanted to get into that for a moment, because why the corporation would sell off a cable company in this day and age is beyond me because cable will be competing actually with the telephone company for subscribers in a major way for the use of the Internet. Currently, with the current computer technology available, computers use modems at a rate of 28.8 bauds and the telephone company is going to be able to use a 500 baud modem. So, unless the telephone companies are able to do something with their own lines and get back in the game, what will happen is, the cable companies will come in, in major ways, and take over a large section of the Internet applications.

The cable companies have the hookups currently to the houses, and people will very willingly, I think, sign up with the cable companies to be able to get on the Internet at a much, much faster rate than they can right now through personal computers. So the telephone companies are rushing to catch up, and in fact they, too, have developed now a new modem this past summer that is capable of using existing lines at a comparable rate. My point here is that by selling off the cable section, the government compromised its ability for the corporation to compete, because the corporation could have lost a couple of years had the cable connections been ready and the telephone side of it not been ready. So you have a government with absolutely no vision.

The Deputy Premier (Mr. Downey) likes to talk about the sands of Saudi Arabia. Well, let me tell you that this government, that deputy minister, has all sorts of boondoggles in the making. They need not worry about talking about the sands of Saudi Arabia, because they have their own developing sands of Saudi Arabia which we will be dealing with in detail over a while. [interjection] That is right. The Deputy Premier likes to talk about the sands of Saudi Arabia, and they have their ARCOR projects and many others that are developing into messes right now. They have their Wang computer deal they made a few years ago, and they had a big boondoggle there and a big mess-up, so the Deputy

Premier need not lecture us about the proper expenditure of money.

* (1500)

As a matter of fact, they are the kings. The largest losses ever, I might tell you, preceded practically everybody in the Legislature here except for my friend from Lakeside (Mr. Enns). In fact, we are still looking for the \$93 million, I think it was, which is still a lot of money even today, but away back in 1969, we are still trying to sort out that \$93-million loss. Nobody knows what Mr. Kasser and Mr. Reiser actually did with it, and this was the legacy of the Conservative governments of the '60s. So we have nothing to learn. We have nothing to learn about the prudent management, the good management of these great free enterprisers here who claim to be able to run a good business. They stay on one issue. They stay on the Saudi Arabia telephone question and MPIC losses, and just in the last year they produced losses equal to the losses of the MPIC, being pretty much the same losses.

So I would suggest they be a little more reserved in their declarations about losses in Saudi Arabia and other ways because they have their own little little boondoggles that will be discovered over time.

Mr. Deputy Speaker, how much time do I have? [interjection] I see, thank you.

There is absolutely no sense in doing what this government is doing other than just plain ideologically driven motives. In fact this corporation, the telephone system, made substantial profits, more than \$100 million in 1990. This government shows a lack of vision in doing what it is doing by selling off the cable, by selling off the company, knowing that it will have no control over the company over the years and subjecting Manitobans to untold increases in telephone service over the next few years. This is a classic example of a lack of vision on the part of this government. This government has no vision. In fact what it is trying to do is just sell off every asset that it owns. Like I said, the next thing—[interjection] That, as the member for Broadway (Mr. Santos) says, shows a clear lack of vision on behalf of this government.

This government got very good at political advertising. You saw what they did back in 1994, when they were

down and out in the middle of some by-elections, and they started to crank out the advertising. It looked pretty bleak there for a while. They shuffled the chairs on the Titanic over there, shuffled them around a bit. It did not save them in the by-elections, but at the end of the day, that recognition that they had alienated a lot of voters in Manitoba and a little bit of grease from the million-dollar advertising campaign and a little bit of luck from the Jets situation and a whole bunch of other side issues like that, they managed to come back and squeak out a win.

Now having done that, now they become really confident. Now they figure they know the formula. It worked once, so it has to work again. And that is not necessarily true that it is going to work again. Just throwing a million-dollar advertising into your problem six months before the election, it might work once or twice, but it is probably not going to work a third time. That is what they are doing here, because I can tell you that people are upset about this measure. People are upset about losing the telephone company. This has been a low-key issue for them at this point, but when people—I have seen it with my own eyes—find out about the telephone company being for sale, they get upset, because they know they own the telephone company. They are not happy about it.

In fact, what they do to counter—let me throw this out to the members opposite. If this was so popular, the Minister of Natural Resources (Mr. Driedger) says that this is the polling saying selling the telephone system is popular. If this was so popular, then why are you spending \$400,000 with your blue Tory pamphlets propagandizing, promoting? Because you know you are on the losing side. You know that you are having great difficulties with the people that you represent out there.

The Tory heartland will be dead set against this. As a matter of fact, it was Tories themselves who set up the telephone system in the very beginning. So there are only so many times that you can alienate your supporters, you know. I mean, I think we have some experience in that too, but there are only so many times that you can alienate your supporters before they desert you. Your supporters do not like your policies on lotteries. The people in southern Manitoba do not like your lottery policies. They do not like the forest of VLTs all over the province. It has not gone over well there. They do not like the telephone system.

Mr. Deputy Speaker, you people are taking a big chance here in alienating your own political base, not to mention the thousands and thousands of other people who are concerned about this issue, and that is why they have embarked on this \$400,000 propaganda campaign, because they know that our efforts are having an effect. They know that the member for Thompson's (Mr. Ashton) trips to various towns throughout Manitoba to let people know about what this government is up to regarding the sale and privatization of the telephone system, they know it is having an effect, and we know it is too because reports are coming back to us at the little meetings that we have been having in the towns. The member for Thompson is being told by people who have been staunch Conservatives, who have been strong Conservatives. In fact, I am told that we had a Conservative recently who offered to run for us, who had been a staunch Conservative for many, many years, and this person has offered to run for the NDP because they are very disappointed.

An Honourable Member: Kim Sigurdson, we want you to have him.

Mr. Maloway: Well, the member talks about Kim Sigurdson, and as I have said to the member before, the member needs new friends. He is hanging around with a bad group, and look at the trouble he has been getting into because of it. So the member has nothing to teach anyone in this House about what to do and what not to do about—

Some Honourable Members: Oh, oh.

Mr. Maloway: This is a very serious question that this Legislature is dealing with, and it is an issue that is not going to go away. It is a very serious issue, and it ranks up there—

Mr. Deputy Speaker: I hate to interrupt the honourable member, but I am having trouble hearing you. I do not know where it is coming from, but there seems to be a little bit of discussion going on. Could I ask those members wanting to do this discussing to do so in the loge or in the halls? The honourable member, to continue.

Mr. Maloway: I am having an awful hard time hearing myself with all the noise coming from across the floor,

but this is an extremely serious issue that we are dealing with here today, and this government has expected that it could get this—it is very interesting that in all the previous years of this government, we have never seen this much legislation coming through of such magnitude. By putting all these bills together in this fashion, this government is attempting, I think, to push through 80 pieces of legislation, drive them through as quickly as possible and hope people will not catch up.

* (1510)

Another issue is an issue of the brokerage fees and so on. The government hires three brokerage firms to draw up the rationale and the prospectus for the sale of the company, and at the same time, these brokerage firms are going to be making commissions on the sale of the shares.

We have a case of the day the government rolled this proposal out at the Convention Centre, we had the minister himself saying that he would be willing to buy shares in the corporation. One wonders what is going to happen over here and how many ministers of the Crown and their friends are going to be buying huge amounts of shares or blocks of shares in the company, Mr. Deputy Speaker.

That is what has happened with privatization measures throughout the world. What has happened is, a few people, people who can afford to buy shares in the entity, have in fact benefited while the few have paid the freight.

That is what we are really talking about here. What we are talking about is the fox in with the chickens. We are going to have maybe 500 to 1,000 foxes in with a million chickens running roughshod, running around taking advantage of those million people, because it is not constituents of mine who are going to be out buying blocks of shares.

It is not constituents of mine who are going to be trading shares in MTS. There will be a lot of shareholders over in River Heights and Tuxedo who will be buying and selling blocks of shares. There will be shareholders in Toronto, there will be shareholders in New York. When this corporation ultimately ends up in the hands of some international conglomerate these shares will be owned by people in New York and

Toronto. These shares will not be owned by Manitoba at all. So now you have the situation where the ownerships rests, goes afar out of the country, in fact, and you have the million people here in Manitoba paying for the profits of the shareholders, paying for the dividends of the shareholders by paying extra on their phone bills.

This is the legacy that the Minister of Natural Resources (Mr. Driedger) is going to leave for his kids. When his grandkids ask him, Grandpa, what did you do to make my life better in Manitoba, he is going to have to tell them what he did, that I sold the phone company, and I jacked up your rates 10 times. His grandchildren will be paying for his mistake of today by huge rates increases over the years.

Long after he is no longer here, his grandchildren will be paying for these things, and they will be wanting to know, Grandpa, why did you do it? Why did you sell us out? Why did you give up on one of the assets that we owned collectively as the people of Manitoba? Why did you sell that? Why did you set us up in that sort of a deal? That is typical of the type of Tory deals that are set up under governments like this who claim that they are good managers, who claim that it is they and nobody else who can run business. They have nothing to show us in terms of ability, past or present. They have nothing to show us in their ability past or present to run businesses with any degree of efficiency, with any degree of foresight. I think that we are going to see that in spades with this measure. We are certainly going to see it in spades with any other ventures that are undertaken by this government, particularly, the future potential sale of the other Crowns in Manitoba Hydro, Manitoba Telephone System, the liquor stores, any other activities that the government has gotten itself into.

With that, I recognize that my time is up, and I yield the floor to the member for Swan River.

Ms. Rosann Wowchuk (Swan River): Mr. Deputy Speaker, I am pleased to have the opportunity to put a few comments on the record with regard to the sale of Manitoba Telephone System.

I want to tell you that we have been visiting many communities in rural Manitoba across the province in the last few weeks and over the summer, and I can tell you that it is not what Manitobans want. Manitobans are

very disappointed in what this government is doing and, in fact, disappointed that the government has not made them more clear what it is that they are doing.

I listened to the advertising that we are seeing on television right now, and one of them that sticks out, the operator is speaking and she says, we will be there for you. But what the advertisements are not telling you is that they may be there, but it will not be the same company. It is going to be a privately owned company that will be running the telephone system in rural Manitoba. It is disgrace that this is a system that we own, and now we are being asked to buy it back. Why should we buy something back that we already own? Why should the government put up this corporation without giving Manitobans a say? Why did the government not tell Manitobans during the election that they intended to sell Manitoba Telephone System?

The reason they did not tell Manitobans during the election that they were selling Manitoban Telephone, the reason that they are putting out these advertisements that make it appear that Manitoba's telephone system is going to be the same, is because they know that if they came right out and told the facts to Manitobans that they were selling Manitoba Telephone System and the private system would not be the same as the publicly owned system, that Manitobans would be very angry about it, and that is what we are hearing.

We went to several communities last week. The one that sticks out in my mind the most is the community of Roblin. When we went to Roblin, we were having a meeting in one of the restaurants, a backroom of the restaurant, but the people in the restaurant wanted to know what we were doing there. They were quite surprised that their member had not indicated to them that their telephone system was being sold, and they wanted to know what it was that they could be doing. They wanted to know why the government was not holding meetings to let them know about this. Of course, we said that we were encouraging the government, but this is a government that now has a majority and feels that they can do whatever they please to move on their right-wing agenda, and one of the things that they are doing is selling off Manitoba Telephone.

This is quite a contrast to what we see in other provinces. For example, in Saskatchewan, where the

government of Saskatchewan, in most cases, holds public meetings and involves the public when they make decisions about changing what they are offering the people of Saskatchewan. Not here in Manitoba. I have to say that Manitobans have already sent a strong message. Well over 15,000 people have sent cards in saying they do not want Manitoba Telephone System privatized. Municipalities have said they do not want it privatized. Just within the last week, municipalities have been passing resolutions first saying do not sell Manitoba Telephone System. Now they are passing resolutions saying hold public hearings in rural Manitoba. This is something that we have asked for.

Unfortunately, when we raised the question in the House today, when my colleague the member for Thompson (Mr. Ashton) raised the issue, the government said they are not going to hold hearings. So they do not want to listen to those people who will be most affected by this.

Rural Manitobans will be drastically affected, and we have seen the impacts already when we see that many jobs have been cut. Well over 300 jobs have been cut, the majority of them in rural Manitoba. Mr. Deputy Speaker, in 1990, before the last election, the government put forward a decentralization plan which took some jobs out to rural Manitoba. The killing of these jobs from MTS flies in the face of their decentralization plan. Rural Manitobans should also be very concerned and are very concerned with the fact that their telephone rates will go up dramatically. We have seen in other provinces where telephone systems are run by private corporations where privatization has taken place, there has been a tremendous jump in the rate for what you pay for your basic telephone services.

I have a few specific concerns that affect rural Manitobans, and, in particular, I am concerned about what the impact is going to be on distance education. We all know that not all of our children can afford to go to university with the hikes in fees to where they are, and the other option has been to offer education through distance education through telecommunications. In Swan River, there was an excellent deal worked out with the Manitoba Telephone where we could have a preferential rate to set up a test system, and it worked very well. Do you believe that a private company would do that same thing? Quite frankly, I do not because a private company is behold-

to its shareholders, not to the public, and their interest will be payback for their shareholders, not service to people.

* (1520)

The other thing we have to look at is that under Manitoba Telephone's plan to improve services to rural Manitoba, the majority of people in Manitoba now have private lines. I know my colleague the member for Dauphin (Mr. Struthers) tells me that there are a few people in the Rorketon area who still have party-line service. I worry about these people because under a private system I am sure that a private company is not going to extend private-line services to those communities and we will see that there will be a deterioration of service, nor will a private company ensure that farm communities, farmers, remote communities, have access to the most modern technology. We hear the members across the way talk constantly about technology and change, and there is change and there is—[interjection]

Mr. Deputy Speaker: Order, please. I am having great difficulty hearing the honourable member. If anyone is waiting to put their words on the record, they will have lots of opportunity when the honourable member has concluded.

The honourable member, to continue.

Ms. Wowchuk: Thank you, Mr. Deputy Speaker. I appreciate that.

I would also encourage the members across the way to speak out on this bill, the rural members in particular, to put on the record their concerns that have been raised by their constituents. I think that it is a real opportunity for rural members on the government back benches to have some say. As we have seen on many of the bills, they have not put any comments on the record, and this is one that they should.

This is an opportunity for those rural members to save face with people in rural Manitoba and speak against this bill and vote against it, because all it would take is for two members of government to recognize that this is not in the best interest of Manitobans. It is not in the best interest of rural Manitobans. They could vote against

this bill, and I would encourage members to do that, to listen to their members, think about what the impact of privatization of the Manitoba Telephone System will have on their communities, put their comments in the record and take the opportunity to vote against the bill, but I have not much hope in that, Mr. Deputy Speaker, because we have seen that they have not spoken out on it and they are more interested in profit for their friends, such as the brokerage firms, who helped them make the decision to privatize the Telephones. Instead of speaking out for the people of rural Manitoba and ensuring that we have reasonable telephone rates, that we have the opportunity to access good services in rural Manitoba, they are more and more interested in setting it up so that their friends can make money on the sale of Manitoba Telephone.

I have to say, Mr. Deputy Speaker, that this government, although they say that they did not make the decision to privatize Manitoba Telephone until they got the report from the brokerage companies last September, they had plans, and this plan has been taking place over the past three years. When you see that the Manitoba Telephone System has been systematically stripped of valuable assets such as the cable system, which was sold at fire sale prices, or the giveaway of the telemarketing system, you can see that the government had it in their plan for a long time to slowly make the company look less attractive so that they could tell Manitobans that it was not competitive and then they could move towards selling it off.

I have serious concerns. If the government is moving with Manitoba Telephone, where is their next move? Are they then going to be prepared to sell off other Crown corporations that are an asset to Manitoba citizens?

This government does not have the mandate to sell off Manitoba Telephone, nor do they have the mandate to tear apart many of the other assets that we have in this province such as our Hydro, our Autopac system that are working to provide reasonable rates for Manitobans and also to have profit made so that we can invest it for Manitobans.

So once again I want to encourage the rural members of the government caucus to think about what impact this privatization of Manitoba Telephone will have on the rural communities and consider what the impact will be on the businesses.

The members across the way were just talking about the importance of small business. What will be the impact on small business when they have to start picking up these higher phone rates? What happens to the bottom line of these businesses? Will they be as successful? What happens to these businesses and to people in rural communities with the application that MTS has filed requesting a residential rate increase of up to 80 percent for rural Manitobans? Have those rural members thought about the impact of those kind of increases on the people of rural Manitoba?

I do not think that those members across the way have considered also or looked at other areas where there are private companies. When we look across the border to the United States, we see that there are very small calling areas. One person was explaining to me recently when we were at one of our meetings that in some areas you are allowed one phone call a day, and after that it is all long distance charges. Now, that may not be what will happen here immediately, but you have to look at those things and look at what happens in other areas where there are private companies running the telephone system.

Mr. Deputy Speaker, there is indeed time for the members of the government side to change their mind on this issue. I would encourage the Minister of Agriculture (Mr. Enns), who recognizes the importance of communication in the farming community, that this communication must be available at a reasonable rate. By having a system that is underneath the Crown corporation, we know that rural services are subsidized by the long-distance rates. He should recognize how important it is or what kind of rate increases we will see for rural Manitobans when that subsidy is removed and they have to start paying full cost of the lines. He should recognize that in his area of the province this will have a negative impact on his constituents, and he should be moving, he should think seriously before he, if he is not comfortable as a member of cabinet voting against this legislation, I am sure that he could have influence on some of the other members and ask that they speak out and put on the record their concerns with this legislation, and there are many

Mr. Deputy Speaker, the government should put this legislation on hold, should go to the people of the province. They should hold public hearings and listen to the people of Manitoba and tell them the truth. They did

not tell Manitobans during the election that they planned to sell Manitoba Telephone, but, of course, there are many other things that they did not talk about either. They did not tell Manitobans during the election that they intended to try to privatize home care. They did not tell Manitobans about many of the changes that they were going to bring to Pharmacare. So I guess you have to look at this government, and people are becoming very skeptical about a government that tells you one thing before an election and delivers something very different.

I have to say, Mr. Deputy Speaker, that one of the things that bothers Manitobans most, and one of the things that people talked to me about, particularly this weekend, was the fact that the government was wasting \$400,000 on advertising, advertising to explain why they had decided to sell the Manitoba Telephone System. Rather than spend that kind of money on advertising, they would be much better off to go out and hear the people. It would not be nearly as expensive to hold public hearings in rural Manitoba. This bill is going to go to committee very soon. Instead of just holding committee hearings here in the city of Winnipeg, here in the Legislature, it would be much fairer to take the hearings to those people who are going to be most affected by it, and, indeed, it will be the people of rural Manitoba, it will be the people of northern Manitoba who are going to have the greatest impact. It is the people of Manitoba who are the shareholders in this company. It is these people who should have a say, and the government should not hesitate to go out to the community and hear what the people have to say.

* (1530)

Again, Mr. Deputy Speaker, we have to think about what the impacts will be on rural Manitobans, higher telephone rates, poor service, perhaps smaller calling areas. The expanded calling area was brought in, started under the NDP government. When the NDP lost government, the Conservatives did proceed and continue with the expansion of the calling services. But what guarantee do we have that under a private company, whose objective is to make profit for the shareholders, that we will not see these calling areas shrink and, again, higher costs to rural Manitobans?

So, Mr. Deputy Speaker, on behalf of the people of rural Manitoba, I want to encourage government members to recognize that this is not a good piece of

legislation. We are selling off assets that belong to Manitobans without them having a say. This government is moving towards shifting this to a private company, and we will see poorer services in rural Manitoba and risks of lack of opportunity for all the development that is taking place in the technological field. I urge members on the government side to recognize that this is wrong and vote against this legislation.

Mr. Gord Mackintosh (St. Johns): Mr. Deputy Speaker, I rise to oppose the principle of Bill 67, I rise to oppose the privatization of the Manitoba Telephone System, and I rise to oppose what is a terrible agenda by this government and a terrible record of misleading the people of Manitoba on what is a very important asset that they have held for many, many decades.

Mr. Deputy Speaker, this bill is part of an agenda that goes beyond really one piece of legislation or one principle. It is part of an agenda to take away from Manitobans our equalizers, our stabilizers. It is part of an overall effort to take away what has been proven to be both good and fair for Manitobans. It is part of an agenda to rip away from Manitobans the tools that help neighbourhoods like mine overcome odds, overcome the unfairness of the marketplace. It is ripping away tools that help neighbourhoods like mine to keep up. It is ripping away a tool just as public health is, just as unions are, just as public education provides tools that can help reduce the disparity and the terrible unfairness that exists in our marketplace largely driven by market forces.

It is the tools that this government is taking away from Manitobans through the initiatives I have just listed that cause greater disparity and a greater gap between the rich and poor, a greater gap between those who are in despair and those who have great opportunity.

With this bill, Mr. Deputy Speaker, I thought I would start by looking at the government's best arguments for privatizing MTS. And where would one look but at the second reading debate by the Minister responsible for the Manitoba Telephone System (Mr. Findlay). At least that is what I thought. Going to the Hansard of June 4, I see the minister's comments. I note just a few words, but not only that, those few words are without any defence at all of this legislation and this initiative to take MTS away from Manitobans. It is astounding that the Minister responsible for MTS cannot rally himself to whatever

arguments the government has to privatize MTS. Not once in his speech does he defend adequately or at all this misguided initiative by this government.

Now, Mr. Deputy Speaker, we have been raising on almost a daily basis in this House evidence as to why the sale of MTS to private interests is not in the best interest of Manitobans, but the onus must be on this government to prove to Manitobans—not just the representatives in this Chamber, but Manitobans throughout this province—why the sale of MTS is in the interest of the people of this great province. They have failed to meet that onus. They have not made their case.

In the full flight of Question Period the other day, I see the First Minister (Mr. Filmon) got up and made some arguments, arguments that I suggest, Mr. Deputy Speaker, should not just have been made in brief by the minister, but should have been backed up by solid research and evidence—but the Premier said one of the reasons why we have to privatize MTS is that it just requires months and months, if not a year, for decisions, and when the market is changing in telecommunications, we have to have quick decision making.

Well, I wonder then, if government is so unable to make quick decisions, how it is, as Frances Russell noted on October 23, how the government could have managed to get a report on the sale of MTS April 30, make a decision on a \$700-million share issue May 1, and be ready with all the paraphernalia for a full-dress news conference May 2.

An Honourable Member: It came to us in a flash.

Mr. Mackintosh: As the Minister of Agriculture says, it came to them in a flash. Well, it came to them in a flash all right. It was a bolt of lightning, and they still have not recovered. Something has gone terribly wrong with the thinking on the other side, Mr. Deputy Speaker, but no one but the Premier (Mr. Filmon) has defeated the argument better than he himself. Decisions can be made quickly, and whether assets are held in the private or the public sphere, whether decision making can be made on a timely basis depends on your procedures, your process, your protocol and your willingness to ensure success.

The Premier also said that MTS, after all, was the highest risk Crown corporation that we had within

Manitoba according to an assessment by the Crown Corporations Council. That worries me because now that they are going to dump MTS, what is the next highest risk? Are we just going to go down the line? Of course, corporations will have varying degrees of risk, but we would assert that, when a corporation with a track record as good as MTS has risk, it is time for a recommitment by government, by the people of Manitoba, to ensure the long-term viability of corporations like MTS.

* (1540)

I want to just spend a moment reflecting on the government's misleading statements during the election. I notice that there is a lot of concern about the events in Ontario, a lot of grave, deep concern about the evil policies of the Harris government but, you know, Mr. Deputy Speaker, most of what has been done in Ontario was promised by that government. The government by and large but certainly not in every area, and I think in terms of their health care cuts, but the government by and large in Ontario during the provincial election said, here is what we plan to do, if you like it, vote for us.

Now, if a government believes that what it is saying is valid and is in the public interest of a province, not only does it have an obligation but surely it would be rallied to present those plans during a provincial election.

This is a government that surely was afraid of raising the issue of privatization of MTS with the Manitoba population. They knew then and they know far better now that this plan is ill-advised. It is tremendously unpopular. But not only that, there is nothing driving the privatization except some kooky, radical worshipping of all things private and all things foreign.

There is no respect for the integrity of the province by this government. There is no respect for an independent economy when we have a government that is prepared to pull away decision making from Manitobans and pull away the benefits, financial and otherwise, including employment for Manitobans. This is a government that is prepared to say that we do not have a vision, a home-made vision for the Manitoba economy.

Where are the big thinkers? Where are the people who are thinking long term about what Manitobans are going to provide to the world? What goods and services will we be providing to ensure that Manitobans will continue

to have employment here at home? Where are the big thinkers? This is a government that says they are in New York, let someone else, let us let a foreign corporation decide.

Now, we are aware of the arguments that have been advanced in the last couple of days by some of the government backbenchers and, by the way, I welcome their participation in debate. I know it was contrary to the plan of the government to allow any debate on motions from the government backbenchers.

It was interesting that the member for Morris (Mr. Pitura) said on October 16, the telephone companies across Canada over the next 10 years will probably have to invest in the neighbourhood of about \$8 billion in new technology. He uses this as an argument for the sale of MTS, because he goes on to say, can the citizens of Manitoba afford to risk an investment in excess of perhaps \$1 billion in MTS? I wonder, where did he get those figures? Certainly even if the expected requirement was \$8 billion over the next 10 years, how could he possibly conclude that MTS will need \$1 billion? Was he talking about an annual amount? Was he talking over the course of 10 years? Because if he was talking about over the course of 10 years and he does his math correctly, we are talking about capitalization which should be available. It will cost more to raise capital through share offerings than through bonds.

You know, we have HydroBonds in this province. Manitobans have accepted those. They have invested. I have not seen any proposal for bonds for the telephone system. I have not heard that the government looked at any other options for capitalization, assuming that that was the gravest concern by this government.

You know, there is in this province a Crown corporation with an excellent track record. That is MTS. It has an excellent track record with new technology and it has often been at the forefront of the development both of new technologies and customer service. At the same time, we have the second lowest rates in all of North America next to publicly owned SaskTel, a record unbeaten except perhaps by our neighbours to the west. We were looking at a profit last year of approximately \$15 million.

It ain't broke, Mr. Deputy Speaker, but I reiterate, when there is an enhanced risk for a corporation with a track

record like this, with service like this, proven service, with approximately 4,000 workers with decision making occurring in our own province, this is a time to recommit to the public management, public ownership of our telephone system. Otherwise I ask, in the area of telecommunications and the great opportunities that sector holds, why must Manitobans now relinquish not only the benefits but the control of the development of what could be a very successful sector for Manitoba to bring us into the next century with Manitobans at the forefront rather than putting the interests of the shareholders in New York at the forefront? Thank you.

Mr. Daryl Reid (Transcona): Mr. Deputy Speaker, I am pleased to have the opportunity to rise to speak on Bill 67, which is unfortunately one of the pieces of legislation that this government has brought forward which I believe will turn back the clock in the province and turn it back to a time when Manitobans had to struggle along without the services that had been provided to them by various Crown corporations in the province of Manitoba.

I want to start off by thinking back to the time when, during the 1995 provincial general election, we on this side of the House were quite worried that the government had intentions to move towards the privatization of various Crown assets and that this provincial government, of course, as they had the tendency to do during that campaign and have done since when they were—had a tendency to stretch the truth extremely.

An Honourable Member: They were being fraudulent.

Mr. Reid: Well, the term "fraudulent" about the election campaign in reference to the government and the campaign they run, I think, accurately depicts what took place during that campaign. We only need to think back to, of course, the questions that have ensued in this House with respect to the Jets and the financing of the Jets and the promises that were made in this House to various voters throughout the province and the commitments that this government made to saving the Jets. Of course, we know where the Jets are today.

An Honourable Member: The Phoenix Coyotes.

Mr. Reid: Yes, it is true, they are the Phoenix Coyotes now, and not only that, they are not doing that well since

they left Winnipeg. Nevertheless, the bills continue to rack up, the bill continues to climb as a result of this government's involvement in the document that they signed, the agreement they signed in 1991, that would ensure that Mr. Shenkarow, et al, were profiting at the expense of taxpayers of this province.

Now, I think back to the time during the election campaign in '95, and prior to that, when the Premier of this province, the current Premier, said, read my lips, we will not sell MTS.

* (1550)

An Honourable Member: I do not think you read them properly.

Mr. Reid: The Deputy Premier (Mr. Downey) says, we did not read the Premier properly. He must have meant something else. Perhaps the Deputy Premier can stand up here and tell us exactly what it was that the Premier meant when he said—[interjection] Well, maybe he did not mean what he said. Maybe he meant to say something else like, we intend to sell MTS, but those words just did not quite find their way out of the Premier's mouth at the time. Instead he says, no, no, we have no intentions to sell MTS; that is not our intent.

Well, I can tell the members opposite that if you talk to the current employees at MTS and if you talk to the pensioners, those that retired from MTS, they are quite worried about their pensions and the pension plan. This particular legislation will prohibit those pensioners and those current employees with funds in the pension plan from having any say in how those funds are dealt with in the future. They are excluded. They are prohibited by this Bill 67 in participating and having any say in how those funds are controlled in the future.

Now, if you think that is fair, I can put you in touch with some of my own constituents who are retired from MTS, who think that this government is on the wrong path and that this government should reconsider, not only their plan to privatize MTS, but how they are treating the current and former employees of MTS who are now retired.

I want to raise the point that other members of this House have raised time and again, and that is the fact that

while you think you have a mandate, your mandate does not include the sale of MTS. That is what the people of my community are telling me about this government. You do not have the mandate to sell MTS. If, in your minds, you think you do, then set up public meetings in my community and set up public meetings in every community around this province, and let Manitobans have a say on whether or not they want their publicly owned Manitoba Telephone System sold, because I think you will find that contrary to the impressions that you have in your minds at this time, you will find that the large percentage of Manitobans are opposed. In a few moments, I will show the members opposite what people in my community are saying, because I have brought some of their comments here to this House, and I will share them with members opposite.

It is also interesting to note that there are over 50 municipalities in this province who have told this government, and these are not people who are politically aligned with the government or with the opposition. These are people that are representing the individual communities throughout the province, and they are—[interjection] Yes, and the Dauphin Chamber is one of those groups—telling this government that your plan to privatize MTS is wrong, and it will be to the detriment of the people of Manitoba, the telephone users of this province. [interjection] That is correct. It is nice to see that the Deputy Premier understands that, one of the few facts that he does, with respect to this issue.

Now, the government has said that the reason they want to sell MTS is due to the debt and that it is the inability of MTS to modernize. That is one of the arguments that this government has used here and that there is going to be a problem for MTS in the future. I want to talk a few minutes about what this government has done to destroy MTS piece by piece and where I think they missed the boat big time. I know that the members opposite, well, they like to say that they keep abreast of changes that are taking place in this province, but I tell you, you are completely out of touch and if you have been told this information and ignored it, it is at your own peril.

When this government decided that they were going to sell the cable line network of this province, and you sold it for just under \$12 million, for an asset that was valued at \$63 million, you ripped off the people of Manitoba.

You took money out of the pockets of Manitobans when you short-sold the cable asset of Manitoba Telephone System for \$12 million when it was valued at \$63 million. So you ripped off the people of this province for over \$50 million. Is that good business sense? You like to tell us in this House that you are good business people and you understand. Would you sell your business as individuals? You talk to us as members of this House that you are such good business people. If you were the owner of MTS cable network system and it was valued at \$63 million, would you sell it for a \$50-million loss? Because if you would, you are not the business people that you like to portray yourselves as being.

I want to talk for a few minutes about some technological changes that are coming along that members opposite obviously do not understand, and if you did understand, you would have read the trade papers dealing with the computer systems of the Internet services that are happening, the new technology, the cutting edge of what is taking place. Read the trade papers and see for yourselves. These are not my words. These are people who are specialists in the field dealing with computer networks, computer Internets and high-tech communication systems.

In those systems, we have an ISDN system, integrated services digital networking that would utilize cable lines, is now in field testing and will greatly enhance the profitability of a cable network in field testing right now. So you either did not do your research or you ignored what was coming for future development, technology development. Maybe you do not understand or you do not care, but there is another part that is coming as well, ADSL, asymmetrical digital subscriber lines. Now I see a lot of blank stares from members on the opposite side. They do not understand that technology either. Had you understood, you would recognize that for our telephone company, the Manitoba Telephone System, the revenue potential knows no bounds.

There is the ability of the Manitoba Telephone System to utilize the ADSL technology that has now been developed and is in field testing. I am told through the trade papers that go to anyone who is interested or takes the time to read it, that the tests are proving extremely successful in the transmission of data, utilizing existing telephone company copper lines, that the transmission of data utilizing these existing copper lines will be able to

allow for the transmission of movies, high definition television and LAN networks for intercorporate communications and person-to-person communications. If you understood what this would mean, I believe you would recognize that there is untold opportunity for our Manitoba Telephone System with respect to this new technology and that there would not be the need to have the massive investment that you would like to say that they will require to keep up with the technological changes that you say are coming and we know are coming, because telephone systems, telcos throughout the world, are going to subscribe to and participate in this new technology, the ADSL technology.

They will be able to use their existing copper lines to increase the data transmission rates from the current one to two kilobytes per second, and what the trade papers tell me will go up over seven megabytes of data transmission per second utilizing existing copper transmission lines and the new technology that is already proving successful in field tests.

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

Now, the members opposite probably do not even know how to use a fax modem, and no doubt that what I am telling them here is going way over their heads, and they are not interested in what the potential is for our telephone company, but I am telling you that there is a lot of potential.

* (1600)

An Honourable Member: Albert is good at shredders.

Mr. Reid: Perhaps some of the ministers opposite are good with shredders, but fax modems are not the technology to which they subscribe.

So not only have you undersold our cable systems in this province when you sold it off, you failed to recognize the revenue potential that is coming to the cable network systems using the ISDN, the integrated services, and for the existing telephone copper lines, the ADSL systems, where there will be significant technology improvements utilizing existing services and lines that are in place.

When members opposite like to talk about the privatization of MTS, I want to talk to you a few minutes about what privatization has meant to another

corporation for which I am familiar. It is interesting to note that, when the federal Liberal government decided that they were going to privatize CN Rail, they made the promise that they were going to keep CN headquarters in Montreal and that they were going to restrict or limit the number of the ability of share purchases to 15 percent. Funny, this is the same talk that we are hearing from this government with respect to Manitoba Telephone System.

What we see as a result of the privatization of CN, I think, will reflect quite clearly of what I believe is going to happen to the Manitoba Telephone System. Manitoba Telephone System will be much like CN, I believe. CN Rail is now owned by 65 percent shares held by Americans. CN corporate headquarters is in Montreal, but I heard just recently that CN is now looking at moving their corporate headquarters to Toronto and will leave a shell in Montreal.

So what we saw from when CN was privatized by the federal government I think clearly demonstrates what is in store for MTS, that MTS will be sold, will be privatized by this government contrary to the wishes of the majority of Manitoba, I believe, and that just like CN, where it is owned 65 percent by Americans, we will see that MTS will be owned by Americans as well when those shares are flipped over and over again and then accumulated by those wishing to control what had been a public utility.

Now let us take a look at a statement that members opposite make with respect to the service to rural and northern Manitobans. You say you are not going to see any degradation of services. Trust me, is what they say. Well, let us take a look at what CN is doing in the province of Manitoba, for example. CN, when they were a Crown corporation, were obliged as being responsible to the people of this country for providing services to rural and remote areas, and what do we see by CN now that it has been privatized? CN is withdrawing from its service to rural and northern Manitoba. So let not the members opposite say that a privatized MTS is going to continue to provide the same level of service as the public utility has provided, a publicly owned Crown corporation has been able to provide for Manitobans in rural and northern Manitoba with respect to their telephone services.

MTS has never cost the taxpayers of this province one cent. [interjection]

What about the debt we are carrying, the member for River Heights (Mr. Radcliffe) asks? He does not obviously understand. It is a corporation that takes out, under the auspices of the Manitoba government for the rate that is afforded us as a government, takes out loans to recapitalize the company so that they can continue to provide enhanced services to Manitobans. Yes, the province of Manitoba does in some way guarantee those monies that are borrowed by MTS, but those monies are paid back by MTS and are not a liability, as members opposite suggest, to the taxpayers of this province. MTS continues to pay their way and it is the subscribers of MTS that pay for those rates, not the government and not all of the taxpayers of this province like the members opposite like to portray.

I want to talk a few moments, because this government likes to talk about an \$800 million debt that MTS has run up in this province with respect to service. Let us take a look for a few minutes at the decisions that have been made by the minister responsible for telephones because he has been the minister for some time for this corporation, this public Crown corporation and has been responsible for some of that debt that has been accumulated while he was on watch, or supposed to be on watch. It was this minister, I am told by members of MTS, that signed a \$350,000 authorization to provide digital telephone service to three farms in the Interlake. Now, can members opposite tell me, would a private corporation provide that level of investment to three farms anywhere in the province of Manitoba? I do not care if they are side by side or miles apart. I do not believe they would, and yet this minister, because his officials at MTS refused to sign that authorization for that type of work, this minister had the ability and the power to direct that those services be provided to the people in rural Manitoba.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

The minister responsible for telephones says that we just cannot keep up with the technological changes, that we need to have massive infusions of capital and that MTS is not making any money for the shareholders, the people of Manitoba, and yet we just saw a report that just came out that was tabled in this Legislature just last week, I believe, showing that MTS's profit for the first six months of this year, the net revenue of the profit for

MTS for the first six months was over \$15 million. That, Mr. Deputy Speaker, from my understanding, is an \$8.6-million increase over last year. So MTS is continuing to make money, it is continuing to provide the lowest or the second lowest level of telephone rates in North America, and we are providing through our Crown corporation the finest level of service available I believe anywhere in North America.

The members opposite like to talk about the competition, all the revenues of MTS being in competition, the 70 percent that they talk about. Well, it is interesting to note that, even under the 70 percent competition levels that MTS currently finds itself in, we still make a profit. Our Crown corporation can compete and does so. We still make money, and we still keep our rates the second lowest in North America. So why the reason to sell? I believe there are going to be significant job losses when this government privatizes MTS, as we saw when CN had moved through the process. We are going to see the same with MTS. When these shares are flipped from shareholder to shareholder and they end up in the hands of the Bell network or AT&T down in the United States, you are going to see a massive change in the process of running that company and providing that telephone service.

Yes, you are going to see the repair people out in the province providing the door-to-door service, but where is your administrative function going to be? Where is your headquarters other than the shell that is going to remain here going to be? Where are the decisions going to be made? Where is the finance? Where are your capital decisions going to be made? I do not believe they will be made inside the province of Manitoba, and those decisions that will be made will be made to provide the largest markets with the quickest level of return to the corporation because the only interest of that new corporation will be profit, pure and simple.

It is interesting to note that, when this government said that, they had no intention to sell MTS, and this Premier said over and over during the election campaign of '95 and after the election campaign when questioned in this House that he had no intentions to sell MTS, and then we finally ferreted it out of this minister and this Premier. Yes, they told us last fall they had hired three brokerage firms—KPMG, Wood Gundy and Richardson Green-shields. Now is it not interesting to note that these same

companies have been given the contract by the government to study and recommend and provide some advice to government about what should be done with MTS? Surprise of all surprises, these three companies came back and said: Yes, sell MTS; the government has to unload it. They did such an extensive seven-page report—

An Honourable Member: And they looked at it for two days.

Mr. Reid: Well, yes, perhaps they did look at it for two days. What I would like to know from the government members opposite, how much did it cost the taxpayers or the shareholders currently of MTS to pay for that seven-page report? You took that question as notice and you still have not responded. Was it \$1 million? Was it \$5 million? Was it \$10 million? Was it \$100 million? How much did we pay for that seven-page report?

An Honourable Member: How much per page?

Mr. Reid: Well, we will divide it by the number of pages when we find out from the government members, if we ever find out how much they paid and we paid for that seven-page document that says we should sell MTS.

* (1610)

Now, I am not an expert on conflicts of interests. I only follow the same rules as every other member of this House, or at least we are supposed to follow. I hope all members opposite do. But, to me, it seems that when you hire somebody to do a study on the sale of MTS and then to make a recommendation back to government, and then to give those same companies the opportunity to sell the shares tells me, in my simple layperson's understanding, that you have developed a conflict, pure and simple: that these same companies that recommended to you that you sell MTS and that they be given the opportunity to sell the shares to Manitobans and foreigners alike and that these companies will profit over \$25 million is wrong.

But the astute business people opposite do not seem to understand that concept of conflict of interest. Maybe that is your style of doing business. Maybe that is your style of ethics, your ethics in doing business, because you have not once stood up in this House and said that it is wrong. Not one member opposite understands the

ethics that are involved in giving the same three companies who did the study and reported to government on a seven-page report that it is wrong for those same three companies to be given the ability to profit as a result of the share sale. That speaks to your ethics as a government and as individual members of this House.

Now, it is very clear that there are going to be some Tory friends that are going to profit as a result of this \$25 million, and it is going to be interesting to see how those shares are flipped and who profits by it and, of those \$25 million in revenues from the sales of those shares, who is going to profit inside of those companies as well. So I say to members opposite, you are on the wrong path. You should, if you think you are on the right course here, hold these hearings in rural and northern Manitoba and throughout the urban centres in our province. Do not be afraid of what Manitobans are going to tell you, because you tell us often that you have an open style of government, and if you do have that open style of government that you like to profess that you do, then stand by your words and go throughout Manitoba. Prove us wrong for the comments that are made in this House when we reference the comments that come forward from Manitobans telling us that this government is on the wrong course of action.

I want to show members opposite what the people of my community are saying, when I did earlier this year a survey of my community, this is just the community of Transcona, and asked them to respond to me about the government's plan to privatize MTS. Well, I will leave it to the members opposite to tell me whether or not the people of Transcona thought that the government was on the right course of action. You tell me if this does not represent the interests of the Transcona people, and this is the response of Transcona people that said that they want to privatize MTS. I want to describe for Hansard because it is very difficult for any people who may be listening or reading this in the future to understand what I presented here to the members of this House.

In March of this year, I sent a survey out to every home in my constituency, and I asked a question, should this government privatize or sell off MTS? Overwhelmingly, as you can see from the pile here, thousands upon thousands of Transcona residents returned this survey card to me and told me quite clearly that this government is on the wrong course of action with respect to

privatization of MTS. In addition to those thousands and thousands of cards, residents who responded to the survey, I got three cards back saying sell it. So, 99.9 percent of the people of Transcona who responded to that survey said, do not sell and privatize my telephone company.

I want to tell members opposite, Mr. Deputy Speaker, that there are many comments that were made by members of my community on these cards in addition to the question I asked. The one that I find very interesting is that this issue crosses all party lines. It is not New Democrats saying and it is not Liberals saying this and not Conservatives just saying this. It crosses all party lines, and the one thing that stands out in my mind is that Conservatives are saying to this government, I voted Conservative in the past, but I will never vote Conservative again. That is the message that the Conservatives of my community are saying, that this government is on the wrong course of action. They trusted you. They trusted you to do the right thing, and you have failed them. I believe that you will reap the benefit of your decision of Bill 67, that this will be a vote-determining issue in the future and that you will lose substantially in the province of Manitoba.

So I look forward to this bill going to committee, Mr. Deputy Speaker, to allow members of the public and Manitobans to have their say and hopefully, just hopefully, this government will listen at least once to what Manitobans are saying to them. Thank you.

Committee Changes

Mr. George Hickey (Point Douglas): Mr. Deputy Speaker, I move, seconded by the member for Thompson (Mr. Ashton), that the composition of the Standing Committee on Agriculture be amended as follows: Wellington (Ms. Barrett) for Burrows (Mr. Martindale); Transcona (Mr. Reid) for Broadway (Mr. Santos), for Tuesday, October 29, 1996, for 9 a.m.

I move, seconded by the member for Thompson (Mr. Ashton), that the composition of the Standing Committee on Industrial Relations be amended as follows: Dauphin (Mr. Struthers) for Thompson (Mr. Ashton); The Pas (Mr. Lathlin) for Wellington (Ms. Barrett); Flin Flon (Mr. Jennissen) for Burrows (Mr. Martindale), for Tuesday, October 29, 1996, for 6:30 p.m.

Motions agreed to.

Mr. Gerry McAlpine (Sturgeon Creek): I move, seconded by the honourable member for Morris (Mr. Pitura), that the composition of the Standing Committee on Law Amendments, October 28, at 6 p.m., be amended as follows: the honourable member for Pembina (Mr. Dyck) for the honourable member for Steinbach (Mr. Driedger); the honourable member for Roblin-Russell (Mr. Derkach) for the honourable member for St. Norbert (Mr. Laurendeau); the honourable member for Portage la Prairie (Mr. Pallister) for the honourable member for Morris (Mr. Pitura); the honourable member for Niakwa (Mr. Reimer) for the honourable member for Fort Garry (Mrs. Vodrey).

I move, seconded by the honourable member for LaVerendrye (Mr. Sveinson), that the composition of the Standing Committee on Agriculture, October 29, 9 a.m., be amended as follows: the honourable member for Steinbach (Mr. Driedger) for the honourable member for Pembina (Mr. Dyck); the honourable member for Gladstone (Mr. Rocan) for the honourable member for River Heights (Mr. Radcliffe); the honourable member for Rossmere (Mr. Toews) for the honourable member for LaVerendrye (Mr. Sveinson); the honourable member for Charleswood (Mr. Ernst) for the honourable member for Turtle Mountain (Mr. Tweed).

Motions agreed to.

* (1620)

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, I stand to speak on Bill 67 and to voice our concerns and opposition to this particular bill, opposition meaning to oppose it. It is interesting in the sense that Bill 67 can very easily be introduced into this Chamber, and the government can fairly easily administer a bill of this nature, but the unfortunate side of this particular bill is that, even though the government of the day, this particular government, has decided to sell off MTS, it will be virtually impossible to be able to ever acquire another MTS.

(Madam Speaker in the Chair)

There are a couple of reasons for that. One is the capital dollars that would be necessary in order to buy

back, if you like, and of course the other argument is that under the Free Trade Agreement whether or not we would even be allowed to buy back Manitoba Telephones or a telephone company into the future.

Madam Speaker, Manitoba already owns MTS. It is interesting in the sense that the government is saying that we are now going to be selling MTS to Manitobans and—[interjection] The Minister of Labour (Mr. Toews) says, hear, hear. He did not catch the first remark. We already own it and now we are selling it. Now what is happening is it is going to be a select few Manitobans that are going to be able to own a part of the future of MTS, because not all Manitobans can actually afford to acquire the shares, and one asks the question in terms of the way in which this whole MTS is being sold off.

One member from the government says the equity is not there and in fact what you are selling is virtually nothing. I am sure, and I would say to the bottom line to the member for River Heights (Mr. Radcliffe) that once this government puts out the shares from MTS, the dollars that will be coming in will clearly demonstrate in fact that there is some equity that is there. Even if you take a look and you try to—even if I sat down with the member for River Heights, and I know that with his mind and his abilities, would be able to determine just how much MTS is actually worth. It is definitely worth a lot more than what this government is going to be able to get for it.

In fact, if I had the financial resources myself, personally, I might be inclined to buy in on some of these MTS shares, because many are speculating that the government is going to low-ball it in for the first series in order to attempt to inflate the second series that is going to have to go out. So who are going to be the biggest benefactors? Ultimately the biggest benefactors to this particular sale are going to be those individuals that have the financial resources to tap into it and tap into these first shares, and that is most unfortunate. It is going to make a lot of people a lot richer, but it is going to make Manitobans as a whole a lot weaker in the selling off of MTS.

Back when the government had suggested that we are going to sell MTS, we as a caucus came up with an idea. That idea was to, if the government was so convinced that they were on the right track in selling MTS, why not

enclose some sort of a ballot that would allow MTS subscribers the opportunity to send a message to the government, but no, they were not prepared to do that. That would have been a marginal cost, and at the very least the government then would have been able to say that either they had the support or they did not have the support of the taxpayer, because as has been pointed out prior to me standing, the government did not get a mandate from the public of Manitoba to sell off MTS, and, Madam Speaker, if, in fact, the government was sincere and was wanting to find out what the public wanted to hear about MTS—[interjection] Now, the member for River Heights (Mr. Radcliffe) is really agitated by this particular issue, as well he should.

But, Madam Speaker, if the government did, in fact, go in and find out what Manitobans had to say about this particular piece of legislation, I believe that they would be surprised, that they would find that a vast majority of Manitobans see the benefits of retaining Manitoba Telephone System. You know, the previous speaker made reference to the second lowest rates in North America. I do not know how accurate that is. I will assume that the member is, in fact, accurate in his ~~statement~~, and that says a lot in itself in terms of just how well Manitoba Telephone System has served us over the years.

We are talking over nine decades, Madam Speaker, where MTS has provided a first quality service to all Manitobans, and in many different areas, it has been improving, in particular in rural Manitoba, so it is kind of like hitting it down when it is just starting to peak and provide that much more in terms of service for so many more people out in rural Manitoba, but as a result of this government's action, what we are going to see, in all likelihood, will be a decrease in rural services. It will likely be a decrease of rural services while, at the same time, you are likely going to see an increase in costs.

What is this government doing with respect to trying to address that particular issue? Madam Speaker, I have seen nothing. What is this government doing to try to protect the interests of Manitobans in terms of jobs, in terms of not only jobs, but what about those individuals who have retired and the pension fund issue? [interjection] The member for River Heights (Mr. Radcliffe) says it has been capitalized. Well, I do not believe that that particular argument has been carrying

the day or carrying the weight of the day when it comes to those individuals who are receiving the pension. These are questions that have been posed to this government, and this government has failed in terms of being able to answer.

Point of Order

Ms. Jean Friesen (Wolseley): I am sorry to interrupt the honourable member who is speaking, but I had to remove myself from that side of the House because of the constant interruption by the member for River Heights. I wonder if you would mind calling him to order.

Madam Speaker: The honourable member for Wolseley indeed does have a point of order. The honourable member for River Heights was, in my opinion, making excessive noise and was causing interruption to the honourable member for Inkster.

Mr. Mike Radcliffe (River Heights): Madam Speaker, I would humbly submit my apologies. It was just the enthusiasm of my honourable colleague that was invigorating me to be responsive to the salient points which he was presenting to the Chamber.

Madam Speaker: I thank the honourable member for River Heights.

* * *

Mr. Lamoureux: I can assure the member for River Heights, as other members, that my feelings were not hurt with your vocal thoughts. In fact, sometimes I think that to a certain degree, it is one of the ways in which maybe I can cause you to rethink your position, even though I do not believe it is going to cause you to vote any differently when it ultimately does come to a vote.

But, Madam Speaker, suffice it to say, Manitoba Telephone System has provided a first-class quality service over the years, and it is unfortunate that this particular government, because of its philosophical twist, has decided to sell off MTS. We would like this government ultimately to go back to the way it was when it was in the minority government situation, and that was when we saw a government that was at least prepared to do a little bit more listening, a little bit more consulting. It was prepared to do work in terms of more co-operation not only from within political parties inside this Chamber

but also as the public as a whole. But, through the years, the government has become somewhat more arrogant in its ways and has made some decisions in which we would argue as being based on the philosophical hard right as opposed to what is in the best interests in the long term for Manitobans, because the type of jobs that are there today through MTS are not going to be there tomorrow in many different areas as a result of the privatization of the Manitoba Telephone System.

Many could question the types of services and the costs of those services that are going to be administered into the future. There is no doubt that through the private sector there will be additional services being provided as time goes on, but I would have argued that even MTS was on the edge of introducing many different services. Every day it seems there is something new that MTS is bringing in. Well, the difference, of course, is that this private company now, as a result, is going to have to incorporate one other thing in which the current Crown corporation does not have to take into account and that issue, of course, is the one of profit and profit can be a very positive thing. But I would argue that there are some things worth the government staying involved in, and given the importance of telecommunications, I am not convinced that this government is moving in the right direction by deciding to sell off entirely the Manitoba Telephone System.

* (1630)

There might have been some areas in which the government might have been able to give some consideration to. We are not in fear of change. The government might have even entered into the possibility of working with SaskTel or trying to broaden Manitoba Telephone System's horizons through an expanded Crown corporation in some areas. I just believe that the government has acted prematurely, at very best, in their case, and from our perspective, from the Liberal caucus perspective, is that this is just a bad idea and a bill that should never pass this particular Legislature, that this government does not have that mandate, that this government could have done a lot more to try to get more direction from the public of Manitoba, that at times this government has demonstrated that it is arrogant and does move in an autocratic way.

This particular bill demonstrates more than any other bill before this Legislature with the possible

exception—well, no, I would even leave out the health regional boards on this particular piece. But those are the types of legislation that clearly demonstrate to me that there needs to be a change in government when I see Bill 67, when I see the health regional boards legislation. These are the types of legislation in which Manitobans as a whole will respond very negatively to this government, and they are losing touch. We in opposition, whether it is New Democrats or Liberals, hopefully, will be more successful in the future in holding this government or attempting to keep this government a little bit more humble, and hopefully, when we get back in spring, we will see a government that is a whole lot more humble, because they seem to have lost some of that over the last number of years. Thank you, Madam Speaker, and suffice to say we will be voting against the legislation.

Mr. Steve Ashton (Thompson): Madam Speaker, I am pleased to be able to speak on the bill, Bill 67, which I feel is probably the most significant piece of legislation, not only of this session but of recent years. I want to address the issue of MTS today both in the context of the Manitoba Telephone System and also in the context of what I think is probably even a broader issue that we are dealing with here, not only the sale of our telephone system but the loss of, I think, the fundamental integrity of our democratic decision-making process in this province.

I want to begin on that point because, Madam Speaker, since I was first elected, I have followed a number of basic principles as MLA, and I have been fortunate to be elected by the people of Thompson in five elections, and I want to talk about the basic principles I believe all MLAs should be following.

First of all, tell the truth in the election. I do not think there is a more important principle than that. I can tell you, having run in the five elections, what tends to happen is if you do not tell the truth in an election, next time around there are enough people that will remember. I have always followed that maxim. I always believe you say what you are going to do, and you do it and you do not hide the truth from the people of Manitoba. You tell them the truth in the election.

Number two, Madam Speaker, is after the election listen to the people that elected you. You know, I still knock on doors in my constituency in between elections

and public events, and I take that very seriously because I believe that I am elected to represent the people of the Thompson constituency in this Legislature. That is why I call that the second principle, listen to the people that elected you.

Number three, never forget that you are the trustee of the people. In terms of the management of public assets and the operation of the government of Manitoba, you are the trustee. I take that seriously. We are here not to impose our personal agenda on the people of Manitoba. We are here to be more than just caretakers, the trustees for the province of Manitoba.

Number four, always follow a position of integrity both in terms of not only personal dealings but the democratic process itself. I ask you to think about those four principles for a moment, because I think you will see why we in this party have such grave concerns about what the government is doing with MTS.

Let us start with the first principle: tell the truth in the election. Madam Speaker, you can cut it this way, you can cut it that way, you can try and turn around it in six of one and a half a dozen of the other, the fact is the government did not tell the truth to the people of Manitoba in the 1995 provincial election about the sale of MTS, did not tell the truth. Not only they did not tell the truth, they said on the record they were not going to sell MTS. I can show you numerous candidates who said that but, you know, the Premier (Mr. Filmon) said, we are not going to be selling MTS.

An Honourable Member: It never came up.

Mr. Ashton: Well, the member for Turtle Mountain said, it never came up. Perhaps he should have checked with his Premier who said, no, no—and I could digress into other issues, the Winnipeg Jets, we could get into some of those other side issues where they made promises they did not keep, but do you know what? I find it interesting the defence of the member for Turtle Mountain is, well, they never asked this question once. I asked the member for Turtle Mountain to state whether he said that the Conservative government was going to sell off MTS, he did not. His Leader said categorically on the record they were not. The bottom line is, they did not tell the truth to the people in the election.

Let us start with that bottom line, Madam Speaker, because there can be no doubt about that—

Madam Speaker: Order, please.

Point of Order

Mr. Mervin Tweed (Turtle Mountain): Just for the information of the honourable member opposite, Madam Speaker, the question would the government sell MTS never came up once during the election in my constituency.

Madam Speaker: The honourable member for Turtle Mountain does not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Ashton: Madam Speaker, the member for Turtle Mountain makes my point that he never once told his constituents in the election that he was going to sell off MTS. Thank you for putting that on the record.

You know, you can twist and turn. You can stand upside down until you are blue in the face. You cannot do anything else than acknowledge on the Conservative side that you never told the people of Manitoba the truth that you were going to sell off MTS, and that is the same for the member for Turtle Mountain, Madam Speaker.

Madam Speaker: Order, please. The honourable member for Turtle Mountain, on a point of order.

* (1640)

Point of Order

Mr. Tweed: Yes, Madam Speaker, I would just like to point out to the honourable member opposite, based on his assumptions, there was probably a lot of questions I did not ask the people during the election, but I am sure that if he could prepare a list for the next time, I would be happy to take it out on the constituency hustings with me.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Turtle Mountain does not have a point of order.

* * *

Mr. Ashton: And you can be sure that we will be communicating to the constituents of Turtle Mountain and every other constituency in the province of Manitoba the comparison between what that party said in the election and what they are doing today, Madam Speaker, with the selling off the Manitoba Telephone System. I want to say, the first principle they have clearly violated.

Let us deal with the second principle. Listen to the people; listen to the people. You know what is interesting, Madam Speaker? There has not been one single public meeting anywhere in the province of Manitoba, in the Manitoba Telephone System. They are not holding public hearings, the legislative committee, let alone go and have a vote of the shareholders of MTS, that is, us, the public of Manitoba.

Listen to the people. Does anybody wonder perhaps why they do not want to listen to the people? It is obvious, Madam Speaker, because they are going to get the same kind of results that the member for Transcona (Mr. Reid) got. Put out any kind of ballot, put out any kind of survey, particularly in rural and northern Manitoba. If you are really interested, you will find out what people have to say.

Madam Speaker, they did not listen to the people. They did not want to listen. In fact, I want to go one step further because you know how bad it was; not only did they not tell the truth in the election, they did not tell the truth in this Legislature about the sale of MTS. In May of 1995, the first question I asked as the MTS critic, newly appointed, to the Premier (Mr. Filmon) was, are you going to be privatizing MTS?

Some Honourable Members: What did he say?

Mr. Ashton: No. We have no plans.

But it got better in committee. September 26, 1995, the minister responsible for MTS (Mr. Findlay), the first question I asked in the committee, are you going to be privatizing MTS? You know what he said? He said, I have not discussed the issue of privatization with anybody. Privatization as a principle is not driving the reorganization of MTS. The only person who is raising the issue of privatization is the member for Thompson.

The only people who are raising the issue of privatization are the NDP opposition, the only people. Madam Speaker, September of 1995.

Well, it continues, the continuing saga here of this not telling the truth. December 8, 1995, the Premier was asked by our Leader, he was asked if the appointment of these investment bankers was a prelude to privatization. He said, Madam Speaker, I have said before and I will say it again that we have not entered into agreement with brokers to privatize, not we nor the Telephone System. I asked the Premier again on December 11 about the privatization, and he said, at this point, we do not have a particular plan in mind. We are undergoing investigations that will lead to a decision presumably down the road.

What was at the end of not telling the truth? We got out of them that they had these three investment bankers appointed. Well, we did not believe them, Madam Speaker. We started a campaign to save MTS in January, kicked it off here in front of the MTS building at minus 30, went on to Portage where we kicked off the rural part of the campaign.

You know, did they stop and then suddenly start telling the truth to the people of Manitoba, Madam Speaker? No. Many people wrote to them and said, are you seriously going to privatize MTS? What about public input? Do you know what the Minister responsible for MTS wrote? There was a series of form letters. I have one of them here. He said, contrary to some reports, no decisions have been or will be made about the privatization without public discussion. Remember, I talked about the second principle, listening to the people? Well, let us go one step further. We have a government that did not tell the truth in the election and did not listen to the people after the election, made no pretence of public hearings of any kind. There has not been a single meeting.

But let us get to the issue of trusteeship. The people of Manitoba trusted this Premier (Mr. Filmon) to take care of the public assets of Manitoba. Let us deal with whether he did or not. Remember those three investment bankers, Madam Speaker, and this, by the way, is the official name of the group of investment bankers, the MTS Financial Advisory Group, 161 Bay Street, Toronto, Ontario, M5J 2S8. I wanted to put that address

on the record because this is the basis on which they decided to privatize MTS. Now who are the investment bankers? CIBC Wood Gundy, RBC Dominion Securities, and Richardson Greenshields of Canada, collectively called the financial advisors according to this document.

Madam Speaker, remember in March—this letter was dated March 1, 1996, where they said they would not make any decisions, and definitely they would not make decisions without public discussion. When was this document received from the financial brokers? April 30, 1996. When was the decision made to sell MTS? Now, you remember this long public discussion that was going to take place, you know, the decision-making process, that they were going to listen to people. They were going to make sure they exercised their trusteeship very carefully. When did they make the decision to sell off MTS? May 1. Now, I mention about the trusteeship here. You would think perhaps they might just want to go a little bit further than making the decision in Treasury Board—and, by the way, this document was sent to the Treasury Board Secretariat, April 30—they might have started with the Treasury Board, gone to the cabinet. Do you think that they would actually even go to their caucus?

You know, I have been elected as an MLA, I have served in government, opposition, I would have demanded that the decision that was as important as this be referred to the government caucus. You know what, Madam Speaker? You know when they told the government caucus? The day of the announcement. They did not put it to a vote of their own caucus. Do you even think they put the issue to the MTS board? Did they put it to the MTS board? The only person who was consulted in the MTS board was the chairperson of the board, one Mr. Tom Stefanson, and they never once referred the issue of the sale of MTS to the MTS board. Well, let us deal with it.

I mean, this difficulty they have in telling the truth continues. The Premier only a few days ago, Madam Speaker, got up and said, well, we consulted with many, many people, many different reports. Let us start with one obvious thing. They have a report from three investment bankers.

An Honourable Member: Is that the seven-pager?

Mr. Ashton: The seven-page document. But they did bring some nice slides to go along with it, and we will find out how much they got paid. By the way, this group, Bay Street, based as it is—and I say to John Diefenbaker, who is twirling over in his grave right now, look at what has happened to your Conservative Party now, implementing the Bay Street agenda here.

But you know what, Madam Speaker? Let us deal with what other advice they had. Did this government seek any other advice on the future of MTS? They talk about this 1995 report of the Crown Corporations Council, which was released in the summer of 1995. What is interesting about that is that the only document we can get has been censored to the point in which there are about 10 blank pages in a row. The only other document we have is the MTS Financial Advisory Group. Now, you think after the Premier's statement that he could back up his statement that they talked to many, many people. Do you think they did consult with anyone? We know they did not consult beyond the cabinet. They did consult with their caucus.

Well, let us deal with MTS itself. We know they did not make the decision, but you would have thought that they would have immediately said, let us get a report from MTS. I know the Minister of Agriculture (Mr. Enns) would have expected that, because he knows something about political process in this province.

Well, we filed a Freedom of Information with the government, with MTS, received a response April 10, 1996. We asked a very simple question, and that was, we wanted access to the studies of privatization MTS was using. You know what the response was from MTS, Madam Speaker? I quote, in this application, you requested access to a copy of all studies on privatization MTS is using for the privatization of MTS. MTS has not had any studies done on privatization and is not using any studies for the privatization of MTS. End of quote. This is absolutely incredible that this government did not tell the truth in the election, did not listen to the people, not living up to his role as trustee, did not even bother to get a study from MTS on the impact of privatization.

Let us deal with my fourth point, Madam Speaker. I mentioned one other thing. Let us deal with the question of integrity. What kind of integrity is there in this decision-making process? Is it right? Is it ethically

right? I mean legally they can do what they want, I suppose, in some way, but is it right for them to make a decision on a Crown corporation that we have owned since 1908 with no mandate from the people of Manitoba when they in fact said the complete opposite, that they were not going to sell? Is that right? What kind of integrity is in that process? Let us deal with the integrity of this MTS Financial Advisory Group.

Who are those three investment bankers? I mentioned the names before. What role will they have in the sale of MTS? What is in it for them indeed? You know what is going to happen with these three investment bankers? They are going to be the lead brokers in the sale of MTS, and the commissions based on a straight 3 percent return, and we received different estimates of the kind of commission we paid where it would be one if you have a specific arrangement. It could be as high as 7 percent. Let us take 3 percent. The sale value is supposed to be \$700 million. Madam Speaker, these companies are going to be benefiting from the commissions that are going to be in the range of \$25 million, up to \$25 million. What integrity is there in that decision-making process?

The same minister responsible for MTS (Mr. Findlay) stated on the record earlier this session—he said that he was thinking of buying them himself. Well, it was pointed out that that was slightly against our rules in terms of conflict of interest, but you know they have not stopped these investment bankers who made the decision to—they recommended the sale. Now they are going to benefit from the sale. I mean, you do not have to be an expert on ethics, and we can quote chapter and verse—[interjection]

Well, to the member for Turtle Mountain (Mr. Tweed), you know, I do not claim to be an expert, but I can repeat into the record what people are saying both on the street and experts in terms of the issue of ethics, but to the member for Turtle Mountain, if he can explain to his constituents why the bankers that recommended the sale of MTS should now benefit from its sale, then I would suggest he should take some lessons on what is a process that has some integrity because this stinks. Everybody I talked to says this cannot be happening, but it is happening in the province of Manitoba.

Well, let us go one step further. Okay, I dealt with the fact—[interjection] Nope, no campaign promise.

An Honourable Member: Fearmongering.

* (1650)

Mr. Ashton: Well, to the member for Roblin-Russell, he talks about fearmongering. Do you know what? He is the one. I was just in his constituency, Madam Speaker, and do you know what? These brave members who sit in their seat here, do you know what, they have not had a single public meeting, not one single public meeting in Roblin-Russell to explain to the people of Manitoba what is going to happen under privatization. They have one study from a bunch of investment bankers, no studies from MTS, and they talk about fearmongering. If I were the people of Manitoba right now, I would be afraid of a government that is so lacking integrity and so incompetent that has handled the dealing with our province in this way.

Let us deal with it further. Is this the end of it in terms of lack of integrity? Well, I have a document here, Madam Speaker, and it is MTS Answers, this conveniently blue-coloured sheet of paper, and anyone who turns on a television set today or radio station will listen to part of the \$400,000-campaign they are running—\$400,000. Who is paying for this \$400,000.00? We are all paying for it. I mean, what a sleazy way of dealing with the future of MTS. This is unbelievable that you spent \$400,000 out of the pockets of the people of Manitoba to promote this. By the way, the former press secretary for the Premier is one of the beneficiaries lining up at the trough.

Well, let us deal with this. The most frustrating thing I found with this whole issue of MTS is, this is a government that is so afraid of dealing with the issue directly that it will not hold public meetings, it will not put out its case. It has to rely on this kind of propaganda, using MTS to make its argument.

Well, let us deal with the objective facts because, you know, I did not rely on the investment bankers to make the recommendations. Back in December and January and February, we researched in our caucus about the impact of privatization.

Well, let us deal with what will happen, not my word, not any conjecture, but what will happen based on what has happened in Alberta. Now why would we pick Alberta? Because Alberta used to be a publicly owned

telephone system, AGT, in 1991. Why would I select this particular public telephone system, now privately owned? Because they are using the same process for selling off MTS that they used in Alberta. They have got a higher percentage of foreign ownership out here, a higher individual number of shares to be held by a person, but what they have got in the bill is almost identical to AGT.

Well, let us deal with that, we will deal with that, what has happened in Alberta. First of all, Madam Speaker, rates have gone up far more than they have in Manitoba. Why? It just amazes me they did not even know this, or if they did, they did not tell anyone because the way the system works is—and it is all about the CRTC. If you get this MTS Answers, it talks about federal regulations. Well, what do federal regulations mean to telephone rates in Alberta? They have gone up \$6 a month this year alone. Why have they gone up? Because the CRTC regulates based on rate of return.

AGT went this year and said, because of the tax liabilities related to the privatization five years ago, if you do not raise our rates, we will only get 2 percent back on our return on equity. So do you know what the CRTC did? They approved a \$70-million rate increase in February of this year, which brought their rate of return up to 6 percent. By the way, they are allowed under the CRTC a rate of return on equity of between 10 percent and 12 percent. That is important because, if you consider the fact that our similar rate in Manitoba is approximately 6 percent, a private company automatically will be able to go to the CRTC and seek a doubling of this return on equity here in Manitoba. That is what has happened in Alberta.

This document says, across Canada telephone rates are regulated by the CRTC. Compare Alberta with Manitoba. Wait a second, there is even a better comparison, Saskatchewan. Saskatchewan, in 1992, by the way, took a five-year opt-out on moving under federal regulation and the long distance competition with Unitel, now AT&T, and Sprint. Do you know what happened, Madam Speaker? Rates had been frozen in that province for the last several years. They have been doing far better than any telephone service in Canada. What is the important point here? The important point is, you only get rate increases if you ask for them, and if you are a

private company you have to ask for higher rates than you do if you are a public company.

It is an objective fact that the CRTC allows—and I will give you two quick examples where a private company will cost you more than a public company. One, and it is very simple, is the return on equity. I just mentioned it. Actually, I will give you three examples. Number two is the corporate taxes that a private company has to pay. Number three is the higher degree which you have to pay for borrowing cost. Your capital costs more, as the member for Crescentwood (Mr. Sale) points out. Those are three objective examples.

You do not have to take my example for this. I will tell you where I got this information. I got this information from people who had presented to the CRTC based on the Alberta example and experience, and I phoned people in Alberta and I talked to people. The bottom line is under privatization, rates will go up more than they will under the public system.

An Honourable Member: Have they told that to the people?

Mr. Ashton: Well, they do not tell that to people because, you know, they get into this—they try and mix their terms a bit here. They talk about competition. Right? Well, let us deal with that for a second.

First of all, does anybody seriously believe that the Premier woke up in 1995 and all of a sudden said, oh, my goodness, there is actually really competition in the telephone system, and we have to privatize MTS? Madam Speaker, if that was the truth, then the Premier is absolutely incompetent and deserves not to be the Premier of this province based on that reason alone. We have had competition since 1992.

Let us deal with what is happening with the competition. Do you know what is happening? We are clobbering the competition when it comes to long distance service. We have competition there with Unitel, now AT&T, and Sprint. In 1995, 94 percent of Manitoba's residential customers and 84 percent of Manitoba's business customers stuck with MTS for their long distance service.

But do you know what, Madam Speaker? If MTS is sold off and privatized, that is not going to change what

is competitive and what is not. We still do not have competition for local service. It is going to be a privately regulated phone company that is going to be able to go to the CRTC for what rates it feels are just.

Now, let us deal with those rates, what these private companies deal with. I mentioned before the rate of return. Maybe I should put it into perspective because, I mean, I do not think we want to get into, sort of, the kind of accounting talk back and forth that may confuse the matter, but let us just put this into perspective. AT&T Canada. Who owns AT&T Canada? By the way, it is considered a Canadian company by the CRTC. It is owned by AT&T and three Canadian banks.

Now why would three Canadian banks who are doing quite all right in their own enterprises right now—record profits—why would they invest in the phone system? You do not have to take my word for this. There was an excellent article, I thought—I did not agree with the conclusions—from the Canadian Bankers' Association in the Free Press just around the time that the whole issue of MTS started to surface. Do you know what the Canadian Bankers' Association said? They said, we are really poor in the banks. We do not make as much of a rate of return, and they pointed to some other sectors, they said, make more money than the banks do. Guess what one of those sectors was? It was privately owned regulated telephone companies. Interesting, is it not? It is interesting, because there is definitely money to be made in the telephone system. Why would there not be when you have the CRTC passing on a guaranteed rate of return and when you have, Madam Speaker, AT&T allied with—by the way, AT&T is interested in buying MTS. They have already stated that on the record. So watch out for that. The bottom line is that is an objective fact.

Let us deal with the question of service. I want to deal with the question of service because, you know, once again they mix this back and forth. They try and mix up the idea of selling off MTS with competition. MTS is competitive under our public sector and is clobbering the competition. But service, they have put out these ads saying, we are going to provide service to our customers no matter what happens. You know, I believe that I will stick with MTS, Madam Speaker, no matter what, because it is a Manitoba company, and it employs people in my community. [interjection]

Well, let us deal with that. Will it always do that? What is Bell Canada doing with employment? Bell Canada, what are they doing with the operator job right now? They have contracted with a group in Arizona to provide operator services. [interjection] Well, they will be able to see the Phoenix Coyotes, I suppose. This is maybe the Tory vision of the last election. They did not explain, you know, you would have a job working for MTS, and you would have the Winnipeg Jets. The only difference, they did not tell you that you would be living in Phoenix, Arizona, to do it, Madam Speaker.

* (1700)

But let us deal with the question of service. Jobs can be transferred like that, out of rural Manitoba and out of the province of Manitoba, just like that. Rural jobs and northern jobs, you bet, they are going to be at risk. Do not believe the government. I mean, they did not tell the truth on selling MTS. Do not believe them when they say it is not. It is a fact of the new economy they talk about, and when you do not have the ownership based with the people of Manitoba in a mandate—you know, this is the government that talked about decentralization in 1990-91. They said it was important to get jobs out in the rural communities. Now where are those concerns? No concerns, not a peep, it is, trust me, believe me, oh, do not worry about it, right? What are they going to do to the people in rural Manitoba? Many of those communities rely on MTS for those jobs.

But let us deal with service. You know what the ultimate big lie in this MTS Answers document, Madam Speaker—and I will quote from the first page: Long gone are the days of crank phones—

Point of Order

Madam Speaker: Order, please. I would remind the honourable member for Thompson that he should pick and choose his words carefully, and that word has definitely been ruled unparliamentary on several occasions.

Mr. Ashton: On the point of order, I referenced the term "big lie" in terms of this MTS Answers sheet. I did not reference any member of the Legislature. It was not an unparliamentary statement but a reflection of this particular document.

Madam Speaker: I recognize the honourable member was referencing a document but, regardless, I do not want to get into splitting of hairs, but the document really reflects on the government, so I would just once again remind the honourable member for Thompson that he should pick and choose his words carefully.

* * *

* (1710)

Madam Speaker: The honourable member has two minutes remaining.

Mr. Ashton: You know what they talked about here? They said, long gone are the days of crank phones and party lines. You know, Madam Speaker, this is the ultimate. We do not have party lines in Manitoba; they are being phased out this year.

Has anyone on the other side of the House stopped to understand why? It is because we have a publicly owned phone system. Madam Speaker, there are three provinces in the country that have eliminated party lines. One of them is Manitoba Telephone System. The second is Saskatchewan, and the third is Alberta, which used to have a publicly owned phone system. The reason we have the highest per capita number of lines of any province in the country, by far, is because we are publicly owned, and we serve all Manitobans, no matter where they live.

You know, Madam Speaker, I get back to my original point here. I can debate this. Any member of this House can debate this issue on the facts. We have other options. We can go to the SaskTel option. We can issue the equivalent of HydroBonds.

There are many ways in which we can recapitalize MTS, but regardless of any debate we get into in this House, this government, I believe, does not have the right to sell off MTS. They may have the legal ability to ram things through, but it is not theirs to sell. They owe it to the people of Manitoba to act as the trustees that they are, the temporary guardians of the assets of this province.

Madam Speaker, they have no right to sell off MTS, and they should be aware that when they issue any prospectus, if they ram it through, they should tell the

people that may wish to buy it that this was a sale that was not democratic, was rammed through by a government that did not tell the truth in the election and has no right to sell this phone system.

I want to say, the fight to save MTS continues right up to the last day, and I will take the fight to each and every constituency in this province. I expect these members, who have been hiding away since the 1995 election, to justify why they are going to turn their backs on their constituents. Yes, the member for Turtle Mountain (Mr. Tweed); yes, the member for La Verendrye (Mr. Sveinson); yes, the member for every constituency in this province, the fight may end in terms of the Legislature on the 7th of November, but the fight, the political war, will continue because this government has lost any credibility it has, it has no integrity left and does not have the right to sell off MTS.

Committee Changes

Mr. McAlpine: Madam Speaker, I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that the composition of the Standing Committee on Law Amendments rescind a change for the committee meeting at 6 p.m., October 28: Niakwa (Mr. Reimer) for Fort Garry (Mrs. Vodrey).

I move, seconded by the honourable member for Turtle Mountain (Mr. Tweed), that the composition of the Standing Committee on Law Amendments be amended as follows: the honourable member for Niakwa (Mr. Reimer) for the honourable member for Lakeside (Mr. Enns).

Motions agreed to.

* * *

Madam Speaker: Is the House ready for the question? The question before the House is second reading of Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act.

Voice Vote

Madam Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

Formal Vote

Mr. Steve Ashton (Opposition House Leader): Yeas and Nays, Madam Speaker.

Madam Speaker: A recorded vote has been requested. Call in the members.

Order, please. The question before the House is second reading of Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act.

Division

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

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Helwer, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Radcliffe, Reimer, Render, Rocan, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Nays

Ashton, Barrett, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Jennissen, Lamoureux, Lathlin, Mackintosh, Maloway, McGifford, Mihychuk, Reid, Robinson, Sale, Struthers, Wowchuk.

* (1720)

Madam Deputy Clerk (Bev Bosiak): Yeas 26, Nays 21.

Madam Speaker: The motion is accordingly carried.

Mr. Doug Martindale (Burrows): Madam Speaker, I was paired with the Minister responsible for the Manitoba Telephone System (Mr. Findlay). Had I not been paired, I would have voted against Bill 67.

Mr. Hickes: I was paired with the Premier (Mr. Filmon). Had I not been paired, I would have voted against that bill, Bill 67.

Mr. Conrad Santos (Broadway): Madam Speaker, I have been paired with the Minister of Northern Affairs (Mr. Praznik); otherwise, I would have voted against Bill 67.

Ms. Marianne Cerilli (Radisson): Madam Speaker, I too was paired with the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer). If I had not been paired, I would have definitely voted against Bill 67.

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you call, please, Bill 68 and Bill 59.

Bill 68—The Farm Lands Ownership Amendment, Real Property Amendment and Registry Amendment Act

Madam Speaker: To resume second reading debate on Bill 68, on the proposed motion of the honourable Minister of Agriculture (Mr. Enns), The Farm Lands Ownership Amendment, Real Property Amendment and Registry Amendment Act; Loi modifiant la Loi sur la propriété agricole, la Loi sur les biens réels et la Loi sur l'enregistrement foncier), standing in the name of the honourable member for Swan River (Ms. Wowchuk).

House Business

Hon. Jim Ernst (Government House Leader): Madam Speaker, before you call those bills, I would like to announce that the Public Utilities and Natural Resources committee will sit tomorrow evening, (Tuesday) October 29, at 6:30 p.m. to begin deliberations on Bill 67. The committee will again meet at 6:30 p.m. on Wednesday, the 30th of October, to consider further Bill 67. [agreed]

Ms. Rosann Wowchuk (Swan River): Madam Speaker, when The Farmland Protection Act was brought in under the NDP government in 1977, I believe it was, it was that government that recognized that people were purchasing land on speculation; that is, there was land that was being bought by people from out of the province, out of the country. One of the reasons for this happening is, in fact, in Canada and in Manitoba our land prices were relatively low. With the overcrowding in

Europe there was interest in purchasing and high values for their land. There was interest in purchasing land here. There was also interest by other people from across Canada to purchase land in Manitoba and take control of the land as foreign landowners and the legislation was brought into place to protect the land for Manitoba farmers.

Madam Speaker, there was the ability to have exemptions through the Farm Lands Ownership Board and that was working fairly well. There was control on the sale of land in Manitoba until this government took over. In fact in checking some records, under this government, all lands that are applied for by Canadians, the majority or in fact all of them, there have been virtually no rejections of applications for people from out of the province. Even people from out of the country have been allowed to buy land in this province and that has created hardship for Manitoba farmers. I know specifically of examples right in my constituency where land has been bought by absentee landlords and they are now renting out the land.

They drove up the price to a level where our farmers could not purchase the land. The problem with that is the revenues also drain out of our province through absentee landlords. We have concerns with this legislation. We wonder why the government would be changing the legislation that is there now that controls land for Manitobans and ensures that Manitoba farmers can continue to operate and make a decent living and purchase land at a reasonable price.

The legislation, as it is now, does not prevent recreational purchases of land or other properties, it is only the farmland that is protected. But when I read back in Hansard, the speeches made by the now-Minister of Agriculture (Mr. Enns), I can understand why he is working towards changing this legislation. We have concerns that it will put pressures on Manitoba farmers not being able to expand their operations, and it is Manitobans that this government should think about first.

We welcome Canadians to purchase land here, but they should have to go through the board. It should be Manitobans that this government should think of first. We also have concerns that there is now a clause that says qualified immigrants can purchase land and they can change—they have up to two years after acquiring land to establish their intent as to whether or not they will intend

to farm, and two years is an awfully long time. A lot of things can happen in two years to the land and how people operate, so we have concerns, but we believe also that this is a way that the government will allow foreigners to purchase land in this province and allow for other operations. Certainly we welcome other people into this province to establish their operations, but they should have to go through the board. We should be thinking about Manitobans first to ensure that the property, that lands in this province are protected.

It is interesting that in 1977 only 8 percent was owned by absentees. At the present time the government, when I tried to find out how much was owned by absentee landlords, the department could not give us that information.

Madam Speaker, we do not support this legislation because we think that it opens the doors to foreign landowners and will jeopardize Manitoba producers. If we should have growth in this province, we should give the first opportunity to Manitobans to expand their opportunities and have the value-added jobs and the diversification that we need in rural Manitoba. Thank you, Madam Speaker.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I just rise to express some concerns that we have. Changes are made to the definition—

Madam Speaker: Order, please. I believe the honourable government House leader wants to give the House some advice.

House Business

Hon. Jim Ernst (Government House Leader): I wonder if there might be a willingness to not see the clock in the event that we go past 5:30. I understand this bill will pass, following the member for Inkster, in which time then I will need a couple of minutes to refer it to committee for tomorrow morning, so just in case we slip past 5:30.

Madam Speaker: Is there leave of the House for the Speaker not to see the clock should we proceed past 5:30? [agreed]

Leave has been granted. We do it before I call the question, after the honourable member has spoken.

* * *

Mr. Lamoureux: Yes, as I was just indicating, we do have some concerns with respect to this particular Bill 68. Changes are made to the definition of farmer, broadening it to include tree farming and the general term, horticulture.

One of the surprising additions is the provision for a foreign purchase fee. This fee could be levied against foreign companies or individuals who wanted to purchase large amounts of farmland, and in Manitoba. The emphasis of this section, in a word, "could."

The whole of the amendments seem to have intended to make corporate farming in Manitoba easier, the provisions for right of ownership section, and one of the sections now specifically includes eligible individuals. This would likely mean foreign bodies.

As I have indicated, we do have some concerns with respect to this bill but are prepared to let it go to committee. Thank you.

Madam Speaker: Is the House ready for the question?

Some Honourable Members: Question.

Madam Speaker: The question before the House is second reading of Bill 68, The Farm Lands Ownership Amendment, Real Property Amendment and Registry Amendment Act (Loi modifiant la Loi sur la propriété agricole, la Loi sur les biens réels et la Loi sur l'enregistrement foncier).

Is it the will of the House to adopt the motion?

Some Honourable Members: No.

Voice Vote

Madam Speaker: All those in favour, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

Mr. Gary Doer (Leader of the Opposition): On division.

Madam Speaker: On division.

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Thompson (Mr. Ashton) for St. James (Ms. Mihychuk), Selkirk (Mr. Dewar) for Broadway (Mr. Santos), for Tuesday, October 29, 1996, for 6:30 p.m.

Motion agreed to.

House Business

Mr. Ernst: Madam Speaker, I wish to advise the House that Bill 68, just now passed, will be referred to the Standing Committee on Agriculture that will meet at 9 a.m. tomorrow morning, October 29. [agreed]

* * *

The hour being 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 28, 1996

CONTENTS

ROUTINE PROCEEDINGS

Presenting Petitions

Manitoba Telephone System	
C. Evans	4525
Mihychuk	4525
Santos	4526

Guaranteed Annual Income	
Martindale	4525

Reading and Receiving Petitions

Manitoba Telephone System	
C. Evans	4525

Guaranteed Annual Income	
Martindale	4525

Introduction of Bills

Bill 302, Grand Lodge of Manitoba of the Independent Order of Oddfellows Incorporation Amendment Act	
L. Evans	4526

Oral Questions

Teaching Profession	
Doer, McIntosh	4527

Access Programs	
Friesen, McIntosh	4529

Holiday Haven Nursing Home	
Chomiak, McCrae	4531

Health Care Facilities	
Chomiak, McCrae	4531

Child and Family Services Agencies	
Cerilli, Mitchelson	4531

École Lavallée	
Gaudry, McIntosh	4532

Education System	
Gaudry, McIntosh	4533

Manitoba Telephone System	
Ashton, Downey	4533
Maloway, Downey	4534

Westfair Foods	
Reid, Toews	4534

Members' Statements

Employment Creation	
Pitura	4535

Politician/Media Spelling Bee	
McGifford	4536

Economic Growth	
Tweed	4536

Manitoba Telephone System	
Wowchuk	4536

National Science and Technology Week	
Sveinson	4537

ORDERS OF THE DAY

Debate on Second Readings

Bill 67, Manitoba Telephone System Reorganization and Consequential Amendments Act	
C. Evans	4538
Maloway	4539
Wowchuk	4544
Mackintosh	4547
Reid	4549
Lamoureux	4555
Ashton	4557

Bill 68, Farm Lands Ownership Amendment, Real Property Amendment and Registry Amendment Act	
Wowchuk	4565
Lamoureux	4567