



Second Session - Thirty-Sixth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Utilities
and
Natural Resources

Chairperson
Mr. Jack Penner
Constituency of Emerson



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ASHTON, Steve	Thompson	N.D.P.
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CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
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DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
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ENNS, Harry, Hon.	Lakeside	P.C.
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EVANS, Leonard S.	Brandon East	N.D.P.
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GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
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JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
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MACKINTOSH, Gord	St. Johns	N.D.P.
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McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
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NEWMAN, David	Riel	P.C.
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PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
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REIMER, Jack, Hon.	Niakwa	P.C.
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TOEWS, Vic, Hon.	Rossmere	P.C.
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VODREY, Rosemary, Hon.	Fort Garry	P.C.
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LEGISLATIVE ASSEMBLY OF MANITOBA

THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES

Tuesday, November 5, 1996

TIME – 6:30 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Jack Penner (Emerson)

VICE-CHAIRPERSON – Mr. Ben Sveinson
(LaVerendrye)

ATTENDANCE - 11 – QUORUM - 6

Members of the Committee present:

Hon. Messrs. Cummings, Findlay, Pallister

Messrs. Ashton, Kowalski, Lathlin, Laurendeau,
Penner, Pitura, Sale, Sveinson

APPEARING:

Ms. Becky Barrett, MLA for Wellington
 Mr. Dave Chomiak, MLA for Kildonan
 Mr. Gary Doer, MLA for Concordia
 Hon. Jim Ernst, MLA for Charleswood
 Ms. Jean Friesen, MLA for Wolseley
 Mr. Gord Mackintosh, MLA for St. Johns
 Mr. Doug Martindale, MLA for Burrows
 Mr. Stan Struthers, MLA for Dauphin
 Ms. Rosann Wowchuk, MLA for Swan River

WITNESSES:

Ms. Brenda Pauls, Private Citizen
 Mr. Ian Robson, Private Citizen
 Mr. Henry Reske, Private Citizen
 Ms. Anna Frolick, Private Citizen
 Mr. Jim Burgess, Private Citizen
 Mr. Victor Olson, Private Citizen
 Ms. Yutta Fricke, Private Citizen
 Mr. Jason Hooper, Private Citizen
 Mr. Tom Barker, Private Citizen
 Ms. Lisa Bukoski, Private Citizen
 Mr. Werner Hiebert, Private Citizen
 Ms. T. MacDonald, Private Citizen
 Mr. Grant Anderson, Private Citizen

Mr. John Wiens, Private Citizen
 Mr. Jim Silver, Private Citizen
 Ms. Kim Milne, Private Citizen
 Mr. William Regehr, Private Citizen
 Ms. Judy Wasylcia-Leis, Private Citizen
 Mr. John Cardoso, Private Citizen
 Mr. Anthony Kowalski, Private Citizen
 Mr. James Blomquist, Private Citizen
 Ms. Donna Ansell, Private Citizen
 Mr. Klaus Tibelius, Private Citizen
 Mr. Bernard Brown, Private Citizen
 Ms. Fagie Fainman, Private Citizen
 Ms. Michelle Forrest, Private Citizen
 Ms. Marilyn Brick, Private Citizen
 Ms. Pauline Riley, Manitoba Action Committee on
 the Status of Women
 Ms. Ellen Hartle, Private Citizen
 Mr. Roy Hartle, Private Citizen
 Ms. Sara Malabar, Private Citizen
 Mr. John Jacob, Private Citizen
 Mr. Heinz Saleski, Private Citizen
 Ms. Lori Pilano, Private Citizen

WRITTEN SUBMISSIONS:

Mr. Victor Olson, Manitoba
 Ms. Rosemary Friesen, Dauphin, Manitoba

MATTERS UNDER DISCUSSION:

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

Mr. Chairperson: Will the committee please come to order. The business before the committee this evening is consideration of Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act. I would like to draw the attention of the committee that the names of the presenters as registered have been put before you. You will note that there are marks beside names that indicate, No. 1, presenters whose names have been called and dropped to the bottom of the list and names that have been reregistered. We had this morning agreed that those that had been reregistered would be

called once, and if they were not present, would be dropped from the list.

It was also agreed that we have 10-minute limitations on presentations and five-minute limitations on questions. So I will proceed then with the calling of presenters. It also had been agreed that we hear out-of-town presenters first. We have two out-of-town presenters on the list at the present time, and I will call the first out-of-town presenter, who is No. 50 on the list, Brenda Pauls. Is Brenda Pauls here? Would you come forward, please? Have you a written presentation for distribution to the committee?

Ms. Brenda Pauls (Private Citizen): No, I do not.

Mr. Chairperson: You do not. Welcome to the committee, and you may proceed.

Ms. Pauls: You are dealing with a novice, so you will have to be very patient. I will do my best to speak clearly. I just came today because I felt compelled to make my observations. I live in the Lac du Bonnet area and became alerted to the question of MTS' privatization about five weeks ago, heard on a radio program or something like that, and that got me thinking about the issues. So I decided, in my usual fashion, to begin exploring just exactly what the heck was going on. I do not affiliate myself with any particular group or political party, quite a desirable commodity I would think in this House.

I began to ask as many people as I could about what this question was about. I spoke with, first of all, the MLA for our area, which is Darren Praznik. He was unavailable at that time and I spoke with his assistant, and she gave me some very good answers. I was momentarily satisfied, then went and spoke with union groups that represent employees at MTS. I spoke with John Douglas, the business editor at the Free Press. I attended an NDP information session. I talked to in excess of 200 community members in Lac du Bonnet, all the while trying to figure out what on earth the issues are, apart from the rhetoric, and just exactly where I stand on this issue.

That was not enough. I went and spoke to the councillors at the R.M. of Lac du Bonnet to get a municipal position on this question and to look at

municipal concerns from a rural perspective. I talked to the Society of Seniors, I spoke to consumer groups, then finally last Friday met in person with Darren Praznik once again on getting a Conservative perspective.

So my goal in this exercise, which was I think from a private-citizen point of view exhaustive, was to come to some clear understanding of just what these issues are, and it is inconclusive. As a private citizen, what I have is a whole bunch of different positions. All of them make fairly good sense at the moment, and all of them are filled with tremendous metaphor and drama and rhetoric, but in order for me to intelligently position myself on this issue, I somehow have to come to a clear understanding of what the real issues are on the privatization of MTS, and that remains unclear to me. So that pointed me to a critical problem with the process, and the critical problem that I have observed is that it is not possible for me to do what Mr. Filmon suggested on the radio last week, which is to find out about the issues and then come down here and tell you what I think, because everyone has their own rhetoric and position on this, but the clarity is not present.

What I have concluded is that in order for this issue to be adequately and fairly addressed, there needs to be some clear unbiased information about the facts of privatization, and some very clear, comfortable ways in which people might respond to the possibility of privatization. I make my living consulting to corporations and as a public speaker, and entering this building and this room with all of these eyes looking down at me from these gilded frames, is quite a remarkable experience, and even I took pause. So an average individual would find this a daunting task at best, and so while I appreciate Mr. Filmon's suggestion that we all just sort of toddle down here and make our point, for people who live in my community in Lac du Bonnet, this would be an unthinkable adventure.

I am really concerned about what appears to me to be an arrogant process, one where a lot of very intelligent and educated people are talking about something that is going to affect people who are not either physically able or perhaps, shall we say, emotionally able to come and address you in a way that will be meaningful to this process. So I have no idea whether privatization is a good idea or not, because no matter how hard I looked, I just got more and more baloney and less and less

information. It is just not there, and so I got more and more exasperated, because I could not get any facts, because it was unavoidable; I could see the rhetoric of every position. There is vested interest everywhere, and the actual fact of the matter is a mystery to me.

* (1840)

If we had had a process where we could have a discussion, where people would be permitted the time to educate themselves, assimilate the information and respond intelligently in a comfortable setting, unlike this one, then we might have a decision that was truly intelligent, but I do not know if that is where this process is headed.

I actually intended to come last week, and I decided that with all these hundreds of people talking to you, it must be getting a little redundant by now, and then I just felt compelled to come today to simply point out that, regardless of political position, the process does not represent the largest number of Manitobans who naturally are affected by these decisions.

I am concerned that your conclusion is that, because Manitobans are not speaking in great, great numbers—Mr. Praznik actually told me that he does not have very many people talking to him about this issue of MTS. He told me that that gave him to understand that Manitobans do not care about this issue, and I told him that I felt that was a really misguided conclusion, because the people that I have spoken to in the Lac du Bonnet and Beausejour area do not understand this issue. It is technological in its base, it seems, and that is an intimidating reality all by itself. So taking the time away from families and commitments to learn what exactly is going on and having the intelligence to separate the rhetoric from the facts require a great deal of time. I have invested hours in understanding this, and I am no further ahead than I was five weeks ago.

So my point, I guess, my primary point was made for me in an editorial in Maclean's magazine, I think it was last week or the week before, by one of their business editors, Deidre McMurdy [phonetic] or something. She said, I think, that provincial governments in Canada are confusing their role between being public servants and being CEOs of large provincial government corporations, and that there has been some loss of recognizing that we

are talking about having entered your positions as public servants, and not, as she puts it, lean and mean corporate executives. So the lean part I am inclined to agree with you on. We need to be very careful about our spending. I am a little concerned and very cautious about a decision to privatize when there has not been enough of a voice of the people that it will affect.

So I came today because I wanted to make an observation about the process. The question of privatization remains a mystery to me. I have yet to separate fact from rhetoric, and I simply wanted to address the fact that there simply is not an inviting atmosphere or sufficient time for the average citizen to educate themselves and make a comment.

Mr. Chairperson: You have one minute left to wind up.

Ms. Pauls: C'est tout. I am finished.

Mr. Chairperson: Thank you, thank you very much.

Mr. Steve Ashton (Thompson): I want to thank the presenter for coming in from Lac du Bonnet. We had an opportunity to talk, I should mention to members of the committee when I was out in Lac du Bonnet, and we did take the opportunity, myself and the MLA for Dauphin (Mr. Struthers) and the MLA for Swan River (Ms. Wowchuk), to get out and talk to people. We had a very good discussion, and I certainly concur with you.

One of the things that I find very frustrating about what has been happening is I would like to see all sides of the issue aired. I would like to see public hearings held throughout the province, and I would like to have seen public hearings held before the bill was introduced, because what biases this process is, you are either for or against the bill, in the end. There is no consideration. In fact, the minister himself has been saying for months now that it does not matter what happens, they are going to push this bill through.

I am wondering if you do not feel that would have been a much better process and would have given not only yourself but other people in Lac du Bonnet—you mentioned the Beausejour area, too, and we were there as well—much more of an opportunity to do what I think most people in a private company would do. If you are looking at a sale of the company, sell all the assets, you

would first of all look at the facts; second of all, put it to a vote of the shareholders. I am wondering if that is not the kind of analogy we should use here.

Ms. Pauls: Are you asking me the question?

Mr. Ashton: Yes. I am wondering if you do not think there should be the same process to have looking at the information through public hearings, and then have a vote of the shareholders of MTS afterwards as a way of resolving this issue.

Ms. Pauls: I am not really sure what the best process would be. What I know is that there is not sufficient voice of the people that will be dramatically affected by any kind of change, whether it remains the same and is downsized, or whether it is privatized at this point is unclear to me which is better. What I know is not effective, because my work tells me this daily, is that if you have not talked to everyone and heard everyone's perspective on this, then you do not know what you are doing. It is as simple as that.

So if there is a movement to make decisions for large groups of people without consulting them, then there is a word for that, too, and that is arrogant. That is what concerns me, this presumption that we know best what to do for everyone is what concerns me about what you are doing here, that you are pushing something through, presuming that there is not sufficient time or whatever your motivation might be to get this dealt with, so we are just doing it fast. I do not know if fast is really necessary here either, actually. I am not convinced fast is necessary.

Mr. Ashton: In fact, what we have had is a very short process if you consider—and I agree with you—the decision was announced May 2. The bill was introduced, and now we are being asked to decide on a company we have owned since 1908 in a matter of months, with no vote of the people of Manitoba, no public hearings outside of this hearing process. I am just wondering if you can elaborate on that, because what I found really bizarre is when the minister was saying in May and June, that, well, it is too late. This was at the point when there had been no vote of the Legislature. I am wondering if you see any downside whatsoever to perhaps putting this on hold, going consulting with people. The reason I mention a vote afterwards is because it is one way of resolving it where everybody is involved. Short of that, do you see any downside to putting this decision on hold?

Ms. Pauls: Once again, I am not at all clear about what the issues are in privatization. It is not plain. It is cloaked in rhetoric that is clearly rhetoric, but what the facts are remain really quite unclear to me, when it gets right down to it. What people's individual motivations or collective motivations may be for doing this, I am really not certain. What I do know, though, is that this is too fast—not for you, I mean this going at a pace you are probably accustomed to—but for folks like me and where I come from, this is too fast. People cannot grasp the gravity of the situation, investigate the situation and find out what they need to understand, assimilate it, come to a conclusion, and assert themselves in the period of time that you have gone whiz, bang and we are finished. People do not work like that.

So you are devoting your energies pretty much full time or more these days to this question. We do not have that luxury. So there is this great wind that is blowing through our province on the MTS question that really disturbs me. I am not convinced the speed is legit. I am very suspicious of the speed. It seems a little self-serving.

Mr. Chairperson: Thank you very much for your presentation, Ms. Pauls.

Ms. Pauls: Thank you. Am I done?

Mr. Chairperson: You are finished. The next person I will call is Esther Fyk. Have I pronounced that right? F-y-k. Esther Fyk. Having called—

Mr. Werner Hiebert (Private Citizen): I would like to raise a point of order, and that is to do with—

Mr. Chairperson: I am sorry, I am sorry—

Mr. Hiebert: I believe anyone can raise a point of order, and I would just like to bring it forward.

Mr. Chairperson: No, I am sorry.

Mr. Hiebert: Mr. Filmon raised something publicly—

Mr. Chairperson: Mr. Hiebert, would you please sit down.

Mr. Hiebert: I will, but I also wanted to say that the—

Mr. Chairperson: Will you please sit down. Thank you.

* (1850)

Mr. Chairperson: Having called Ms. Fyk's name twice, she will drop to the bottom of the list.

I will not revert back to the start of the list. I have two requests here for consideration of the committee. I have a request from Mr. Ian L. Robson, whether he can present now. He is not on your list; he is a rural resident. I am asking whether you want to consider his name now. Mr. Ashton?

Mr. Ashton: Yes, I think that is agreeable, but I also, once we have dealt with these two matters, want to raise some questions about our method of proceeding tonight.

Mr. Chairperson: We clarified the method of procedure at the outset of the meeting. I am sorry that you were not here.

Mr. Ashton: I understand. I had a meeting related to MTS with some people who were concerned about the sale.

Mr. Chairperson: We are proceeding on the same manner that we did this morning, simply that there will be 10-minute time limits on presentations, five minutes on questions. We will hear all the presenters here for as long as it takes, and that we will hear all rural presenters first. Unless there are special considerations made by committee to allow others to proceed, we will follow the list. It has been indicated that we will hear Mr. Ian L. Robson.

Mr. Ashton: Yes. We also, for all the committee hearings, have basically assessed at midnight where we are at, and heard presenters who cannot return. We also have an additional hearing set for tomorrow morning. I am wondering if that is still in place. I certainly would suggest that it would be. The reason I am asking is I have had some people ask me already, how late the committee hearings would be going, how late they would have to stay.

Mr. Chairperson: That will be determined at midnight, whether we proceed. I would suggest that we review that

as we have normally done. Presenters here should be prepared to stay if the decision is to stay after midnight.

Mr. Ashton: Well, Mr. Chairperson, that is not what we have done up until now. We have set the rules in advance. I would suggest that we do the same. We have another meeting scheduled for tomorrow morning. I do not want to tie us up. I can move a motion to that effect, but I think what we have done is the list is called up until 12. At 12, if anybody wants to present afterwards, he or she can. We are back anyway at 9 in the morning, so it is not like we do not have that option for people who have not finished tonight. I suggest we do that. I could move a motion. But, you know, we have done that every hearing for a week, so is that agreed?

An Honourable Member: No.

Mr. Chairperson: Mr. Ashton?

Mr. Ashton: I do not want to inconvenience the presenter, so I will move it afterwards.

Mr. Chairperson: I will ask the presenter to sit down. This might take a few minutes.

Mr. Ashton: I am just concerned it might take more than a few minutes. I am just writing out the motion that basically puts into place what we followed at other hearings. We have got a lot of people interested, Mr. Chairperson, tonight. I am just writing this out here for the clerk. I am just writing this out, doing it the proper way here.

Mr. Chairperson: As long as you can write it so that I can read it.

Mr. Ashton: I cannot guarantee that. I would move

THAT we hear presentations until twelve o'clock, not call the list afterwards, but hear people after the time who cannot return.

Motion presented.

Mr. Chairperson: All those in favour?

Mr. Ashton: Just to speak to it, Mr. Chairperson. The motion basically puts, in the formal sense, what we have

been doing since the first committee hearing. We had some fairly heated discussions on procedural matters, but I thought we had adopted what was a reasonable compromise on this particular matter. We indicated that we have no difficulty sitting until midnight. I think it is somewhat late, but I think it is reasonable to indicate to people in advance that that is when we would sit until.

We also said we would accommodate people who could not return, or who would prefer to present at this hearing. We have done that at every hearing. Some nights we have sat until one or two or thereabouts in the morning. We also have recognized the fact that additional committee hearings had been scheduled. As is the case, there is a committee hearing tomorrow morning.

So, Mr. Chairperson, the motion really puts in place what we have been talking about right from the beginning. I want to stress my concern about the fact that government members would have any difficulty with it. Those were the rules that we had been following. I thought there was some consensus on it. It was worked out fairly well. What we will be doing, if we do not adopt this resolution, is allowing the majority in this committee, which is the government, to get to midnight. Then, if they feel like it, keep this thing going until one, two, three, four in the morning, whatever.

I would point out that I think one of things we try to do by adopting this is to keep more of a balance in that. No one is saying we will not sit past midnight to accommodate members of the public. I do not think it is fair or reasonable, on an issue as important as MTS, to keep people waiting here, as we have currently. If we adopt what appears to be the position of the government members, we are going to be in a situation where people will not know. They can wait around until midnight. Then, if the government says, what the heck, we are going to sit here the rest of the night, those people will have waited from 6:30 until midnight, and then may run into the situation where they either risk if they leave, perhaps if they have to work the following day or who knows, have to actually sleep or do anything on a reasonable basis, Mr. Chairperson, they under the rules that were adopted by the government majority could potentially lose their right to speak at 1 or 2 or 3 or 4 or 5 in the morning. I would just point out I just do not understand why the government, after we have had this

balance in place for close to a week, would not agree to that.

Is it perhaps that the government is concerned about the large number of Manitobans who are concerned about this issue enough to come out before this committee? Is it that they in fact do want to run this all night, Mr. Chairperson? I want to say that if that is the case I really do not understand what is going on. We have been sitting here. We have followed the rules. We sat Fridays. We sat Saturdays when the House was not sitting. I think it is only reasonable that we follow the same rules today.

If the government votes against this motion, I would say to the government members that they should not expect any legitimacy out of a process if they expect to have this wind down at 3, 4, 5, or 6 in the morning. There are a lot of people who want to present. There are a lot of people here tonight. We want to make sure they have a chance to present. We also have to recognize, Mr. Chairperson, that a lot of people here do have to work, do have other commitments, and I think it is only reasonable that we do what we have been doing now for close to a week, and that is, we tell people in advance how this committee is going to work. People know that if they stay until midnight their name may be called, and they also know that they do not have to worry about their name being called or potentially dropped off the list if they happen to have to leave this committee at 12:01 or 1 or 2 in the morning.

* (1900)

So the bottom line is, Mr. Chairperson, we have followed procedures up until now, and I would urge the government in this particular case to be fair and reasonable to the presenters, to listen to the presenters, and to make sure that this motion is put in place so that people do not have to sit here until the wee hours of the morning or potentially have their name dropped off the list at some ridiculous hour in the morning just because the government does not want to hear from the full list of Manitobans.

We have been here for a week. We in the opposition are prepared to sit here as long as it takes to listen to Manitobans, and if that means having reasonable rules, and if that means coming back tomorrow morning to hear

people, and we can sit tomorrow afternoon, we can sit as long as it takes to listen to Manitobans, we will do this. I would urge the government in this case to be reasonable with the people who are in this committee, and the way to be reasonable, Mr. Chairperson, is to support this motion which puts into place exactly what we have been doing for more than a week.

Hon. Glen Cummings (Minister of Environment):

Mr. Chairman, I believe we want to hear everyone who has issues to raise, but I remember very clearly being a presenter when Mr. Ashton was a member of the government and waiting until 4 in the morning, even though I was a rural presenter, to make my case. This is not the normal procedure that he has been outlining. Committees very often under NDP administrations ran through until the sun came up the next morning.

I think we should begin by letting the presenters present and discuss their issues, and let us stop wasting the time of the people who are waiting so that we can hear them.

Mr. Ashton: Mr. Chairperson, we have also adopted rules that have spring and fall sittings, and one of the things that bothers me is in fact sitting until the wee hours of the morning. We have had considerable discussion. I know you were part of those discussions, and I hope by the comments of the member that he is not saying, because at one point in time, 10 or who knows how many years ago, that we had committee hearings till the wee hours of the morning, that we are going to do that again tonight. I am even more concerned now I have heard the comments from the member; it sounds like the member is assuming that we are going to be sitting here till the wee hours of the morning, because we are back here at nine o'clock tomorrow morning according to the announcement made by the government House leader (Mr. Ernst) in the House. I do not see what is unreasonable about us sitting to at least midnight, to sit past midnight to accommodate members of the public if necessary, and to come back here at nine o'clock in the morning, as we have been doing all week.

To the member for Ste. Rose (Mr. Cummings), I would point out that, when I referenced the normal procedure in this committee, we had a lot of discussions, we had a lot of procedural wrangles earlier on, and we adopted what is in this motion as a standard practice in this committee.

I do not understand why today the government has all of a sudden seemed to have changed its mind, Mr. Chairperson, other than the fact that they seem to want to ram this through today. If that is what they want to do, I put on the record that they should not expect to be able to do that and have any legitimacy of this process. We are prepared to sit whatever hours are convenient to members of the public. Sitting till the wee hours of the morning, as the minister talked about, you know, I do not care if it was done in the past. We have new rules that have been adopted, that were supposed to avoid that, and we have agreement in this committee, we have motions in this committee that have adopted that as the procedure. So why do we not stick to the rules that have worked well for a week and make sure we get out here at a reasonable time tonight and accommodate members of the public in the process?

Mr. Gord Mackintosh (St. Johns): Mr. Chair, as we all know, what we do in this Legislature really relies on our practice more than we often like to admit. When we look to see how we are going to govern ourselves from time to time, we look to see what the practice has been, what the procedure has been, that has been established as it applies to that particular proceeding. Going back to what happened in an NDP government at another time, under different rules, is irrelevant. What is relevant here is what took place during the course of these proceedings in this particular committee. There was a procedure that was laid out; it was a result of compromise; it was somewhat reasonable in that we did not cut things off at midnight; and it gave, I think, some deference, some respect, to the presenters and as well it did not detract from the ability of members of the committee to hear and understand what was being said to them on a very important issue.

We just had a presenter tell us how inaccessible this procedure is to ordinary Manitobans. I do not think it is in the interests of Manitobans that we make this procedure any more inaccessible, and we will do so by failing to recognize and abide by the practice that was established by this committee since it began its hearings last week. We are also into a snowstorm. I do not think any of the members of this committee want to be held responsible for anything that could happen, should people leave here late at night after sitting here for long hours that was not necessary and not in accordance with the practice of this particular committee.

So I support the resolution, and if the committee really did have in mind any intention to deviate from its established practice and procedure regarding the timing of hearings, then it was on you, Mr. Chair, to have brought attention of the committee members to that. We have to accept that the procedure as compromise is good. It works for everyone, the members, and, more particularly, the public. So I suggest that we wholeheartedly endorse the motion that was put forward by my honourable colleague from Thompson.

Voice Vote

Mr. Chairperson: All those in favour of the motion, would you indicate by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed to the motion, would you indicate by saying nay.

Some Honourable Members: Nay.

Mr. Chairperson: I declare the Nays have it.

Formal Vote

Mr. Ashton: I would ask for a counted vote.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 6.

Mr. Chairperson: I declare the motion lost. We will then proceed with hearing until we end the process.

Now, I had indicated before that there was one person who had walked in who was not on the list, and his name is Ian Robson. Do we want to hear him? He is an out-of-towner. [agreed]

Mr. Robson, would you come forward, please. Mr. Robson, have you a written presentation to present to the committee?

Mr. Ian Robson (Private Citizen): No, I have no written presentation.

Mr. Chairperson: Thank you for coming. Welcome to the committee, and you may proceed.

Mr. Robson: Thank you, Chairman, and the people of Manitoba, for the ability to come and speak here tonight. I farm and I have, I guess, a sense of ownership. When you operate a farm, you feel in a community, and you tend to make allowances with your neighbours. I think in this case when you own something, perhaps the bill that we have, we have MTS, I feel that I own part of the company, if you like, a shareholder of the province, and I do not see that this government has demonstrated any particular need to sell such an asset as MTS.

I contacted Mr. Findlay's office and spoke with one of his assistants. The assistant basically gave me an advertising job such as has been presented in the media. I guess the advertising that has been paid for in the media has been paid for by the government of Manitoba, or by MTS, I am not sure which. [interjection] By MTS.

We have a chairman of the board of MTS, or the manager of MTS, who is on record in advertisements saying that there is a need to sell the company without demonstrating any need to sell the company. I do not know where he got the permission to say that he could sell the company. I understand by a news report this morning on the radio that this government was prepared to sell shares next week even though, probably, legislation is required to be passed before such an event could even take place or I presume be announced to take place.

In light of these observations, it appears that this government is acting in a very arrogant manner and a very poor manner in relation to your neighbours who, in effect, are the people of Manitoba, the owners of MTS. I think that Mr. Findlay, if he is the one who proposed this, must take into account that he is selling something without the permission of the people who own the company. I think that we have to keep this in mind.

It is very difficult for people in the rural areas to come and attend these hearings. It has been made even more difficult for people to come and attend these hearings by these advertisements that have been put on the radio, saying that, oh, there is basically nothing to worry about at MTS. It is going to be there providing a service.

* (1910)

The question is, there have been examples elsewhere in the country where rates in the rural areas have gone up,

and this does not do anything for increasing business in the rural areas. It does not put more people in the rural areas, which I presume if we have people in the rural area it increases the economy and makes taxpayers of us all and makes the government and makes the services run. So I hope that Mr. Findlay has not forgotten some of those basic, basic details.

I do not recall seeing in the newspaper advertisements setting out the time and location of this public hearing. Is anybody on the committee aware of any advertisements like that? It seems to me that if a democratic government does not make those advertisements, which I think are required in a lot of government actions, that there is a gross negligence in the action of that government. I just cannot understand why this committee does not go and hear from people in Brandon or somewhere, other places in the province. The taxpayers of this province pay you people to listen to us and to listen to our views, and we do not necessarily agree with some consultant who says that we should sell MTS, and the cabinet ministers jump on that bandwagon and say to the people, well, you have to take what you are offered for the company.

We own this company. Maybe, as Mr. Findlay's assistant said, the company is in debt. It is in debt for a good reason, to provide the service that the people of Manitoba need, and presumably when the company went into debt, it did so based on a business plan which would pay back over time.

The other thing that gets talked about is technology. Well, technology always changes. Mr. Findlay knows that on his farm, and I know that on my farm, and we are continually updating the technology, and MTS, if it is a well-managed company, will deal with those changes in technology, whether it is owned by the government, or I hope not owned by somebody else.

It would appear to me that Mr. Findlay is quite happy to take something that I own and sell it to his friend who has some money who can then make money on those shares that that friend owns. What sense is there, sir?

Mr. Chairperson: Thank you very much for your presentation.

Mr. Robson: Have you got any questions?

Mr. Tim Sale (Crescentwood): Thank you for coming in on a night that, I guess, is the first of many that we will have in the next few months. I appreciate your coming.

The government has utterly failed to make any case, as you have said. Today in Question Period and later in the hall, the Premier (Mr. Filmon) simply refused to make public any data that they have on which they made their decision, I suspect because either the data is very slim or because it, in fact, concurs with the data that we have received from a regulatory expert in Ontario whom we consulted over the last week, when we found out that the government did not have any technical opinion on things like income tax rulings and rate impact changes.

But I just want to tell you that in this document which comes from Ecoanalysis Consulting Services, it states that Telus in Alberta is applying to double most residents' rates by '97 and more than double rural residents' rates. Therefore, for residence ratepayers, especially in rural areas, the average increase of 9.75 percent should be viewed as the minimum potential impact. These consultants estimated 9.75 across the board on average but indicated that rural rates would go up significantly more, in all likelihood, and perhaps urban rates somewhat less.

How do you feel that will impact on the people you know who depend on good telecommunications, affordable telecommunications services?

Mr. Robson: Well, it is very difficult to predict the outcome on those people. They are squeezed in a number of areas in their farm income. In rural areas, employment is difficult to find. There are people in part-time jobs to make ends meet on the farm, and one more added increase in cost, and a cost increase that includes a profit to some other private shareholder as opposed to a profit that would come back to the province of Manitoba, is a lost amount of money that does not get into the government services. I am surprised that Mr. Findlay or Mr. Penner or Mr. Cummings does not challenge me or ask a question regarding some deference about the ownership of the company. It is just baffling.

Mr. Sale: It is baffling, but they have asked virtually no questions through 200-odd presenters, so you are not alone. They do not seem to have any questions of people who raise substantive issues.

I would just want to ask you, you indicated an acceptance of the notion that a company would incur some debt in order to invest in better services. Would you be surprised to learn that the total debt servicing costs of MTS are only 16 cents on the dollar? If you could service all your debts as a business person in the farming industry for 16 cents on the dollar, would you think you were deeply indebted and had to sell your farm tomorrow?

Mr. Robson: Well, it depends, I guess, on the outlook of the revenue that you can make to pay that off, and I guess 16 cents may not look out of place depending on the business plan that MTS has. I have not studied it enough to have a good handle on the numbers.

Mr. Chairperson: I want to, for clarification to you, Mr. Robson—the chairperson normally does not ask questions in these committees. Matter of fact, it is very seldom ever that the Chairperson comments or asks questions of the presenters. It is the other committee members that ask the questions. So I am going to recognize Mr. Cummings.

Mr. Cummings: Thank you, Mr. Chair. Mr. Sale is now likening finances to agricultural finance. What he failed to do is to indicate—and I am sure something that would scare us as farmers—is that the debt ratio is well in excess of 80 percent of the value of the company. The question I wanted to ask, however, is, as a rural user, are you a heavy user or do you have any comments about the long distance charges that you have been experiencing lately?

Mr. Robson: I guess I have a feeling from what I understand in the news, is that over the last period of years some of the long distance revenue to MTS has been stolen by private companies through rural changes. Maybe those rural changes are related to the Free Trade Agreement. Maybe the Free Trade Agreement needs some examination. I do not know, Mr. Cummings. I certainly have to pay when I make a phone call. I usually am very careful about the length of time I stay on the phone to try and keep the cost down.

Mr. Cummings: Good advice. This is not an inquisition. I was only wondering if you had observed whether your costs per minute had been going up or down, or whether there was any concern in your mind

about the long distance charges, if you are in fact a heavy user being a rural member of the community.

Mr. Robson: It is one of those things that you always watch. What are you going to do when you want to use the phone? You pick it up and you dial the phone. The only control that you have on your phone bill is basically not to talk too long, other than attending public hearings and making comments regarding the rates, and I know that the rate increases did happen over a period of years. Usually you are not very happy that that happens. Certainly we do not want to see any gross rate increases in the future. I was aware of what your position is from Mr. Findlay's assistant, that you think that the company is 80 percent in debt. I guess this is what you people have to argue about, but it is also a matter of you on your farm deciding whether you can carry on at 80 percent or find some other deal. If you, in fact, have any interest in owning or continuing to own so that you can control the place where you live, then you will say you will struggle on and maintain MTS in your ownership, and your farm in your ownership. That is a matter that each person makes in their own decision.

* (1920)

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Mr. Cummings was talking about long distance. I am sure you are aware that long distance charges to the consumer have gone down some 50 percent over the last four or five, six years. Certainly different telephone companies offer different kinds of option packages. I think you are aware that those benefit all consumers. I would also like to make you aware that although you talk about owning a part of the company, you also own the debt as a taxpayer since the government guarantees it. The process here is lifting \$850 million of debt off your back as a taxpayer. Somebody who farms understands the reality of cash flow and the problems that debt creates for a business. Would you not think that is a bit of good news for the taxpayer?

Mr. Robson: As the minister who is in charge of the cash flow, at present he is in charge of the cash flow for MTS and in charge of the taxpayer, as well. The company would have a business plan in place which would deal with that. It would also respect the wishes of

the majority of the people of Manitoba to keep that company in their ownership.

Mr. Chairperson: Thank you very much for your presentation, Mr. Robson. The next presenter is also an out-of-town presenter. He just registered tonight.

Point of Order

Mr. Sale: I wonder if the minister responsible for MTS would like to just correct for the record the incorrect assertion by the Honourable Mr. Cummings about the debt-equity ratio which I think the minister will confirm is not in excess of 80 percent at the present time. It has come down sharply under his government, and would have come down further if other things would have happened. So I am very glad to give him credit for this. I would not want either the former presenter or the minister responsible for the environment to think that it was still well over 80 percent.

Mr. Chairperson: On a point of order, Mr. Minister.

Mr. Cummings: I am glad that the member for Crescentwood (Mr. Sale) wants to give us credit. He knows that through the '80s when his government was in power, it rose up to 91 percent in round figures, and now it is down to 78 percent, but sort of industry averages in the 45 to 50 percent area of debt equity, but 78 is a pretty big burden.

Mr. Chairperson: There was no point of order. It was simply a dispute of the facts.

* * *

Mr. Chairperson: I am going to call the next presenter on Bill 67. Mr. Henry Reske. Is Mr. Henry Reske here? Would you come forward please.

Could I ask for order on the committee please.

Mr. Henry Reske (Private Citizen): Thank you, Mr. Chairman and panel.

Mr. Chairperson: Mr. Reske, have you a written presentation for distribution?

Mr. Reske: No, I do not.

Mr. Chairperson: Thank you. Welcome to the committee. You may proceed.

Mr. Reske: First of all I would like to say that at no time have I ever seen hordes of people in front of the Legislature making demands that the telephone company be sold. The second concern about debt is that the sooner we start paying the debt down, the sooner it will get done. It is not an impossible task to pay it down. I sometimes wonder if the whole thing has not been designed to put it into debt and then try and sell it off.

I have to question the democratic end of this. We had an election just 18 months ago, maybe a little more. It was never mentioned. Do not tell me that the present government has that short a term vision on what they are about to do in the next four or five years. I just do not accept that. This is nothing else but being dishonest. I do not care what government it is, what political party, if it is dishonest, it is dishonest, and it should not be acceptable. I do not think people should stand for this.

I want to say about competition—over the years when we talked about telephone rates, we talked about our system, and we often boasted that it was the lowest rates in the country. When you look at the U.S. where the competition was, in my understanding it was always lower. Now we are saying we have to have competition to keep rates down. When I look at all the advertising that has taken place over the last number of years by ITT, Sprint, Unitel and many others, and even Manitoba Telephone System, a lot of advertising—this paper came in the mail. It must have cost money to do that. I do not see the necessity to change. You do not have to change ownership to change technology. You can do all the technical changes you want to that are needed and are necessary without changing ownership.

It talks about shares and who owns the shares, and the paper says something like most of the shares will be owned in Manitoba or by Manitobans. How are we going to do that? If ITT, for example, in a number of years decides to buy up more shares, how are we going to stop them, are we going to say you cannot do that, it belongs to Manitobans? I do not think it works that way.

I am sure that you have taken polls, as a government you have taken polls on this issue. You must have, you take on everything else, and the polls must have told you

something by now. If you are going against the wishes or the results of the polls and the wishes of the people, then I have to question your motives.

I guess what I came here to say was simply, I am opposed to what is happening. I do not agree with the dishonesty in this thing. I think people are losing credibility in politicians, and I do not care what stripe they are in politicians because of credibility. When you look at elections going on now in the United States and negative advertising, you know, that just does not have any credibility, and I hope we do not follow that kind of route in this province. So all I am asking for is a bit of honesty. Talk to the people. I have talked to many different people too, to people in all stripes, and I find mostly opposition, even in your own political party. There is a lot of opposition out there. For God's sake, listen to them.

If there are any questions, Mr. Chairman, I will attempt to answer.

Mr. Chairperson: Thank you very much for your presentation, Mr. Reske.

Mr. Mackintosh: Thanks very much for coming out tonight. You really spoke to the immorality of what was taking place, and you said that during the recent provincial election, to your knowledge, the sale of MTS was never mentioned. From that you concluded that what was happening was, I think in your words, dishonest. If I were to tell you that in fact it was mentioned during the campaign, and in fact that the Premier (Mr. Filmon) had said that MTS would not be sold, there were no plans, it was not on the table, how would you feel then?

Mr. Reske: I can recall that. I just overlooked that. What I was referring to, that I cannot recall ever that it was said that it was going to be up for sale.

Mr. Mackintosh: I do not know if you have shares in any private corporation or not, but are you aware of what the first obligation of a company is when it is a private-for-profit corporation?

Mr. Reske: I guess to make this company viable, I guess it has to be the first option or wish.

Mr. Mackintosh: If I suggested to you that the first obligation, in fact, it is a legal obligation, is to the shareholders, would that make sense to you? I wonder, if that is indeed the first obligation of a private corporation with share capital, what difference do you expect to be the first obligation of MTS?

Mr. Dave Chomiak (Kildonan): I am not sure I follow what you are saying here. Could you go over that again?

Mr. Chairperson: We are not either.

Mr. Mackintosh: Are you aware that the first obligation, in fact, the legal obligation of a corporation is to its shareholders? If that is true, do you see a difference in how MTS treats you, for example?

Mr. Reske: Well, again, I suppose the way I am going to be treated by MTS if it is going to be sold off, I am not sure what is going to be taking place after this point in time if it is being sold off. But, I do not disagree with what you said at the beginning.

Mr. Chairperson: Thank you very much.

Mr. Sale: Mr. Chairperson, just a brief question. The Premier (Mr. Filmon) also said over and over again—as did other ministers—but particularly the Minister responsible for Telephones (Mr. Findlay), that there would be no rate increases in future as a result of the privatization. They said rate increases are going to happen anyway and privatization does not make a difference. Today, we tabled a document from a rate expert in Toronto who advises corporations in Ontario, who said that the rate increase will be at least 9.75 percent just because of privatization. Does that strike you as yet another contradiction between the Premier's word and the reality?

Mr. Reske: Well, certainly, over the last number of years it has not added much to my confidence.

Mr. Chairperson: Thank you very much, Mr. Reske, for your presentation.

Mr. Reske: Thank you.

* (1930)

Mr. Chairperson: I call next, with consideration of the committee, Anna Frolick. She is also an out-of-town presenter who was on the list before and is a walk-in today. Anna Frolick. Have you a written presentation for distribution for the committee? You may proceed.

Ms. Anna Frolick (Private Citizen): I would like to say that my hearing aid is not working too well today so will you please speak a little slowly and speak up a little bit. Thank you.

Ladies and gentlemen, concerning the sale of the Manitoba Telephone System, our publicly owned Manitoba Telephone System has been giving satisfactory service for over 60 years in our area, and at reasonable rates which are the lowest in North America. It is vitally important that rural subscribers, even more than city subscribers, have telephone service since they live much farther apart and do not have easy access to schools, hospitals, businesses, et cetera. There have been telephones in the Dugald and Oakbank areas of Springfield since the early 1930s but not continuous telephone lines. In the very early '40s, I remember walking about one mile to our neighbour to use their phone regarding an application to a rural school board which I was interested in contacting.

The telephones have improved and changed over the years, for example, from party lines where we might frequently have to wait to get the line, to single or private lines, mobile phones, pagers, phones equipped with hearing aids or volume control, et cetera. The telephone helps us in daily life to keep in touch with our family and make doctors' appointments, et cetera. For instance, the pacemaker nurse phones my husband to inquire how he is managing when the need arises. Keeping in touch would become too expensive with greatly increased rates under privatization. Our Manitoba telephone contributes to the safety of all of us, particularly the elderly who could not afford a telephone if the rates greatly increased. Now if our public telephone system was to be privatized and the rates increased by \$6 per person per month like in Alberta, while the income remains fixed, this would result in a difficult position, to say the least.

Taxes went up about \$200 to make up for education cuts. Medications province-wide have gone up in price. This latter is particularly hard on elderly people on fixed incomes. As a family, we have worked hard all our

married lives raising our children, working on our farm in Springfield with my husband who also worked full time in construction for 34 years. We have contributed to this province all of our lives and you, our present government, have no right to sell our public telephone system.

A government, in order to be trusted, must keep its word. During the 1995 provincial election, it promised not to sell the Manitoba Telephone System. No consultation with the people of Manitoba or referendum was held on the planned sale. We own the Manitoba Telephone System. You do not own it. It is not yours to sell. We are sure, my husband and I, that if you came out to Springfield, our neighbours would tell you the same. Our public telephone system must stay in Manitoba. Thank you for the opportunity to voice my support for the Manitoba Telephone System.

Mr. Chairperson: Thank you very much, Ms. Frolick, for coming to appear before the committee. Are there any questions?

Mr. Mackintosh: Thank you, Ms. Frolick. Your participation is appreciated. Is your MLA the one who is selling MTS?

Ms. Frolick: Glen Findlay?

Mr. Mackintosh: Yes.

Ms. Frolick: Yes.

Mr. Mackintosh: Did he tell you he was going to do that?

Ms. Frolick: Not to me personally.

Mr. Mackintosh: Did you read anything from him telling you he was going to do that in the election?

Ms. Frolick: It has been in the papers.

Mr. Mackintosh: After the election. Thank you very much.

Mr. Chairperson: Thank you. I will call the next presenter. We have one further consideration by the committee. We have a Mr. Jim Burgess who is No. 66 on the list, who is an elderly gentleman and he is here.

He wishes to present tonight. What is the wish of the committee?

An Honourable Member: Leave.

Mr. Chairperson: Leave. Mr. Jim Burgess, are you there? Would you come forward, please. Burgess, I would suspect it is pronounced, right?

Mr. Jim Burgess (Private Citizen): I have written notes for myself, Mr. Chairman—I am 74 years old and the fear of Alzheimer's is so strong in me that I write myself a note if I am going to the john—but, unfortunately, I only have the one copy.

Mr. Chairperson: You may proceed.

Mr. Burgess: Mr Chairman, members of the panel, I wish to thank you for this opportunity to present my views on the controversial subject of the sale of a public utility, MTS. Mr. Filmon has stated that this is what most Manitobans favour because he was elected with a majority. With a majority, Mr. Filmon, not by a majority. Forty-two percent as I recall, the same percentage Ed Schreyer and the NDP received in 1968. Premier Weir of the Conservative Party, in spite of the NDP majority, wanted to hold on to the government because 58 percent had voted against the NDP. I think that it might be wise of the government to remember that 58 percent of the people voted against them.

If this government's election promises contained only the statement that was variously reported as, we have no plan to sell MTS, we do not intend to sell MTS, then the election results must contain somewhere the right to reverse promises. I recall a question on a final exam in university, how do you feel about this course of lectures in relation to your education? One student, it was not me, answered, I find that many items that were glossed over in class were covered intensively in the examination. Is this the Tory principle that allows new items or indeed refused items to become focal points after the vote count? We have no plan to sell MTS.

Certainly the Conservatives' 42 percent seems to have given their mandate the ability to deny itself, minimize the positive, maximize the negative and privatize everything. I used Webster's New World Dictionary check on some words, spelling, proper usage, et cetera,

and I came across the word "fulminate," to cause to explode, and using, if I may, author's prerogative, I would suggest that the explosive quality of this government's filmonations has reached the boiling point.

Look at the word "mandate." Referring to Webster's I find several definitions, one of which is, the wishes of constituents expressed to a representative or Legislature as through an election and regarded as an order. We have not considered the sale of MTS.

* (1940)

"Private," as a word, away from public view, secluded, is one of Webster's definitions. I would like to refer to that in a minute. The Conservatives seem to be going from item to item promoting the privatization of whatever facet of Manitoba life they are attempting at that moment to downgrade, be it education, health care, labour or now communications. They are trying to convince us it would be better in private hands, secluded, away from public view. How about that? The Tories feel we would be better off with silent communication, or will they be governed by the wishes of the mandate, the citizens expressing to a representative or Legislature their wishes and regarded as an order?

Something that is conveniently omitted from any supporting argument is the scary fact that once it is privatized, by the wording in NAFTA, that is it, little brother. It can never be taken from Big Brother again. Ladies and gentlemen, thank you. [applause]

Mr. Chairperson: Thank you very much, Mr. Burgess. I want to remind the audience, for those that are here to present today, that we have had for the last three days absolute decorum in this room and I expect that to continue. I will not allow applause in this room. That is the decorum that used to persist in this room. It has somewhat departed from that over the last while but we have been able to restore it in this room, and I would ask you kindly to abide by that and not be disruptive to the presenters out of courtesy.

Mr. Sale: It strikes me that when a presenter makes a strong and forceful and humourous and truthful presentation that the mandate out there has the human ability to respond, and I think it is very dangerous when we try to cork the anger of people because like explosive

fulminating or filmonating devices, the pressure will out somewhere. So I would suggest to the Chair that he lighten up.

Mr. Chairperson, I would ask the presenter—

Point of Order

Hon. Brian Pallister (Minister of Government Services): Point of order.

Mr. Chairperson: On a point of order.

Mr. Pallister: Mr. Chair, it strikes me that those comments are self-serving. It also strikes me that it is not wise in the conduct of our business in this committee for us to lose sight of the fact that applause, whether it is for or against our position, does disrupt the presentations of people who have come here to present, does take away the time that they have given to present to this committee and does distract from the necessary attention that should be given to their presentations.

This is not a theatre. This is not an opportunity to express views through hand clapping. This is an opportunity to hear the presentations that have been well thought out such as this gentleman's obviously was. Each of us can give our proper respect to the presentations that have been made and will be made in a manner that is appropriate to the conduct of this gathering, and we need not encourage behaviour which is disruptive, whether it is supportive to our cause or whether it is against our cause. We should not lose sight of the need for decorum in the conduct of discussions in this House.

Mr. Chairperson: Thank you, Mr. Pallister. You certainly did have a point of order, and I ask that order be maintained and decorum be followed in this House.

* * *

Mr. Sale: The Minister responsible for Seniors (Mr. Reimer) I believe has said on the record that the only time seniors have contacted him about the sale of MTS was to inquire how they might buy shares in the company. I just was wondering whether you and your good partner have been on the blower seeing how you can line up to buy

shares with your friends. Is that something that has occurred to you?

Mr. Burgess: I think I mentioned that I am working, Mr. Sale. One of the reasons that the Chair has graciously allowed me to be ahead of my time is because I do have to go to work tomorrow morning, in spite of the fact that I am 74. If I could afford to buy shares in MTS, I would be delighted to do so, but if I could afford that I would not be going to work tomorrow morning. It is one of those things.

Mr. Mackintosh: Mr. Burgess, that was a great presentation. I think that was well thought through, straight from the heart and good material. I would like you to write some material for me some time. But, I am sure it has occurred to you that you already own shares in MTS.

Mr. Burgess: In that it is a public company and I pay taxes, I imagine that in an indirect way I do. I wish I owned as much of the shares in my house as I own in MTS. We seem to have been using the telephone very heavily recently because I am on the phone so many times during the day complaining about the actions of the government.

Mr. Chairperson: Thank you very much, Mr. Burgess, for your presentation.

We have another presenter who has indicated he could previously, when his name was called, not be present due to a death in the family and he was therefore dropped off the list. He is here now, and wishes to present tonight. What is the wish of the committee?

An Honourable Member: Leave.

Mr. Chairperson: Leave has been granted. I call, therefore, Mr. Olson. Mr. Olson, would you come forward please. Have you a written presentation for the committee?

Mr. Victor Olson (Private Citizen): Yes.

Mr. Chairperson: Would you distribute, please. Mr. Olson, welcome to the committee and you may proceed.

Mr. Olson: As a citizen, I wish to state my opposition to the policy and provisions of Bill 67. I begin by way of background. MTS holds assets worth over \$1 billion, debt of approximately \$800 million and, consequently, a net asset value of over \$200 million. This amount represents wealth which is now owned by all Manitobans in equal shares per capita. For the five-year period from 1990 to 1994, including both those years, MTS has generated between \$10 million to \$40 million in net earnings for a total of approximately \$100 million while providing all Manitobans with affordable telephone services. Its debt charges are fully serviced from income and it is not subsidized by taxes. Moreover, the operating expenses of \$450 million, which are shown on its balance sheet, represent funds which are contributed to the Manitoba economy by providing local employment and services.

According to the most recent information which I have available to me, MTS employs 3,755 Manitobans including more than 1,000 in rural and northern Manitoba.

My position is that no decision to sell this vast public asset should be taken without clear and unambiguous public approval. We, the public, are its owners. Since MTS is our property, we should have the right to decide whether it should be sold and, if so, on what terms.

* (1950)

Now, before the provincial election of 1995, the government made no mention of selling off MTS, a point that has been noted by many speakers, as have many of the points that I have already made. The government did not even say this in the fine print of their campaign literature where you would find the words Progressive Conservative. As late as September 1995, the Premier (Mr. Filmon) was still denying rumours of an impending privatization. The Premier refused to admit that his government was so much as considering the privatization of MTS until December 9, 1995, and even then he denied that any final decision had been made by cabinet. It was not until May 2, 1996 that Premier Filmon gave any official confirmation that the government intended to privatize MTS.

Now during a radio call-in program which I listened to recently on CBC Questionnaire, that was October 18,

1996, Friday, the Minister responsible for MTS, Glen Findlay, said that the government had not even considered privatizing MTS at all until it had been advised to do so in a report of the Crown Corporations Council prepared over a period of time from or about August to or about October of 1995. The report was apparently received by the government in October of 1995. Mr. Findlay did not, it should be noted, remain on the program long enough to answer questions from the public.

But as the facts are, the reports to which he is referring was released in two versions. The first version of 27 pages was released to the Free Press under The Freedom of Information Act. The newspaper alleges, that is, the Free Press alleges, that the version which it received contained 10 blanked-out pages and a number of censored passages. The second version was released apparently to the Legislature as part of the council's annual report. It is four pages in length. Neither version, as far as we can see, recommends privatization. Now, when he was asked about this omission by a reporter for the Winnipeg Free Press, Finance Minister Stefanson replied that he did not know why the alleged recommendation was not included. He claimed merely that the report contained an implicit suggestion that the government should be considering alternatives to public ownership. In fact, although the report does state that MTS is a high business risk because of industry uncertainty and has a high debt to equity ratio, the report not only does not recommend, it does not even evaluate privatization or any alternatives to privatization.

Now, apart from the Crown Corporations Council, the only other entities that have so far apparently been consulted are three investment firms, and they are the same three investment firms that would profit from the privatization of MTS by earning sales commissions generated on the sale. Now, according to the Winnipeg Free Press of September 28, 1996, Finance Minister Stefanson stated that the valuation of MTS by these three firms, operating under the name of MTS financial advisory group, and I quote, formed the basis for the government's decision. This contradicts what Minister Findlay previously said. Minister Stefanson's statement then implies that the government received no other advice. I would say that open and accountable government requires consultation with the wider public and certainly with more than a few parties whose

pecuniary interest in recommending privatization is too obvious to require my comment or indeed anyone's, I should think.

The report from the three firms that I was referring to, that is the firms which comprise MTS financial advisory group, is dated April 13, 1996. This is two days prior to the government's announcement of its intention to privatize MTS. Is the government making a snap decision to sell a public asset that is worth over \$1 billion or is the government planning to privatize MTS and has it been planning to privatize MTS much, much earlier than it is now willing to admit?

Certainly, we have no indication so far that the government has seriously considered any alternatives to selling MTS to private interests. The Saskatchewan government, for instance, offered to amalgamate MTS with SaskTel, while at the same time amalgamating Manitoba Hydro with SaskPower. This would have, if it had gone through, created larger Crown entities or corporations and these corporations would have had greater investment capabilities. Unfortunately, however, the offer that was made by the Saskatchewan government was dismissed, at least in public statements by Finance Minister Eric Stefanson, without any public disclosure or even consultation.

According to a report in the Winnipeg Free Press, again on January 13, 1996, the proposal led to some discussion among government officials but never went any further. The Free Press report goes on to state that no position papers were produced and the matter had never got to the ministerial level.

Now, Minister Findlay, to return to Mr. Findlay who was asked during the CBC Questionnaire program, to which I referred earlier, why the government did not issue MTS bonds. This would have been a second alternative. The MTS bonds it could have issued would have been comparable to what are the highly popular Hydro Builder Bonds. They could have financed the future investments of MTS. Unfortunately, however, he failed and refused to answer this question.

Furthermore, the government, this is a third option—the first being the amalgamation, the second being the issuance of Builder Bonds—the third option would have been for the government to have considered the

possibility of expropriating what are pretty lucrative private cable TV operations in order to achieve what I understand is called by some writers an “economy of scope.” An economy of scope would eliminate wasteful duplication of cable networks for telephone and television. This would have been rather like eliminating parallel train tracks for competing railways by building a single publicly operated line. It would have resulted in an efficiency that would have overcome the wastefulness of private sector competition.

Mr. Chairperson: You have one minute.

Mr. Olson: The growing convergence of media technology would encourage this situation and the CRTC, the federal government's regulator, has already ruled that TV and telephone operators may combine and deliver both services.

We might also say—I have not gotten to—I am on page 5 of my presentation. I have 15 pages. I do not know what else—I do not know if it matters, I suppose, but I will continue I guess for the time I have.

We quote a consultant's report stating that there is a wealth of evidence, which is the one that the government received, and it states that there is a wealth of evidence demonstrating the strategic value of cable television plants to a local exchange carrier. In our view, MTS is indeed fortunate to own cable TV facilities and to have had a number of years experience in maintaining this type of distribution plant. Now, this is a report commissioned by the government itself and by its consultants, Ernst & Young.

Mr. Chairperson: Thank you very much for your presentation, Mr. Olson.

Mr. Frank Pitura (Morris): I just want to assure the presenter, Mr. Olson, or at least recommend that the entire contents of his submission be included in the record.

Mr. Chairperson: Committee agree to that? [agreed]

It will be entered in the record. Any questions?

Mr. Sale: Mr. Olson, thank you for a long and thoughtful brief.

The company has thrown off something in the order of \$750 million in the last five years that it has invested in plant and equipment within its operations. In other words, it did not have to go and borrow that money. Its debt has only climbed by, well, less than \$100 million in the last five years in terms of its debenture debt, so it has internally generated most of the funds it has needed. As well, it is paying 16 cents of each dollar of revenue to service the accumulated debt that it has. Although its debt to equity ratio is high, its ability to service debt is very strong, and the CRTC allows debt costs to be rolled into rates in any case.

From your observations as someone who has studied the finances of the company, does it seem to you that the company is terribly vulnerable and financially shaky, et cetera?

Mr. Olson: The report that was issued by the privatizers or privateers claims that it has a higher debt-to-equity ratio than other telephone companies, but it seems to me that there has not been any serious concern of this to this point. That is, this has not been a serious problem.

Mr. Sale: I am sure you are aware that one of the reasons that Crown corporations typically do have higher debt-to-equity ratios is that their job as a Crown corporation is to provide affordable, effective, economical service, quality service, without regard to making a large profit. So their debt-to-equity ratios are not measured in the same way as for-profit firms are, and there is not particular panic in the ranks, given that the company is profitable, servicing its debt and providing quality service. Most of those who would look at it would not panic at the debt-to-equity ratio.

Are you aware of the company's plans to introduce the newest data compression technology, as evidenced in the Free Press last week?

Mr. Olson: I have not read anything about the data compression technology, but I would respond to your earlier point in regard to the profit by stating that is indeed a consideration for Crown corporations. The absence of a profit is a factor in maintaining low rates and the proof of that can be seen in the recent AGT decision of the CRTC which allowed sharp increases in rates, I think approximately \$6, if I am not mistaken, per month per residential subscriber over two years. I think

it should be noted that AGT is now, since it has been privatized, applying for a second rate increase possibly to take effect this year of another \$6.

* (2000)

The decision, although I do not have it before me, allows the increase on the basis of the fact that shareholders need to make a certain minimum return on equity and furthermore that the return on equity must factor in the cost of certain tax liabilities which AGT did not foresee. I understand that the same problem is developing here since the government has not sought any advance tax rulings. I think that is worth noting because it shows that if MTS is converted from being a public utility to a privately owned, profit-seeking utility, that in itself will drive up costs and that the equity that is being raised, so to speak, in preference to debt financing is going to result in higher costs.

We are not getting something for nothing, in other words. We are paying more than we would have if we had to, and we are paying it quite possibly to, in fact certainly to, people outside the province. Initially 25 percent of the share equity will be issued outside of the province. Furthermore, we are exposing ourselves under this act, in particular I think in Section 6 (1)(d), 13 and 14, which allow the government virtually to sell it to a foreign investor with no strings attached, not only with no strings attached, but without even the same protections that would be available to a privately held corporation since the requirements for a special resolution of shareholders that are imposed on a private corporation by virtue of The Corporations Act on a certificate of continuance are wiped out. The two-thirds vote that is necessary for a private corporation to be dissolved or for its business to be changed does not apply here.

Mr. Chairperson: Thank you very much for your presentation, Mr. Olson. We are going to revert to the beginning of the list, and I want to apologize profusely to the first presenter on the list who is Yutta Fricke. I apologize. I understand you have a little baby at home, and I am really sorry that I did not know this before, because I would have let you present first. Little babies come first around here.

Ms. Yutta Fricke (Private Citizen): Well, it is an example of really how inaccessible this meeting is

because why should I have to tell you that? Why should anyone here have to tell you what they have going on in their own life?

Mr. Chairperson: I apologize for that and the committee has done its best, and I include all sides of government in this statement. I think the committee has done its best to recognize those who had to drive long distances, also to recognize those who had medical problems, also to recognize those such as you. Had we known that you had a little baby at home, we would have recognized you first and I am sorry.

Ms. Fricke: I should maybe add right now then that I was phoned by the county clerk today to let me know that I could present tomorrow morning, and I already heard your motion, that had I taken that option because of the blizzard, I would not have been heard. So, again, I just point out that this is a very inaccessible committee meeting, and I am sorry you are not listening to me right now, too.

I do not represent any particular interest group. I am just another one of these citizens who is really concerned about the democratic process no longer being followed here in Manitoba, and, certainly, the privatization of MTS seems to me to be the Conservative agenda. From what I have heard here—I was here the first night and, as well, tonight—and without having had the opportunity and time as a mother of a newborn to research all the issues myself, I have not heard of anything really convincing of why we do have to sell MTS.

My concern in coming here in the first place is that I do not want you to think that because I am a mother of a newborn and I am silent that I am not concerned like the other mothers of newborns who are not here tonight. I also want to point out that my primary responsibility right now is for the good of my child which is why I should not be here, but your primary responsibility is for the public good, and from what I have heard here, it is not the public good that seems to be of primary interest. It is finances and technology, perhaps, but because I think that MTS is a utility that has a very great importance for rural communities, for particular interest groups, I think that is an issue of public good. Given that, the obstacles of finance and the obstacles of technology should be dealt with, and there were plenty of examples in the two nights that I was here of how these things could be dealt with and how MTS could take on

these challenges. I am sorry that instead the government simply wants to sell out.

I have two particular concerns that I had not really heard raised, and I know that other ones have become quite redundant for you. One, in terms of this public good, is that from my own life experience I know that access to a telephone is lifesaving at times. Counselling is essential and it is always the low-income groups that are most vulnerable and would be least likely to have access, and that is one of the main reasons that I am here, that I think this is a utility that we should own publicly.

My other concern comes via my work. I work for an international organization. We have members all over the world and, in order to cut costs ourselves, a decision was taken a while ago to go with Unitel. Without telling us, we found out in trying to correspond by fax, primarily the difficulty was with fax but also telephone, to communicate with either Colombia, Nicaragua or even Costa Rica, we could not do this via Unitel because of some sort of blacklist that these countries were on. I am concerned that if MTS should eventually land in the hands of the Americans, we already know with Cuba what kind of control they take through their economic situation over their politics. I am concerned that the same thing can happen with our communication. As a citizen of Manitoba and of Canada I find it outrageous that we are constantly selling out.

Finally the only other thing that I want to say is, I already heard on the radio that you will be selling shares on Monday. It was mentioned again here, so I wonder what the name, the word "hearing" is all about. It is a hearing but you are not listening, I take it, and I think that is outrageous too. What am I doing here with a baby at home if you are not listening to me? At the minimum I would like to say that I think that it is your responsibility to all the people who have come out here—I heard 200, I do not know how many—that you take these major points that I have heard over and over again in the two nights that I have been here and you give us the reasons why you feel that our concerns are not legitimate and how this government will take care in privatizing MTS, which I can only imagine is a fait accompli, and how those concerns will be addressed by you, and that is all I would like to say right now.

(Mr. Vice-Chairperson in the Chair)

Mr. Vice-Chairperson: Thank you, Ms. Fricke.

Mr. Oscar Lathlin (The Pas): Madam, I want to thank you for your presentation in spite of some of the problems and obstacles that you have had to face in order for you to come here and make your views known to this committee. You mentioned the telephone as being a life-saving tool or service and you also mention that we should keep our utility in the hands of the public because it is for the public good. I am wondering if you—first of all, I do not know where you are from in Manitoba. I know you are out of town because you say—

Ms. Fricke: No, I am actually in town.

* (2010)

Mr. Lathlin: You have a baby at home, okay. Can you, when you use that example or analogy, a phone being a lifesaving device, based on experience in your work, are you able to give us or relate to us, for example, in the North, how you, being coming from the south, can you see the telephone being such an important device up North as well and, if so, in what ways?

Ms. Fricke: Certainly, I mean, one of the things that comes to mind for people is 911 and just getting ambulance or whatever help you need to your home as quickly as possible, but through an association with women's groups, I also learned about the use of telephones as being the first step of getting a woman in a violent situation out of her home. That is what came to mind for me. I know specifically of cases that were rural. I know of them because the phone, they may have had access to that. There was also a cutback in the required housing for them to get away from their home. So the only thing that they have right now is the phone for some counselling. But it is a natural first step that people express their anxiety, and then they go from there.

Mr. Lathlin: I only have one more short question, madam, and that is, first of all, we do not even have 911 up North.

Ms. Fricke: I did not even know that.

Mr. Lathlin: When we have an emergency, we phone the RCMP, and our phone call gets bounced all over Manitoba before you can access the RCMP. For

example, if I have an emergency in The Pas, I phone this number in The Pas, my phone call gets bounced over to Thompson, and somehow Thompson is able to get hold of the RCMP in The Pas. Finally, about half an hour or 45 minutes later, I can talk to the RCMP, you know, during the times of emergency. So we do not have 911.

For up North, for example, are you aware that there are communities up North that do not even have telephones in this day and age, that the most some of them have is one pay phone in the community? Were you aware of that?

Ms. Fricke: I did know that, but I do not think that going private is going to assist you at all in that case. I think it going to become worse.

Mr. Lathlin: That was my point, madam, because if we privatize whoever is looking to make money will certainly not go to Granville Lake and install telephones up there. Thank you very much.

Mr. Vice-Chairperson: Mr. Sale, for a very short question.

Mr. Sale: Just a quick question. First of all, in your answer maybe you could answer this initial point. Did you stay with Unitel even though you could not use them? And then secondly, were you aware that AT&T is essentially now the owner of Unitel, so AT&T is Unitel? If AT&T turns out to be the majority shareholder, you are going to have the American blockade of whatever countries it does not like at the moment being imposed through its multinational corporations, just as we have seen with its crazy, crazy policies on Cuba.

Ms. Fricke: We realized a short time afterwards that it was a shortsighted decision to go with Unitel. I should not even say we—because I was not really for it—but it was this decision to go. I did not know that it was owned by AT&T, and that bothers me even more.

Mr. Vice-Chairperson: Thank you, Ms. Fricke, for coming down tonight.

Our next presenter is Barbara Strong. Barbara Strong. Barbara Strong will be dropped to the bottom of the list. Second call for Rosemary Friesen. Rosemary Friesen.

Floor Comment: Mr. Chairperson, I am not Rosemary Friesen. She is a mother of five from Dauphin and was not able to make it in because of the weather tonight, but I have a written presentation here from her, and with your permission I would like to read it on her behalf.

Mr. Vice-Chairperson: Order, please. What is the will of the committee?

An Honourable Member: We will allow the gentleman to table it.

Mr. Vice-Chairperson: Is that the will of the committee? Agreed to table the presentation? Agreed?

Some Honourable Members: Agreed.

Mr. Vice-Chairperson: Would you get the presentation and it will be tabled and submitted in Hansard. Thank you very much. Mr. Sale.

Mr. Sale: Mr. Chairperson, it appears that the same issue is arising tonight as arose last week. I have just had a call from a presenter who was called from the Clerk's Office, who told her she is No. 35, the committee is sitting tonight and those whom they do not get to tonight will be heard tomorrow. I suggest that this may be technically correct if tomorrow means after midnight, but clearly presenters are being told that there is a sitting tomorrow, not a sitting "if necessary," and so we are back in the same problem that we had last week.

I can see the Minister responsible for the Environment (Mr. Cummings) expressing his frustration, but he ought not to express it to me, because this is not a problem that I have caused or that my party has caused. This is clearly the way the public is being informed, and I simply put on the record that either we go back to the process that we have followed, or there are going to be numbers of people who are not going to get heard, not because they do not want to be heard, but because the weather, the clerk and the information is that there is a sitting tomorrow morning, as Mr. Ashton indicated earlier, and I think we should consider that when we get ourselves closer to midnight, Mr. Chairperson; otherwise we are going to be disenfranchising people.

Mr. Vice-Chairperson: Mr. Sale and members of the committee, I have asked what is being said to the people

when they are talked to. Very simply, they are being told, not when they are presenting, but in fact when the committee meetings are. There is a meeting tonight, and if necessary, there will be one tomorrow—if necessary. I think that is clear. What is the will of the committee? To proceed?

Some Honourable Members: Proceed.

Mr. Vice-Chairperson: Agreed? [agreed]

Mr. Sale: Mr. Chairperson, I do not think that is a question, with all due respect, of the will of the committee. I am putting on the record, that one person who is not a person inexperienced in this Chamber and is not a person, I think, that you would want to accuse of dissembling, has been told that there is a sitting of this committee tomorrow, not if necessary, but that there is a sitting tomorrow. Now if that is not the committee's intent then I would suggest that a message go to the Clerk's Office and that everybody be phoned and told that this committee is going to sit through the night, and that tomorrow morning is an optional sitting only if the committee agrees that is the case.

Mr. Chairperson, I am not prepared to sit here and have the committee say, oh, well, that is our will; we will just go on, when citizens of the province are being phoned and told that there is a sitting tomorrow. They are not being told, "if necessary." They are being told there is a sitting tomorrow morning. So let us get it straight.

Mr. Vice-Chairperson: Mr. Sale, I have got it straight and I have put it to the committee. Very simply, the Clerk's Office has told me that the people are being told there is a meeting tonight, and if necessary, there will be one tomorrow. Now that is very clear. You have put your words on the record and now the committee wishes to proceed.

The next presenter, Stephen Kirk. Called for the second time, Stephen Kirk, the name will be dropped from the list. Ashley Sokal. Called for the second time, Ashley Sokal, the name will be dropped from the list. Jeffrey Dunn. Jeffrey Dunn. Called for the second time, the name will be dropped from the list. Jason Hooper. Do you have a written presentation, sir?

Mr. Jason Hooper (Private Citizen): No, I do not.

Mr. Vice-Chairperson: Okay, please proceed.

* (2020)

Mr. Hooper: Thank you for hearing me this evening. I am not quite sure where to begin. I do not believe I have a very good grasp of all the issues at hand, but one thing that I have not heard answered for myself is, if this company is so not profitable, who would be willing to buy it? If it is profitable, in this day and age where deficits and revenue are so important, why is it being sold?

It seems to me that a long-term revenue would be better than a short-term immediate gain, and as a personal careworker, I am concerned about how this will affect the people that I work with. Rate increases will cause some people with disabilities great difficulty financially. If they have to give up their phone, they will lose a great deal of independence and ability to get out into the community and for a lot of them get to their jobs, as well as compromising their safety.

As a young person in this province, I have suffered underemployment and unemployment the last few years and to be told that I will be given the opportunity to buy stocks is just not true. Someone is uninformed of a great deal of people's financial situations. Stocks are not an option for many people, and I think that is about all I have to say this evening.

Mr. Vice-Chairperson: Thank you, Mr. Hooper.

Mr. Ashton: It is interesting that you raised that entire question because in fact MTS is making a profit. It is making \$15 million in the first six months of this year, and what is very interesting about what the government does not tell a lot of people is why some of these private companies might be interested in buying it. I do not know what you think about bank profits, but most people think that they make rather a lot of money. There is one sector—this is not me that is saying it, but these are the banks themselves that say—that makes more money on return on investment than do the banks. It is privately owned, regulated phone companies, which is exactly what MTS will be after it is sold off, assuming that it is sold off.

It is interesting because today we released information that can give some indication exactly why private

companies will make money out of it. In this case, we received an economic analysis that there will be an average 9.75 percent rate increase right off the bat, because of the private company. I am wondering if maybe you think that is perhaps the real reason the government is doing this, and that is, that really MTS can be quite profitable. If it is profitable, the question has to be raised, why we do not keep it where it is right now.

Mr. Hooper: If that is the case, that it could be profitable and they are going to sell it, I can only think that it is driven by ideology and not by any real concern for the people of Manitoba.

Mr. Ashton: It is interesting you mention that, too, because it has been very obvious to us that the government has not done the most basic analysis. They have not analyzed the impact on rates. We had to do this in the opposition—the tax liabilities of the sale, a whole series of items which have not been analyzed. Yet, it appears, if you look at what they have been talking about, as if they had this in mind well before the election, at least a small group of this group. I wonder if you think that is right. Sir Rodmond Roblin, the person whose picture appears here, is kind of watching over this committee, a Conservative, I might add. He brought in our public phone company in 1908. I am wondering if you feel it is legitimate for a government to get elected in 1995 with no mandate from the public and basically rip up everything that has been done since 1908 and do it, as you say, over what appears to be this ideology that is driving them.

Mr. Hooper: I think that if things were so unstable, as I would guess the government seems to think that they are, that during the election they would have mentioned the possibility of a sale at the very least. That they did not and are now saying that the changes have come that are requiring the sale does not go over with me at all.

Mr. Ashton: It is interesting you mention that because, and I hate to say this, but Mike Harris, who is seen as pretty extreme right wing, I think by most definitions—he is clear right winger—in the Ontario election, he promised to review Ontario Hydro. What is interesting is they did review it, and they are now not going to be selling off Ontario Hydro. That is all on hold now because they found out some of the tax problems and the impact on rates.

So I am wondering if you feel that the least the government should have done is that, because not only did they not say they were going to review MTS, in the election Gary Filmon, and these are his exact words, said, I have no plans to sell off MTS. So I am wondering if you feel that they should have said something in the election to be—even in the position of reviewing it, let alone selling it off.

Mr. Hooper: I do not think that they have. From what I understand, they have not done the proper research and analysis required to make this kind of decision. If they do not know at this time what rate changes are going to be and what tax, whatever, is going to happen with the sale, then it seems absolutely absurd to me that they would be pushing this sale for next week under those conditions without having the faintest idea of what is going to happen, which I can only guess is their position. They do have no idea. I watched Gary Filmon last week on Videon during Question Period, and he said at that time he had no idea what the credit rating was going to be. For him to even claim to be representing my interests as a Manitoban and not know what is going to happen is just irresponsible.

Mr. Vice-Chairperson: Mr. Hooper, I would like to thank you for your presentation. Mr. Werner Wirz, W-i-r-z, I hope I said it right. Mr. Werner Wirz. That is the third call. He will drop off the list. Mr. Tom Barker. Third call. Mr. Barker. You do not have a written presentation?

Mr. Tom Barker (Private Citizen): No. Just came to tell you what I think.

Mr. Vice-Chairperson: Okay, Mr. Barker, please proceed.

Mr. Barker: Thank you, Mr. Chairman. I feel very much like the guy who is going to get a fair trial and be home on Thursday morning, because this has already gone through. I phoned the telephone number this afternoon at 15 minutes after four and was told that the shares would be on sale at 9 a.m. on Friday morning. So, we are kind of wasting our time here but I may as well say what is on my mind.

This procedure is absolutely ridiculous, but it is even more than that. It could be called criminal. All you have

to do is look at what happened in England when they privatized there 10 years ago. The phone rates now, they are \$39 to have your phone in the house for a quarter. It is 9 cents a minute for every minute. If you phone your neighbour next door, 9 cents a minute. It used to be 3 cents a minute; it is now 9 cents a minute. I made a call from Manchester right to Winnipeg on my Manitoba calling card. I talked to my daughter for eight minutes. I phoned London, which is about as far as from here to Brandon, 133 miles I phoned. I talked for two minutes. It cost me \$1.22 more than my 5,000-mile call back to Winnipeg.

* (2030)

We are not talking about privatization. We are talking about public monopoly or private monopoly. In England there were three phone companies when they privatized. There is now one and that is so hungry, they just spent \$3 billion to take over an American company. You saw that in the paper on Wednesday. So this company is going to be sold off, and the friends of the Conservative Party are going to buy it fairly cheap and sell it to a monopoly in four or five years. That is what is going to happen, and to hell with Manitobans.

How you people can sit here and say you are looking after the interests of Manitoba is beyond me. This operation would not stand up to any ethics committee. We have the Minister of Finance (Mr. Stefanson) and his brother looking after the Manitoba Telephone System. We have three companies being brought in to tell us what we should do with the company. We pay them \$300,000. The option they pick of the three options that were given is one that is going to give them \$25 million in commissions.

If I was put in that position, I might have a tough time sticking to my ethics, too. That \$25 million might look awfully big to me. So, for you people to say that you are standing here representing Manitoba—I heard Mr. Penner say the other day on the radio that the only calls he got from seniors were from people wanting to buy. Well, those are not the calls I am getting from seniors. I can tell you that.

I would put it quite bluntly that Mr. Filmon, I asked him pointblank in Glenwood Community Club on the Tuesday before the last election because I was told that

things were in the works of privatizing this company, are you going to privatize Manitoba Telephones? Definitely not. Definitely not. That is what he said. So either he is a liar or he is stupid, one or the other. He cannot have it both ways, because he said in front of 108 people, we have no plans to privatize.

It was in the works. There is no way out of it, because everybody who worked for Manitoba Telephones kept telling us they were going to privatize it. So I just do not know. I think, people, you are on the same way as Mr. Mulroney was. You are forgetting who you are representing and you are looking after your own interests, and it might happen the same way, for it cannot be said that you are here represent—how many people have come before you and said you are doing the right thing? One, today, and the very one that was here, the television camera was there when he was speaking, and the very minute he finished, they picked it up and walked out. Now was that by accident? My God, give us a little bit of brain. He was brought in here because he was told what time to be here with his television camera because this gentleman was going to talk in favour of privatization. That is the way I see it. It is downright criminal the way you people are treating us. It is our telephone company.

I have lived in this country for 45 years now, and I count myself as good a Canadian as anybody, but I am ashamed to say—I used to say when I went back to Ireland because we come from a very political family, sometimes they make stupid ideas in Canada, but one thing they are not is corrupt—I will not be able to go back and say that anymore because this is a corrupt operation from start to finish, and you cannot back out of it. Thank you very much.

Mr. Vice-Chairperson: Order, please. Mr. Barker, there was one point that I as Chairperson and as a member of the committee at the time, you mentioned the television camera watching this one presenter. This one presenter happened to be a fellow by the name of Mr. Holle who is recognized very, very well by the media, and they tend to follow people for some reason or other, and that is the thing—

Mr. Barker: I can tell you, Sir, that the media recognizes me too, and they did not come in here when I was here.

Mr. Vice-Chairperson: Mr. Barker, order please. Order, please. I simply let you have that information, okay.

Mr. Ashton: Well, Mr. Chairperson, I am not sure what kind of Chairperson's ruling or—

Mr. Vice-Chairperson: That is not a ruling, Mr. Ashton.

Mr. Ashton: Well, Mr. Chairperson, it is also—

Mr. Vice-Chairperson: It is not a ruling.

Mr. Ashton: Mr. Chairperson, you recognized me to speak. Your comments I would suggest, Sir, were somewhat off the normal topic here. Chairpersons do not normally comment on who gets recognized by the media or not. I recognize Mr. Holle, too. He is a very well-known, very right-wing commentator, and I suspect that he probably went to the media, and guess who owns the company that was filming that. It was Mr. Izzy Asper, another well-known political figure with fairly right-wing persuasions. So, Mr. Chairperson, I trust by the judgment of the presenter.

I want to follow up in terms of your questions because I share your frustration with what is happening. I have been a member of this Legislature since 1981. I have disagreed with governments, this government, some of the things they have done, and I have seen disagreements when I have been in government where you know that you have campaigned in a certain way and they campaigned in a certain way. But that was the democratic will of the people, and I do not necessarily like the fact that the NDP is in opposition right now in one sense, but you know the people are always right. I think that is the bottom line with democracy.

But you know, I do not know how else you can describe a government that says to you at the Glenwood Community Club one thing, says to me in the House—the Premier (Mr. Filmon) said the same thing to me in the House in May—and the Minister responsible for MTS (Mr. Findlay) said the same thing to me in September. He said the only person talking about privatizing MTS was me; the only party was the NDP. When you use the word “corrupt,”—you know I have been thinking of some other words to describe what this conduct has led to,

when they are now selling off our company. Scandalous, unethical, immoral, and I have never used words like this, quite frankly, because I have never seen such a scandalous treatment. [interjection] Well, I have not used it on issues. Unethical? I would accuse the Tories of having bad judgment on a lot of issues, but you know, how else do you describe a government that says something to you as a citizen of Manitoba in an election and turns around and does the complete opposite when it was clear I think to everyone that this was their plan right from the beginning.

Mr. Barker: It is beyond my comprehension to be quite honest, because I have lived under three different political parties in this province since I arrived here, Liberal, New Democrat and Conservative, and to be quite honest with you, I have disagreed with all of them from time to time, but I have never been angry with any of them before. I am angry with this government because I think it has hoodwinked the people, and you can fool some of the people some of the time, but you cannot fool all the people all the time. Please remember that, because this is fooling the people. You phone for an answer, you get no answers. There are Goebbels there to give you political rhetoric, but you cannot get an answer. I have phoned all the numbers that you people have put out, and you can ask any of them. They all know my name. I am not ashamed to leave my name. I phone and I leave my name, and some of them will give me the runaround and when I really tie them down, they say they have to go to their superior and they will call me back. I never hear back from them, never hear back.

So, what the hell are we to do as people? You have already passed this bill. I mean, we are just wasting our time here. You have passed this bill because it is going on sale on Friday morning. I phoned this number, and I will give you the number I phoned. I phoned 1-800-440-1775, and they told me, the girl told me, we cannot sell them today, Mr. Barker, and we cannot tell you how much they are, but they will be on sale at nine o'clock on Friday morning.

Mr. Vice-Chairperson: Mr. Ashton, for a very short question.

Mr. Ashton: Mr. Chairperson, the Minister responsible for MTS as early as May, without even a single vote in the Legislature, was saying, well, it is too late to change

this decision. I am wondering now, when we have only had one vote, and the only vote that has taken place, by the way, is the vote to bring this bill to committee, how you feel about now—and I see somebody at the back with that propaganda sheet which I think sullies the name of MTS by using it for political purposes—when this government is already putting the shares on, you know, getting them ready to be sold—they have hired companies to do it; they have a road show ready to go—how do you feel as a Manitoban when they never once asked you in the election, not only that, told you to your face, the Premier (Mr. Filmon) told you to your face, something that was absolutely not true?

* (2040)

Mr. Vice-Chairperson: Mr. Barker, for a very short answer.

Mr. Barker: The very short answer is that he is a liar.

Mr. Vice-Chairperson: Thank you, Mr. Barker. That is all for the presentation.

Mr. Randy Taylor. Randy Taylor. That is the first call. He will drop to the bottom of the list. Lisa Bukoski. Ms. Bukoski, do you have a written presentation?

Ms. Lisa Bukoski (Private Citizen): Yes, I do.

Mr. Vice-Chairperson: Okay, we will pass it around. Would you like to proceed, please.

Ms. Bukoski: My name is Lisa Bukoski and I am here to present on Bill 67 regarding the Manitoba Telephone System.

This bill will allow MTS to be privatized, and I do not agree with this. MTS has been a publicly owned corporation for over 80 years. It has been a realistic example to me of what a population can achieve when they have their own best interests at heart. MTS is required to consider the public good, and it has kept its services affordable throughout the province. To me, this means looking after the needs of the many over the needs of the few. Bill 67 contains clauses which overrule the requirement to put the public good ahead of profitability, and this cannot be the hallmark of good government.

It is my view that the Filmon government has overstepped its boundaries and does not have a mandate to sell off MTS. During the provincial election in 1995, you promised that you would not sell MTS, and in the Legislature you also stated there were no plans to sell it. In spite of this, bond-rating agencies were asked to do an appraisal. As it turns out, I heard today that these agencies will also be handling the sale of MTS. In my view, Bill 67 is a breach of the public trust.

An elected government should be responsible in not undermining the progress of its own people. Through privatization, we can expect that service rates will rise. If we look at the example of the Alberta phone company, AGT, experience shows us that rates rise faster under privatization. As you know, AGT recently received a \$6 a month increase compared to only \$2 a month here in Manitoba. Rate increases, I would like to add, will be hard for the people who already cannot make ends meet, and vulnerable groups such as seniors, students, rural people and the poor will have a difficult time if rates increase. As well, regarding people in rural Manitoba, I believe that rural hearings should be held to ask all Manitobans how the bill will affect them.

You may say that it is up to the CRTC to make decisions on behalf of the telephone companies with respect to rates. However, in that decision of February 19, 1996, the CRTC indicates it considers the issue of rate of return for a private investor regarding rate increases for a privately owned corporation. That rate of return is something that I find troubling because it means that a private telephone system in Manitoba will be subject to the demands of the new shareholders.

As I understand it, Bill 67 would allow the public to buy shares in MTS. Yet this does not make any sense at all since Manitobans are already the shareholders of MTS. The government is trying to dismantle a good publicly owned company and sell it back to us piece by piece. This is not right. We have owned MTS since 1908. It is a well-run company which makes a profit. When we own MTS, we have control over our own resources, and we have a say over its future. After it is sold, we have no say in how it is run.

A community, a province like Manitoba, deserves more. In conclusion, I would say that for the Filmon government to proceed with Bill 67, it shows that it is the

government that knows the price of everything and the value of nothing.

Mr. Ashton: I appreciate your last comment. It certainly does not know the value of MTS. What is interesting, too, we do not really know the price either. They are asking us to vote on this bill without giving us information on the actual price, without giving information on other issues that you mentioned such as rates. I am wondering how you feel with your reference in here to rates, when today we have received an analysis from an economic consulting firm that has done a lot of work involving CRTC rate applications, when they indicate—I hate to use this word, conservatively, I think is probably the word you used, small c—there will be an average 9.75 percent increase in public utility phone rates under a private company. How does that make you feel when the government has been running around saying there is no difference between a private and a public company?

Ms. Bukoski: For the government to state such information, I would think that is a disservice to Manitobans when they say there is no distinction between a public and a private company.

(Mr. Chairperson in the Chair)

We do know that under the CRTC when they do make decisions, it is clear in their February 19 decision that they do look at the rate of return. This is something that is particular to a private company when they take ownership, I suppose. It would mean that shareholders then would be running the company, so to speak, in terms of what kind of investment they want back. They will definitely, in my view, be guiding the direction of any new MTS. I find that deplorable. I think it is a shame that Manitobans would have to undergo that kind of a procedure.

Mr. Sale: Thank you for your presentation. Many concerns have been raised about trust, confidence, and honesty in government, and the public cynicism about government precisely because of these kinds of hearings. I think we have had lots of evidence of the government saying one thing and doing another. One thing which came to light in the last couple of days which certainly adds to my cynicism—and I would like to ask you how you feel—is, it is perfectly clear that stockbrokers all over this city have the prospectus for the sale of MTS shares and

are phoning clients and lining up sales before the vote has been taken. Now, I know they think it is a foregone conclusion. What that really says to me is that even the niceties of democracy do not matter. Have you been puzzled by that kind of contempt for the process that we are sitting around this table supposedly engaged in?

Ms. Bukoski: Yes, definitely. I think that it does not serve democracy to take that kind of action before due process has been fulfilled. I think that in the interests of government, when they take on a mandate to govern, it is the will of the people that they should follow, as well as listening to what the people, other communities, other constituencies, want. This government has not taken the time to proceed with any rural hearings at all and has not, in my view, consulted enough with the people of Manitoba regarding this sale.

Mr. Sale: Just one last question, were you aware at all of a rate application, a secret rate application that MTS made in the middle of this summer, July 6, to include in its pricing any unforeseens that it just happened to miss that might affect the cost of phones as a result of privatization? Are you aware of ever hearing about that rate increase application?

Ms. Bukoski: I am sorry, I cannot comment on that.

Mr. Sale: So you did not hear about it?

Ms. Bukoski: No, I had no other knowledge of anything like that, and I was never informed that MTS would be going on the selling block, so to speak. It is a disappointment.

Mr. Cummings: I thank the presenter for your interest in the subject tonight. I just wanted to not have you left with the impression that my colleague is attempting to put on the record. It seems to me a secret application would be impossible, and on the concerns being raised about rates, I have received some information on rate comparisons on small exchanges that would show that the lowest rates effective a couple of months ago in this country were, in fact, from privately owned systems in other jurisdictions and that the two Crown entities come in in the middle of pack.

So I hope my critics would not be wanting to continue to scare the presenters into thinking that the only low rates in the country are produced by Crown corporations.

Mr. Chairperson: Thank you very much, Ms. Bukoski, for your presentation.

I call next Eleanor Johannesson. Eleanor Johannesson, having been called for the first time, not being here, will drop to the bottom of the list. Darrell Arnold. Darrell Arnold, not being here, will drop to the bottom of the list. Geoffrey Hayden. Geoffrey Hayden, not seeing Geoffrey Hayden, he will drop to the bottom of the list. Veronica Sichewski. Veronica Sichewski, not seeing Veronica Sichewski, she will drop to the bottom of the list. Joan Collot. Joan Collot, not seeing Ms. Collot, she will drop to the bottom of the list. Henry Bannman. Henry Bannman, not seeing Mr. Bannman, he will drop to the bottom of the list. Pat Allen Krawec. Pat Allen Krawec, not seeing Mr. Krawec, he will drop to the bottom of the list. Bruce Frolick. This is the third time Mr. Frolick is being called. He will be dropped from the list. Werner Hiebert. Werner Hiebert, would you come forward, please. Mr. Hiebert, have you a presentation for distribution to the committee?

Mr. Hiebert: Yes, I do.

Mr. Chairperson: Would it be distributed, please. Mr. Hiebert, you may proceed with your presentation.

Mr. Hiebert: Before I start, I would like to also express my concern and frustration for trying to get here today. I have been frustrated along the path very much to a point that I am becoming angry. They keep telling me it is going to be open to a certain time, so I come here, and the hearings are closed. Could not the clerks at least have the courtesy to call the people who want to present and say, you know, things are changing. I think it really frustrates the process of democracy.

Mr. Chairperson: Thank you. You may proceed.

* (2050)

Mr. Hiebert: My name is Werner Hiebert. I have never been employed by MTS, or any of my relatives. I am not a member of any political party. It is my opinion along with others that this government is not hearing the voice of the majority of Manitobans. I cannot help think, what will it take for this government to start hearing the voice of the majority of Manitobans and what political direction are we taking or heading?

Note that I am not advocating any violent means as an end or taking the path to communism or dictatorship. My grandfather was imprisoned in Russia and mistreated for the crime of having a father who was a wealthy landowner. My mother, who was a young child at the time, was not allowed to visit him while he was in prison. He was released from prison because he had TB and died shortly thereafter. My ancestors chose to come to a democratic country called Canada for reasons of personal and religious freedoms.

I am not here to insult any government officials either, but I am tempted to tell jokes about Glen Findlay's comment regarding Bill 67 hearings. He had not heard anything to convince him not to sell MTS. What part of "no" is he not hearing? Maybe his ears are hearing the ringing of the cash registers from the MTS sale instead. If MTS is sold, full public disclosure of any transactions of shares over \$50,000 or more should be legislated. Will upper MTS management, government officials and their families be allowed to buy a large amount of shares? I am sure we will not be hearing that.

As an electronic technologist I could deal with some technical aspects of selling MTS. Why would a private company be willing to continue the service of rural or low-density area customers at current rates where many thousands of miles of phone cable exist? But I will not deal with that. My initial motivation for making this presentation was the day I received a phone call from my broker. He works at one of the investment firms that is independently, at arm's length recommending the sale of MTS. He recommended that I buy MTS shares. As I understand, the reasons he gave me for buying them are, the shares could have a pop-up value of about \$2 per share after the 10-day period when only Manitobans can buy them. He gave the example that the Alberta shares did this once privatization was implemented. Alberta's shares started at \$7 and are now \$14 per share. Does this government want Manitobans to be hearing that?

Why are we considering writing off MTS's debt at the expense of the Manitoba taxpayer for the benefit of a few shareholders, and what is the big hurry in selling MTS? Can we not wait? Again, is this government interested in hearing about that? I could deal with how this government is trying to gather more power for itself in the name of democracy with the current labour bills, i.e., grabbing binding arbitration away from teachers, which

in my opinion will promote confrontation and demoralization instead of co-operation. In that area this government seems especially hard of hearing.

But I am not here to deal with that either. I sincerely believe that Conservative members of government believe that they themselves are on the right path for leading Manitoba and, therefore, it is very easy for them to dismiss opposing views as partisan or rhetoric, without hearing that we all have an interest in democracy and valid opinion. Since I do not agree with Gary Filmon's position on the sale of MTS, let me continue with what he usually labels as rhetoric, as he does with most people who disagree with him. My understanding of a democracy is that the elected officials have the following responsibility to the electorate, who gave them the authority to govern, namely to do the will of the majority of the people within the bounds of ethical reason. In my opinion the government is not bound for ethical reasons when the will of the majority desires immoral or harmful laws, i.e., ethnic cleansing. In the case of Bill 67 the majority of Manitoba do not want MTS sold.

Let me relate several different segments of an old Bible story that many of us have heard before. This story vastly overemphasizes today's situation because Manitobans still have a democracy, even though it only happens only once every four years. I would like to draw a small parallel with today's situation. This story relates how absolute power lasted only for a short time and that integrity and honesty eventually prospered, and this is from the New International Version of the Bible. I think it is a pretty good authority when it comes to dealing with integrity and honesty.

I am reading from Daniel, Chapters 5 and 6, and skipping certain segments. King Belshazzar gave a great banquet for a thousand of his nobles and drank wine with them. As he drank the wine, they praised the gods of gold and silver, of bronze, iron, wood and stone. Suddenly the fingers of a human man appeared and wrote on the plaster of the wall near the lampstead in the royal palace. The king watched the hand as it wrote. The king called out for the enchanters, astrologers and diviners to be brought and said to these wise men of Babylon, whoever reads this writing and tells me what it means will be clothed in purple and have a gold chain placed around his neck, and he will be made the third highest ruler in the kingdom.

Anyway, I am going to skip a section where nobody was able to interpret that.

Then Daniel answered the king, you may keep your gifts for yourself and give your rewards to someone else. Nevertheless, I will read the writing for the king and tell him what it means. O king, the most high God gave your father, Nebuchadnezzar, sovereignty and greatness, glory and splendour. Because of his high position he gave him all the people and nations and men of every language dreaded and feared him. Those the king wanted to put to death, he put to death. Those he wanted to spare, he spared. Those he wanted to promote, he promoted and those he wanted to humble, he humbled. But when his heart became arrogant and hardened with pride he was deposed from his royal throne and stripped of his glory.

But you his son, O Belshazzar, have not humbled yourself, though you knew all this. Instead you have set yourself up against the Lord of heaven. You had the goblets from his temple brought to you and your nobles, your wives, your concubines, and drank wine from them. You praised the gods of silver, gold, bronze, iron, wood and stone which cannot see nor hear nor understand, but you did not honour the God who holds in his hands your life and all your ways. That very night, Belshazzar, the King of Babylon, was slain.

In case anybody does not know, that city happened to be under siege while his party was going on. And Darius the Mede took over the kingdom at the age of 62. Now, Daniel so distinguished himself among the administrators and satraps by his exceptional qualities that the king planned to set him over the whole kingdom. At this, the administrators and the satraps tried to find grounds for charges against Daniel and his conduct of government affairs but were unable to do so. They could find no corruption in him because he was trustworthy and neither corrupt nor negligent.

Finally, these men said, we will never find any basis for charges against this man, Daniel, unless it has something to do with the law of his God. So the administrators and the satraps went as a group to the king and said, O King Darius, live forever. The royal administrators, prefects, satraps, advisors and governors have all agreed that the king should issue an edict and enforce the decree that anyone who prays to any god or man during the next 30 days, except Ye, O King, shall be thrown into the lion's

den. Now, O King, issue the decree and put it in writing so that it cannot be altered, in accordance with the laws of the Medes and Persians which cannot be repealed.

* (2100)

So King Darius put the decree in writing. Now when Daniel learned that the decree had been published, he went home to his upstairs room where the window opened towards Jerusalem. Three times a day he got down on his knees and prayed, giving thanks to his God, just as he had done before. When the king had heard this he was greatly distressed. He was determined to rescue Daniel and made every effort until sundown to save him. Then the men went as a group to the king and said to him, remember O King that according to the law of the Medes and Persians, no decree or edict that the king issued can be changed. So the king gave the order and brought Daniel and threw him into the lion's den. The king said to Daniel, may your God whom you serve continually rescue you.

A stone was brought and placed over the mouth of the den and the king sealed it with his own signet ring and with the rings of his nobles so that Daniel's situation might not be changed. Then the King returned to the palace and spent the night without eating and without any entertainment being brought to him, and he could not sleep. At the first light of dawn the King got up and hurried to the lion's den.

When he came near to the den he called to Daniel in an anguished voice. Daniel, servant of the living God, has your God whom you have served continually been able to rescue you from the lions? Daniel answered, O King, live forever. My god sent an angel and shut the mouth of the lions. They have not hurt me, because I was found innocent.

Mr. Chairperson: You have one minute, sir.

Mr. Hiebert: Okay. Anyway, the punishment that the king did to Daniel's false accusers, they and their families were thrown in the lions' den along with their wives and children. Talk about a horrible punishment.

Anyway, the parallel I would like to draw is Daniel stood alone for an issue that could have cost his life. On a much smaller scale with much less potential personal

cost, will we take a stand as Daniel did for what we believe in? Are there at least two Conservative MLAs who are hearing the will of Manitoba, and will they take a public stand together and say no to Bill 67 and the other power-grabbing undemocratic bills before the House? May the rest of us respect the integrity of those who say no and not feed them to the lions. Thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Hiebert.

Mr. Sale: Thank you very much, Mr. Hiebert. That is a very imaginative way of making a very important point and kind of interesting. What in your sense is the price ultimately of a government that loses its integrity on major issues?

Mr. Hiebert: Ultimately, it could maybe even be what happened to my forefathers in Russia. It depends on how far you go down the road. We are nowhere near that, but I sure hope we do not get to that point. But when we start grabbing power—and as you can see in this Bible chapter, even people who had ultimate power, it did not avail them for a long time.

Mr. Sale: I want to move back now to the issue you raised at the beginning which was that what got your dander up was a call from your broker promising you a quick profit. Did he tell you what the share price was going to be?

Mr. Hiebert: He speculated that it might be like Alberta shares, \$7 a share, but he also added—like, I asked him, just to see how good an investment this could be, I said to him, well, what if I mortgage my house and get \$25,000 going towards this venture, what kind of risk are we talking. He said, well, I cannot guarantee you are going to make money; it could go down, but it probably would be a wise decision.

Mr. Sale: Mr. Chairperson, I think the shares will be \$6 installment receipt for Manitobans and you will get to keep your share for, I do not know, six months or so before you have to pay the other six bucks, so it will be 12 bucks total. But you will get a rate of return of 12 percent in the first year just on a dividend alone because you are only putting up \$6, not the full share price. I think, in other words, the government has guaranteed itself that the shares will increase in value. Does that seem to you, therefore, to be selling the asset for

somewhat less than the market really thinks it is worth since the shares are going to go up in value?

Mr. Hiebert: Yes. I would even use stronger language; I would think it is selling out the Manitobans who already own it. If the government has a dilemma, if they put the price slightly too high for the share, nobody is going to buy it and you will fall flat on your face. So they have incentive to actually sell it at a deep discount so that they can unload the stuff real quick.

Mr. Sale: Mr. Chairperson, I believe there are 67 million shares that are going to be sold at \$12 a share, and that is about an \$800-million capitalization. If those 67 million shares only rise by \$1 each immediately after—and your broker suggested two, but if they only rise by one—then essentially the asset has been undervalued according to the market by \$67 million, and the government has given a gift to those who buy the shares of \$67 million. Is that how you would understand that?

Mr. Hiebert: I would agree with that. It is basically giving a gift to people who can afford to buy it at the expense of the Manitoba taxpayer again.

Mr. Sale: This is the last question. Do you think that is an ethical way to deal with a public asset?

Mr. Hiebert: I do not think at all it is an ethical way. I think each member of the government here is going to have to answer that to themselves and have their conscience tell them is that an ethical thing, is that the right thing to do? And, may God help them make the right decision.

Mr. Sale: Thank you.

Mr. Chairperson: Mr. Hiebert, and to the committee, there is seldom ever that I would have liked more to get into the debate and ask you a few questions, but as Chairman it makes it very difficult. But the question is of honesty that I would have asked, so I would discuss that later on in the hallway with you if you are going to be around for a few minutes.

Mr. Hiebert: I would be willing to do that.

Mr. Chairperson: Good. I will call them next, Mr. T. MacDonald.

Ms. T. MacDonald (Private Citizen): Close.

Mr. Chairperson: Ms. MacDonald. I am sorry.

Ms. MacDonald: That is okay. I am not.

Mr. Chairperson: Have you a presentation for the committee?

Ms. MacDonald: I have no written submission.

Mr. Chairperson: Thank you very much. Welcome to the committee. Thank you for coming, and you may proceed with your presentation.

Ms. MacDonald: It is nice to be here again and again and again. Tonight, I guess I want to begin by talking about process, which of course I think I am pretty qualified, as all you guys should be, to talk about. Where I want to begin with process is the fact that I have some real concerns about the fact that I do not remember at any point this being part of the mandate that the current government was elected to deal with. My concern around that is that it is traditional in a democracy to run on a mandate and then to work from that mandate, make laws, bring in bills, produce acts that relate to that mandate. In the event of an emergency of an urgent situation or crisis, it is quite appropriate that a government deal with what comes before it for the good of its people.

I think that, sadly, there is absolutely no reason to believe there is any justification for dealing with MTS in the manner that you are. What is happening is you have created a crisis—or at least you have created the idea that it has to be handled as a crisis—and I have absolutely no understanding of why you expect the people of Manitoba to believe that.

(Mr. Vice-Chairperson in the Chair)

Were you indeed concerned about MTS, I am sure it would have been brought forward a long time ago. There would have been discussions on it earlier. I believe that essentially most people who run for public office are honourable people who want to and try to do the best they can for those they represent. I would like to keep believing that so, therefore, I am currently thinking you are simply misguided in believing it is appropriate to term what is currently happening in telecommunications

or within our province as an emergency. There is absolutely no basis to be dealing with something that has nothing to do with the mandate you were elected for.

I am not even sure that you have the responsibility, and I certainly would not be surprised to see court cases arising from this. Certainly one would hope there is some seeking of an injunction right now in order to deal with the fact that it does not appear you are even working under the authority given to the cabinet to govern or to manage Crown corporations as a corporation which essentially falls under the responsibilities of the monarch and then becomes delegated to the cabinet. You are to then discharge your responsibilities in accordance with the people of the province or with the citizens of the province. I think you are doing them a grave injustice right now because there has not been any communication with them beyond these hearings, and I have to second you to Fricke's comment regarding why are these called hearings when I do not think you are even listening. I certainly know you are putting in time at the table, but I am not sure you are listening.

Like others, I am aware of announcements. Somebody told me they had heard an ad—I will not go so far as to back it up; I have not seen it or heard it myself—regarding the sale of shares of MTS. I would hope that was part of a news broadcast because it is absolutely terrifying that you would currently be advertising, or that anybody would be advertising, around the sale of MTS shares when in fact you have not yet put it through.

I guess one of the things that goes with the fact, along with the question of mandate and authority and fiduciary responsibility, we can talk in terms of those concepts. I would also like to talk about the environment in which they are currently being set. I do not think I go far beyond what most of the electorate would say now, now that we are down to business and the election is over. You are displaying an arrogance that makes me want to say airbus. It just comes to mind.

* (2110)

I am absolutely terrified at what is happening here, and I do not think you are bad people. I think you actually believe you are doing things on behalf of your electorate, and you are not; you are doing things to your electorate. You are doing things to the people of Manitoba rather

than with them or for them right now, and of all the bills that you currently have before you—many of which I have a problem with—this one goes to the heart of Manitoba and of Manitobans.

I was born in a small town that did not have a very strong economy. As a result, my father left when I was three years old to get a job. He lived thousands of miles away. I grew up hearing my father's voice once every two and a half to three years. There was no telephone communication. He was in the far North, and we could not talk to him. I hate to see that repainted, and that is exactly what I am looking at now. You know, there will be Canadians who will not have contact with one another, families that have to be out of contact in the real world, in the economy that is Canada. Full families are separated by thousands of miles. Many of them, if you look at the teachers in northern Manitoba, not all of them are from northern Manitoba. They will not be talking to their families. If you talk to the people who have to leave northern Manitoba to go to school, to find other places to live, they will not be in contact with their families. It is that simple.

Let us face it, those costs are going up in rural Manitoba and outside of the city of Winnipeg. We already know that there have been reports coming back saying that it is more than likely that CRTC would probably have to go with about a 9.75 percent increase. They probably have to start there. That has been raised repeatedly too. In Alberta it went up to 12 percent I believe. I am not sure I can be certain of that, but nonetheless those statements apply overall. I think we are talking about, when you are looking at the population in different centres of the province, tremendous increases that just cannot be borne. We can talk about enhanced and improved communication, but if you do not have any communication, you do not need to worry about whether you are on the Internet because you are not even on the telephone line. We are talking tin cans and strings.

I worked in northern Manitoba when, if you wanted to talk to a resident of Split Lake, you called the phone. That was not that long ago. You called the band council offices and they maybe tried to find someone and that was the extent of communication that was available, and I see that being repeated now. I see that as inevitable with rising costs. I do not believe there will be any way around that. I do not believe that the people who live in

the small communities can afford on their own personal income, nor do they have the infrastructure and the organizations that govern them or serve them in any way, to be able to afford to be part of this great global village that is not going to be all that great, nor will it be all that global if you cannot even pick up your phone and call another part of the country.

Besides expressing extreme disapproval of that, I also want to make a comment about cynicism. A lot of people have come here tonight saying they are very cynical about what is happening and it was hard for them to come out. Well, you have seen that list grow. I want to tell you something that you may or may not know. I do not know a lot of those people on that list—and you know that I have been working on it—but I know that they are Manitobans and it is really fascinating to watch them come out of the woodwork. These are not organized people; these are not people coming out of any special group that you might want to slap a label on. All you are doing when you make any statement like that, should you so wish to, is insulting one more voter in this province. These people are coming forward on their own and you ought to be shaking. You ought to be shaking with the results that are coming up.

I am amazed when I walk back in here and see that list grow after the things that have had to be gone through over errors that have been made and miscommunications, which I would never say are the result of any intent: The number of people who have been misinformed as to when they would come, the lack of clarity in the information that has been coming from the Clerk's Office, the pieces that I found myself picking up where people were told, for instance, on Thursday night that the hearings were on Saturday, and then we have people tonight, whom I have been in contact with, who are telling me that they have been told they can be heard tomorrow if they are not heard tonight. Well, you know, I am a little confused on that.

I wanted to say two more points. One, if there is cynicism or if there is hopelessness, I think it is being displayed by this current government, people who would take their neighbours' telephone system and other things that they have owned for 80, 50, 40 years, people who would take those things from their neighbours and sell them, they are cynics and they are people without hope—not Manitobans. They got their hope back and they have

been coming out in snowstorms; they have been coming out with little notice. The last man read from the Bible. I would like to read from a book that I think you guys better pay special attention to.

Reading from the book of Emerson. Remember the other day someone held up the Manitoba phone book—wrong one. This is the book you guys should be looking at because these are where the secrets you are going to have to deal with are. From the book of Emerson, we can have Wightmans; we can have Wilkinsons; we can have Yahnkes; we can have Yarmies. The book of Morris. Anybody here from Morris? The book of Morris: We got the Brauns; we got Charney; we got the Claces and the Clements. How about in Roblin? In the book of Roblin, you can look up the Simpsons; you can talk to the Rozenuks; you can talk to the Russetts. Those are the things and the books that beyond the Bible you might want to look at.

Mr. Vice-Chairperson: Thank you Ms. MacDonald. Any questions?

Mr. Cummings: I am looking at a list of costs of small exchanges and a comparison across the country, and the lowest prices for residential services are Ontario, Quebec, B.C., Newfoundland. I am wondering if you can square that with your comment that the phones were going to become too costly under any other jurisdiction except the one under Crown monopoly?

Ms. MacDonald: Excuse me, would you please tell me what the list you are looking at is? Not the province's, but the actual.

Mr. Cummings: Comparison of touchtone rates in a residence.

Ms. MacDonald: Residential rates. I would suggest that if you look at the list, excepting Newfoundland, you are talking about the most populous province is in Manitoba, and there may be in telecommunications an argument for economy of scale and the size of the province. I would also ask whether or not you might table that information, as opposed to just look at it and expect me to react out of the blue to something you purport to have in front of you.

Mr. Vice-Chairperson: Are there any other questions?

Mr. Sale: With respect, I think the presenter asked the minister a question. Will he table the information he has now used twice, tell us the source and put on the record what it is, because I would say to the minister, his own government has often cited in its documents the low cost of telephone service in Manitoba and has cited it publicly as second to Saskatchewan in your budget comparisons which you do every year at the back of the Manitoba budget.

Telephone system costs are there. You have used telephone system costs as an incentive to bring companies and people to Manitoba boasting at the level of the rates, so I think there is some mischief going on here in terms of attempting to confuse the fundamental issue, unless of course all the other information government has been putting on the record is incorrect too.

Mr. Vice-Chairperson: No other questions? Thank you, Ms. MacDonald.

Ms. MacDonald: Thank you.

Mr. Vice-Chairperson: The next presenter is Tim Agren. Tim Agren. It is A-g-r-e-n. I hope I said it right. This name will drop to the bottom of the list. The next presenter is Ernest Borland. Ernest Borland. That name will drop to the bottom of the list. Mr. Grant Anderson. Please come forward. You have a written presentation?

Mr. Grant Anderson (Private Citizen): Yes, I do.

Mr. Vice-Chairperson: We will pass it around, and you can begin.

* (2120)

Mr. Anderson: I would like to begin by thanking you people for being here and giving us the opportunity to speak today. I make absolutely no pretense about being an expert in telecommunications, the sale of Crown corporations or the business of running a government. I do however believe that I possess at least a fair degree of common sense and sound logic. I would also like to state for the record that I am not a member of any political party and do not really have a particular axe to grind with anyone.

I will briefly discuss three issues regarding the sale of the Manitoba Telephone System. One, is the misuse of public trust. Two, the bad business involved in the sale of a high tech enterprise and the bad politics of angering the electorate.

Firstly, on the topic of misuse of public trust. The sale of the Manitoba Telephone System impacts on every Manitoban regardless of age, sex, race or position. Everyone in our province depends on our communication system, and the simple fact is that the current government did not campaign on this issue and therefore has no mandate to carry out its plan to sell it.

One of the maladies that our city, province and country has and is suffering from is a lack of vision on behalf of our elected representatives. We have a health care system which is being dismantled, a hydroelectric system which has caused displacement, widespread flooding and untold damage to our lakes and marshes. There is, of course, the visionary who built the aqueduct which now supplies Winnipeg. Of course, that was built crossing provincial boundaries and on First Nations property. I have never really been able to understand why a province with 100,000 lakes would have to go out of province to get water. I am digressing, but we also built a floodway which does not protect Transcona. We also built a Perimeter Highway that does not go all the way around the city.

The sale of the Manitoba Telephone System continues that lack of vision. I would like to quote from the home page of the Progressive Conservative caucus, dated October 30, 1996. I have attached copies of the last page: The Manitoba PC caucus recognizes the importance of staying on the forefront of technology in our schools and industry. We also believe improving Manitoba's infrastructure is integral to the pathway to prosperity. Our world is changing as technology grows and evolves, and the PC caucus is committed to ensuring that technology is available to help Manitoba grow and remain competitive.

I have included the copies from the Web page with my presentation. This is the same PC caucus which is planning to sell the very system which supplies our link to the new growing world of information technology. Is it just me or is there some smell of the rat of hypocrisy in this? To continue with the theme of the lack of vision of our elected officials, today the personal computer outsells

television sets. The personal computer has evolved from a computer nerd's toy to a business companion to a household appliance. Computers are going to be as common as toasters, clothes dryers and telephones.

In addition, with each new computer comes the ability to contact the World Wide Web, and with every connection to the Web comes another phone line. By the time our televisions are connected to the Web, each household of even moderate income will have at least two or three telephone lines in it. Is this the business that we really want to get rid of? It is a major growing concern. If we factor in the schools, the businesses and the hospitals, the demand for phone service is and will experience contingent and unprecedented growth for years. It is going to become part of our infrastructure and as much a part of our infrastructure as our highways, our sewers or our power grid. Is anybody really in favour of selling Manitoba Hydro or perhaps the 59 highway? I hope not.

Might it not make more sense to invest in our future, to nurture a system which has a long history of success rather than disposing of it? I mean, if it is profitable to sell, would it not also be profitable to keep? Anyone buying the corporation is not buying it to lose money.

On to bad politics. I want to run this scenario by you. First, you sell something you do not have the mandate to sell. Then you turn it over to out-of-province investors. They move the head office to Toronto or London or Tokyo. Then they decide to downsize the organization, and the rates go up due to increased taxes and the lack of subsidies for the North. Service at best will stay the same. Employment goes down as you decrease the number of skilled and high-tech jobs, and profits generated by the utility leave the province. Then, every month the person you have sold the corporation to sends your voters a bill just to remind them of what you have done.

To put this in terms that we have all had experience with, let us try this for example. Would you, if you owned them, sell the electric company and waterworks to someone who already owned Park Place and Boardwalk, especially if they already had more money than you did? It does not take Jules Verne, Nostradamus or even Jeane Dixon to see this one coming. It sounds to me like a good way not to be re-elected.

I am sure the current government has confidence in what they believe will be a short voter memory, and, of course, there is the yellow dog factor. The yellow dog factor, for anyone who is not familiar with it, is the current government's ability, in at least some constituencies, to run candidates in all the elections of a yellow dog and get them elected. Let us see how many yellow dogs get elected after they put their voters through the scenario I have just described.

To conclude, if we examine, for example, the experience of the privatization of the phone system in Alberta and compare that to the financially successful phone system in Saskatchewan, it is not difficult to see which for our province would be more beneficial. SaskTel turns a profit, and in Alberta the rates have increased.

I did, of course, before deciding to make this presentation, discuss this issue with a number of people from different walks of life, both rural and urban, and I can honestly say that I have not found one person who believes that selling MTS would be advantageous to this province, in addition to the fact that the sale of the utility is to be conducted by the same people who recommended its sale in the first place, which by the way, I think is incorrigible, has many of the people I have spoken to outraged. Do you mean to tell Manitobans that if we are to sell MTS that we are incapable of completing a business transaction ourselves, that we cannot sell what is ours and keep the profits from that sale at home? Personally, I am tired of business and governments treating Manitoba as if we are a banana republic.

Bad business, bad politics, lack of vision. I trust that the current government, if they believe that the sale of MTS is such a good idea, that they would accept the challenge and put their money where their mouth is and call an election to allow the voters to decide. Let us use our democracy for what it is meant to be, the representation of the wishes of the people. Frankly, I doubt if the government holds that strong a belief in their convictions.

Failing that, I would like to suggest to those who will form future governments that if the proposed sale does proceed, that we would make one point extremely clear. The message to potential investors is this: that if sold, we as a province will take back our telephone system, pay

them what they paid for it and return a public utility to the people of Manitoba. Thank you.

Mr. Vice-Chairperson: Thank you, Mr. Anderson. Are there some questions?

Mr. Marcel Laurendeau (St. Norbert): Thanks for coming out tonight. I always enjoy having discussions with you, and I am sure you and I can discuss this one to a much further detail after tonight. As a matter of fact, I would enjoy getting together with you in the next little while.

Mr. Anderson: I would look forward to that, too.

Mr. Laurendeau: The one question I have got for you, Grant, you spoke about the displacement because of the flooding, the hydro-electric projects that were built in the North. Do you think those should have gone to the electorate to get a mandate from the public before proceeding and flooding out all the people within those communities? Should that have gone to the public-hearing process, or should they have had environmental hearings on that prior to it happening?

Mr. Anderson: I would hope that if it is my home or your home that was going to be flooded, that somebody would ask me about it first.

Mr. Laurendeau: And then just one last thing. As you are well aware, I do not suffer from the yellow-dog factor in my community. I have got to work for each and every vote.

Mr. Anderson: I know that.

Mr. Laurendeau: Thank you, Grant.

* (2130)

Mr. Sale: I think, first of all, the Schreyer government ran very clearly on a platform of northern development and hydro development, and it was very well known what was being planned in terms of northern development. In fact, South Indian, the original flooding plan was a high-level flooding, the final plan was a lower-level flooding, and there was considerable public outrage and were hearings about concerns around that and plans were changed as a result of that, and I guess the analogy holds

quite well, in fact, that out of these hearings there ought to be significant things changed and, in fact, had this government run on anything like a platform about the selling of MTS, as the Schreyer government ran on a platform of northern development, there might be some shred of a mandate here to do that. So I think you put a very good analogy on the record, although I am not sure you meant to.

(Mr. Chairperson in the Chair)

I would just like to ask the presenter, through the Chairperson, you have talked about the cynicism and mandate that is lacking here to do this. Were you aware that Manitoba Telephone System applied in the middle of this summer for a rate increase to cover the costs of privatization that might not be foreseen, might come along down the pike that they did not know about? They had already counted on it being sold to put a rate increase request in to cover it.

Mr. Anderson: No, I was not aware of that, but it does not surprise me.

Mr. Sale: So you did not hear anything in the news about Manitoba Telephone System applying for this rate increase? It was not a sort of open process at all that came to Manitobans' attention at that time?

Mr. Anderson: No, I am afraid I missed that one.

Mr. Sale: Were you aware that today in the House the NDP, having sought an opinion from an expert in regulatory issues in Ontario, tabled information that at minimum rates will go up 9.75 percent just to compensate for privatization, nothing to do with the rate increases that might come for other reasons, but simply to compensate for privatization. The experts' estimate is 9.75 percent, that in the face of repeated denials from the government that there would be any impact from privatization on rates. Does that surprise you?

Mr. Anderson: No, frankly, it does not. I did not learn about that until listening in to the hearings this evening.

Mr. Sale: Well, I would just, in closing, like to thank you for your presentation. I just note that you obviously have a connection with Mr. Laurendeau and I think that is great that you have discussions and arguments. He

cheerfully agrees to discuss this one further with you but, of course, by that time the barn door has long been opened, the horse is gone, the telephone company is private and I am sure you will have a good discussion, but it will have about as much impact as these discussions around this table tonight are having. Nevertheless, it will probably be fun.

Mr. Chairperson: Thank you very much for your presentation, Mr. Anderson. I call next Ben Carson. Ben Carson, seeing him not, he will be dropped to the bottom of the list. Edith Carson. Edith Carson, not here, will be dropped to the bottom of the list. Kevin Dearing. Kevin Dearing, not here, will be dropped to the bottom of the list. Khalid Mahmood. Khalid Mahmood, not here, will be dropped to the bottom of the list. John Wiens, for the third time. Mr. Wiens, would you come forward, please. Have you a presentation for distribution to the committee?

Mr. John Wiens (Private Citizen): No, I do not.

Mr. Chairperson: Welcome to the committee, and you may proceed.

Mr. Wiens: Thank you, Mr. Chairman. I do not have a written presentation mainly because I would have preferred not to have to have been here, in my opinion. I do want to say to you that I come here believing I have to come because this is a forum of last resort and it is the only thing that many of us have left now. It is for that reason that I am here tonight. I am representing my family, my friends and my workplace, who I have spent quite a bit of time with talking about this bill and general happenings in this House this last couple of months or so.

I want to talk about three things which you might think are not directly related to the bill but I think are integrally related to this whole discussion and this bill itself. First of all, I want to talk about the loss of humanity and democracy represented by this bill as well as many others before us. From there I want to talk about my public life and the responsibilities of my public life and, finally, I want to talk about my concerns over privatization of something like the Manitoba Telephone System.

I return to those fundamental, philosophical questions because it seems to me that we have lost, as the previous

speaker said, and I have not heard most of the speakers here, our sense of history, our sense of tradition and our moral conventions and what he calls—and he couched in terms that I would agree with—our common sense, and I am going to talk about that a little bit.

But I want to start off by talking about what MTS has meant to me from childhood on, and I want to talk about the affront that these hearings are to my dignity and my rights as a citizen. In my private life, I am a husband, a father, a son and a friend, and MTS has meant in my private life that, in fact, I could enjoy privacy.

Now, I am going to tell you a little story about when I was a child. When I was a child, I lived about 15 miles out of the town of Carman in southern Manitoba, and we had the only phone for four miles around, and it was a party phone. It was on a party line. From the time I was eight years old, when the phone rang in our house, I flinched, at least for the first couple of years, because it was my job—it did not matter whether it was the kind of weather we are having outside here now or whether it was a bitter cold winter—to run to the neighbours and tell them they had a phone call, and they could come back to my place and phone somebody else, phone the people who had called them.

MTS at that time saw it as their responsibility to, in fact, provide those people with some privacy, privacy which I think is essential to all people who hope to be citizens and participate in citizenship. What those people did not have in that kind of system was privacy, and later in the party line system they did not have privacy. They could not make a phone call, they could not receive a phone call without my family knowing that they had received a phone call. They could not be the first on the line. They could not be the people who heard from somebody that their grandfather, their uncle, whatever, was dying in the hospital, hear it and attend to that without an intermediary. What MTS provided for them very early on in my life was both privacy and the dignity that comes with privacy, the ability to make a phone call, to initiate the phone call and the ability to have people phone them without everybody knowing what was going on and what it was about and so on.

It was recognized, I believe, whether it was seen as a technological advancement or whether it was seen as some other thing, that human beings needed this kind of

a service and it was provided. Who provided it? Everybody provided it. The people of Manitoba provided it. People's neighbours provided for them a telephone service which allowed them to maintain their privacy and their dignity.

* (2140)

My private life gives me the strength—and that is why I started with talking about representing my family and my friends and my workplace. It provides me with a refuge and a place to come from to participate in public life. That is why I am objecting to what has happened, and I have been, in reaction to other bills as well right now. I have been told, for example, that well, folks, you knew in spring that it was coming and this is an agreement that we made that in spring all these bills were coming forward and you had the chance to participate.

I want to tell you that if I used that kind of an argument in my public life, I would be killed because in my public life I am a teacher. If I said to people, well, I mentioned that a long time ago, the fact that you forgot it or the fact that I did not go out of my way to provide a forum for you to talk about this further would cut—they just would not accept that as being a reasonable chance for them to have a say about what was going on. They would suggest to me that if I am the person who is going to take the responsibility or take the initiative of doing something, then I also have to take the initiative of providing a forum for them.

I want to tell you that was not done in this instance nor in any other instance, and the kind of forum that was provided is simply a mockery of democracy, in my opinion. It was incumbent on the people in this House to provide those forums, to allow me to discuss things in the privacy of my home, in the privacy of my friends, and to come to the public arena and to either represent them or represent myself in that public arena. I heard tonight that I was called for the third time. That is because I, in fact, work many hours a day and there is no possible way that I could be here earlier.

While I have the opportunity, I want to thank the clerks for the way they have handled this, by and large, but I am not sure that I want to thank the committee too much, because I have heard them pass on to me abuse of the kind—well, if you cannot be here the first two times, then

I am not sure that you should have the right to appear at all, kind of thing. It was just impossible for me because of my responsibilities in other areas and certainly not on short notice.

The second thing I want to talk about is this loss of common sense. I talk about common sense in two aspects of common sense. One of them is that things need to be—in the world that I live in they have to be logical. They have to be subject to reason. People have to give rationale, and those rationale have to stand up to the public test. But even more so, I am concerned that we have lost our sense of history, that we have in this House a group of people who think that the history that has unfolded prior to them has no meaning for them and no application today. They think that they can get away with things that in fact people never got away with and ways of doing things that in fact have fallen over time and time again and have proven disastrous for people. Privatization of a service like the MTS is one of those kinds of things.

Mr. Chairperson: Mr. Wiens, you have one minute.

Mr. Wiens: My students who I represent here—and I will close—recognize as I do, and I am prepared to accept the importance of technology to my students. I want to tell you that if we privatize the Manitoba Telephone System—and I understand what privatization is about at the very fundamental level; it is the accumulation of capital. People would not enter into privatization schemes except for the accumulation of capital, and they do not care what happens to my students as a result of that. I can give all kinds of evidence for that.

But I can show you that this is what happens. Computer gap hurts poor, report says—Globe and Mail today. This is the kind of stuff that I collect and watch all the time. That is exactly what happens to many of my students when private companies take over something which is a necessary service for all of the people that I deal with. It is a necessary thing for children, because it also says, computer literacy is a growing requirement in the workplace.

Mr. Chairperson: Thank you, Mr. Wiens, for your presentation.

Mr. Ashton: Early on in your presentation you referenced some of the fundamental points behind the

reasons why the phone system was established. I always say, it is ironic, we are sitting here with Sir Rodmond Roblin's picture here, because what happened in those days was, we had lots of competition, there were about 300 or 400 phone companies, but there was chaos. I mean, competition in those days was cutting down the other phone companies lines, and people joined together to establish a government service which later took over Bell Canada and became the formation of the first government-owned telephone service in Canada. You also referenced later about learning from history.

I wonder if you perhaps see some irony now that the United States, where they have got a totally privatized system, there are now some areas I know in Montana and a couple of other states where they are doing exactly what was done in the first part of this century. They are getting back to establishing phone co-ops to deal with the fact that these private companies just do not care about servicing their area, and I am wondering if you have any concerns about that agenda being the case here in Manitoba.

Mr. Wiens: I do not know if I can address that directly, but I do see huge ironies in a whole bunch of things we are doing and I see huge arrogance in a whole bunch of things we are doing. I see that in things like the telephone system, where we are repeating our mistakes of yesteryear, and we forget why we did things in the first place. We do not even talk about why we did things in the first place. I think that we know why we established the Manitoba Telephone System, and that is to provide service, but that service was to provide something much more fundamental on a human level, and that was to provide the opportunity to participate and the opportunity to have refuge and privacy on a fundamental human level. It is ironic that we have forgotten all those things. We are so proud of who we are in North America, and we have foisted on other people in eastern Europe and across the world some of our attitudes which in fact will be their destruction, I suspect, and this is just another example of that.

Mr. Ashton: It is interesting too because Canada has, despite our geographic distance, probably the highest number of phones per capita in the world, 97 percent according to statistics I have seen. By the way, Manitoba has the highest number of phones per capita in the country, and I do not think that is any accident in our case, I mean, a publicly owned system. The United

States is totally deregulated. It is already slipping down below the 90 percent, and that may not seem like a big drop, but what it means is, there are whole areas, rural areas and inner city areas that basically then are ending up with virtually no phone coverage.

Now that we have seen proof that rates will go up under privatization, we have a study today that confirms that, and in Alberta, for example, their private company wants to double phone rates in the next year, do you see the same thing happening here in Manitoba?

Mr. Wiens: Well, certainly, I do. I think that we cannot escape that kind of thing with this kind of move, and the consequences of that are what I really wanted to talk about, because what happens, if 10 percent of the population is in some way denied access to this technology, then what we have in schools and other places and places of work, we have a group of people who are automatically denied access to the good life and the other things that we hold dear as people. So, yes, I see that happening, and I see it happening in many, many areas right now.

In the world that I work in, user fees were introduced, reluctantly, and continue to rise and rise and rise. What is happening as a result of that is that some people fall off the table, they are no longer part of the mix. They have no opportunity to participate any more, and certainly we do not anywhere near approach something called a level playing field, even at a very minimal level.

Mr. Ashton: I also want to ask a further question on education, because one of the concerns I have about the sale of MTS is MTS has been a good citizen—I am not saying good corporate citizen, as I do not feel it is a corporation in the sense of others—in the sense that it has worked very much with communities, particularly rural and northern communities, on Internet access, you know, the information highway. One of the key questions I have is as to what is going to happen with a private company picking up the same mandate. I wonder if you can comment, from your position as an educator, whether you see any potential difficulties with a privatized MTS?

Mr. Chairperson: Thank you for your presentation, Mr. Wiens, unless it is the leave of the committee to hear the answer. Mr. Ashton uses an inordinate long time to ask

questions or put comments on the record so I would ask Mr. Wiens to proceed with your response to the question.

* (2150)

Point of Order

Mr. Ashton: Mr. Chairperson, on a point of order, I would like to ask whether we now have a new leeway for Chairs to comment on the comments made by presenters? We have been working fairly effectively. My questions were no longer or shorter than previous questions I have made and other members have made, and I put that on the record. I just think we did not need the comment. We have been working fairly well, and I did not mean to run excessively on. As I said, I have made questions of a similar length before and not been commented upon, and there are other members, too, in the committee.

Mr. Chairperson: Thank you very much, Mr. Ashton. There was no point of order.

* * *

Mr. Chairperson: Mr. Wiens, would you want to proceed with your response?

Mr. Wiens: Yes, I would. I think I need to answer in this way and qualify my answer in this way: I think there are definite areas where private industry and privatization are, in fact, the order of the day, but I do not think that should extend to issues like telecommunications and matters that are as fundamental as that. I see, and I think there is lots of evidence, if I had time to talk about it, to show in fact that has happened. As soon as companies like this have been privatized and services have been privatized, people have been denied those services and those services, I will repeat, are fundamental to their participation as citizens. Not as people so much in their private life, but as citizens. Citizens are not private citizens, by the way, they are public citizens. You cannot be a citizen in private.

Mr. Chairperson: Thank you very much, Mr. Wiens, for your presentation. I call next Mr. Jim Silver. Mr. Jim Silver, would you come forward, please. Have you a written presentation for distribution to the committee?

Mr. Jim Silver (Private Citizen): No, I have not.

Mr. Chairperson: Thank you. Welcome to the committee, and you may proceed.

Mr. Silver: What will happen if you privatize the Manitoba Telephone System? Nobody really knows for sure, I believe. I do not believe that you folks know what will happen if you privatize the Manitoba Telephone System. You are prepared to turn the MTS over to the corporate sector with no real protection for Manitobans, particularly in the long run, despite the claims that you have been making to the public, and with no real knowledge of what will become of the company. So Manitobans deserve to know why you are throwing us into these uncharted waters not knowing what will happen.

The answer I believe to the question of why you are doing this is simply blind faith. I believe that you are engaged in something akin to a jihad. A jihad is a war or a crusade for or against a doctrine or a belief. It is a religious war against unbelievers, and you I believe are engaged in a religious war. You are engaged in a jihad. You are the true believers.

True believers have no need of the facts. They have no need of empirical investigation. They have no need of the common sense that the speaker who preceded me referred to because true believers just know. Their faith tells them so. True believers wage war against the unbelievers, against the infidels. They wage religious war, a jihad. You are engaged in a jihad, and your jihad has nothing whatever to do with meeting the needs of Manitobans. It has everything to do with faith, blind faith. You believe you know the truth and knowing the truth you seek to silence the rest of us, and in fact, if you look at your legislative package as a whole, that is one of the powerful themes that runs through it.

So if we take The Labour Relations Amendment Act as an example, you seek to silence workers and their elected representatives. You erode the authority of elected bargaining teams. You erode the capacity of unions to express themselves politically. You introduce police state tactics on picket lines.

If you look at The Essential Services Act, you will now have the capacity to unilaterally determine what are essential services and to change the number of people deemed essential, performing essential services during a

strike. You are ~~attempting~~ to outlaw strikes in the public sector effectively in a democratic society.

If you look at the health regionalization act, you are imposing upon us unelected regional health boards, and you are introducing a commissar worthy of all the true believers that have preceded you.

If you take Bill 32, the government, you folks, will determine now what can and cannot be taught in universities, consistent with all true believers most of whom are the people against whom in the past you have railed.

The same theme applies with Bill 67. Here you are being silent about the fate of a privatized MTS after the special share is surrendered. Once that special share is surrendered after the debt owing to the government is paid, then we are in completely uncharted waters. The likelihood is, as I expect some of you may know, that the MTS will be broken apart and its pieces will be purchased by a large multinational corporation which will move out of the province, and the various kinds of protections which are in the bill for a preliminary period will be gone. We will have no protections with respect to the proportion of Manitobans on the board, the proportion of shares that are owned in the province, whether or not the headquarters is located in Manitoba. The very great likelihood of course is that the headquarters will not continue to be located in Manitoba. The company will be taken over by a multinational which has no interest whatever in Manitoba, nor the needs of Manitobans.

We should not be sailing into these uncharted waters in so ill-prepared a fashion. I would like to advance to you for your consideration several recommendations. My first recommendation is that I believe you have the responsibility to hold public hearings on this matter outside of Winnipeg. The process that you have staged here suggests that is necessary. Endless numbers of people have appeared before you today, and previous days, and many more would appear and want to appear if you made it possible for them to do so. A clamour exists in rural Manitoba for public hearings where rural Manitobans can come. Well, you shake your head, sir. I believe that the facts contest your response to that, but then as I indicated, the facts are apparently not of much concern to you.

Rural and northern residents are the ones most likely to be adversely affected by this bill. Most rural and northern residents will have stories such as that told to you by John Wiens. Their memory enables them to remember a time when they did not have, when my parents did not have full telephone service, and that is what they run the risk of going back to when we privatize the Manitoba Telephone System. Add to that the fact that they, and we Manitobans, did not have a chance to factor in the privatization, the proposed privatization of MTS to our voting decision in the April 1995 election.

All of these things lead me to suggest to you that it is your responsibility now to hold public hearings in rural Manitoba. Slow this process down. I believe it is unseemly and imprudent for you to be proceeding so hastily, and, further, it is undemocratic.

The second recommendation that I would like to put before you is that you come clean with the Manitoba public. Tell people there are no long run guarantees in Bill 67 with respect to such important matters as whether the head office of the MTS will be maintained in Manitoba, the proportion of the board that will be comprised of Manitobans, the proportion of shares that will be owned by Manitobans. Let the public know that the guarantees your government is claiming are there in the bill are not in the bill in the long run. You owe us nothing less.

* (2200)

Thirdly, I would like to recommend that while the public hearings in rural Manitoba and northern Manitoba are being held, you simultaneously seek an analysis of all of the options available to us, especially whether it is possible to maintain the MTS in public ownership and what would have to be done to keep the MTS in public ownership. We simply do not know that. You are making assertions that it is impossible to maintain the MTS in public ownership. You do not know that that is the case. You have not done your homework on this. We have had no independent analysis of all of the options. Manitobans deserve no less. It simply does not do. To make such an important decision on the basis of a recommendation from brokerage firms, they are not disinterested observers. They have a vested interest. They are going to make money out of the privatization of the MTS. They are going to make very large sums of money if the MTS is privatized.

So I would like respectfully to submit to you my view that these are requirements incumbent upon you as our elected representatives when undertaking such a major initiative. Take this to the public. Slow down. Hold hearings in rural and northern Manitoba. Seek an independent analysis. Let us at least make this decision on the basis of the facts. If, after doing all of these things, we conclude that Manitobans' interests are best served by privatizing, then let us privatize. Let us not be driven by blind ideology. Thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Silver.

Mr. Ashton: You raised the point about rural hearings. What I find interesting is that government members say there is not an interest, they shake their heads. I have had meetings throughout rural Manitoba. We have had upwards—we had 40 people in Portage, for example—

An Honourable Member: Thirty-three.

Mr. Ashton: We had 25 people in Roblin. Well, 33 says the member. It is interesting, he was not there so—

An Honourable Member: I have friends in Portage la Prairie

Mr. Ashton: Oh, he has friends, but it is interesting he did not choose to attend. I know that the organizers of the meeting—

Some Honourable Members: Oh, oh.

Mr. Chairperson: Could we have order, please. Order, please. Mr. Pallister, I would ask that we maintain decorum in committee.

Mr. Pallister: Certainly, my apologies.

Mr. Ashton: Mr. Chairperson, we will accept his figure of 33. That in itself I think indicates there is an interest in a meeting that is sponsored by the NDP in an area that has not traditionally supported the NDP. I am wondering if you do not think that perhaps one of the reasons they do not want to have public hearings is because they do not want to hear from rural Manitobans who, by and large, are very much opposed to the sale.

Mr. Silver: Well, it may well be that not only do they not want to hear, but they may well be afraid to hear. My understanding is that Mr. Filmon took quite a beating when he appeared recently in Brandon, is the information that was conveyed to me. You go out into rural Manitoba and tell them that you want to privatize the MTS, and you are going to meet with an angry response. If you claim otherwise, then, again, I believe that you are acting on the basis of something other than the facts. I am convinced, in any event, that you have no regard for the facts whatsoever. Throughout your time in office, you have made that abundantly clear over and over again.

Mr. Chairperson: Thank you, Mr. Silver.

Mr. Ashton: I think it is the ostrich syndrome. If you do not survey people, do not ask their views, obviously, you do not hold public meetings, it is very easy to say, well, no one is concerned about this. I think that is what is happening.

A further question, you talked about the facts. I am wondering whether you feel—I will use the word “appropriate,” but there are other words that could be used—that this government at this point in time, when the sale is supposed to be finalized in a matter of days, has not done a single study with MTS on privatization internally, has not done a study on rates—we have a study proving that rates will go up by as much as 9.75 percent across the board—does not know what MTS will be borrowing in the capital market; in fact, they are doing that currently—I am wondering if you feel that there is enough information to make the kind of decision you said that Manitobans should be making right now.

Mr. Silver: It is my opinion that there absolutely is not enough information. There is not enough information for concerned citizens like myself to engage in an independent analysis so that we can reach some educated opinion as to what ought to be done. I firmly believe that the government has not done their homework sufficiently to be able to reach an educated decision themselves, which drives me back to my original point, that is, it is absolutely purely ideologically driven. It is bitterly ironic, and it is absolutely inconsistent with the history of this province.

Mr. Gary Doer (Leader of the Opposition): You have obviously analyzed the details of the bill, which is very helpful to the committee in dealing with the medium-term

prospects of the phone system in terms of Manitoba. The government also, I believe, intends on putting some funds into the Fiscal Stabilization Fund. It is not prohibited by the so-called balanced budget legislation to sell an asset and then have that come towards the Fiscal Stabilization Fund. We are looking at some rough estimates of about between \$200 million and \$350 million but we do not know, and we have not heard from the government. Have you done any analysis of whether there is money going to go to the Fiscal Stabilization Fund? How do you think Manitobans would feel being told that debt is the reason driving the sale of MTS but the surplus will go into a kind of general revenue of the Province of Manitoba?

Mr. Silver: I cannot, at the moment, really respond directly to that. Choices has done some work broadly on provincial budgets. I could get an answer to that; I do not have it off the top of my head. I think Manitobans would be concerned, and indeed, angered if that would turn out to be the case.

Mr. Chairperson: Mr. Doer, one final question.

Mr. Doer: Yes, thank you very much. The recommendation to have hearings in Manitoba, given the lack of mandate, we have proposed reluctantly. Representative government to us means that you represent what you are going to do, and then you proceed, if you receive electoral mandate to do so. Misrepresentative government means you say one thing in an election and do something else in government. We believe the only way the government can reconcile their action with their promise is to have a plebescite, or a referendum, if you will, with the public.

Now, I know some people have different views on that. It seems to us that is the only way we can get around this breach of promise by the Conservative Party, save the government pulling the bill completely. What would your view be on that type of—

Mr. Chairperson: Is there leave of the committee to allow Mr. Silver to respond? [agreed]

Mr. Silver: Thank you very much. I am not at all a fan of referendums. I think that, well, that is a long discussion.

Mr. Doer: Yes.

Mr. Silver: However, the principle that lies behind your question is a principle that I support. When a government is elected, they may not tell the electorate every single thing that they are going to do. In our representative democracy, that is generally acceptable. However, a matter like this is of such fundamental importance that it seems to me to be a breach of the democratic process, that they said one thing during the election campaign and are now proceeding to do entirely the opposite. The tenor of the recommendations that I have advanced are such as to try to slow this process down.

I see no reason whatsoever to proceed with the kind of haste that this government is proceeding with. I mean, not only do we have 75-plus bills which are far, far too many to deal with in a reasonable fashion, but this privatization of the MTS in the kind of economic climate that we are in, the revolutionary times that we are in having to do with the telecommunications industry, is of such fundamental importance to the future of Manitobans that we should not be proceeding so hastily.

It is ironic that I come before you here, a member of Choices, advancing to you a small "c" conservative position. Slow down. Take your time. Do your homework. Do not simply thrust yourself out there into the heavy traffic not knowing what is going to happen and not having any compass whatever to guide you. We are going to be run over if you do that. So you have before you a conservative proud in this instance to say to you that I am and that you are not.

Mr. Chairperson: Thank you very much, Mr. Silver, for your presentation. I call next Leona Penner. Leona Penner, not being here, will drop to the bottom of the list. Kim Milne. Kim Milne, would you come forward, please. Have you a written presentation for distribution?

Ms. Kim Milne (Private Citizen): Yes, I do.

Mr. Chairperson: Thank you very much. It will be distributed. You may proceed—oh, by the way, welcome to the committee, and you may proceed with your presentation.

Ms. Milne: Mr. Chairman, ministers and members, I am a taxpaying citizen in Manitoba. I am a shareholder in Manitoba Telephone System. You are elected members

of the government in Manitoba. You are the trustees of the people. It is your job to protect our interests in this province. Your behaviour with respect to the privatization of the Manitoba Telephone System is shameful. During the 1995 election campaign you repeatedly said MTS is not for sale. In government, you asserted in the House that you had no plans to sell MTS; therefore, you do not have a mandate to sell my telephone company. Do not call me a shareholder in name only, or I will be forced to consider myself also a taxpayer in name only.

* (2210)

What are some of the effects of privatization of Manitoba Telephone System for the citizens? There will be rate increases without a doubt. Rates will be increased for several reasons. The first reason is to provide profits for the corporation. The rural and northern areas of the province will be the most disadvantaged by increases; however, the urban areas will not be unscathed. The CRTC will allow rate increases to increase profits because they recognize return on investment is a reasonable expectation in the private sector. Private corporations have an obligation to shareholders to turn sufficient profits to provide an equitable return on their investment in the form of dividends. Without dividends, there is no investment. Without sufficient profit, there are no dividends. The obligation of the Manitoba Telephone System, however, is to provide affordable service throughout the province for the public good. Corporation income taxes and other tax liabilities are an expense CRTC considers when examining the expenses of a corporation applying for rate increases. Corporations have much higher tax rates than government institutions.

Communication companies must be on the leading edge of technology. This technology is expensive, whether the company is a private company or a public institution. The only difference in cost would be the interest rate the organization could expect to pay on that debt required to acquire this technology. A private corporation's credit rating may not provide for the same attractive interest rate paid on a debt that a public institution would have. A public institution enjoys the advantage of its association with the government and its favourable interest rates. It takes only Grade 2 math to figure out that increased profits plus increased taxes plus

increased interest expense equals increased rates. Anyone who tries to tell you otherwise is lying to you.

Private corporations are famous for cutting unprofitable sections of business ventures and focusing on profitable areas only. This places at risk service to rural and northern sections of the province. Either they will face huge increases so that their segment of the operation is profitable, or they will face declines in the service available to them. The Manitoba Telephone System pools all service for the greater good of all citizens of Manitoba.

The Manitoba Telephone System employs nearly 4,000 Manitobans. These are well paid, highly skilled jobs. These are Manitoban jobs. These 4,000 Manitobans pay provincial income taxes. They are contributors to our government tax base. They contribute to our economy. They purchase goods and services from the business god that this Conservative government worships. Well, I have news for you, when these Manitobans start losing their jobs, they will become recipients of transfer programs. They will no longer be contributing to the tax base; they will be drawing from it. They will no longer be as secure in their life, and worry about job security is the single most damaging element to the health of our economy. People who are unsure about whether or not they will be working next month do not make any unnecessary purchases. They do not buy goods or services from your business god. They purchase only what they require for shelter, sustenance and protection of their family.

Many of these highly skilled technical jobs are susceptible to being moved away from our province under private ownership. Already highly skilled technical people employed by the Manitoba Telephone System are being relocated to cities in the United States. Private corporations practise economies of scale which dictate that centralizing head offices is better than providing regional offices. You can eliminate many jobs through centralizing. Centralizing head offices also eliminates the need to purchase many goods and services locally, which will eliminate even more jobs in the business-god sector. With private corporations, especially AT&T, one of the megacorporations interested in the Manitoba Telephone System, bigger centralized head offices are a great cost cutting tool, so that they will have more profits to give to their shareholders.

Who will some of these shareholders be? Do you think the chairman of the board of the Manitoba Telephone System might be one of them? I am sure Mr. Tom Stefanson will be taking maximum advantage of his association with the Manitoba Telephone System to better his personal situation, just like former CEO of the Manitoba Telephone System, Mr. Oz Pedde, did when he moved over to Richardson Greenshields, one of the three investment bankers recommending the sale of Manitoba Telephone System, and profited from it.

The Manitoba Telephone System shares will be offered to the public at an offering price. Many people will acquire some shares through their association with the Manitoba Telephone System and many more will purchase some. Some people will acquire a whole lot of shares at issue, and these people will not be ordinary Manitobans—they will especially not be the working poor and the unemployed in our province—these people will be the wealthy and advantaged people.

Because of the influx of capital these investments provide, the value of the shares will increase. The debt will be rapidly paid off and the share prices will increase more. Just as the share price peaks prior to technological investment, those who have experience in these matters will dump their shares on the open market, under the self-extinguishment clause, making them rich and making the share price drop again to an attractive rate for foreign investors and mutual fund managers who care only for profits and dividends and do not give a tinker's damn about Manitoba, if they even know where it is, or about Manitoban workers or about providing an affordable service for all people in the province.

Manitobans have owned the Manitoba Telephone System since 1908. It is a well run, profitable company which provides affordable service to Manitobans. Since 1990 the Manitoba Telephone has made more than \$100 million in profits and in the first six months of 1996 it has made \$15 million in profits. The Manitoba Telephone System provides good service, quality employment and makes a profit. There is no good reason to sell the Manitoba Telephone System and every reason to keep it.

In conclusion, I want to say, do not sell my telephone company, you tyrants.

Mr. Chairperson: Thank you very much for your presentation, Ms. Milne.

Mr. Doer: Thank you very much, Ms. Milne, in terms of a very thoughtful and detailed brief. The government has maintained the position, the Premier (Mr. Filmon) particularly, that there is absolutely no difference for rates between a public, nonprofit organization, telecom system, and a profitable one. You make a different argument on the second page of your brief.

Would you care to elaborate? Is there a difference between a nonprofit telecom and a profit telecom in terms of rate impact?

Ms. Milne: If you do not have to provide profits to shareholders, you do not have to pay dividends. A private corporation's responsibility is to provide dividends to their shareholders. Of course, there is a difference.

Mr. Doer: The government argues that because their rates are all approved by the CRTC, there is absolutely no difference at all. Have you got any opinion on that assertion by the government?

Ms. Milne: CRTC will take into account things like interest expense, income tax expense, and they realize that in a private corporation there must be a return on investment to a shareholder. They take all those things into consideration.

Mr. Doer: Have you had been persuaded by the government that they have evidence or studies or analysis that there is no difference between the public, nonprofit corporation and the private corporation based on the report that was released by the brokers to the public on May 2 of 1996?

Mr. Chairperson: Thank you very much for your presentation, Ms. Milne.

Ms. Milne: Thank you.

Mr. Chairperson: I call next, Barbara Martin. Barbara Martin, not being here, will be dropped from the list. William Regehr. William Regehr, would you come forward, please. Have you a presentation for distribution to the committee?

Mr. William Regehr (Private Citizen): No, I do not.

Mr. Chairperson: Thank you very much. First of all, welcome to the committee, and you may proceed, please.

Mr. Regehr: Mr. Chairman, members of the committee, I find myself, as one of your previous speakers, very much in doubt as to what I should say. I have attended several hours of your sessions. I came because I thought as a private citizen I should get involved, and there were things that I was concerned about that should be said based on what I had experienced, but after listening today, I feel a little like the people who wrote the graffiti on some walls in Poland after the communist government fell, and the graffiti said, we thought we were getting democracy and then we got capitalism. You know how devastating it has been in eastern Europe. It has been all on the basis of people from the United States and from other western countries who had all the information as to how you should proceed in order to make money in an organization.

* (2220)

The part that I want to talk to you about, and I threw away what I was going to say. I have an awful time with the cynicism that this process engenders. I have three grandchildren. I am retired. I spent the last ten years of my life working as a volunteer in the Third World and I saw firsthand what happens when capitalism takes over. People lose their souls and countries lose their souls, their culture is decimated, much as we see it here today, and I see this government as the agent of that.

I do not know what to say to my grandchildren. Mr. Penner, as the Chairman, I respectfully say to you, what do you tell your grandchildren? What do other people tell their grandchildren? I talked to my member and I got a bit of noblesse oblige, you know, you do not understand and we are taking care of you. We understand big business, other people do not. I found the patronizing attitude revolting. I felt revulsion at that.

Mr. Chairman, I would like to talk about three things. First of all, I want to, in a backhanded way, congratulate you. Your spin doctors have done a really great deal and this has been the pattern everywhere. I have seen it in the Third World first-hand over 10 years that I worked there and you have taken to heart the kinds of advice that the

Roger Douglasses and the people who advise Klein and Harris to heart and you have followed every step of the way and you are doing really great. I appreciate your attention, because that is one of the first things they tell you, is it not? Keep contact with their eyes. Show that you are concerned. Be solicitous. If they touch a sore point with you, be commiserative. If somebody gets emotional, go and talk to them in the hall.

Let me recite for you. First of all, you are doing a whole lot of things right. Congratulations. Consider first of all that the knowledge that we should get from the media is effectively muzzled. This morning I witnessed somebody, Peter Holle, who represents nobody but the people that pay him money to say the things he wants to say or they want him to say about taxation. He comes in here and the television cameras are here. My neighbour, Izzy Asper, is the one that essentially calls the shots there. The Winnipeg Free Press is not prepared to cover this. There are no banner headlines as there would have been had it been a left-wing government putting this in and the kinds of things that happened in Toronto earlier in the Rae regime. The business community was out in force and the papers covered it, banner headlines every time. In effect the media has muzzled the Free Press, TV, radio. You saw the spectacle this morning.

There is no coverage of a compassionate plea that was made immediately afterwards. They were not at all interested in the fact that this woman cried out from her soul saying, here are things that are important to me. It would have been a great coverage—hey, human interest stuff, almost blood on the podium here. No way, but you are all very attentive. I appreciate that. There is no debate in the daily press about what is happening, and you know damn well that that is how it works. You know, read Chomsky. Do you read any of this stuff that says, this is how the media is controlled, how you develop consent of the majority.

The second part of what you do is deny, deny, deny. Denial is the stock in trade. If you say it often enough people will believe that you must be honourable people who would not do anything like this to you.

All this is your trademark in the teeth of opposing evidence which stretches credulity to the breaking point. The Premier has lied to the House and to the people, and who is listening and who damn well cares? I appreciate

your attention. It is really great to see this because there is a whole lot of apathy on the part of ordinary people who are so busy keeping their heads down and trying to keep the wolf from the door. They cannot come here. Certainly, you are not going to make it possible for them to be heard. The people who would object, they do not know what the facts are—they have not been laid out.

I have had the good fortune of being polled twice by the companies who do your polling for you. What a coincidence. The questions are all leading questions and the curious thing was we had a good conversation. By the time we were through, this unhappy person who was doing the job said, well, I am just paid to do this and I agree with you, but, you know, this is what we have to get from you, and by the time we were through she was ready to quit her job.

These are the people who are feeding you the information, and you know damn well what the facts are, that people are not about to—they are so hopeless, there is no hope in their lives at all and they believe that it does not make any difference. That is what I find from my grandchildren. They believe it does not make any difference, government will do what they want to do.

On the other hand, there is a sense in which they think that government is well intentioned and will protect their interests. This is what we came to believe. This is what happened in New Zealand. I just spent some time in New Zealand last year—very interesting. It is not what Peter Holle says, oh, I know Roger Douglas, he is my friend. I know all about—he was not there. What happened in New Zealand was people did not think that a government would do this to them. People in Manitoba do not think that there is something you would do to them in this way either, and yet you are prepared to do it.

This is the government that brought us Connie Curran. You know, really interesting, four million bucks for a bounty hunter. How much for every nurse they were supposed to get fired? You know what she did? She went to the people in the hospitals, and I had a good view of this because I spent some time in the hospital with an open-heart operation, and I heard a lot of things from people. They said she came in and she said, well, my mommy is a nurse, I know what your problems are and would you tell me what jobs you do not need to do so that, you know, we can help you do their jobs better.

It is interesting that the Premier had to come back on this and say in the last election they made a mistake. They should not have brought Connie Curran in, four million bucks later. A government says, I want to help you, we are doing this for your good, and I do not even wonder why I am cynical.

There is also—and I would like to talk to you about some of my Third World experiences—a trail all over the world that goes something like this. In the Third World it took this form. First of all, you get to the opinion makers. Peat Marwick comes in and runs free seminars for public servants. All the principle secretaries, deputy ministers get to attend these. They get big dinners, they get fêted and they show them the benefits of privatization. They also make sure that other people know what it is. The media carries feature stories. They are prepared for them. They give you all the stuff about how you can soften up the decision makers and the information that they get is, it is called in the public record, TINA. You would know that as, “there is no alternative,” we have to do this.

So people in these benighted Third World countries, and I will be somewhat judgmental, say, well, there is no alternative. It is really interesting because it moves on fairly quickly from there. They recommend then to governments that they introduce massive change all at once. Klein was the master of this—

Mr. Chairperson: You have one more minute, Mr. Regehr.

Mr. Regehr: Thank you. Klein was the master of this, so was Harris. How many bills before you now? All at once, get everybody confused. You know it is working. People do not know where to respond to you. Then we have unethical behaviour. Use the rules. How come it is not possible anymore—and I know why, but it would be interesting if people could ring the bells for two weeks on end as it happened some time ago. You remember that. Totally unethical, you use the government legislation so that you can just follow the rules as you do here and nobody can object. Then the third part of it, is you can reward your friends who you know will continue to support you. Then you label all those who are against you in special interest groups as either stupid, obstructionist, misguided, politically motivated, as special interest groups who are driven by ideology. Sterling Lyon at least had it right. He called people

wrong-headed on the other side. He knew where they were. They just did not understand.

Mr. Chairperson: Thank you very much for your presentation, Mr. Regehr. By the way, is that your grandson sitting over there in the corner?

Mr. Regehr: I would be very proud to have him as a grandson. He is not. Thank you for that human touch, though.

Mr. Chairperson: Thank you.

Mr. Doer: Thank you very much, Mr. Regehr. Do you have any advice for us about how we can get the other side of the story on the front page of the Free Press? We have been trying and trying. I dare say tomorrow probably the prospectus will be on the front page and the rate impact will not. I think Mr. Silver just recently said there is a clamour out there and there is, but it is very difficult for people to get the other side of the issue about rates, investment, future of our technology, the ownership, the asset, the change. Is there any advice about how those of us who do not agree with the government, how we can get that other side to the public who I think wants the information and wants to be part of a debate?

* (2230)

Mr. Regehr: I am now sure that I could offer you anything, simply because the cards are stacked. You know it and they know it and they are exploiting it. I think what they should know though is the pendulum is swinging. A periodical no less than the Economist, if you want to pick up last week's—I have to read what the enemy says, so I read the Economist—they said government should be picking up the Harvard Business Review, as though it had a skull and crossbones on it, because they are all wrong. Government and business do not have anything in common, and it is all about accountability. It is not about who owns it, it is about accountability. If you set out your privatization so there is no accountability, it does not make much difference who does it. If there is no accountability in government, there is not any, either.

My sense is that they should be aware that the pendulum is swinging, and in future people will come

back to what my friend John Wiens talked about, that it is about the human condition and government's role is here to protect us in that regard. As citizens, we will eventually wake up and we will remember the good days when government acted for the people and did things for the people as your Conservative antecedents did.

Mr. Doer: Again, Mr. Regehr, you were polled twice. Were you polled twice specifically about this matter of the privatization of the Telephone System? If you were, do you think those results should be made public for everyone to see them?

Mr. Regehr: We had that discussion with the person who was doing the polling, and I do not know whether they have any first-hand information, I guess they are lowly people, down the road, down the list, but they thought it should be. They would be interested themselves, and I would be interested. I think there should be information available. It seems to me that this government and you members on cabinet took an oath of office which said that you would work in the interests of all Manitobans, and if that means anything, that is what you would do.

Mr. Doer: During the last election campaign, the government promised—I think there has been two major promises on Crown corporations over the last number of years in Manitoba: one was Ed Schreyer's promise to proceed to public auto insurance, which he did; and the other election promise on a major Crown was the one made by Premier Filmon to not sell the Manitoba Telephone System, which he is going in the opposite direction with this bill. Do you have any view about the lack of accountability in the media for a broken election promise from the incumbent Premier here in the province of Manitoba?

Mr. Regehr: It seems to me that if the Premier lies to the people, that should be a banner headline.

Mr. Chairperson: Thank you very much for your presentation, Mr. Regehr.

I call next Ms. Judy Wasylycia-Leis. Would you come forward, please? Have you a written presentation for the committee, please?

Ms. Judy Wasylycia-Leis (Private Citizen): I do not have a written brief.

Mr. Chairperson: Welcome to the committee, and you may proceed. Order, please.

Ms. Wasylycia-Leis: Mr. Chairperson, members of the committee, I would like to thank you for this opportunity to appear before you on this vital issue.

I would also like to thank the Clerk's Office for, after I put my name on the list, calling me this evening and telling me I was thirty-fifth on the list and that I would probably be up tonight, but that if I was not, this committee would probably continue on tomorrow morning in this room.

I am just pleased that there has been some opportunity. It is small consolation, given the tight time frame that has been imposed upon Manitobans in terms of providing you with some important feedback on this important issue. At any rate, I am pleased to be here to add my voice to the hundreds who have spoken out against this bill on the privatization of the Manitoba Telephone System and the thousands and thousands and thousands of other Manitobans who stand clearly in opposition to this very backwards regressive measure. Like so many have said, I only wish this government had seen fit to be honest about its intentions when it sought its present mandate and at least had had enough of a commitment to the principle of democracy to hold very open, accessible and widespread public hearings on such a fundamental issue as the ownership of our telephone system.

I guess it will not surprise you if I say to you tonight that not much has changed since I was last here as an elected representative some three years ago. The policy of reducing, eliminating and privatizing any program that helps to equalize conditions in our society and that upholds the values of justice and fairness has continued and, in fact, been fast-tracked. The policies of making change by stealth, by a thousand cuts, by deregulation and then by privatization are as prevalent and as insidious as ever.

Ironically, it was about three years and three months ago that I appeared before the Public Utilities Board hearings on a similar issue, the question of total service competition and the whole area of competition and deregulation. I appeared before that committee on behalf of the New Democratic Party because we were worried about the effects of that kind of a move in terms of accessible public telephone service and felt there was

some ominous nature to that move and were very worried about privatization. In fact, as we know, that has come to pass. It makes this session, this committee more urgent than ever that we appear before you and give our views once again.

Just to put this in context, Manitobans and Canadians, as you all know, have fought for and until recently have enjoyed one of the best telephone systems in the world. Thirteen million lines supplying 98 percent of all Canadian households with telephone service, a higher rate of access than that available in the United States, and in all but one nation in the world. A few years back the telecommunications industry generated more than \$12 billion in annual revenues and employed 100,000 workers. Surveys then consistently recorded the highest levels of satisfaction with telephone service in Manitoba and in Canada. Even the federal government back then recognized the superiority of the Canadian system.

In its 1988 overview of the system, Communications Canada acknowledged that the mixed public and private industry structure differs from the situation one finds in other countries, yet Canada has one of the finest telecommunication systems in the world which offers a high level of service and is at the forefront of technological developments in many areas. A lot of independent research has extended this view by demonstrating that the Canadian telecommunication system was taking the lead in technological and service development. A U.S. team of consultants reported in their 1989 analysis of regulatory alternatives that Canadian regulatory rules have served to strike the balance of protecting the interests of basic service ratepayers on one hand and promoting the development of new services on the other.

* (2240)

The Canadian advantage we had in pricing and services was not won easily. At the turn of the century—this is old history for some of you—Bell Canada and the prairie provinces fought a long battle over access and pricing. The issue was not resolved until the three prairie provinces set up Crown corporations to run the telephone systems and adhere to low cost, universal access and high-quality service principles. Interestingly, and I guess ironically, given what is happening today, it was a Conservative government, headed by Sir Rodmond

Roblin which established MTS as a public utility. Without that kind of public commitment, Manitobans today would not have access to the world class service provided by the Manitoba Telephone System. Public ownership has meant that Manitoba has kept pace in the technologically advanced world of telecommunications, and that Manitobans have equal access to economic and other opportunities becoming more and more dependent upon the capacity of regions, cities, and individuals to plug into the global network.

Obviously, Manitoba is not an island. We must recognize that the industry and the world around us are changing rapidly. We must use our strengths to strategically influence these events so that the broader and specific interests of Manitobans are served. Such recognition, however, does not mean that Manitoba must blindly follow the erratic and shortsighted ways of previous federal government policies nor of the proponents of privatization. It does mean, however, preserving what is good and has served us well in the past while adapting our system to meet new and changing needs.

The fundamental difficulty with this bill is that it throws to the wind that significant part of the social contract that has guided telecommunications policy in this province and this country. That is the provision of universal, affordable, and accessible phone services. This committee, I submit, must concentrate its examination and final decision on this fact, and it must ask the question, how can the Manitoba government best serve the interests of Manitobans including the thousands of people who work at MTS and who contribute millions of dollars into local economies across the province? Is it good public policy when it will be homeowners, small business people and farmers who will bear the brunt of the burden which results from deregulation and privatization? Is it good public policy when inevitable increases in phone rates mean that phone service, considered by most as essential to their well-being and security, will become unaffordable for literally thousands of people, when rural residents, those on fixed incomes and the unemployed will be the first to be jeopardized? Has the research been done and the decision supported by the facts?

Let us look for a moment at some of the American data which shows that over the past decade, local rates in the

United States have risen by 76.1 percent, interstate by 11.9, and long distance by 13.2. Rate differences among services are particularly pronounced in the period beginning in 1984 when the impact of the policy of shifting the cost burden to local subscribers took hold. In the 1984 to 1989 period, local rates jumped 42.6 percent while interstate toll rates dropped 5.3 percent, and all in all representing a significant redistribution in communication costs. Between 1981 and 1984, telephone charges rose in the United States from 6 percent to 9 percent of the disposable income of the poorest fifth of the American population. According to a 1987 U.S. government study, 25 percent of Americans living below the poverty line do not have telephone service.

Mr. Chairperson: You have one minute.

Ms. Wasylycia-Leis: The outcome of Bill 67 will mean higher telephone rates, fewer jobs and lack of access to such a basic service for many in our society. There is an alternative to this policy. In the short term, Manitoba should renew its commitment to universal service by guaranteeing reasonable rates and improved access to all its citizens. This includes seeing to it that all Manitobans and not just a handful of multinational businesses enjoy the benefits of technological change. This means saying no to privatization.

My final point, Mr. Chairperson, is simply to say, put these plans on hold; involve Manitobans in the process. Put these plans on hold; consider an advisory council composed of consumers, telephone employees, small business, farmers and particular groups such as seniors to oversee the changes that are to be made in our telephone service. Thank you, Mr. Chairperson.

Mr. Chairperson: Thank you very much for your presentation, Ms. Wasylycia-Leis.

Mr. Doer: Thank you very much for the presentation. You suggested to the government that hundreds of people were turning out at these hearings, and thousands were opposed to the government's plan to break their election promise and proceed with the privatization of Telephones. You are in contact with a lot of people. The government acts like nobody is against their position, but I think, as other speakers have noted—I think Mr. Silver just recently said there is a clamour out there and a rising

clamour in opposition to this. What is your view of the public opinion of the government's breach of this election promise?

Ms. Wasylycia-Leis: My sense from talking to many people, particularly in my community, is that people are very concerned. We may not always know it in terms of those thousands and thousands I referred to lining up at these committee hearings, but that has something to do with, No. 1, the timing and the structure of these hearings, making them sometimes inaccessible for many people, and it has to do with the fact that people in our society are not readily able to get the information exactly about these fundamental changes.

As one of the previous presenters mentioned, the stories through our media are often one-sided. We are not getting a full viewing of exactly the nature of this change, and without that kind of education and information, people are not prepared to rush into the forefront on an issue like this. So we need more time. I think that is the clear bottom line here.

People are very concerned. When you stop them, when you talk to them or when you ask them what is on their mind, often the issue is raised voluntarily, very concerned, know something is wrong, need more information, would like to participate in the process to be able to have their say and to be able to voice their support for our public telephone system.

Mr. Doer: You had an excellent suggestion that the government, first of all, put these plans on hold and, secondly, have a group of Manitobans study the impact of the privatization on rates, service, jobs and investment in the new technology. I believe you mentioned farmers, small business people, individual consumers and others.

Could you elaborate? How long would you see this process taking place, and you would recommend it to us because you think it is better than the existing process of having just brokers analyze the privatization decision that is now before this Legislature.

Ms. Wasylycia-Leis: My suggestion is for this committee to put on hold pursuit of this bill through the Legislature, take time to think through how a process could be in place to deal with some of the big issues before us with respect to telecommunications and

specifically to set up an advisory council, and I made the suggestion that it could be added to, but at least of consumers, telephone employees, small business, farmers and particular groups such as seniors who have a real interest and knowledge and expertise in this area to oversee the discussion of future changes in our telephone system.

These groups I recommend as you have indicated, Mr. Doer, precisely because they are not in the system now. They do not have a voice. The present government clearly must be relying on certain business, corporate, wealthy individuals in our society for their advice and information, and I think in the interest of participatory democracy we must broaden that process and involve many more in such a basic issue as this.

Mr. Chairperson: One final question.

Mr. Doer: The Legislature has had public hearings before about issues of great public importance. They are having hearings on child care. They are having hearings on The Child and Family Services Act in regions. The constitutional proposals of Charlottetown, pre-Charlottetown and Meech Lake all had regional hearings.

Do you think this matter is of sufficient importance to have this committee have regional hearings across the province to allow a much broader cross section of people from all regions of the province the ability to speak directly to this committee or the committee that you have recommended be established in place of this committee to look at the long-term impact?

* (2250)

Ms. Wasylycia-Leis: Well, I would recommend both. I think that if we can persuade the government to seriously put this on hold and pause for a moment and set up an advisory council of the make-up that I described to relook the whole issue and come forward with recommendations, and then when legislative changes are being proposed and a more concrete plan has emerged out of that process, then take it on the road everywhere.

Open, accessible, widespread hearings in every region of this province are absolutely critical on this issue. It is as fundamental as anything else we have dealt with. It is part of the institutional make-up of this province and this country which places so much emphasis on sharing and caring and on reasonable access and basic services.

So I think it is just that fundamental, and it does require that kind of dual process.

Mr. Chairperson: Thank you very much, Ms. Wasylycia-Leis, for your presentation.

Ms. Wasylycia-Leis: Thank you.

Mr. Chairperson: I call next Mr. Dennis Phillips. Mr. Dennis Phillips, having been called for the third time will drop off the list. John Cardoso. Is that the right way to pronounce it?

Mr. John Cardoso (Private Citizen): Yes, Mr. Chairman.

Mr. Chairperson: Mr. Cardoso, have you a printed copy to distribute to the committee?

Mr. Cardoso: It will be an oral presentation from my notes.

Mr. Chairperson: Welcome to the committee, Mr. Cardoso, you may proceed with your presentation.

Mr. Cardoso: Mr. Chairman, fellows of the committee, it is good to see members on both sides of this table, on the left and on the right. I am prepared with my notes, but as you can look at me, I feel like a new Canadian, even though I have been around this city in the last 20 years.

I wish you could have taken these hearings to a place in the neighbourhood where more of my friends probably could have participated, and I am going to suggest this before I start because my presentation is based more or less on that, but that was not the case, so here I am. It is eleven o'clock at night and we all get tired.

The reasons for speaking against this bill, the reasons I have, are it is a public corporation owned by the people, and it are owned by everyone, by you and I. The purpose of a public corporation is to serve the people and to invest the profits in favour of the shareholders, the public shareholders. If MTS is going to be private, the purpose of the profits will be just to fill the pockets of the big shareholders.

I have to go slow because of my accent, and, hopefully, you understand me.

The telephone is a necessity. It is for some people the only way they can communicate. The average person can use modern technology, and most people are now using fax and also answering machines and cellular phones. I have to say I have a cellular phone. I cannot afford a fax. Those are the ones who can afford it, but I know there are ones who cannot afford a telephone.

Now, what is going to happen in the future when MTS is going to be sold? Are the rates going to be increased? Is that a fair way to deal with the shareholders of this province, and sell the MTS—I mean, the public shareholders—without any consultation? Why are we allowing this to happen?

The people of Manitoba are not being consulted. Public hearings are not allowed outside this building. As I said at the beginning, I am sure if we had decided to go out of this building, people can go, and they do not feel intimidated. This system here, the way it is set up, especially for a newcomer to this country, it takes courage to come here and say even with an accent and difficult as it is here tonight, but I am here because as a private citizen I think I speak for the voices who are not here. Even though I belong to church groups, I came from a church meeting, and from other ones, and I am not going to mention the names, but I am sure many people wanted to be here but because of the structure of this building and the structure of this system are not here, and I would just like you to consider that when you make your final decisions on it.

Is this ideology? Is this saying one thing during the election, and now as everyone pleases, do what everyone pleases? I have to say, and excuse me for my language, shame on you. Deregulations, privatization, competition, is that the way to make money? Why sell now? Let the people of Manitoba, the shareholders, the public shareholders, make a decision, not this government. You do not have any mandate to sell this corporation, none whatsoever. You did not ask for a mandate during the election. You did not consult. You have no mandate to do this.

I am a resident of the inner city. I walk downtown every day, and my observations are that people do not have a telephone even now. They go to a public phone and they call when they are lost, when they look for a job, when they need directions, to make appointments, to do

things. Can somebody tell me what is going to be the commitment of the private MTS, the new MTS? Who is going to make a commitment to the people downtown, the poorer ones, the ones who walk on Main Street or walk in Central Park? What is going to be the commitment when the telephones are not making money there? Is there going to be a phone there for new immigrants coming in to live there in the future? I ask that question to the committee.

For the purpose of new Canadians and immigrants to find jobs, the telephone is very important. The affordability of a telephone is extremely important. Why are we changing this now? There is an old saying, and this is even a Latin saying too, but the English sometimes does not make much sense to me yet on some days, if it is not broke, do not fix it. If it works properly, let it work the way it should be.

Is this a controversial bill? Yes, it is. Are people speaking in favour of it? No, they are not. You have seen many people come in here one after the other and saying almost the same, consider your decision. People have memories and they will keep memories. They will, when the next election comes around, replace some of you because you are not irreplaceable. You will be replaced with the people who will listen and hear at the same time. You hear me, but I do not think you listen to me. That is the difficulty you have here. You heard many people before, but you did not listen to them. The message is not going through, the way I make observations around.

Many of my friends, as I said, probably wanted to be here to speak, but because of the lack of time, the lack of preparation, including me—I had to prepare this in half an hour I had yesterday—and the skills of language and the courage to come up here to a public hearing and participate, it is difficult, but democracy only works when the majority are heard, when most people are heard, what they have to say, and the rights of minorities are respected. Are we respecting the wishes of the people? I am asking that question.

Also, I think it is a section of MTS, who is going to serve the existing clients? What are we going to do to do that? Is there a sure thing we are going to have the MTS involved? Who is going to be responsible to provide this service for everyone regardless of the cost of it? Who is

going to do that? Are the private shareholders going to agree to that? Are they going to invest money if they are going to lose money? No, it is because it is a public corporation that we have a phone when people need it. If it does not make a profit, the phone is there.

Before I came, I remember vividly when I was a boy and even when I was in the army in the other country, it is difficult to find telephones in some European countries. This was 20 years ago. It still is in certain countries difficult to find a phone. Is that the direction you want to go in North America in the future? When you look for a phone in a public place, you cannot find it because it is not profitable to have one in the future? You have to go to a business and ask, and if you are a stranger you are out of luck, or what if you do not have money in your pocket? Sometimes you do not have 25 cents change or whatever they are going to charge. Who is going to provide the service? Is this the way to communicate in this century? I am asking those specific questions.

Mr. Chairperson: Thank you very much, Mr. Cardoso, for your presentation.

Mr. Sale: Mr. Cardoso, you spoke of many people whom you knew who are new Canadians who find this an intimidating process, and I thank you for coming and speaking. I tell you honestly that I still find it intimidating sometimes too, and so it is not just a matter of language. There is something about this place that is intimidating, so I appreciate your coming.

* (2300)

One of the things that people often come to Canada because of is their sense that this is a free and democratic country, that they have nothing to fear in terms of arbitrary governments. But many people who come come from places where there has been oppression and arbitrary government. Do you see this kind of breaking of trust as something that would be perhaps even frightening to some immigrants in terms of their previous experience and now seeing this kind of thing happening here?

Mr. Cardoso: Mr. Sale, true, like I said before, we are not going in the right direction. Even new Canadians observe this. They are cynical of politics. When they come, they move in and they have great hope. They think

democracy will work in North America. They think democracy works better here sometimes than in European countries. After they became Canadians and they have a right to vote after a while, and they vote a few times and they see one thing was promised before the election and after the election everything was one on the opposite way, like we do here, of course the trust is lost, and it is lost on all political parties, it is lost on all politicians. We are losers on this game. There are no winners here.

Mr. Stan Struthers (Dauphin): Mr. Cardoso, thank you for coming and speaking out. I am interested, you mentioned at the beginning of your presentation that a lot of your friends could not come here to speak out and that you wished that the committee had gone to a location a little more friendly, a little more proximity to where your friends are. I am worried about the effect of this legislation on your friends in your part of the world as well.

The Union of Manitoba Municipalities in my part of the world and throughout rural Manitoba has said that phones will be less affordable once this government pushes through this legislation. The Manitoba Association of Urban Municipalities has said the same thing. The Society of Seniors has said that phones are going to be less affordable.

Can you see your friends in your part of the city not having phones, not being able to afford phones, because it is clear, as we have proven in the House yet again today, that rates will go up?

Mr. Cardoso: Mr. Struthers, true, people who live around Central Park, on Main Street and other areas of Winnipeg, especially for the inner city areas, they already do not have a phone. They cannot afford a telephone. They go to a public phone to phone. My concern is, if they cannot afford a telephone now when the MTS is going to be sold and the rates are going up, where are they going to find a phone? Even the public phones, some of them now are vandalized and they are taken away, but they will be at a place again. But if there is a private corporation, are they going to lose money and keep a phone there being vandalized? I think they are not going to be.

Also, the rates will go up 10 percent or so. Who can afford a telephone? It will be very difficult for an average

person to have a telephone, and that is the way to communicate. Even the telephone is important, because we communicate with many languages, but you use the telephone, it is as simple as that. We have the telephone there as the way to communicate with an outside world. If you are not going to have that, we can sit in front of the TV, but what kind of stimulation do you get from the TV? You need to talk to your friends on the telephone. Even if you do not speak the English language, you speak in another language, but you have the accessibility to talk to an outside world. If you do not have a telephone, if you cannot afford one, we have a big, big problem. We are not finding any solutions.

Mr. Chairperson: Mr. Struthers, with one very short, final question.

Mr. Struthers: Anybody objectively looking at the sale of this MTS has come to the conclusion that the rates will go up. I am at a loss to figure out why this government is so intent on hurting people, the people that you have been talking about. I am wondering if you think it is okay that this government is not going out and facing the public with a shareholders' vote on an issue that is so gargantuan for our province.

Mr. Cardoso: To you, Mr. Chairman, as I said before, shame on you, the ones who make a decision, because this is not right to do it. You have to go and consult. This is not the proper way to do it. You had time to go to the North, you have time to go to the central regions, and you have time to go to the schools of Winnipeg. That is what they are there for. The buildings, they are empty, and maybe people can cross the street and tell you the way they feel.

It is difficult to come to this building this time of the night. It is difficult to prepare to come here, and this place is intimidating. Even I like politics but I am a bit intimidated to be here tonight because of the system, the way it is set up, the structure, the way it is set up. Many people do not even dare to come in here and say they that they not agree with you. I hope, and I am going to repeat what I said in my presentation, they do not have short memories and they will replace members of this Legislature with the ones who are going to hear but listen at the same time, so they need new members. Because you hear the message but you are not listen to the message.

Mr. Chairperson: Thank you very much, Mr. Cardoso, for your kind presentation. I certainly will take your advice under consideration. I want to, however, indicate to all those present that the process that we are into is a one-of-a-kind process in this country. There is no other province that has these kinds of public hearings, and we give that consideration as an historical right in this province.

It always has been offered in this Chamber and so, if it is intimidating, I apologize for the intimidation on behalf of all members of this committee. However, it is a right that we extend to the general public and we do so because we like to hear from the public, and you have seen many, many amendments to various bills because of presentations that have been made before this committee, and we appreciate that advice greatly. Thank you, Mr. Cardoso.

I will ask that there be due consideration given to a request that has been put before the committee, that there is an Anthony Kowalski, who is an elderly gentleman who has been waiting fairly diligently here, and he requests or there has been a request, not by him but by somebody on his behalf, that we ask him to come and present now instead of waiting till—he is almost at the end of the list. So if it is the will of the committee, I would call Mr. Anthony Kowalski.

Mr. Anthony Kowalski (Private Citizen): Lots of paper for you.

Mr. Chairperson: Mr. Kowalski, have you a written presentation for distribution?

Mr. Kowalski: Yes.

Mr. Chairperson: Thank you very much. We welcome you to the committee and we ask you to proceed with your presentation.

Mr. Kowalski: Well, I guess you have read this. I bought a house at 749 Nottingham and when I bought the house I did not know but there was a caveat on there from the Manitoba Telephone and Hydro. Now, it was okay when Manitoba Telephone was looking after the cable vision, but since they sold the cable vision, those people come in your yard without letting you know or anything and they walk through your garden, they break your

flowers, and you phone Manitoba Telephone and they say, well, we sold it.

I guess you have that lease there. What law is that? That agreement with East Kildonan? [interjection] Yes, by-law. Now, how could Manitoba Telephone or a government or whoever it is going to sell that telephone when they have a lien against my title? Now, if I want to sell the house and the buyer says, there is a lien against it or a thing, I will be losing money on it.

I am paying tax for it, and the telephone company, well, we need the service and hydro, but would these start selling this to the 800 number and everything, they are using my property to make money on it. Now, I cannot see any reason in that. They did not even have the decency to let these people that have caveats against your property, let them know that they are going to do something about it. That is our property. We pay tax. We have titles for it. Now, how come that company did not let us know that they are going to change?

I do not know. I mean, I guess the government guys there, they must, when they voted that in that if they lose money or their budget is out, they are going to lose their title, so maybe that is why they are pushing for it, all of them, to sell Manitoba Telephone, so they do not get under budget. But I cannot see why, you have seen the letter from Manitoba Telephone, I guess that was in the past, was it? Is there somebody here to pass this around? I started the fight with Manitoba Telephone when they put cable vision, when they sold cable vision, and that is the kind of letter I got from them.

So as far as I am concerned this belongs to the people. We paid taxes on there and we never got nothing out of it, and now they want to share it to a private guy that could go and put a banner on or a shareholder will say, well, that is my pole, I could do anything I want with it, because it is my pole, I got shares on it. So I cannot see why, I do not know, I cannot understand this business. What else could I say. That is my little lot. I paid tax for it. It is all I got at \$5,500 and yet they are using it to make profit on my little lot. I cannot see the point in that. It was all right when it belonged to the people of Manitoba. It was okay to use it, but now some private guy from New York or from Toronto is going to use my property to make money, I cannot see any point in that.

That is about all I have got to say at this time of the night.

* (2310)

Mr. Chairperson: Thank you very much, Mr. Kowalski, for your presentation. Mr. Ashton, you are first.

Mr. Ashton: Thank you, Mr. Kowalski. I know we had a brief opportunity to talk to each other before, and I am certainly glad you are down at the Legislative Building and keeping an eye on I know at least one MLA whom you certainly trained well, Gary Kowalski.

I wanted to just ask, follow up on a point you mentioned before. I know you have had a long battle. In fact, Gary has told me about some of the battle you have had. I guess what you are saying to the committee is that you are particularly bothered now, now that it is going to be a private company, that some company is going to be able to make profit on these lines that have been on your property. I know you had some concerns with it before, but you do not want to see a private company making money off your property.

Mr. Kowalski: Well, the main thing is when a private company takes over, with this caveat on my property, any shareholder could walk in through there and say, I own this place. You take when I wanted to build a garage. I had to stay 12 feet away from the power line because that belongs to the power line or telephone. Now, I lost that 12 feet there on the property. I got nothing for it, but they still tax me for the whole lot.

Mr. Ashton: In fact, I wish I knew the specific location because I can imagine just from the description—

Mr. Kowalski: It is in the Sherwood Park area. There are about 150 houses there. Some of them have no back lane; it is all telephone company. Just two years ago, they put a new line in there, and they ripped through fences and up in the garages and everything. I do not know what they put the new line up for. They had a line there before.

Mr. Ashton: How many other people have been affected, do you know, in that area?

Mr. Kowalski: I would say about 200 houses got it. I was going to get a petition to go around, but it was too late when I found out about this, to go to all the neighbours because they were all talking about it. Why should the telephone company be sold to the private when we all have a lien against our titles?

Mr. Ashton: You are dealing with 200 houses, too. You mentioned about some of the damage that was done when they fixed the lines. Did they repair that damage or provide any compensation?

Mr. Kowalski: Well, no, they break a couple of flowers or step on your tomatoes, they are not going to replace that, and you are not going to go for it.

Mr. Laurendeau: Mr. Kowalski, thank you very much for coming forward this evening. This issue has been brought up before. It is not only within your area of the city, it is throughout the city that these caveats are in place. These caveats, even back in 1956, had successor rights established in them, so that is why it has been put in place in this way.

But it is throughout the city. It is not only in your area. I mean, I have a caveat on my property for the same thing, for the hydro and the telephone lines.

Mr. Kowalski: According to that there, there was East Kildonan, the municipality, that signed for it, right? Now, if I want to sell my property, how could I get a clear title?

Mr. Laurendeau: I do not think it would be appropriate for me to get into the legal aspects of it. I am not a lawyer. We have all had the caveats when we buy and sell our properties within the city since 1956, actually since '72 when the by-laws were brought over. There is an actual new by-law that brings this into the city as a whole, but you do have a question that we can get you an answer for.

Mr. Kowalski: I wish there was a lawyer here who knew something about it to give me some advice. If I want to sell my property, what if the buyer says, I do not want the lien on it.

Mr. Laurendeau: It is not a lien; it is a caveat.

Mr. Kowalski: Caveat, okay, what is the difference?

Mr. Laurendeau: It gives them access to the property. That is all.

Mr. Kowalski: Yes, but to damage? If a private company takes over, shareholders, now, if they damage my garage, who is going to be responsible for it?

Mr. Laurendeau: I should not be doing this, but within the caveat it establishes those guidelines, and there is a workmanship portion within the caveat that establishes if they do damage, they have to repair it.

Mr. Kowalski: But that was signed with Manitoba Telephone. Now, what about the new owners? Are they going to respect that signature?

Mr. Laurendeau: Within the last paragraph of each one of the caveats, you will find that there are successor rights that go along with those caveats, which means the successors of either the properties or of MTS or the hydro or whoever had the caveat in the initial place.

Mr. Chairperson: Mr. Kowalski, I appreciate you coming. Your time has expired. Might I suggest something, though, if you would allow me. Might I suggest that you and Mr. Laurendeau sit down over lunch or a cup of coffee. I think Mr. Laurendeau has quite a bit of information and knowledge on this matter, having been a city councillor before. He might be able to give you some good advice. Is that acceptable?

* (2320)

Mr. Kowalski: As long as when I am going to sell the house, I do not have trouble, getting a few thousand dollars less for that caveat on there.

Mr. Chairperson: Thank you very much, Mr. Kowalski.

Mr. Kowalski: Could I say one more?

Mr. Chairperson: Yes, Mr. Kowalski.

Mr. Kowalski: How come there is only one government guy asking? How come the minister did not ask any questions about it, eh? I have been here for three hours.

There is only one or two government guys who ask a question. The rest they just sit there and go to sleep. Is that the way they vote?

Mr. Chairperson: Mr. Kowalski, I think in all fairness I have not seen one member asleep on this committee, not one member. Thank you very much, Mr. Kowalski. I call next Mr. James Blomquist. Mr. James Blomquist. Mr. Blomquist, have you a presentation for distribution for committee?

Mr. James Blomquist (Private Citizen): No, I do not. I will be brief.

Mr. Chairperson: Thank you very much. Welcome to the committee, and you may proceed.

Mr. Blomquist: Mr. Chairperson, members of the committee, I know other presenters have said in the past that there is a growing sense of cynicism in our province over some elements of our government at the present time, and I would say honestly I share that sense of cynicism. I really feel that this hearing is largely a sham, is a sop to the government's conscience, so they can say that they sat through these public hearings. I do not believe for a minute they heard anything but, nevertheless, they sat through them.

However, I came down in spite of my feelings because I am angry and I wanted this opportunity to express my anger and my frustration.

I am really disgusted with the undemocratic, the unethical, and the arrogant practices that this government has interjected into our legislative process. I do not want to sit and debate the assets versus the debt ratio of MTS because you can hire accountants and economists who will give you any answer that you want to hear on that particular issue. I do not even want to discuss the fact that the alternatives to possible privatization have not really been discussed fully and they have not been discussed fully because I do not believe they have even been looked at.

As for the rate issue, anybody who believes seriously that our telephone rates will not go up substantially is living in a dream world. If you think our rates are somewhat better than Ontario, I can tell you for sure that in Kitchener-Waterloo, Windsor and London, the home

residential rates are higher than they are in Winnipeg or in Manitoba.

I also had the experience of living through deregulation in the United States, and I enjoyed the benefits of increased competition. My personal home telephone rate went from \$18 a month to \$35 a month. My long distance rates went up. You use a pay phone in a hotel or a truck stop or a facility like that at your own personal peril, because you have no idea who owns it and what kind of a price you are going to get on your telephone bill.

But the long and short of my brief is simply to say, there is no mandate from the citizens of this province to privatize MTS, no mandate whatsoever. As a matter of fact, it goes against the governmental promise that that was not on the agenda. I again would agree with other presenters who would say that this process should be put on an immediate hold and an independent panel be set up to investigate this and the alternatives to privatization. I really feel if this government had any honour or integrity it would in fact resign, recall an election and tell us what their real agenda is and then see if they get a majority. Thank you.

Mr. Chairperson: Thank you very much, Mr. Blomquist. Are there any questions?

Mr. Ashton: Well, I certainly agree with your last comment, because I think it is absolutely unethical for this government to have said one thing in the election and done another.

I want to follow up on your comments on deregulation in the United States and some of the things that have happened with a totally privatized system there. I watched a report which showed that there are companies which have the contracts for some of these pay phones and people unknowingly make phone calls there using these long distance companies that can cost two to three times the amount of a regular long distance company, and I am wondering if you have run into that yourself.

Mr. Blomquist: Many times and it is not two to three times more—

Mr. Chairperson: Mr. Blomquist, I would just ask you for your indulgence. We have to, for the recorder's sake,

interject as Chairman so they know who is speaking so that we properly record in Hansard your comments.

Mr. Blomquist: Okay.

Mr. Ashton: I think he was just finishing his comments.

Mr. Chairperson: Did you want to proceed, Mr. Blomquist?

Mr. Blomquist: Yes. Many times, far more than two or three times more.

Mr. Ashton: Well, one thing I am concerned about too is, what is also happening in the United States is, in some states including Montana that I am aware of, some areas in the rural areas are not getting service to the point where they are now setting up their own phone co-ops to put service in and, in fact, it is going back to the way it was in Manitoba prior to 1908 and MTS. I am wondering if you are aware of that being a problem too under that environment.

Mr. Blomquist: In certain parts of the United States under deregulation you virtually cannot call here from there. That is how bad the mess is with some of the long distance telephone calls.

Mr. Ashton: Well, it is interesting, because that was the problem in Manitoba before 1908 in the sense there were actually 300 or 400 phone companies, but you often could not phone across the street if you were not on the same system as someone else. Not only that, you were in the situation where their idea of competition was to cut down the other guy's phone lines so that the other company could not function. I am wondering if you have any concerns that that kind of environment is going to develop here in Manitoba.

Mr. Blomquist: I think it is inevitable.

Mr. Ashton: We talked a bit at the first part of the question, and the last part was in terms of your comments and, you know, you mentioned the word "sham" and I, quite frankly, am concerned that these hearings will become a sham in the sense that we have not gone to rural and northern Manitoba. I do not know how much the government is going to listen at all and this is the one chance we have had. I am wondering though when you

mentioned calling an election, if you think the least the government should have done, I mean, apart from say what they were going to do in the election, would be to have some sort of a process where they go to people, provide the information, have hearings throughout the province, try and get some way of getting people to have a real say on this, which up until now we have not. This is, by the way, the only public meeting that has taken place on this, and this is not because of the government; it is because they have to do it.

Mr. Blomquist: Certainly, I think this process should be carried out in the rural areas and the North, that real consultation should take place, but I still think there is a need for independent study that can bring enlightened facts to the people of Manitoba regarding the alternatives and so on and what is actually necessary to do to keep MTS a viable and dynamic telephone company.

Mr. Ashton: Well, I am wondering, and this is the concern I have raised. The three brokerage firms from Bay Street that provided the report looked at three options. One was the status quo, the second was a recapitalized MTS and the third was, surprise, surprise, the option they chose which was to sell off the entire company. I am wondering if you think that perhaps one of the options they should have looked at was what SaskTel has been talking about, the Saskatchewan government, which is combining the two publicly owned phone companies.

Mr. Blomquist: I think that would have been a very realistic alternative that should have been looked at, but I think it was fairly obvious the government was not interested in that or any other alternative.

Mr. Ashton: I find it interesting, too, because I think it is obvious to anyone when you see that being the case, but I wonder if you have any comments on the fact that the same three brokerage firms that were paid \$300,000 to prepare the report that the government is using for the privatization, are now the key sellers of MTS. They are the ones that are putting out the prospectus and will be making in the millions of dollars off the sale of MTS. Do you think that is—I will use the word "ethical" again. Do you think it is ethical?

Mr. Blomquist: I said I was angry at the unethical conduct that this government has introduced into the

legislative process, and that is principally one of the things I had in mind.

Mr. Chairperson: Thank you very much for your presentation, Mr. Blomquist. I call next Mr. George Brown. Mr. George Brown, not being here, will drop to the bottom of the list. Henry Bauer. Henry Bauer, not being here, will drop to the bottom of the list. Donna Ansell.

Ms. Donna Ansell (Private Citizen): I am half asleep. Sorry, guys.

Mr. Chairperson: Welcome to the committee. Have you a presentation for distribution to the committee?

Ms. Ansell: No, I do not. This is all ad lib.

Mr. Chairperson: Would you proceed, please.

Ms. Ansell: Good evening, ladies and gentlemen. Thank you for allowing me to make this presentation on Bill 67. I have sat here since 6:30 this evening, and I am not going to say anything that has not been said before, except that I can tell that the Conservative people have not listened. They have played with their pens, they have scratched their heads, they have argued with the opposition about what is being said, they have used facts and figures that nobody knows what they are using, that are totally given off a piece of paper that nobody can see. They do not care.

* (2330)

The bottom line is this: a telephone is not a luxury, it is a necessity. I live in an area that is a high-crime area. There are break-ins, there are fires, there are drug deals and everything else going down. If I did not have a telephone, and 95 percent of the people around me do not, if there was an emergency, we could not help one another. If they privatize MTS, nobody in Burrows, Point Douglas, and lower-income areas will have telephones because the increase will be astronomical.

Do not shake your head, Mr. Findlay. I know that. You have no idea what it is like to live in a low-income area on a fixed income. I wish I could get your pay cheque for one month and pay bills. I would have lots of money left over. You try and live on \$400 a month and maybe pay a telephone bill, if you are lucky. Because

you cannot do it unless you have friends who are willing to help you out. You can look at me like I am lying, Mr. Findlay, but I am not. I have been there. I have been on both sides of the sidewalk.

All I am saying is, think about this. You guys are willing to sell off a multimillion dollar corporation. For what? You cannot guarantee us anything. You think this is a lark. If you brought this to the people, instead of us coming in here, there would be standing room only, and you would have a lot of negativity coming across. What you have had here, and what you have probably had for every other presentation for your bills—you have lied since you have been elected, you lied during your campaign promises. I agree with these other people, you should resign and you should call another election, and I can guarantee none of you would be re-elected, or if you were, you would be in opposition.

Mr. Chairperson: Thank you very much for your presentation, Ms. Ansell.

Mr. Martindale: Thank you, Ms. Ansell, for your presentation. I am wondering if you are aware that some telephone companies have a special rate for low-income people which may consist of a lower monthly rental fee but 30 free phone calls a month, or one free phone call a day, after which you pay per call? How would that affect people on low income, and how would it affect you?

Ms. Ansell: No, I am not aware of that. It would probably affect me greatly. One free phone call a day is ridiculous. I am looking for a job. I have to make cold calls. So I guess I would have my one free phone call and then I would have to not phone anybody.

Mr. Doug Martindale (Burrows): Are you familiar with how much people have for income on social assistance, and is there enough money to buy basic necessities like food and clothing and rent a telephone?

Ms. Ansell: Yes, I am aware about how much money single people on social assistance get. You get \$161.10 per month. You have no money for telephone. In fact, the telephone is not allowed on the City of Winnipeg welfare system.

Mr. Martindale: I would like to ask Ms. Ansell, if people are renting a telephone and paying for it out of food and clothing, which sometimes happens, what do

you think would happen if they had a 9 percent or 10 percent rate increase? Will some people be giving up their telephone?

Ms. Ansell: Yes, they will be giving up their telephone or they will be taking more money out of their food budget, which is next to nothing.

Mr. Ashton: I really appreciate your bringing the perspective to a lot of people on the committee who probably have no idea what it is like to go through that and to have to deal with a situation where a phone is indeed a luxury even at the current rates.

I am wondering if you could explain to some of the government members who wonder why we are concerned about what a private company would do, why it might be a problem when you have got the private phone company in Alberta—it used to be publicly owned—it is looking at doubling phone rates by 1997. So that is double from their current rate. You are dealing with about \$30 a month plus. How would that impact on someone on an income that I do not think most members of this committee could even imagine, let alone live on?

Ms. Ansell: The impact would be astronomical not just for people on welfare but for low-income people such as those making minimum wage. A 30 percent increase on the telephone rates would be a big chunk of their take-home pay. They just could not do it. The choice would be, do I have a phone or do I eat?

Mr. Ashton: I want to focus on what you talked about in terms of job search because, you know what amazes me is, we have the government moving into this sort of workfare type of putting a lot more pressure on people to go out and find employment that often just is not there and certainly is not there in the wage level to be able to support any kind of existence above the poverty line.

I am just wondering if you could maybe focus again on how people are supposed to find jobs without access to phones when that is probably the main way that you are going to make at least initial contacts.

Ms. Ansell: If you do not have a phone you are expected to go out and walk the pavement. In this day and age employers do not appreciate cold calls. At least when you are on the phone you can ask for personnel, you can

ask who the personnel director is by name and consequently send a letter to that person instead of just walking in and dropping off a resume, which means nothing to these people. They put it in file 13, which I feel this committee is, basically, it is going down into a garbage can. You guys have made up your minds; that is it.

Mr. Chairperson: Thank you very much for your presentation, Ms. Ansell.

Ms. Ansell: Thank you.

Mr. Chairperson: I call next Klaus Tibelius. Klaus Tibelius. Would you come forward please. Have you a written presentation that you would want to present to the committee?

Mr. Klaus Tibelius (Private Citizen): Sorry, no, I do not.

Mr. Chairperson: Thank you. Welcome to the committee. You may proceed.

Mr. Tibelius: Thank you for this opportunity to present my concerns about the proposed sale of MTS. MTS presently provides Manitobans with a high quality service at reasonable cost. With privatization its focus will shift to extracting maximum profit from its operations. It will try to increase rates, reduce service, especially in rural and northern Manitoba and reduce its payroll. Thousands of high quality well-paid jobs will be put at risk. There will be pressure to reduce wages and employment and many jobs could be transferred out of province. I understand that after MTS has paid off its debt to the province of Manitoba, MTS will have the right to merge with another company or even move its head office out of province. Manitobans would then lose control of its phone service.

The Conservative government is afraid that MTS cannot compete in the rapidly changing telecommunications industry. In fact, MTS appears to be competing very well against the long distance companies. It had put in place advanced fibre optic cable system and made major investments in rural Manitoba. In 1995, it made a \$15-million profit and reduced its outstanding debt. In short, MTS is a well-run publicly owned operation. MTS provides high quality service, high

quality employment and reasonable phone rates. I do not believe it is wise to put all this at risk by privatizing the company. Selling MTS is especially upsetting to Manitobans since during the last provincial election the Conservative government promised they would not privatize MTS. I believe they should wait until at least after the next election so that the voters of Manitoba can pass judgment on this proposal.

I would just like to add, a friend had run out of time the other day or was cut off. He had a point he wanted to make. It concerned Sections 4(1) and (2) of the act, if I could just read it. Section 4(1) Services of the corporation. The corporation or an affiliate of the corporation shall continue to provide access to telephone service to residents of Manitoba on such terms and conditions as may be approved from time to time by a regulator of competent jurisdiction. So it sounds good that services will be maintained. But then the very next subsection (2), Business and powers not restricted. The preamble and subsection (1)—the part we just read about maintaining services—shall not be construed so as to restrict the business that may be carried on or the power that may be exercised by the corporation or its affiliates. So it sounds like the new MTS is obliged to maintain services unless it does not want to. Like if it finds some services unprofitable, it could just let them run down or shut them down. I could be reading it wrong, and if I am wrong I would be willing to hear about it. That will be my presentation. Thanks.

* (2340)

Mr. Chairperson: Thank you very much, Mr. Tibelius.

Ms. Rosann Wowchuk (Swan River): Thank you for your presentation, Mr. Tibelius. In raising this section of the act, you raise a very important issue. I was just at a meeting this evening in rural Manitoba and people in rural Manitoba are very concerned about what is going to happen to their telephone rates and what kind of service they are going to have under a private company. When you look at this section of the act, it says that Section 4(2) overrides 4(1) and the preamble and that basically it appears would give the government a free reign. My concern with this is, do you think that this would possibly allow a private company to abandon services in rural and northern Manitoba if they are not profitable? We know that there are many parts of the province where it is just the basic service that they might be needing, and the long

distance may not be used very much and it may not be profitable to provide services. Do you think that this section of the act gives a loophole for the private company to abandon those people in rural and northern Manitoba who require services?

Mr. Tibelius: Well, it seems to read as will not restrict the business that may be carried on or the power that may be exercised, so it sounds like if they consider a certain service unprofitable that they could shut it down. Like many northerners seem to be worried, and I guess the rural municipalities made a presentation the other day and they seem to be very worried.

Ms. Wowchuk: Mr. Chairman, that is quite accurate. The Union of Manitoba Municipalities stated very clearly that they were concerned about increased rates and the deterioration of service in rural Manitoba, as have seniors and as have many rural people who have not been able to attend this meeting.

In light of the fact that this legislation looks so flawed and creates a loophole that could give a private company the ability to abandon services that are not profitable, what would you recommend to the government with this legislation? Do you think that it should go forward as it is, or should the government, as has been suggested, put forward an advisory committee to meet with people, or should they just cancel this legislation and go to the public and give them a say, as we should have been given on a Crown corporation that belongs to us?

Mr. Tibelius: Well, I guess my first preference would be, like I mentioned, to wait until after another election, until people can have a vote on the issue, but at least there should be hearings in rural Manitoba. They seem to be the most at risk of losing services, so they should be given a greater opportunity to have their say.

Mr. Pallister: Mr. Tibelius, I just wanted to thank you for the presentation. It was well thought out, and I appreciated its tone. It was not marred by personal attack or hateful comment in any way, and it was clearly an expression of treating other people as you yourself like to be treated, sir. I appreciate that and I thank you for your comments. I also want to mention to you that I do know that this minister, like others, is open to considering amendments, and I appreciate your bringing the attention of the committee to some specific amendments to the bill.

So just a personal thank you to you for the way in which you treated the members of this committee in your presentation, sir.

Mr. Ashton: I am wondering if the presenter would care to comment on perhaps whether the best amendment the minister could bring in might be to perhaps table this bill until after the election because I am not sure that your concerns would be satisfied by any minor amendments. Are you suggesting some minor amendments, or do you want to see the whole bill tabled?

Mr. Tibelius: I guess my preference is that in principle I prefer keeping it in public ownership. I live in East Kildonan and work in the north end, and among people I know there is zero enthusiasm about this privatization proposal. People seem to be very loyal to MTS versus the private long distance companies in operation now, and I am sure that they would like to keep their residential service as public ownership, too.

Mr. Chairperson: Thank you very much for your presentation, Mr. Tibelius.

Mr. Ashton: We are approaching twelve o'clock. I know there was some question earlier about whether the committee would proceed at twelve o'clock. I notice there are a fair number of presenters still left, and we do have the committee hearing left for tomorrow at nine o'clock. I talked to some people tonight, and they were certainly under the impression that the committee would be sitting if we had not completed tonight. There might be some people coming in on that basis. I am wondering what the intention of the committee is? I could deal with it by a motion if necessary, but I am just wondering if there is any direction from the committee at this point in time.

Mr. Chairperson: I was under the understanding, and the committee can correct me if I was wrong, but that we dealt with the motion at the outset of the meeting, and the motion that spoke to this was defeated. Therefore, I took for granted that the committee would sit until we had heard all presenters.

Mr. Ashton: That being the case then, I move that this committee adjourn in order to allow those members of the public still wishing to present to present tomorrow morning, and I am prepared to explain the motion.

Mr. Chairperson: The motion was moved that the ~~committee adjourn~~ in order to allow those members of the public still wishing to present to present tomorrow morning. Normally, this is not a debatable motion. However, there is a direction here; therefore it becomes debatable.

Mr. Ashton: I want to indicate, first of all, that there have been a number of people who have identified the fact—in fact, this is confirmed by some of my colleagues—that people were told not only about today's committee hearing but also the committee hearing tomorrow morning, and they were certainly under the impression that they would be able to present tomorrow morning.

* (2350)

Given the fact, Mr. Chairperson, that throughout these hearings we have had what I thought was a fairly reasonable compromise on the way we would proceed in the committee, whereby at midnight we would stop the ~~proceedings~~ of the committee, we would not read the list further, we would sit past midnight to accommodate members of the public, Mr. Chairperson. I think it was a reasonable expectation of members of the public that that would apply tonight, and I would point out to government members on this committee that there have been people who have sat in the committee meetings I know once, twice, three times, four times, and I have talked to people in that situation. I was quite surprised tonight when the committee came in and all of a sudden seemed to—well, I said the committee—the government members on the ~~committee~~ decided that that was then and this was now.

In effect, by voting down the motion we moved earlier and also by not agreeing by consensus to follow that procedure, I think that we are seeing exactly what the government is trying to do now, and it is to close down the committee. There can be no doubt of that being the case. There are a fair number of members of the public here. We are willing to accommodate those who cannot come back, that is what we have done every single night, and for the government to turn around now after we have been going along I think fairly reasonably—we had our fights in the first couple of days in committee. I did not win all of those. Our side did not win all of those fights. It is not exactly how we would have liked to have seen

the committee function, but we followed those rules and for some reason the government majority feels it can come in today and move away from the consensus approach and basically hijack the rules of the committee and, in this case, close down the committee. It is obvious the intent that the government is following. That is not acceptable.

This motion would basically ensure that we do what we have done up until now, and I would say, Mr. Chairperson, if members on the government side wish to amend this motion to allow members of the public to present prior to the adjournment who are unable to come back, I am more than willing to do so. The reason it is an adjournment motion, however, with a condition is because that is what is, I think, required in this case to bring some certainty to this. But, you know, you cannot have people phoned and told, well, there are hearings tonight, there are hearings tomorrow morning, and have people under the reasonable expectation that they could come in and present tomorrow morning and now the government members on the committee decide, oh, we do not like those rules. You know, we have the list down and let us see how many we can burn off at one o'clock, two o'clock, three o'clock, four in the morning. Do not let there be any mistake about this agenda, the intent of what the government is doing is to start burning names off the list, and it does not matter if people had the expectation they could come back tomorrow morning, if they can burn those names off and ram this committee through, they will do it.

Mr. Chairperson, it is interesting because I remember early on we would come up to the agreement of twelve o'clock and there had been consensus on that, and we sat somewhat later and there was still consensus from our side on that, but what is interesting, we do not even have any suggestion of when this process might finish. Is it going to be two o'clock, is it going to be three in the morning, four in the morning? What are we going to do, keep sitting all the way through the night and come back again tomorrow morning? I mean, is that any way to hear members of the public? Let us deal with what people are saying before the committee. The member for Portage (Mr. Pallister) took some offence, I know by his comments, as some of the people who have come here to this committee have been somewhat angry.

I know it is not easy for government members to sit hear and listen to what people are having to say, but that

is the reality out there. If you get out of the building and you talk to the public, they are angry about what you are doing to their phone company. The reason that we have these hearings is no generosity of the government because this is the—you know what, Mr. Chairperson, this is the one and only opportunity the public has to stare any of the government members right in the face and tell them what they think. Sometimes they may say it in a slightly less angry tone and sometimes they are angry and you know if they are angry—I hate to say that—but they are angry because of the government's—what they are doing, their content in this bill. They are angry over what the government has done about the election when they did not tell the truth and are now selling off MTS. They said they would not and now they are.

I know the government members do not like to sit here. You know what, I agree with a lot of the members of the public who say that the process is a sham, and I was amazed that some of the government members said, oh, we were listening. We are going to make amendments. I have a copy of some of the amendments that are being proposed to this particular bill, most of which are page- and section-numbering changes. You know what the people of Manitoba want, and we are seeing it at this committee, and you will see anywhere in Manitoba, go to any community. There are people in this committee who were in Gimli, Teulon, Arborg tonight. I was in Morden yesterday. I was in Portage last week. I have been in Roblin. I have been in Minnedosa. I have been in Virden. I have travelled to Neepawa. I have been to all sorts of communities just in the last couple of weeks.

Mr. Chairperson, guess what. What the people are saying in this committee is what they are saying out there, and the first thing people say is, you are kidding, they are selling off the phone company and it is going to be finalized by the first week in November? The second thing they say is, how can they do this? We had a gentleman here earlier, you know what he said? He was at a meeting at the Glenwood Community Club, and what did he do? He actually was in front of 108 people and he asked the Premier—

Mr. Chairperson: Mr. Ashton, I am going to interrupt just a minute. You are departing by a long way from the actual motion, and I would ask you if you want to continue to speak on the motion which simply says to adjourn and allow those wishing to present tomorrow morning to present tomorrow morning. If you would

address your comments to the motion, I will accept further comment. If not, I will interject again.

Mr. Ashton: Well, Mr. Chairperson, I thank you for your advice, but I would also point out that you, Sir, are a person that is a servant of this committee, and it is not a question of whether a Chair accepts comments or not.

Members on this side will not be silenced. I accept your ruling in terms of the relevance, but, Mr. Chairperson, this is our one opportunity to speak out about the sale of our telephone company, and if we want to say what people are saying to you, Sir, and other members of this committee, on why we feel it is important to have a proper, democratic process for this committee, you, Sir, and none of the government members will silence us because this is our phone company, this is our legislative committee, and you will not silence me, Sir, when it comes to speaking the truth about the Manitoba Telephone System.

Mr. Chairperson: Mr. Ashton, I want to remind you that you know the rules of debate well enough. We know parliamentary procedure. We do have a motion on the floor which you, sir, put on the floor.

The question has been called. All those in favour—

Mr. Ashton: Mr. Chairperson, the question cannot be called. First of all, there is no motion on the floor for previous question, and on a point of order, you cannot move a previous question in this committee, and I would suggest perhaps you check with table staff. You cannot shut down the debate on this, not the member for Portage or any of the other members. You cannot do this in this committee. We have to proceed with debate, and I wish to continue my comments.

Mr. Chairperson: I would remind you to narrow your comments to the motion.

Point of Order

Mr. Chairperson: Mr. Sveinson, on a point of order.

Mr. Ben Sveinson (La Verendrye): Mr. Chairperson, on a point of order, I would just like it on the record and clear that this is the second time tonight that Mr. Ashton

has done this, and he indeed is the one who is keeping people from making their presentations here.

Mr. Chairperson: Mr. Ashton, on the same point of order.

Mr. Ashton: Mr. Chairperson, that is not a point of order, and when the member will understand that it is in order for a member of the committee to, in this case, move a motion, that is not a point of order, and, in fact, it is our democratic right as a member of this committee to move a motion such as this, and I would like to continue.

Mr. Chairperson: I accept your view that it is not a point of order.

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Mr. Ashton: The reason we want to ensure that we follow the procedures that have been followed in this committee since Day One and that this government does not in midstream change the rules is because we want members of the public to have their one opportunity.

Mr. Chairperson, if this government has its way and if this committee runs through the night and we finish at whatever hour in the morning, this is it. This is the last opportunity for members of the public to make a presentation on MTS. [interjection] To the member for La Verendrye (Mr. Sveinson), I would hope he would listen to why we are as concerned as we are. We have heard people come to this committee tonight who say they are being told the shares are on sale at nine o'clock Friday morning. This is by MTS, the toll-free line.

That means that according to this government's agenda, if they can ram this through in the next couple of days, that is it. That is it for the Manitoba Telephone System, and I keep looking at it. Rodmond Roblin, he must be rolling over in his grave, seeing the handiwork that we built up since 1908 within days of being dismantled by a government that did not tell the truth to the people in the election, and, Mr. Chairperson, if just one single person is denied the opportunity to speak because of this most recent tactic by the government, that is one person too many, because there have been probably close to a couple

of hundred presentations in this committee. It is a real burden for these people, and we have heard people say it is not easy to come before this august Chamber and make a presentation.

You know what is interesting? The bottom line is, how many Manitobans are they speaking for? They are speaking for hundreds; they are speaking for thousands of Manitobans. They are speaking for people in the rural and northern areas who have been denied the opportunity to have any say. I have constituents of mine who have been struck off the list who would have presented in Thompson, who cannot drive eight hours here. I have talked to people. I know the member for The Pas (Mr. Lathlin), the same thing, the member for Swan River (Ms. Wowchuk), the member for Dauphin (Mr. Struthers).

There are members on this committee who can name people who were struck off the list and others who would have put their name on the list if they had the opportunity to decide. That was the government's decision. They said no to that, but, you know, what we did from the start, even though the government said no to rural and northern hearings, we wanted at least some balance in there, and I thought there had been some sense of fairness in the sense that people were not being struck off the list after midnight. We had some accommodation for those few out-of-town people who could get in to make presentations. I am not including the many, I think we got about 30 or 40 people who dropped off the list from out of town who could not make it in because hearings were not held in their area, but, Mr. Chairperson, what I really find the most ironic is when the government members say they are here and they are concerned about the members of the public.

Mr. Chairperson, I do not know of one member of the public who wants to have their name called at four or five in the morning and lose their right to speak because they had to work the next day or they had to return to take care of their family, but the suggestion is being made here, that they are trying to do this for the benefit of the members of the public.

Let us be clear on the record, this attempt by the government is nothing more than an attempt to close down this committee because, perhaps the member for Portage does not like to sit here, but the bottom line is

most definitely, they do not want to listen to it. They do not like hearing people are angry, but you know, Mr. Chairperson, you can run but you cannot hide.

If you cannot deal with it in this committee, I warn you, when you get out in the real world and get out of the bunkers of this committee, you are going to hear the same thing from a lot of Manitobans who are angry at what you are doing, dismantling their phone system after you said you would not do it in the election. That is why we want to adjourn this committee. We want to come back tomorrow morning. You have scheduled that hearing. The government House leader (Mr. Ernst) scheduled that committee hearing for tomorrow morning. We had no objection to that, no objection whatsoever.

But now what you are attempting to do is after six, seven days with no consultation with members of the opposition—I want that on the record; we were not consulted on this in any way, shape or form—with no notice to members of the public. Members of the public were told about the two committee hearings. I have just had confirmed from some of my colleagues who may wish to speak to this as well, because they have talked to people here today who are definitely of the view that they could come back tomorrow morning, as well from the communication from the Clerk's Office.

You know, you cannot schedule one meeting, schedule another and then have that meeting the following morning become a phoney meeting. Why did you schedule the meeting for tomorrow morning as a government if you knew you were trying to shut it down tonight? I mean it was obvious when I came in here at 6:30 and no agreement had been made and when I moved the motion and you voted it down, you had a preconceived agenda. Was this just a sham to try and hoodwink some members of the public into thinking they could come back tomorrow morning when in fact you had an agenda to deal with this tonight? Why did you call the meeting for tomorrow morning?

Why did you call a meeting at nine o'clock if you knew you were going to run it through tonight? I say that to the government side, I think this is deception, Mr. Chairperson. You know if a single Manitoban—out of the few that have been fortunate enough to have the opportunity to come to this committee, because many others are too intimidated or cannot because they live in

rural areas—disqualified from that, I say to the government, shame on you. I do not understand what is going on.

When we try and deal through consensus—we had a motion for rural and northern hearings; we lost that vote. We think the government was wrong, but we lost the vote. But we did right from the start adopt consensus on the way the committee was to proceed. There was no notice that was going to change tonight. I was really quite surprised when I came in here at 6:30. I did not raise the point until some time later because I assumed that was the agreement. But is this the way it is going to end, Mr. Chairperson? Are we going to try and run this until 4, 5, 6 in the morning? I mean if that is the case, we will move this motion, and I can tell you we will not accept this committee process if that is the way the government is going to operate.

I feel really disappointed because we have been here for more than a week. I do not think we have had too many procedural matters other than the first night or two when we had some fairly strong debates. We had an agreement, and I thought we had a consensus. I look to the government members to ask them one question as I finish my comments on this particular motion, and that is, why did you change? Why did you not give us any notice? And more importantly, why did you not give the members of the public notice of this, because they are being told there are hearings today and there are hearings tomorrow?

Why did you bother calling a hearing on Wednesday morning if you knew damn well that you were going to come in here tonight and close the committee down? This is what is happening, Mr. Chairperson. It is an attempt to grind this committee out. You can call it closure if you want; you can call it whatever label you want to attach to it. I say to the government, if this is the kind of tactics you want to use when you are trying to shut down this committee but at the same time have a phoney committee meeting called for tomorrow morning, you know, you may get a few people that you have fooled into not coming tonight who may not be able to present, but I say to the government members by doing that, you make what people have been saying before this committee, you make a sham out of the committee process and a mockery.

I feel betrayed as a member of this committee and someone who was hoping that with some of our rule changes, we would get a more civilized approach to these committee hearings and a more co-operative approach at least in the committee. We do not agree on the issue, but I thought we had agreed on some of the processes. I think it is unfortunate that now, once we had what I thought was a working consensus here, I thought it meant that we had proceeded with our business and satisfied members of the public.

I would suggest that the government, it was something that was probably in their interests, too, in the sense that the committee was proceeding in a fairly orderly manner. But that has gone out the window with this, and I want it on the record as we move this motion that if you vote this down, do not ever say, Mr. Chairperson, because what really bothers me is when I hear government members saying, oh, we have always done it by this. When they move time limits, it is now the standard practice. It does not matter is there is a vote, and they use their government majority. It is the same thing "standard practice" we have heard on other things like the rural and northern committee hearings. They talk about standard practice all the time. The funny part is, do you know what the standard practice of this committee has been since we started? It has been to assess at twelve o'clock—we are past that time now—not to call names after twelve o'clock to hear members of the public. And I am sure there are some who want to present right now. We are prepared to hear those members of the public. That was the standard practice. You are changing this, and it is clear for one reason and one reason only that you want to try and shut down this committee tonight.

I say to you that we in the opposition do not and will not accept this. Just because you have a majority on this committee does not mean that you can dictate to this committee or dictate to members of the public how it operates. That is why we have moved this particular motion. We believe it is in the best interest of not only the members of the public here tonight but in terms of the democratic process.

Ms. Wowchuk: I want to speak in support of this motion. I sat on a committee several evenings last week. Each evening, I asked a couple of times about what the rules were, and I was told that there was a precedence set at the first meeting; an agreement that we would be

sitting until twelve o'clock and that at twelve o'clock no new names would be called on the list. It was our understanding that was going to be the agreement for the entire process of this hearing.

There was an agreement and that is the understanding of the public, and I think that we should proceed with that. I was at a meeting this evening where I told people at the meeting that, yes, there was a committee scheduled for tomorrow morning, and if they came in, they could register their name with the clerk and speak because that is what we have been doing right along. I think that it is absolutely unfair to now change the rules and tell people that, no, tonight we are going to sit beyond twelve o'clock. It is a surprise to us who come into committee later in the evening, and it will be quite a surprise to people tomorrow morning who come to this committee in anticipation of putting their comments on the record and find out that it has been pushed through in the middle of the night.

This is the only opportunity for people to have a say. You have done nothing in rural Manitoba. If those people want to come, and I think there are a few coming tomorrow morning, give them the opportunity, and you should not be afraid. I hear comments from a member earlier saying, you know, that somebody made a very nice presentation, so it is obvious that he took offence that people have spoken out and been critical. People are angry about what you are doing here, and they want to have the opportunity to have a say and some of them may make harsh comments, but you should not be afraid of that and you should not try to shut down the committee so that they cannot make their comments. Maybe if enough of them make their comments, you will realize that this is bad legislation, it is not what the people want. The public does not believe you have a mandate for it, and maybe if you give all those people the opportunity to have their say, then you will decide to withdraw this legislation. That is the purpose of the public being here; to give their opinions, to give suggestions on how the bill might be changed, and it is their democratic right to tell you if it is bad legislation.

* (0010)

You should not try in the middle of a game to change the rules to close the door on those people who want have a say, and I urge you as government members to

recognize the importance of this motion and support it or revert back to the rules that we started out at the beginning of this game and, that is, that after twelve o'clock we will not call new names. Those people who want to present tonight have the ability to do so, and those who do not want to present tonight will have the opportunity to present tomorrow morning, because a committee has been called for tomorrow morning and the public knows about it.

Mr. Sale: Mr. Chairperson, I want to add my voice in support of the motion. I also want to read a note that I received tonight from a presenter.

Dear Mr. Sale: I am a private citizen very much upset by the plan to privatize MTS. I put my name forward early today and was informed that I was scheduled to be the 63rd speaker this evening. I later received a call in which I understood that if the proceedings dragged on—he puts in above the line past my bedtime—I would not have to present in the middle of the night. I was told that if necessary, which due to my need for a decent night's rest, I could present tomorrow morning, starting at 9 a.m.

This person has an exam tomorrow so he gave me this note, and I think it is very clear that the same problem we encountered last week has been encountered again. It may well be that people simply are not clear at the implication of being told that there is a meeting scheduled for tomorrow morning. They may not entirely understand how our proceedings could go, but it is very clear to me that this speaker believed, and I think the clerk probably quite rightly informed him that as the 63rd speaker, a simple mathematics would suggest that that is roughly 15 hours of hearings. You know, if a third of the people dropped out, then it is still 10 hours of hearings and that would take us away into the small hours of the morning. So it is a very sensible thing, I think, that presenters have been told.

Mr. Chairperson, on the actual substance, I think that probably Mr. Ashton and myself have been at most of these hearings on this committee, and with a few exceptions, proceedings have been civil. The committee has been accommodating. The government has been accommodating of people with special needs. People have been allowed to move around in the list, and I remember very clearly on Saturday the honourable Minister of Environment (Mr. Cummings), responsible

for the environment, saying you have my word that everybody who wishes to be heard will be heard, that it is not the intention of the government to not hear people who wish to be heard. I take the honourable member at his word, and I think that the committee does the same, that his intention was that all should be heard.

Clearly, I think for at least this speaker his understanding is that he can be heard tomorrow. I have no problem sitting here until three o'clock in the morning if there are presenters in the room who want to present tonight, but I have a great deal of difficulty with the apparent strategy to simply burn off the committee and shut it down, which is what very much appears to be the case. I think the Minister of Environment will, thereby, have broken his word to Manitobans and I do not think he wants to do that. I do not think this committee wants to break its commitment or its previous flexibility.

If members think it might be useful to have a short caucus to see if there can be accommodation, then I would urge us to do that. We have had to do that occasionally under committees. My honourable friend from St. Norbert has sometimes made those kinds of agreements work very well to solve this kind of conundrum, but we will not accept simply the breaking of word and the shutting down of committees and the disenfranchisement of Manitobans because this decision is not one that can be simply undone by virtue of a government that is concerned about Crown corporations and their appropriate role.

I think it is very clear that once this corporation has been in the private sector for even a relevantly short time, it will be rather like Humpty Dumpty, that all the king's horses and all the king's men will have a great deal of difficulty putting him back together again. So this is a forever decision in many ways, Mr. Chairperson, and I do not think that you want to be the Chair of a committee that rode roughshod over the rights of Manitobans to be heard, even if the government is so committed that it is not prepared to make any changes substantively in the legislation. At least those who wish to be heard will have been heard, and I do not think you want to be the Chair of a committee that said no to any Manitoban who wishes to be democratically heard. Even if they will not be listened to, as some have made the case, at least they will have had the right to put their views on the record so that they can tell their children, yes, I spoke against this. Yes,

I did not believe in it, and I was given that opportunity. I do not think you want to be the Chair of the committee that shut that down. So I hope that the committee will either recess for a few minutes and reach an accommodation or will support this motion.

Mr. Struthers: Before I got to be an MLA, I used to wonder about such terms as are thrown around in the Legislature and in our Parliament, and one of the ones I always wondered about was the term "closure." I always wondered what it looks like, what it looked like. So this is it? This is how closure works? This is how we shut down the democratic process, and this is how we deny people the chance to come and present to what is their building, to their representatives?

Even though I know it is not my side of the House that is sponsoring a motion or a play for closure, I am quite ashamed to be sitting here today as somebody who is paid by the people of Manitoba, even though it is not my idea to close this committee down and not hear from people who want to have something to say about something as basic and as fundamental as the sale of our Manitoba Telephone System.

The government members in this committee I think have a choice. I think it is obvious that the largest majority of Manitobans disagree with what you are proposing to do in Bill 67, and I guess that is okay because in a free and democratic society we are allowed to disagree with each other. I think the government should think about how many people disagree with what they are doing, but even at that, why would this government want to go that one level up and make it all that more odious by invoking closure on top of disagreeing with the people of Manitoba?

* (0020)

This government can choose to disagree and ignore the people of Manitoba, but it can rub salt in the wound, it can thumb its nose at the people of Manitoba by doing exactly what you are doing here tonight. At a meeting earlier this evening in Gimli, there were three or four people who said to me that they were going to make the trip in tomorrow morning if they could, and they were going to talk to the government and express their concerns with what they see as a wrong direction that this government is taking. I wonder if they are going to get

here tomorrow morning and find that the government members have all gone home. They are not here to hear what these people have to say. I understand that earlier in the evening one of my constituents sent a written presentation in to the committee, and it was not allowed to be read. I wonder what she is going to think when she realizes that later on that same evening the government choked off debate, that the government, the same government who has not got the courage to come out to rural Manitoba and talk to my constituents, is now saying they do not have the further courage to sit here long enough and wait for my constituents to come in to see them.

It is bad enough that this government is pushing ahead with legislation so far out of whack with what the psyche of the Manitoba people is, but now you are going to rub their noses in this whole mess. You are going to tell them that they do not have the right to come here and look you face to face, eyeball to eyeball, and say, Mr. Minister, I do not agree with what you are doing. Do you not care that these people have some democratic rights out there that you are trampling on tonight by closing this down? I would hope that this government would step back for a moment and consider just what it is you are doing. I would hope that you would take the advice of my colleague from Crescentwood (Mr. Sale), put your heads together, think about how this is going to play out in the long term. I would hope that you would consider, I mean really consider, what seems to be a fairly decent relationship that has gone on here in this committee. Even with an issue as hot and as contentious as the sale of the MTS, I have been amazed that the committee has gotten along as well as it has. Why are you pushing this now? Why are you denying people the right to come and talk?

Now, it is bad enough that you broke your election promise. Now that is absolutely clear. It is bad enough that you will not allow a vote of the shareholders, every Manitoban that has a share in this company. You do not have the courage to go out and face them. Now you are telling them that you do not have the decency to sit here and listen to them. I think you really ought to stand back and reconsider what you are doing tonight. Thank you.

Mr. Chairperson: All those in favour of the motion.

Ms. Jean Friesen (Wolseley): I would also like to speak to this motion, because although I have not sat in

this committee for a long time I certainly have sat on many committees during this session of the Legislature, and they have on the whole been very civil committees. People have been able to arrange the matters of a committee so that people are heard at an appropriate time, that the order of peoples' hearing is understood, that those who come from a long distance are accommodated, those who are elderly, as we saw tonight, were also accommodated. I think it is that civil manner of process and procedure where members of the committee, members of the public are well aware of what is happening, that everything is transparent, in the phrase that the government likes to use. It is those elements I think which make this one of the elements of pride of the Manitoba Legislature.

Now, the Chairman of the committee spoke of this somewhat earlier this evening. He spoke of it as the only province where this happens. Well, that is not quite true, but it is the only province where it happens on all bills, and it is a matter of some pride I think to every member of this Legislature. The Chairman spoke of it as something which had always been the case in this Legislature. Well, of course, that is not true either. As we look around at the portraits of these Premiers, the 19th Century Premiers, or even into the 1950s and 1960s it was not true in those days. It did become true and it has become one of the elements of pride of this Legislature because I think members supported it, and I assume members on both sides of the House supported it. They developed it into something which has become recognized as not a privilege but a right of Manitobans. I believe the Chairman spoke of it in that way, as a right of Manitobans, one of which we are all very proud.

Well, I think we will retain that pride by behaving in a decent manner towards each other and towards members of the public. It will not be an instance for pride if we deal with it in the way the government intends to deal with it tonight.

Now, it seems to me that there has certainly been a precedent developed over the course of the hearings in this session. We are looking at 72 bills, or 73 bills I think which have all gone to hearings, bills on which people have come by trial and error, by debate, by discussion, by quite heated arguments at times, to develop a process for accommodating the needs of Manitobans and the needs of the business of the Legislative Assembly.

One of those principles that has been agreed to in every committee I have sat on is that at twelve o'clock the calling of names will cease and those people who still wish to be heard will be heard, and in most cases that has gone on, I think in the labour committees and in the education committees until two or three in the morning. People are prepared to hear those who are here and want to be heard, but the calling of names, the burning off of the list, the treatment of Manitobans who want to present at reasonable hours I think has been maintained, and the debate and process in the Legislature has been kept I think at a civil level and at a level which is acceptable to all.

My understanding is that this committee also agreed to that. It agreed to that at the beginning of the evening again and it agreed to it in accordance with a precedent which has been developed in every committee of this Legislature in this session. It is a process which has worked. It is a process which has been civil. It is a process which has been agreed to by all the committees, and now we are at ten o'clock and the government is going to try and burn off this list in order that they do not have to meet again tomorrow morning, almost at the end of the legislative session, to hear yet more Manitobans express their opinions on the sale of a significant Crown corporation.

Well, I think we know why the government is doing it. The government does not want to hear from Manitobans anymore. The government never wanted to hear from Manitobans on this. The government never wanted to put this before Manitobans in an election discussion. They said, in a manner which I think has quite redolent echoes in history, that they had no intention at this time of selling Manitoba telephones. Well, within 48 hours, or 24 hours, or whatever it was after the election they had every intention, and they are proceeding with that, and the closure of this committee and the closing down of the names at this committee, people who want to present, is exactly in line with the actions of a government which is prepared to make those kinds of authoritarian, I might even say totalitarian positions in dealing with the people of Manitoba. It is not in the public interest in Manitoba to close down this committee tonight. It is clearly in the government's interest, and it is in the interests of a government which has behaved I think in a manner which is completely inappropriate in the selling of a major asset of Manitoba.

As I look around the room, Mr. Chairman, I see in the region of 10 to 15 people. I have no idea whether those people are prepared to present tonight. I do not know. The Chairman is not even prepared to ask them, so perhaps we will never know, but I think that is a misuse of the process, and I hope that when people vote upon this, they will take into account that they are voting, not just for this committee, but they are also voting for the procedures in the future.

Mr. Chairman, it seems to me that the government which has refused to debate this during the election, a government which has refused time after time to hold meetings in rural Manitoba or in northern Manitoba or even in the city of Winnipeg is exactly the kind of government that wants to close down debate upon this at this time; a government which does not want to hear people at nine o'clock in the morning, a government which wants to eliminate people from their right to be heard.

One of the points that was made in many other committees was that the buses in Winnipeg stop running somewhere between twelve o'clock and one o'clock. To some distant parts of the city, they stop running even earlier than that. Many of the people we are hearing from today are people who are telling us about the difficulties of life without a phone, the difficulties of trying to look for work without a phone; these are people who depend upon public transport. That is why we have a committee hearing, I think, set for nine o'clock tomorrow morning. The buses are running tomorrow morning at nine o'clock. The kinds of people we need to hear from, the people of Manitoba who are in fact going to be the biggest losers as a result of the sale of Manitoba Telephones, because, make no mistake about it, Mr. Chairman, what this is doing is taking away—and I will say from the people I represent—it is taking away a common wealth that they have owned, and formed and created for over half a century, and it is transferring that wealth into the hands of a few.

I can tell you that the people of west Broadway will not be buying shares in Manitoba Telephone, and we can duplicate that around this table. Every one of us represent a majority who will not be buying shares. On Friday morning, they will not be rushing to their brokers. They are people who depend upon public telephones. In fact, when I was first elected, I remember Manitoba Telephone System—

* (0030)

Mr. Chairperson: Ms. Friesen, are we debating the closure motion or the adjournment motion?

Ms. Friesen: I am indeed.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Are we debating the sale, the sale of—well, this is a closure motion. It is an adjournment motion that is closure.

Ms. Friesen: Thank you, Mr. Chairman, and yes, indeed—

Mr. Chairperson: So I am asking whether you are still debating that motion or whether you are debating the sale and who is going to buy shares in the corporation.

Ms. Friesen: Well, it is an interesting point at which you interrupt me, but, yes indeed, I am debating the motion to adjourn, because I am debating it on behalf of the people of west Broadway who depend upon public transport, who might well be here at nine o'clock to present. They are the people who are losing as a result of the proposal that this government has to rush through, to move quickly to transfer the wealth of the people of this province into the hands of a few, because that is exactly what it is, and a government which closes down.

It is interesting that perhaps it was a Freudian slip to refer to it as a closure motion. It is a motion to adjourn, and I noticed that the Chairman did correct himself on that. But it is one, I think, that concerns very greatly the people that I represent. It reminds me, Mr. Chairman, very much of what happened in the 19th Century. I mean, this is essentially the story of Metis script. This is essentially the story of selling the land or the property of the people who already owned it, giving them a piece of paper and creating the conditions under which they will sell it quickly. It is exactly the same thing, the loss of the resources of the common people transferred into the hands of the few. Now the few will speak, but not the many, and that is what the government intends by, I think, opposing this motion.

I think I have other colleagues who will want to speak on this, but I think it would be well advised for this

committee to reconvene at nine o'clock tomorrow when the buses are running, when those people who are deeply affected by this proposal can speak.

Mr. Lathlin: I also would like to make some remarks. I support the motion that was put forth by my colleague for Thompson, and I also support continuing on with representations from the public tomorrow morning on this bill here.

I would like to say, Mr. Chairperson, that this legislation really affects all citizens of Manitoba, and yet this legislation or the hearings that we are having now are only hearing those people from around Winnipeg and that area immediately surrounding Winnipeg and those who are able to come to this building here. We are only hearing from those people, and yet we have a lot more Manitoba citizens out there. Roughly a little over 600,000 people live in the city of Winnipeg, and they tell me that we have a million people, approximately, living in Manitoba, which tells me that we have approximately 400,000, which is pretty significant, in my mind, people who live outside the city of Winnipeg who are not being heard from, whose views and concerns are not going to be heard at all by this committee on legislation that is so significant it will have a dramatic effect on their lives.

This closure or the shutting out of people who want to voice their concerns, is not only applied in the sense that we are having hearings only here in Winnipeg in this building, but it is also applied in other ways, Mr. Chairperson. You see, if we were to have hearings in The Pas, I would guarantee you that we would have anywhere from 50 to a hundred people lining up to tell you what they think of your legislation. All of them would tell you that they are not in favour of privatizing MTS. All of them would tell you that not once during the '95 election campaign they heard Gary Filmon, or others, tell the people that we are planning to privatize MTS. They would tell you that because that is what they are asking me. They say, but Oscar, they cannot do that because nobody ever told us that they were going to privatize MTS. I have to tell them, yes, I agree with you, nobody ever said anything except that Filmon said that he would never privatize MTS.

So closing on people, shutting out people—a good way to shut out people when you are having public hearings like this is to just have the hearings in this building.

People, at least where I come from anyway, to drive from here to my home in The Pas, it takes six hours if you go by No. 6 highway. So that is a lot of time for people who are working. People from Winnipeg, they are luckier because a lot of them can get home 45 minutes, maybe 60 minutes. But if you are from The Pas, you have to come down here, you have to spend money, and stay in a hotel. By the time you are finished, you are looking at approximately \$700 to \$800 worth of expenses. That is a hell of a price to pay to try to exercise your democratic rights. The road conditions are not the best for those people who would be willing to come down from Cross Lake, Norway House and other northern points.

So my advice, if anybody were asking for my advice, would be to adjourn for now, continue on with the public hearings tomorrow, because there are a lot of people out there who are getting all kinds of mixed messages. I would say, we continue tomorrow and hear as many people as we can. As my colleague from Thompson said, this is the only opportunity that those people living in Winnipeg, at least, will have to come in here and address this issue. As I said earlier, people living in The Pas, Flin Flon and Thompson, Brandon, Dauphin, Swan River, and other places, people living in Cross Lake, Norway House, Granville Lake, Pukatawagan, Shamattawa, Lac Brochet, Churchill, they are citizens of Manitoba, but they will have absolutely no opportunity to participate in this process. They are just sitting up there, being observers. By Thursday this bill will become law and they will feel so helpless not being able to participate. So I support my colleague's motion to adjourn for tonight and then continue on with the presentation tomorrow.

I should lastly maybe say, Mr. Chairperson, the Premier (Mr. Filmon), who accepted an invitation from the The Pas Chamber of Commerce about two weeks ago, was in The Pas at the invitation of the chamber. I went to the dinner, and I know that he also had some private meetings with the mayor and other people in leadership positions in The Pas area. I know the mayor told me he mentioned MTS, health care, education, particularly Bill 49. So I know the Premier not only heard from those people who were protesting outside Wescana Inn that evening, but he also heard it from the chamber people who were having dinner inside.

Mr. Martindale: I, too, support the motion from the member for Thompson (Mr. Ashton). Some of my colleagues, and the Chairperson, also used the word "closure," which is really a technical term that refers to putting limits on debate of elected members.

* (0040)

Mr. Chairperson: I interrupt for just a wee bit, Mr. Martindale. I want to make it very clear that I suggested the motion was a closure motion presented by not our side of the committee but by the opposition side of the committee, so I would suggest to you that the record be straight. It is a closure motion. It closes the debate in this committee or the hearings in this committee for tonight and, therefore, Mr. Martindale, you may continue.

Point of Order

Mr. Ashton: On a point of order, Mr. Chairperson, first of all, I am shocked that you would talk, sitting in that Chair, about our side of the House. You, Sir, as Chair are on no side of the House, you are in the middle of the table. You are supposed to represent both interests and, Sir, suggesting an adjournment motion that has a condition attached to come back tomorrow morning is closure is absolutely bizarre.

As the member was pointing out, closure refers to shutting down of debate and setting a time limit on debate. It has nothing to do with adjournment so, for you to talk about being on our side of the House and then to make editorial comment from your seat which is factually incorrect and shows complete bias, Sir, as Chair is absolutely unbelievable. I would suggest, Sir, that if you wish to debate the motion that you leave the Chair and allow somebody to sit in the Chair who will not talk about our side of the House or make comments from their seat.

There is plenty of opportunity. We have had Mr. Pitura, who was Chair for quite some time, who I am sure would be an acceptable Chair. We have the Deputy Speaker of the House here, and I would suggest that rather than make comments as Chair on the motion that you do it from your seat as a government member of the committee.

You, as Chair, should not be participating in any way, shape or form on the debate or giving editorial comment. You should be making sure that all members of the House, not just your side of the House, get fair treatment in this particular debate.

Mr. Martindale: Mr. Chairperson, if you had not interrupted me you would have heard how I am going to use this expression. I contend that what this government is doing is closure by stealth. What you are doing is closing off public input by calling names at three o'clock in the morning and, if people are not present, then they lose the right to speak. At three o'clock in the morning you could probably call 150 names and probably none of them would be present. That is why I am saying that what you are doing is closure by stealth. You are afraid to do it by motion and shut down the committee, so you are going to do it in the dark of night, in the middle of the night when there is no media here and no public uproar, but you can be sure that the people of Manitoba and the people that wanted to present will not be fooled. They will all be told. They will all learn from us that you tried to wind up this committee in the middle of the night because people were not here instead of agreeing to our motion to adjourn so we could hear all of the presenters tomorrow morning. Thank you.

Mr. Doer: Mr. Chairperson, I would like to support the motion from the member for Thompson (Mr. Ashton). I have to say that, having attended the meetings on Saturday afternoon I was a little bit surprised how early we ended and, attending the meetings tonight, I am a little surprised at the fact that we want to be so forceful in going through the list of proposed presenters, the public of Manitoba, on a matter that is very, very important to the people. So I want to start my comments by saying that I do not see the co-ordination of views from the government side in terms of how public will present and have the opportunity to present between the two occasions that I have been at this committee.

This is a very important decision. This is a decision the government is making on a corporation, a publicly owned, nonprofit corporation, with assets well over a billion dollars, with thousands of jobs, with lots of interest across the province. It is also an issue, the government promised not to privatize in the last election campaign. So this is very unusual.

All of us are encountering, from all political parties are encountering cynicism from all people, and I think it is something we have to deal with as a committee of this Legislature and as a Legislature. We have all heard it time and time and time again, all you elected people are the same. All politicians are the same. They will say anything in the election campaign to get elected and then they will do what they want to do after it. So this is a very, very important issue of process, because it is a broken election promise, and it is a very important issue of substance. What are we doing? Why are we doing it? What is the impact? What is the future impact? And what do the people think?

I have been involved in a couple of privatization efforts, activities in cabinet, and I think that I got some good advice from people that preceded me in terms of experience around the cabinet table in terms of due diligence. I remember us, the NDP, being involved in the privatization of Flyer industry, and we were patient and patient and patient to get the right company and show the right due diligence because, on the one hand we had, and this is a company, by the way, which was owned by the public but had its first debt guaranteed by a former Conservative government. I think Ernie Evans was the individual that guaranteed the first debt.

It was so important for us to deal with the whole outstanding issues of warranties all across North America and to try to also find the right company to make sure that those jobs stayed in Manitoba for decades after the decision was made. We only have one decade to go on, '86 to '96, but so far—and I noticed there were lots of members opposite, the Premier (Mr. Filmon) included, taking pride in Atlanta because the Flyer buses were running, and other buses were not running. So we want to make sure that 10 years, 20 years, and 30 years after this decision is made, that we have made the correct decision for the long term of Manitobans.

I also remember when we took over a gas company and passed a law in this Legislature to enable us to take over a monopoly gas company. We, after the enabling legislation was through, realized we had made some mistakes on some of the tax provisions. Now, we got a rate decrease which was about a 40 percent rate decrease for consumers, but we realized there was a huge issue of tax provisions that had not been dealt with and had to be dealt with in due diligence.

I suggest to you that there are some similar circumstances before this legislation today in terms of tax implications that this government has not dealt with. They have had no idea of how to deal with it. The Ontario government, a government of the same ideological stripe of members opposite, is now taking a privatization decision from the front burner to the back burner on Ontario Hydro because of the unfavourable Revenue Canada advance tax rule. These are huge decisions and the public has a right to speak.

We are making decisions for the next number of decades, and for us to preclude public presentations now in the manner in which this committee is operating, I suggest as other members before me have suggested, does a great disservice to all of us in this committee who will have to speak to our children and grandchildren in generations to come about what decisions we made and how we made them.

The one great thing about this Manitoba Legislature and all legislatures is the record is there for all to see for all generations to come, and I do not understand the haste this evening. I do not understand why we are not supporting the motion from the member for Thompson (Mr. Ashton). In essence, he is saying, let us use some common sense, but let us not panic this evening in terms of those who believe they can be presenting their opinions to this committee tomorrow morning.

I ran into a young person who believed that he could present tomorrow. The notice, I believe, is posted. Now, if that is his belief as a citizen, I as a member of this Legislature must respect it. I believe strongly that the motion from the member for Thompson makes a lot of sense for this committee.

* (0050)

I heard some rattling in the legislative hallways earlier this evening that there may be an attempt to do X, Y and Z to this committee tonight, and I hope that is not the case. This is not, what was it, the Crocus bill we were dealing with or some of the other bills we were dealing with. This is not a minor piece of legislation. This is a major piece of legislation. This is a major piece of legislation in terms of the public view. [interjection] White spruce bill, I am sorry. I correct the record. This

is not the white spruce bill, as important as that bill was for all of us. This is not that kind of bill.

I know everybody is a little tired, but we will all get our second wind as we go along. I think that this motion makes a lot of sense, from the member for Thompson, and all the people who have presented before me. It is always interesting to learn some history, too, in this Chamber, because I certainly love Canadian history but do not know as much as the member for Wolseley (Ms. Friesen). I always enjoy her interventions on behalf of all of our place in history. She reminds us, I think quite eloquently, of what we should keep in mind at this hour with these important kinds of decisions.

So I would support the member for Thompson and the other speakers who have spoken to it, and I hope we can deal accordingly. Thank you.

Mr. Chairperson: I want to, for the sake of the committee, acknowledge the admonishment of the member for Thompson (Mr. Ashton) before for using the wrong terminology in talking about our side or your side of the House, and so I apologize for that. I recognize fully that it is the responsibility of the Chair to be neutral, so I accept that.

Voice Vote

Mr. Chairperson: All those in favour of the motion, would you say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed to the motion, would you say nay.

Some Honourable Members: Nay.

Mr. Chairperson: I declare the Nays have it.

Formal Vote

Mr. Ashton: I ask for a counted vote, please.

Mr. Chairperson: A counted vote has been asked for. All those who are in favour of the motion, would you raise your right hand.

Maybe what I need to do is identify the members of the ~~committee~~. I will read for the benefit of the people on the committee that are still on the committee: Mr. Ashton, Mr. Cummings, Mr. Findlay, Mr. Kowalski, Mr. Lathlin, Mr. Laurendeau, Mr. Pallister, Mr. Penner, Mr. Pitura, Mr. Sale and Mr. Sveinson. You are members of the committee and therefore allowed to vote.

Now, let us do this again.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 6.

Mr. Chairperson: I declare the motion lost.

I call, therefore, the next presenter. Glenys Ackland. Glenys Ackland. Is Glenys Ackland here? If not, she will drop to the bottom of the list. June Wieler. June Wieler. Is June Wieler here? If not, she will drop to the bottom of the list. Florence Wiens. Is Florence Wiens here? If not, she will drop to the bottom of the list. Bernice Brown.

Mr. Bernard Brown (Private Citizen): I have not had a gender change in walking up to this.

Mr. Chairperson: I am sorry. I am going to ask the clerk assistant to come talk to you.

Mr. Brown: Well, I have already been recognized by the clerk and that is a misspelling of my name.

Mr. Chairperson: If there is a misspelling of your name, could you correct that with the clerk, please, and bring it our attention at the front here? Bernice Brown.

Mr. Brown: Bernard.

Mr. Chairperson: Bernard, oh, that is the—Bernard, of course, and you certainly do not look like a Bernice. Mr. Brown, have you a written presentation for distribution at the committee?

Mr. Brown: No, I do not.

Mr. Chairperson: Welcome to the committee, and would you proceed, please?

Mr. Brown: Yes, Mr. Chairperson, and members of the committee, I want to add my name to those that object to the sale of MTS for many of the reasons previously advanced, I think some most eloquently tonight. Some of those reasons include, first of all, that the administration did not include privatization in their election platform; second, notwithstanding that by a democratic process they were elected to be the administration, their proportional vote of the electorate does not give them a mandate to introduce privatization as a policy for the sale of the province's assets. Excuse my voice. Frankly, if the figure of \$800 million is realized by the sale of MTS and the funds are returned to the province's Treasury, I trust that Mr. Stefanson will not claim fiscal competence in assuming that when they present their next budget, because it sounds to me as though these funds will be used to that end.

A previous administration of this party in power, recognizing the cost disparity that could exist in Manitoba between the urban and rural user of a communication system based on fee for service which would vary when the service was extended, knew that a rural subsidy was warranted to give Manitoba equal access. As a Manitoban, I object to this change in philosophy of the present administration that I understand has a rural base, and I therefore question, and maybe this will annoy one of the members of your caucus, the effectiveness of these rural representatives in the Conservative caucus that have allowed this bill to reach this stage without sampling rural opinion. In fact, if the backbone of this caucus is rural, I wonder why it is so spineless. Thank you for this opportunity to express my opinion.

(Mr. Vice-Chairperson in the Chair)

Mr. Vice-Chairperson: Thank you, Mr. Brown.

Mr. Sale: Thank you, Mr. Brown, for staying so late. I wish it did not have to be the case, but obviously this government is committed to shutting down this committee, which I think is tragic and I am sure others do, too.

I wonder if you can comment, as a person who has been in Manitoba for a long time, I believe, about the role of telecommunications in the overall development of our

economy? Is it an important role or a minor role? Can you talk a bit from your own experience?

Mr. Brown: Yes, in my own field as an architect, yes, it is. The modem associated with the telephone is a marvellous way of transmitting not only verbal information but document information as well, and anything that advances technology, and I think anything that stays within the area of Manitoba and which is returned to Manitoba in many forms, as has been described tonight, is a very good thing indeed.

Mr. Sale: Mr. Brown, you mentioned also in your presentation that there was a kind of levelling effect, that by sharing this system as a nonprofit system rates were affordable everywhere in Manitoba. It seems that that is about to change if patterns in other provinces are to be believed. It seems strange, as you actually said, that a Conservative government representing so many rural people would willingly enter into a scheme which in other provinces has disadvantaged rural people, rural businesses in particular, because I think in your own business, telecommunications is the great leveller. You can be an excellent firm in a small town and be an effective partner of a project many miles away. Miles disappear in this kind of technology. Does it strike you as strange? Can you ruminate on why this government, so representative of rural people, might put rural phone rates so much disproportionately at risk?

Mr. Brown: I do not understand their rationale. It sounds like a death wish to me and, if I advance any further in this area, I would commit myself to saying something that I would otherwise regret.

An Honourable Member: I would not want that to happen.

Mr. Vice-Chairperson: Thank you, Mr. Brown.

Mr. Brown: Thank you, Mr. Chairman, and the committee.

Mr. Vice-Chairperson: The next presenter, Michael Chaikoski. This name will drop to the bottom of the list. Fagie Fainman. I hope I pronounced it properly.

* (0100)

Ms. Fagie Fainman (Private Citizen): No, it is Fagie Fainman.

Mr. Vice-Chairperson: Fagie Fainman. Thank you very much. Please proceed.

Ms. Fainman: Thank you. Mr. Chairman, members of the committee, I have just heard the debate that followed the motion from the member for Thompson (Mr. Ashton). Frankly, I am rather shocked at the disregard for people who cannot get here. It is five after one in the morning, and it is rather shocking to think that people here who have wanted to present will be struck off the list. I would just register that I am really taken aback.

I understand that Manitoba is the only province where members of the public can make a presentation to a legislative committee on any bill, and that is very commendable, that we have this opportunity to make a presentation. However, clearly the members of the public include both the rural and northern Manitobans who will be deeply affected by the bill and as such must have, it seems absolutely imperative that they must have the opportunity to be heard and, therefore, I am strongly recommending that these hearings be extended and must be held outside the city. Otherwise it makes a sham from our very progressive right, a very progressive human right in Manitoba to make this presentation.

I am speaking here as a private citizen. I am a recently retired criminal defence lawyer. My husband is a practising obstetrician and gynecologist. Our friends are largely from the professional and business class, and yet I am here to register strong opposition to this bill.

The reasons I am opposed to this bill have been—it is the wee hours of the morning and you have all heard many, many reasons why people here have been opposed to the bill, and I am not going to repeat them, because they have been advanced to you tonight and I am sure for the entire week. You might want to—I would say that, clearly, being a lawyer and my husband being a doctor, I am one of the privileged people. I am here because I have got a car. If I was dependent on public transportation I would not be here. I am not dependent on public telephones. I am not dependent on the public transportation system. I have no problems with babysitters. I can afford to be able to move very freely about in this community.

So why, you might want to ask, am I here? Clearly the bill has many advantages for myself personally, my husband and our professions in the business class. We anticipate that we are soon able to buy up some shares, to be able to flip them in the near future and make a nice little profit, and the domestic affordable rates, the loss of these affordable rates will be easily compensated for us personally by the profits we make and also, especially, by the cheap long distance rates which, unlike the poor people, we are very involved both in the business sense and our personal lives in making long distance calls.

So as I said, why am I here? Part of the answer is that all my life as a professional person, all my professional life I have dealt with the poor, with battered women, with rural—and I have practised in both the rural and the northern communities. My husband also has practised and practises with many immigrants and very many poor patients. So that is part of the reason, to be able to see the world from their perspective.

The other part of the reason that I am here goes back to my university days, where I studied in philosophy and read a book called Plato's *The Republic*, and the purpose was to get us to think what was the meaning of justice. What was the meaning of objectivity. I want to share with you one of the stories in Plato's *Republic* that has been with me all of my life. It was a story, it was a myth, a myth when someone went up to heaven and his job in heaven was to create a new world, a world in any way he wished, but a world that he would have to go back to and live in. The catch was he did not know when he went back into this world, when he went back onto earth, what he would come back as. Would he be white or would he be black? Would he be healthy or would he be disabled? Would he be a male or would he be a female? Would he be rich or would he be poor?

This myth, committee members, has guided my thinking, my decision making whenever I have been in a position of power. This myth has taught me what objectivity means and what justice means, and you honourable government members are in a position of power. I ask you and the government to be guided by the principles of objectivity and justice. As honest people, I ask you to reconsider and not to sell the Manitoba Telephone company. What kind of telephone system would you want, would you need if you were a rural Manitoban, if you were a northern Manitoban, if you

were a battered woman, if you were a poor and disabled person, if you were a single mother, if you were a shut-in, and any other category of disadvantaged that you can think of?

I do not have to tell you that we in Manitoba live in a bitter cold climate, and many, many poor cannot even go outdoors in the wintertime. Their only means of human contact is through the telephone system. So why would any honest politician want to take this away from them?

Not only is it moral to keep the Manitoba Telephone System public, it is also smart business. As you know, the Manitoba Telephone System provides affordable rates, it provides good service, quality employment for Manitobans who then spend their money right here, and to top it all, it makes a profit. Profit is for the benefit of all Manitobans, not just the business or the professionals or the big corporations, but for all of us, and as honest politicians who represent the interests of all Manitobans, I am urging you not to sell the Manitoba Telephone System. You have every moral reason to keep the Manitoba Telephone System, and you have every business reason not to sell the company.

Therefore, I am urging the Conservative members of this committee to rethink their positions and do what we know every honest member of government must do, to vote against this immoral and shameful bill, and let history, yes history, judge you as courageous and just leaders. Thank you.

* (0110)

Mr. Vice-Chairperson: Thank you for your presentation, Ms. Fainman.

Ms. Friesen: I do not know if you were in the room earlier on this evening, I think at about 10:30, when a Ms. Ansell was presenting. One of the things she said really struck me. She said that she lived in a high-crime area in part of the centre north of the city, I think, and she said, without a phone how can we help each other? I thought that was very instructive, and in a sense reminds me of the way you are talking of Plato's *Republic*. It is in a sense putting yourself in the position of everyone else, but recognizing that we are first of all citizens, not consumers, and that our job is to help each other. I wondered if you could comment on that from—you

mentioned that you represented a number of people as a lawyer from the inner city, people who might have been in a similar situation to her, whether you had any reflections on that from your professional perspective.

Ms. Fainman: Yes, well, clearly crime has a lot to do with poverty. So dealing in my profession with the criminal element then dealing with their families, dealing with the victims, and dealing in a way that one learns about their history and their lives and their backgrounds in a very intimate way, in some sense, because one has to know really what makes everybody tick, you just get to know what their lives are all about, and that is what I said, how important the telephone is. Telephones are very important in my home. I mean, we have two lines. As a criminal defence lawyer, my phone was ringing all night and, as an obstetrician, my husband's phone was ringing all night. I shudder to think of what it would mean in some communities where the phones stop becoming an absolute essential and where, for emergency purposes, even where people cannot use the phones readily because they will not be so affordable, they will stop using telephones.

I know how many calls I get and how many calls I get from people who are in stress, emotional stress. As a criminal defence lawyer you do not only get people calling you because they have committed a crime, but some member of the family, there are many, many stressful situations. My husband gets a lot of calls. These phone calls will stop coming.

I hate to think of the consequences for society, for the rich. I mean, as our society starts getting more and more depressed, as people and poor people get less and less service, they have less and less to lose. They have no stakes in our society. It seems to be very shortsighted. It should be the self-interest of the wealthy to ensure that the poor at least have a decent standard. It would ensure the rich would stay rich forever, because then you would have more people having a stake. They would not be as unhappy with the system.

I am very surprised that the Conservative government is so shortsighted as to their own interests in the long run. That is why I am saying that their own interest is to ensure that the poor have some decent services.

Ms. Friesen: One of the suggestions that is sometimes made is that a new private company might offer a kind of poverty service. I think one member made reference today to lower rates for poor people, with very limited service, say, one call a day, 30 calls a month, and after that you are charged by the minute. Do you have any experience with those kinds of systems or how would such a type of system, perhaps not that exact example, apply to the people whom you are talking about?

Mr. Vice-Chairperson: Ms. Fainman, with a fairly short answer, please.

Ms. Fainman: Short answer. I just cannot see that being workable at all. I think that may be good for propaganda purposes but, in terms of anything practical, I think that is a joke. There are too many problems. It is people's only way of connecting in. Many, many poor live very, very isolated lives, and it is impossible.

Mr. Vice-Chairperson: Thank you for your presentation, Ms. Fainman. The next presenter is George Bedwell. George Bedwell. Being the first call, this name will drop to the bottom of the list. Neva Nicholls. Neva Nicholls. This being the second call, this name will drop off the list. Marilynne Brimson. Marilynne Brimson. Being the second call, this name will drop off the list. Brenda Singfield. Brenda Singfield. Being the second call, it will drop off the list. Pavan Sadmirzai. Being the second call, it will drop off the list. Bernie Perreault. Being the second call, this name will drop off the list. Shirley Nicolson. Shirley Nicolson. Being the second call, this name will drop off the list. Marilyn Taylor. Marilyn Taylor. Being the second call, this name will drop off the list. Evelyn Dilello. Evelyn Dilello. Being the second call, this name will drop off the list. Val Chornoboy. Val Chornoboy. Being the second call, this name will drop off the list. Monica Stringer. Monica Stringer. Being the second call, this name will drop off the list. Gary Pryce. Gary Pryce. Being the second call, this name will drop off the list. Debra Mason. Debra Mason. Being the first call, this name will drop to the bottom of the list. Paul Hesse. Being the first call, this name will drop to the bottom of the list. Walter Nilsson. Walter Nilsson, being the first call, this name will drop to the bottom of the list. Jim Burgess. Dave Roberts. Dave Roberts, being the third call, this name will drop off the list. Michelle Forrest.

Ms. Michelle Forrest (Private Citizen): You know I did not realize being here would be a marathon.

(Mr. Chairperson in the Chair)

Mr. Chairperson: Ms. Forrest, would you please proceed with your presentation? Thank you.

Ms. Forrest: Why sure. This is the second bill I have spoken to during these committee hearings, but I have witnessed the labour bill, the education bill, oh, goodness, teachers, health care, and the bill I spoke to originally was Bill 36, the poor-bashing legislation. One of the things that struck me as I was beginning this presentation was that all of these other bills that I have mentioned that I have attended the hearings for or spoken to have all been labelled "special interest" by different people in different places, and the thing that struck me tonight was that all of those special interests add up to the people in your neighbourhood. We are the people of Manitoba. I think that is an interesting perspective. So as one of those people, here I go.

* (0120)

If MTS goes on the block, and it is an auction block, you will probably sell to the highest bidder. Many Manitobans will hear silence in their homes and in their communities because they will not have a phone anymore. Most poor people on welfare cannot afford phones now and once the hikes go in, and they will—I am originally from the States, I know about AT&T and Ma Bell—and I can tell you quite clearly that in many states most people pay 35 cents for a local call. Many areas in the United States do not have phones because the phone companies are absolutely not committed to providing equitable, fair service to rural areas. So pretending that you are going to be able to provide the same kind of service, while selling maybe not to AT&T, but to companies like that, is really a very misleading statement. My experience as a child in growing up, before I came to live in Canada, tells me precisely the opposite. So many people are going to hear silence; they will be isolated and they will be alone. You should be ashamed.

You know the other thing that struck me as I was preparing this—you have to excuse me, this is in point form, and I am tired and my blood sugar is low and I am cranky when that happens—I am just very frightened to see a time when a telephone, which has been around for

ever so long now, is going to become a technological privilege. I work with a lot of poor people and the World Wide Web is a technological privilege. A telephone should be a right—around safety issues, around communication issues and just the right to be part of the human race is part of the things the telephone brings.

So I wondered, what is it about the Manitoba Telephone System that the Tory government does not like? What is it? So, I have come to ask questions. My presentation will be primarily questions. Is the Progressive Conservative government afraid that if people on fixed incomes have phones, they will organize and elect another party to government? Is the Progressive Conservative government afraid that if poor people have phones, they might find employment and the Tories will have to stop their favourite prime time sport—poor bashing? Is the Progressive Conservative government afraid that if low wage earners have phones, unions will be able to organize unorganized workers? Is the Progressive Conservative government afraid that if rural residents have phones, people will be able to piece together the network of half truths and deceptions that emanate from this government? Is the Progressive Conservative government afraid that private enterprise cannot make it without government selling profitable corporations to them? Can they not start their own?

That, to me, is a little bit like corporate welfare, but I never noticed corporate welfare being part of the poor bashing that happens in this province.

The other very interesting thing that I have noticed about this process, is I did not understand why I would have to be standing here after one o'clock in the morning. I really did not. I really did expect that we were all sensible human beings, and people would be able to come back in the morning. A lot of buses have stopped running now, and I sincerely hope you are going to be providing cab fare for the people who are here without cars, who hoped to be able to go home at, at least, midnight, when the buses were still running. I think this has been a shameful procedure, I really do. I am very disappointed that this government feels that it has the right to do these kinds of things to individual people.

I will remind you that special interest groups vote. Together, we are the people of Manitoba. This government, next election, is gone. Thank you.

Mr. Chairperson: Thank you very much for your kind presentation, Ms. Forrest. Are there any questions?

Mr. Sale: Just one question. You say that people are already having a difficult time. I think the single welfare rate after rent is \$175 a month now.

Ms. Forrest: That is right.

Mr. Sale: Telephone represents \$13 or \$14 of that.

Ms. Forrest: Yes.

Mr. Sale: What would be the impact of the kind of 10 percent rate increase that is forecasted as simply the effect of privatization, let alone further rate increases? What does that extra couple of dollars represent to a low income person, in your experience?

Ms. Forrest: The people I work with who are poor, who have phones—Was there a problem, Sir?

An Honourable Member: No, that is so that Hansard will—

Ms. Forrest: I am sorry, okay. I am just not speaking in the right place, is that it?

Mr. Chairperson: No, I am just identifying who the speaker is so the Hansard will be recorded in the right manner, that your comments will be attributed to you.

Ms. Forrest: Thank you. I was just unclear. As I said, my blood sugar is low, and I am cranky.

Mr. Chairperson: Proceed.

Ms. Forrest: All right. Many people who I work with at this point give up food money to pay for the phone, because they are told by both provincial and civic welfare administrators that they must have a job, they must look for a job, they must be available for work. So they are caught between the position of looking for work without a phone. Many of the people use the Broadway Community Centre as a message place. They use two of the restaurants in that neighbourhood. In the north end, it is pretty much the same thing, as phone places, because they cannot give up food money. Those that can, they give up food money to afford the phone, to meet the

requirement to look for work and be available for work. Income assistance does not send a courier to those people's door and say, you need to be available for work this morning at eight o'clock. So, if they cannot find the person on welfare, then people are cut off. So they do desperately try to have phones, desperately. And they will not have them anymore.

Mr. Sale: Do you see the same incredible contradiction and irony in that, that you must be out for work, you must not have a phone as a right, you must be available for any employer who calls you but you may not be able to afford the phone under even present circumstances, let alone in the future? It seems to me that we should virtually require the members opposite to spend some time in the inner city and see what the reality is for folks who are caught in those kinds of powerless traps in which nothing they do is going to work, because they cannot feed themselves or clothe themselves properly on \$175 a month. They cannot afford the phone and still have the appropriate amount of food or clothing. There is no bus pass. There is no photocopying or assistance with resumes, but they have to complete a minimum, I think it is 15 job contacts every welfare period, which I guess is two weeks.

Ms. Forrest: That is right.

Mr. Sale: I do not know how members opposite can sit and think that somehow that is not the real world—for an incredibly large number of the citizens that you work with, and that are alive and trying to survive in my constituency.

Ms. Forrest: It does not work well. It does not work well now, and it certainly is not going to work well after the rates go up. I think you have outlined some of the issues that face these people every single day, and I sincerely hope that many of the members opposite do experience this in their lifetimes.

Ms. Friesen: I wanted to ask you about the situation of women whom you are familiar with, the people whom you work with. What are the particular issues that are facing women who might be left without a phone as a result of the increase in rates that we anticipate?

Ms. Forrest: Safety is a very huge issue for women living in the inner city, I think, for women everywhere,

not just the inner city. I mean, I view suburbs as scary for me to be out at night alone in, but at least many suburban households will have phones. Many inner city residences will not.

Safety is a big issue. If someone is breaking into your house, you need a phone, and I think about the amazing number of seniors that live in the core area. I think about all the media around the home invasions that are happening because these are people who are more vulnerable. They just cannot run as fast as a twenty-year-old, and they need a phone. On their incomes, they are not going to be able to afford a phone. Seniors are at definite risk. We are all going to get old, and we need to remember that the policies—what we do today will indeed affect us and people that we know. It is not just for today that these changes are happening. We will not be able to buy MTS back. So safety is an issue.

Children, what do you do if your child is sick? If you wake up in the middle of the night, and your child has a temperature of 104, and you cannot afford a phone, how will you do that?

* (0130)

Under current welfare legislation at the city level, you are allowed to have a phone for six weeks prior to your due date and for three months after, and sometimes we can extend it for a year. But if you have a baby that is one year and one day old, now women are giving up food to pay for the safety for their children, and these increases are going to make it impossible for them to give up food because they will not have any money left.

Mr. Chairperson: Thank you very much for your presentation, Ms. Forrest.

Ms. Forrest: Am I finished now?

Mr. Chairperson: Yes. The next person I will call is Marilyn Brick. Marilyn Brick, would you come forward, please. Have you a written presentation for distribution?

Ms. Marilyn Brick (Private Citizen): Yes, I do.

Mr. Chairperson: Miss Brick, you may proceed with your presentation.

Ms. Brick: Thank you. This is really far to reach. I hope my voice travels.

Mr. Chairperson: It picks up relatively well.

Ms. Brick: Thank you. Honourable Glen Findlay, Minister responsible for the administration of the Manitoba Telephone System, the committee hearing public presentations on Bill 67 and members of the opposition party, thank you very much for the opportunity to address this committee on the proposed changes to the ownership of the Manitoba Telephone System.

My name is Marilyn Brick, and I am a resident of the city of Winnipeg. I am not a card-carrying member of any political party. I am not related to anyone who is employed by the Manitoba Telephone System. I guess at this point the question that begs to be answered is, why am I standing here in front of you, and even more so, at this point, why am I standing here in front of you at 1:30 in the morning. I guess I must be somewhat of a committed individual.

In point form, I would like to draw to your attention some of the things that have come to mind in making this presentation to your committee. First of all, in the last 12 years I have been a homeowner. I have enjoyed having access to the use of a telephone. I have found that the telephone has often been a way of keeping in touch with friends, with family, people I cannot reach due to our inclement weather. When I was waiting, I was looking outside and I thought, gee, it is really for those people who do not know, because you have been tied up in here for a long time. It is really quite a gorgeous evening out there, but that weather will change. It is going to become minus-40 and people are going to be stuck inside.

For Manitobans, a telephone is a necessity; it is not a luxury. I think that is a misconception that some of you are under. I find it quite a political statement that your government has very little regard for the poor, the unwell and the elderly, who may be forced to make some very hard decisions in the future as they look at increased phone bills and are forced to decide between a phone and their rent payment.

I would contend to you, Mr. Chairman, that having a phone here in Winnipeg does a lot to promote a more healthy population. Here in Winnipeg, we find that

people sometimes get depressed. If you are isolated, if you do not access to a phone, that depression builds. You look at people who become suicidal. I think that is really an unhealthy way to approach our Manitoba. I love this province. That is why I am standing up here. I quite literally think this is one of the best places in the world to live. I am sure the Manitoba mental health organization has already addressed this issue with your committee, and so I will not belabour this point.

If some of my extended family were here today, I am sure that they would echo some of my sentiments. My two brothers both live in rural Manitoba, my sister-in-law and my in-laws live in Oak Bluff; my sister and my father both live outside of Winnipeg. On behalf of all these people, I would like to voice opposition to the proposed changes which would see their rates increase substantially. These people have all enjoyed the manner in which MTS has approached the fact that they have chosen to live in a rural setting. MTS has provided affordable rates. They have also provided good service.

I am really unclear as to why you are proceeding in this manner. The objective of a publicly owned utility is to provide services for all its members at a reasonable rate. The fact that you are moving in this direction, I find it very hard to understand. A privately owned utility will have to compete for stockholders. The stockholders have many options in regard to the placement of their investment money. Stockholders will expect to see a good return on their investment that will undoubtedly remove the current considerations that allow us to enjoy a very reasonable phone rate.

To me, the most insidious problem that this proposed legislation will uncover is that people will no longer look at Manitoba as a good place to invest. As a parent of two children, I have often considered starting a small business. This is something that I would like to see operate in the future. This proposed change deters me from undertaking this kind of venture. A new business would be looking toward things like what kinds of expenses they are going to undertake. At present, our reasonable phone rates are an attraction to potential new businesses, particularly, the fastest growing business that is out there, home-based business.

Why would a new business want to locate here when the government of the day provides disincentives such as

privatizing a company that is providing good service at a reasonable rate? My circle of friends see Manitoba spiralling downwards. It is a well-known fact that we here in Manitoba are experiencing an outmigration of the most valuable resource we have, the young professional people who provide the tax base to continue to run the services and programs we enjoy. As opportunities are being presented to these people, they are leaving our province to relocate to other provinces and to the United States. The drain on our taxpaying base has a very negative effect on our economy.

I can only say to you that this move to privatize the Manitoba Telephone System will accelerate the outmigration of the people we must now try to encourage to stay. Where will our young entrepreneurs come from if we take away the incentives like reasonable phone rates? Please keep in mind that our publicly owned phone company currently provides reasonable phone rates and customer-orientated service that allows businesses to operate their phones, fax machines and computer systems. Please start listening to the people of this province who see this world from a different frame of reference than you do.

I would also like to address one point that was brought up by one of the other ladies who came forward. She talked about the fact that as a poor individual who did not have a lot of finances at her disposal—she asked questions such as how am I expected to find a job? I would like to address that issue in the fact that in my past experience I have worked as an employment officer, and I would like to say that it is a necessity. You do not get a job and you do not get offered a job if you do not have a phone. So, thank you.

Mr. Chairperson: Thank you very much for your presentation.

Mr. Ashton: I appreciate the presentation and particularly staying as late as you have, and I know you were here earlier because we had the opportunity to talk for a few moments in the hallway.

I want to focus in on what you have talked about in terms of businesses because this is a big concern. We hear it in rural Manitoba in particular, because if you move to a much higher rate structure in rural Manitoba than we have currently, and that is what is happening, for

example, in Alberta, that puts rural businesses at a real disadvantage, say, with Winnipeg, but what you are suggesting then is that you feel that there is also going to be a potential disincentive for businesses generally if the rates go up for businesses in Winnipeg as well.

Ms. Brick: When I look at this as a place to invest, you have to consider what kinds of things people are going to look at. They are going to look at the fact that we are in a communication era now. We are in a time when communication is critical. The fast movement of information is really important. Having a fax machine, having access to a computer, having access to a phone, those are all critical, and placing those rates higher is not an incentive for people to invest in this province.

Mr. Ashton: Well, it is an interesting perspective because I know we have had a lot of presentations, but I think you are the first one who has focused in on that, so I thank you for bringing that to our attention.

I wanted to raise a question to you. You referenced the difference between a private and a public company in the sense that a private company has to, obviously, provide profits for its shareholders, and what has amazed me is that the government has attempted to sort of deny any difference whatsoever, particularly when it comes to rates. It is not based on any studies they have tabled, but they just say it will all wash out; there will not be any difference.

* (0140)

I am wondering, based on your presentation today, whether you think that is the case or whether you think there will be a significant difference and that perhaps the private company, particularly in its drive for profits will be much more likely to raise rates than a public company?

Ms. Brick: I would say that definitely a private company has a different kind of mandate. They have a mandate that they have to be responsible to their shareholders. I personally have a problem, I do not understand—I would like to ask a law professor because I just do not understand how you can sell a company that I feel I currently already own. I own this company, and in my mind you are selling it again twice. So do I have to go and buy this company back again twice?

I was driving here and I was thinking, you know, it does not basically make sense to my common sense. I own this company. Nobody has asked me whether or not I want it sold. To come to this hearing has taken me an amazing amount of work and time. I have appeared twice to get on here, and it is 1:30 in the morning. My children are going to be up at 6:30 a.m. I find this really an interesting way to go about business and government. This is not what I read in a democracy. It says common people, when constituting the source of political authority, the absence of hereditary or arbitrary class distinction of privileges, when I read in here. It is a dictionary. I find it funny that I have to come here to a government and explain government.

Mr. Ashton: Well, indeed, and this is one thing that we have been raising right from the start, why the government is not going to the people. They did not do it in the election. They have not done it with a vote, but I am wondering if you would care to comment on the fact that they have not had a single public meeting throughout the province. I mean they have had a few invitation-only meetings. They certainly have not had any that you have been invited to. What I find amazing is they have not had any meetings where they even attempted to make their case. How do you feel about that?

Ms. Brick: What I find difficult is: I own RSPs, and in owning RSPs they treat me as a stockholder. They send me information on major moves they are making. They send me proxies to vote on, that kind of thing, as a stockholder. You are not doing that to the people here in Manitoba, and I find that, I am sorry to say because I want to treat this organization with respect, I find it appalling. I really find it appalling.

Mr. Ashton: Well, I am wondering, just to use what you are talking about as an analogy, whether you think the government should do what any private company would have to do if it was sold, and that is put the issue to a vote of the shareholders first.

Ms. Brick: Absolutely. I think that I come forward to speak to you, but you could quite literally take 200 people behind me, and for those number of people who just do not have the gumption to stay until 1:30 in the morning or keep phoning the Clerk's Office to find out when their name comes up, I appreciate the fact that you are staying to hear me, I really do, but this is not

democracy. I came up here and I thought, what a beautiful building, these people must be proud to be in this beautiful building, to be serving, but I find that it is not becoming a government of the people anymore.

Mr. Chairperson: Thank you very much for your presentation, Ms. Brick.

We have nine presenters that have registered tonight that you have not got on your list. The first name I will call is Raymond Pinchaud. Raymond Pinchaud, is he here? Not seeing him, he will drop to the bottom of the list. Dennis Ceicko. Dennis R. Ceicko, not seeing him, he will drop to the bottom of the list. Pauline Riley.

Ms. Riley, do you have a written presentation for distribution to the committee?

Ms. Pauline Riley (Manitoba Action Committee on the Status of Women): Well, I did have, but I have been sitting here so long I have rewritten it, so I will not share it with you.

Mr. Chairperson: Thank you very much, Ms. Riley. Welcome to the committee, and will you proceed, please?

Ms. Riley: I am presenting on behalf of the Manitoba Action Committee on the Status of Women, and I am speaking on behalf of all the women with children who cannot attend these hearings, the women of rural and northern Manitoba as well as the women of Winnipeg.

The Manitoba Action Committee is extremely concerned that the government is proposing to sell off the Manitoba Telephone System, firstly, because it is not yours to sell. The Manitoba Telephone System belongs to the people of Manitoba and has done so since 1908. We believe that the government has no mandate to sell off the Manitoba Telephone System. During the provincial election in 1995, it promised that it would not sell the Manitoba Telephone System. The government repeatedly stated in the House that they had no plans to sell off the company, even though it had commissioned appraisals of the organization.

The government has not commissioned studies to assess the impact and the effect the sale of MTS will have on Manitobans. They have not held public consultations on the planned selling of MTS. We strongly suggest that

the government do consult with the people of Manitoba before any future plans or further plans are made to sell the Manitoba Telephone System.

The Manitoba Action Committee is concerned that the privatization of MTS will lead to rate increases. Manitoba has some of the lowest telephone rates in Canada because MTS is a nonprofit Crown corporation. Experience with other provinces has shown that private companies are likely to increase rates much faster than publicly owned companies.

MTS's mandate is to serve the public interest, to keep the price of basic telephone services affordable for all Manitobans. MTS has achieved this by subsidizing rural and northern rates, so it only costs a few dollars more to have services in Norway House, Flin Flon and Thompson, as it does in Winnipeg. MTS has kept costs low even for Winnipeg residents, and this reflects the fact that a phone is a necessity, not a luxury, in today's society and should be affordable to all.

The Manitoba Action Committee is concerned that women in rural, northern and urban centres who are on fixed incomes, social assistance, employment insurance, part-time or minimum wage jobs will be unable to afford a telephone service. We feel that these women already have their resources stretched to the maximum, and that an increase in telephone rates would cause many women not to have access to a telephone. Our members, particularly in isolated regions, use their phone to communicate with neighbours and relatives and to obtain essential services such as police, ambulance, fire, women shelters, safe housing and counselling services. An increase in telephone rates would put these women and their families at risk. Women in rural, northern and urban centres fear that more women would be isolated, especially those in abusive, violent relationships. The telephone service is one basic outreach service that should be available to all. Information available through government departments can only be accessed by telephone when an individual lives in a rural setting. Telephones to ensure access to safe houses, toll free assisted numbers such as Teen-Touch, Manitoba farm and rural stress lines provides a link to safety, information and assistance.

Not to have access to a telephone will create a huge disadvantage for those seeking employment in all areas of

the province. The government expects people to seek employment and has gone to great lengths in Bill 36 to ensure this. We suggest that a telephone is a necessity in this day and age. However, social assistance does not have an allowance for a telephone. Currently social assistant recipients are using food monies to pay for a telephone. What does the government suggest they cut out next, maybe more food, or clothes or perhaps stop eating all together?

In addition to the previous concerns, the cost of selling off MTS will certainly translate into lost jobs as privatization looks to increase profits. Many employees who would potentially lose their jobs will be women, women operators, cashiers, service personnel and clerical staff. As we reduce the numbers of jobs, we will push women into more low-paying part-time work. Again, the impact this will make on rural women cannot be underestimated. I challenge this government to be cautious and promote a more equitable distribution of assets, wealth, opportunities, income and services.

The Manitoba Action Committee wishes to remind the government that when changes or policy decisions are made, particularly in social and economic reform, they need to be based on a careful analysis on the impact on women's real life situations. That is a quote from an excerpt called, setting the stage for the next century, the federal plan for gender equality. Thousands of women in the province of Manitoba are currently struggling with difficult financial and family situations. Does this government wish to further impoverish and isolate these women and families? If this government sells off the MTS, the answer must clearly be yes. The women of Manitoba ask this Conservative government to halt the sale of MTS until you have taken the question of this sale to the people, then and only then do you have the right to make decisions about the sale of our telephone system.

* (0150)

Mr. Chairperson: Thank you very much for your presentation, Ms. Riley.

Mr. Ashton: I want to focus in on a couple of the points you raised, because a number of presenters have very similar concerns, and one of the real concerns here is that with the kind of rate pressures from a private company that many women would be unable to afford phones.

You mention the situation for people on income security who currently do not get an allowance for phones, and there are a lot of people out there who are on unemployment insurance or low wages. I am just wondering if you can perhaps put in perspective to the members of the committee what that is going to mean not just in terms of personal convenience, but I particularly want to talk about abused women.

I will give members of the committee a quick example of a person that phoned me. She had her ex-boyfriend break into her apartment, smeared blood on the mirror, she was on income security, she did not have a phone. She had to phone through a sister. She was not at home at that time. I can just imagine the horror, what might happen if she was. I am wondering if you could maybe try and express to people on this committee how important it is for women to have that life line.

Ms. Riley: I will try. I think that in my experience, and I have some personal experience in dealing with abusive relationships in my past, so I have lots of women approach me on this particular issue. It is really important to ensure the safety of women and families in this province. If telephone rates are going to be increased, especially for those women who are on limited incomes, they will not be able to have those phones. To be in a shut-in situation, in rural Manitoba where you have not got access to a phone, to be in an abusive relationship without being able to contact your family, your friends, the police, any assistance whatsoever, without being able to get any counselling services, is just not acceptable. This is really a great concern to the action committee.

Ms. Wowchuk: Thank you for your presentation and thank you for speaking out for the many women in those programs. In the city of Winnipeg, in particular, the women of rural and northern Manitoba will not have the opportunity to bring their concerns about the privatization of Manitoba Telephone to this committee. You have made some very important points about the importance of having access to telephone service for safety and also for communication with friends.

You raised one point and you said that one of the services you talked about was the farm and rural stress line. I want to ask you if you realize that this government has refused to fund the farm and rural stress line, so that

service is no longer available, and whether you expect that we will be able to have, continue to have, a farm and rural stress line in rural Manitoba after the privatization?

The government thinks it is too expensive to fund right now, at \$80,000; with privatization and increased rates we know that the rates will go much higher than that. What is the hope of us having that service for rural and northern Manitobans, and what do you see as the effect of not having that line?

Ms. Riley: I think that judging by the path that this government is taking that anything that requires funding seems to be a nuisance. Anyone who has any kind of—termed by the government—special interests, whether that be counselling assistance or whether we need something because we are old, or because we are a woman, or because we are disabled, it is all adding up to being far too much. I think in terms of the telephone, I do not think if the telephone was privatized that those services would be available at all.

Ms. Wowchuk: When we look at the fact that there is a risk that we are going to lose these services because of privatization and we know how important they are, what advice would you give to the government with respect to their plan to privatize this company as it would relate to the women in rural and northern Manitoba who I think will be bigger losers than the women in the city? In the city there are opportunities, but in rural and northern Manitoba, many times there is real isolation, and the only communication that people have is the telephone system.

* (0200)

Mr. Chairperson: Thank you very much for your presentation, Ms. Riley.

Ms. Wowchuk: I asked a question.

Ms. Riley: I have not answered the question yet. I think that women of rural Manitoba and northern Manitoba, and we had a meeting last week when we discussed some of these things, that what they are clearly saying is the government cannot sell the Manitoba Telephone System, that you must not sell the Manitoba Telephone System. We will just maintain the kind of service we have now. Because it is their life line and you cannot cut it off. To live in an isolated community without a phone, I was brought up in the country. I know what it is like to live

a long way away from people where you cannot talk to anyone. I do not know if any members of the committee know what that is like, but if you are cut off in that way, you have got absolutely nothing to anchor yourself onto, let alone essential services you may require in life. You have just got no human contact with other people. I think that is shameful that this government would even attempt to sell this telephone system. I would really, really ask you not to do that.

Mr. Chairperson: Thank you for much for your presentation, Ms. Riley. I call next Ellen Hartle. Is that the right way to pronounce your last name?

Ms. Ellen Hartle (Private Citizen): Hartle, yes.

Mr. Chairperson: Have you a written presentation to present?

Ms. Hartle: No, I do not.

Mr. Chairperson: Welcome to the committee, and I ask you to proceed.

Ms. Hartle: To the members of the committee, greetings of the morning. We keep talking about Premier Roblin. As I sit here, I feel the weight of generations on me, both past generations and future. I am really disturbed about this bill, about what I see as a lack of democracy in the process.

My great grandparents came here as pioneers. My great grandfather was a United Empire Loyalist who had to walk from Winnipeg to Greenridge to claim land to start farming there. My great grandmother had to travel by boat from Emerson to Winnipeg to get a licence to be a teacher. I think she was the first, or one of the first teachers, in Dominion City. My other grandparents in Stonewall still have the family farm in that part of the province. Now my grandson has moved down to southern Manitoba. He is going to school in Manitou, and I do not know how much longer I will be able to talk to him very often if rates go up. So I feel concern for my children, for my grandson. I feel the weight of my grandparents and my great-grandparents on me as I stand here that I just do not like what this province, what this government is doing. I think it is too fast. I agree with all the statements that have been said before me. I do not understand the haste, and I am just really annoyed.

So I see a lack of democracy. Both my grandfathers fought in the First World War for this country, for the democratic process. My dad lied about his age at 17 to get in the navy and go fight for this country for five years. I hate to tell you I am somewhat glad they are all dead right now, because I think they would be really horrified at what is going on here.

My grandparents, Alf and Eleanor Williams, worked for the Conservative Party for all the years of their life. I know they campaigned. I know that they worked on the elections, campaigned hard and believed in this party. I think they would be horrified at what is happening now.

One of my uncles went from high school, worked for MTS all his life, just retired a couple of years ago. I spoke to him tonight, and he is concerned about his pension. Now I know there are reassuring comments being made. I saw them in the media about MTS employees and their pensions, but you know if we could not believe you in '95 when you said you would not sell MTS, why should we believe that the pensions are going to be safe? How are we going to believe these things, because credibility is just going out the window as far as I can see?

My dad worked for 22 years in the post office. I feel like I come from this Manitoba stock: my dad was born in Winnipeg, raised all his children here; I have been a homeowner since '73. I have worked here for more than 25 years in the business community. I feel that I have never had a government job. I have always worked in the private sector. There is nothing magic about it. You know, the private sector certainly makes as many or more mistakes than government does. I reject all the arguments I hear that MTS cannot be a company for the 21st Century if it is publicly owned. I cannot see why they cannot hire the best managers and technicians as they really do now. I mean, I know some people that work for MTS and manage MTS.

I was at a conference in 1992 when we got labour and management together. MTS employees at that time were bragging about their good relations with management and how they had been empowered and they had all this decision making. One of my friends who works for MTS now tells me, well, that has all gone out the window again. You know, it was the flavour of the month or something, and it is not there. They are being abused.

They are considering putting a grievance in against the union for some of the physical abuse they are enduring on the job, just lack of ergonomic concerns from a company that certainly knows better.

I really do not know what else to say to you. I am just saddened by what I see, and I am hopeful that you will reconsider. I have got a family that lives up in Thompson, and you know, if I cannot afford to talk to them or they cannot afford to talk to me, it is just another cut in families. I think we all care too much about this place to see it dismantled. I think that is all I have to say about that.

Mr. Chairperson: Thank you very much, Ms. Hartle.

Mr. Ashton: I want to thank the presenter for giving a bit of your own family perspective, because you know what really concerns me here is that everywhere I have gone in Manitoba I hear the same thing. I have talked to people who have worked for MTS. I have mentioned this before, I have talked to a gentleman in Brandon whose grandfather and father worked for MTS, going back to 1909, a life-long employee himself of MTS.

There is a real loyalty. We had MTS employees come in here and talk about MTS being the best little telco in North America, and I have talked to people throughout Manitoba who have a real loyalty to MTS, and they are all saying the same thing. They are saying when you privatize the company you might as well just take the heart out of it. It will still have the logo and the employees, and you know people like myself, I will still stick with MTS because it does have people here in the province and in my own community. But I am wondering if that is not what a lot of people are saying, and what you are saying, is that MTS just will not be the same company if it is privatized.

Ms. Hartle: Well, I think it will not be the same because the people I know that work for MTS already told me that, as soon as the venture would get profitable, they would hive it off and sell it. That has already started a couple of years ago. So I am not really surprised this is happening. I mean, some of us have been sort of seeing this coming for the last three or four years really. We were expecting it, and it does not make it any easier when it comes. I guess you hope against hope that it will not come. Another thing is that as an accounting student it

was something we would talk a lot about is the present and future value of money, and when I think about just what my small family alone has paid into MTS over the years in our phone bills and our long distance charges and just our loyalty and support, which has been unwavering, you know, you cannot replace this company. We might talk about a billion dollars, but if assets were capitalized at whatever they were spent on from 1908 it would be in the multibillions. Now, you cannot replace that infrastructure for what the government is proposing to sell it off for, in cents on the dollar, and that just disgusts me as a business person, never mind as a citizen who has paid and paid and paid and, I have to say, willingly paid my taxes. I was glad to contribute for what I saw as something that we were all in together.

Mr. Ashton: I just want to focus in on that, because I have often talked in this committee and asked questions of people based on the analogy that MTS is a company and we are all shareholders in the company, but I want to focus on what you said about the proceeds of the sale because, what the government is doing is, first of all, they are not cancelling all the debt. The new company will still have the debt owing to the government of Manitoba, a significant portion of it. It is like selling your house but still keeping half the mortgage.

But what they are also doing is, they are going to be taking the proceeds from the company and putting it into this Fiscal Stabilization Fund, which at some point in time will be dumped into basic revenue. You mentioned about being in business. Would you consider it wise to sell off the business and then start spending the proceeds in a couple of years on whatever was deemed appropriate? Do you think most business people would approach things in that way?

Ms. Hartle: Quite obviously not, and I have never had the kind of monies that it has cost to build up MTS. But say I had a business I had built up myself from the ground and say it was worth \$750,000. I certainly would not be interested in selling it for \$70,000 or \$75,000 and just deliberately take a huge loss, and that is what I as a citizen, as a taxpayer feel is happening here. You cannot take 88 years worth of assets. It is practically priceless in real terms.

Mr. Ashton: Well, I am wondering too if there is not a huge degree of cynicism here, because I will make a prediction right now that what the government will do in

a few years, they will say, well, we have got this money in the Fiscal Stabilization Fund and we will give you a tax break here or a grant there or, you know, and just conveniently timed probably before the election. I do not know why I would ever think that they would do that, but I am wondering, what do you think the response will be in terms of the people of Manitoba to that degree of cynicism if they turn around and take the proceeds of MTS and try and turn it into a fund to be used as a political slush fund?

Ms. Hartle: You reminded me of Howard Pawley's column in the weekend paper when he talked about Autopac, and I guess I can only hope that if this goes ahead that the NDP will campaign to buy MTS back, if it is possible, unless NAFTA makes it impossible, which is my fear.

Mr. Chairperson: Thank you very much for your presentation. I call next Mr. Roy Hartle. Mr. Roy Hartle, have you a written presentation for distribution to the committee?

Mr. Roy Hartle (Private Citizen): No, I do not.

Mr. Chairperson: Thank you very much. Welcome to the committee. You may proceed.

* (0210)

Mr. Hartle: Okay. First I will just refer to this MTS pamphlet that I am sure most of you are familiar with. A few of the comments on it, for competition, it says that they will not be able to compete with the other companies. Well, to begin with, I would say they would probably be able to compete a lot better if the present administration had not forced them to pay for the connections of Unitel and everybody else that wanted to hook up to them when the taxpayers of Manitoba paid for all of the lines that are already, everything that is in existence. You know, if someone else wants to compete I think they should have—it is nice enough to let them hook up to any existing system, never mind to have to pay for it.

Then it says that we have to change the management structure to be able to make snap decisions and seize opportunities as rapidly as competitors. [interjection] I am sure.

Mr. Chairperson: Order, please.

Mr. Hartle: And rapidly changing technology, I think, from what I have read about telecommunications, Manitoba is probably ahead of the average American telecommunications company as far as our equipment now, and Sasktel is one of the leading outfits in North America and they are a publicly owned company with more fibre optics than most states. So I do not see the sense in that argument.

Need to invest in the future, they are saying they are going to invest a half a million dollars in modernization. They have already spent probably close to a billion dollars, and now they are going to forgive half of that loan to make these shares desirable for people. Well, who is going to benefit from that? Not the taxpayers. We have already paid, so now whoever can afford to buy these shares is going to benefit. If they all go out of the province, all that money, that was a real good deal for us, was it not? Service guarantees, if all these private shares wind up getting sold to AT&T or Bell Canada, who is going to be able to enforce these guarantees with NAFTA?

The workforce, anybody knows you do not have to have anybody here. The government was talking about a system coming in of us supplying directory assistance for all of North America. Well, that can work the other way, too. Once the company is sold, we could have all of the technicians, highly paid technicians, thousands of them here in the province, their jobs can all go down to Dogpatch in Oklahoma or something. So with all of the 4,000 high-paying jobs, that is a nice erosion of the tax base, not to mention the managers. If all the workers are down there, they are not going to have the managers up here telling them what to do down there, and as it has been said so many times before, there are no profits to be had running phone lines out to places like The Pas or Menisino or small places like that, so those people will be lucky if they can get a phone at any price.

I would just like to repeat again, the democratic process has just been made a sham here. It would be bad enough if the subject had never come up prior to the election, but they specifically said that there is nothing happening, and then in the second year of the mandate they decide on the spur of the moment they are going to sell it, and they act like it is a big surprise or something. In the meantime, they are waiting for a study, but a day

later they have all the press releases and pamphlets and everything handed out. It sounds sort of like the CF-18 deal that Mulroney did, where no one knew where it was going until the last minute, but meanwhile everybody did.

As far as service suffering with the private companies, I have personal experience of that in the States where I was making a phone call to another building that I could see, and it was close to \$3 for the call because they were from different outfits. Another thing was that a lot of the phone companies there did not have phone books at any of the pay phones because the pay phones could switch hands at any time, and nobody was going to invest in putting phone books in the phone booth if they were not going to own it next week.

Another point I would like to make that I also heard earlier was, I am always getting pressured to sign up with Unitel or Sprint or somebody. At work, on the street, I am always running into people who are pushing these products. I know a lot of people who do and who do not switch because they know that they are shareholders in a company here. So it does not make sense to them to give their money to somebody else at their own expense. If anybody thinks that there is going to be that kind of loyalty when the company is handed over to a bunch of private shareholders, they should think again. They will just go to the cheapest person, which will probably be one of those American companies, and that will be some more money flowing out of the city here. There is not that much in this province to go around.

Another point that was brought up was talking about rates. It says in the pamphlet that the CRTC is going to protect our rates. But a good example of that is just this last February Manitoba and Alberta both applied for a rate increase and the CRTC allowed Manitoba 2 percent because we do not have any shareholders that we have to justify and make sure they get a return. The CRTC saw that the Alberta company that has gone private now had to show a return, and it was only fair that they showed a return, so they are allowed \$6 a month instead of only the \$2 that we were allowed. That is going to come out of every Manitoba taxpayer's pocket, the extra \$4, and go into some shareholder's pocket. It is not something that the government is going to be doing us a favour by not mentioning the fact that they do have higher costs, besides having to show a profit like the taxes, that have been mentioned and so on.

Mr. Chairperson: You have one minute remaining, sir.

Mr. Hartle: Okay. I would just like to mention a couple of generalities about the government. I remember when the Filmon government was first elected they were really running on open government and that kind of thing. When it came to the Crown corporations' report, which, they claimed, recommended selling it off, there was nothing there to be seen that recommended selling it, but what could be obtained from The Freedom of Information Act was largely whited out and blanked out. So that shows what kind of openness we are working towards here.

I would like to know where this government has proven that they have any kind of business sense. They inherited a budget surplus and have gotten us deeper and deeper in the hole all the time with their spineless dealings with Wang and so on. They do not inspire any confidence in this kind of thing. So I think that they should wait until there is an election and let us see how much these rural people who have given them so much support in the previous election support them when they see that their phone bills are going to triple or quadruple.

Mr. Chairperson: Thank you very much for your presentation, Mr. Hartle.

* (0220)

Mr. Ashton: I thank you for doing a number of things and going through that document, the MTS Answers sheet. I am wondering what you feel about the document itself given the fact that it is part of a \$400,000 advertising campaign. Coincidentally, this campaign was let before they made the decision, supposedly, to privatize MTS; coincidentally, it includes work being done by Barb Biggar, the former press secretary to the Premier; and, coincidentally, even though it is under the MTS logo, it includes virtually all the rhetoric that we have heard from the government. How do you feel as a citizen, having paid \$400,000 of your money for this kind of information? I use "information" in brackets, because I also think it is propaganda.

Mr. Hartle: Well, I just find it is, that is where this government's priorities seem to be, in putting the right spin for their policies on everything, and they have lots of money for that, but they do not have any money for

education or hospitals or anything like that, that really matter to Manitobans.

Mr. Ashton: That is interesting because the minister even had the nerve in committee to say, well, it stimulates the advertising industry, so I am wondering if this is job creation Tory-style here.

I want to ask a couple of questions what you mention about the experience in the United States because the most fascinating thing I heard during the whole discussion on MTS was a phone-in show on CBC a few months ago, and a woman phoned in from North Dakota and she said, you are crazy to let go of your system in Manitoba. She said: it costs me more to phone from my place in to the county seat, which is fairly close by, than it does to phone Winnipeg. I wonder if you can explain a bit more in terms of the phone booths, because we had somebody earlier who was talking about how, depending which phone booth you go into in the great American system there, it can cost you three, four—I mean, I said two or three times, I was corrected—it can cost you three, four, five times the standard rate and no one knows the difference. You can go into one owned by the standard phone company and one owned by the rest, and I am wondering if you would care to comment on that and perhaps maybe explain to some of the committee members on the government side, if that is their idea of competition, how that benefits the consumer.

Mr. Hartle: Well, I do not see it benefiting anybody really, unless it is the phone companies themselves. One of the examples was, I was looking for an address, and I knew I was in the right ball park. I just came up to a phone, and, like I was going to be late for an appointment, so I wanted to just phone them and make sure that they waited an extra minute because I just was not sure just how far I was, and I phoned and they just said, well, you look across the street, you are looking at our building, and here, I had decided to dump about almost \$3 U.S. into the phone to find that out. The other thing was I came to a convenience store and there were no phone books, and I went to ask them and they said, no, no, nobody puts phone books in these phones because they never know who is going to own it or have the rights to it from one week to the next, so they are not going to invest in phone books.

Mr. Ashton: The member for Crescentwood (Mr. Sale) is reminding me that in 1908 in Manitoba, one of the

reasons that we brought in a public phone company is because we had 300 companies and their idea of competition was to chop down the phone lines of the opposite company, and you actually got in a situation where you could not phone across the street because it was on a different line. So I am wondering if, does it not strike you that perhaps we are going back to the future, or future to the back or whatever, that we are actually turning back the clock here by selling off MTS to a system that not only existed before 1908 but is currently existing in the United States of America under a totally privatized system?

Mr. Hartle: It just seems to me that they are really rushing it, and what the reason is, is quite a mystery to me. It reminds me of things like when the federal government is about to lose power and they make a bunch of last-minute appointments and that kind of thing or try and sell off an airport to private buyers, which is even a better, more closely related type of thing. People saw how much money was being lost and how much of a giveaway that was going to be just like our cable system; it looks like it was a giveaway where they said they had \$60 million of assets and sold it for \$11 million.

Mr. Chairperson: Mr. Hartle, thank you very much for your presentation.

Mr. Hartle: You are welcome.

Mr. Chairperson: I call next, Ms. Sara Malabar. Have you a written presentation for distribution to the committee?

Ms. Sara Malabar (Private Citizen): No, I do not.

Mr. Chairperson: Welcome to the committee, and you may proceed.

Ms. Malabar: Thank you. I have a couple of things to say. I wanted to speak to, first of all, just this process that I find has been very hard as somebody who has tried to speak to a number of the bills that have been coming up and as well as the student. I spoke to Bill 36 and 32 and tried to do so in a very informed and et cetera way. I had written presentations and the rest, but I found that they were so time consuming that my schoolwork was falling apart. My year was becoming quite in jeopardy because I was trying to speak to all of the legislation that

this government is trying to pass in this short period of time, which is why I do not have anything to give to you today because I just decided to do my homework instead.

So I want to speak against the privatization of MTS, and I want to do it for all of the reasons that people have been doing it so far. The government has no mandate to sell MTS. You know it, and you do not care. I think that is a major problem; when people come up and say you have no mandate, that is not news to this government. The government knows they have no mandate. They just do not care that they have no mandate, and they are not interested in listening to what Manitobans have to say. I think what happened here tonight is proof of that. I mean, look at this. It is late. I have missed my bus home. I will walk. That is not safe for me. It is not safe for the other women here who have to do the same thing. It is not safe for the men either, and that is just to speak to the mandate; just to say that the whole spirit of this speaks to a fundamental disregard for what Manitobans actually believe and think and that you do not have any desire to listen to it.

I have a special concern for rural and northern Manitobans. I really would have liked to have seen some committees held specifically in northern communities and rural communities for those citizens to speak to this bill because, as everybody has said, it is inaccessible for them to come here to the city and speak. So I have a special concern about that.

I also have specific concerns about, as the gentleman before me was talking about, the campaign that is being put out by MTS and the government informing people of the sale of MTS; one, before the legislation has even been passed, which means that you are assuming that it will be, which basically says to me you had no intention of regarding anything Manitobans had to say at these hearings anyway, because you did not produce this literature in the last three days; and secondly, that a lot of the information in this propaganda does seem to be kind of inaccurate and not based in much, especially those things regarding technology and how we need to sell MTS in order to keep up with the times.

I personally have had no problems with MTS. I fax from my home. I have Internet access from my home. My understanding is that MTS is expanding everyday access to the Internet, and I think that the technology of

MTS at this time is competitive. I do not think there is any question about that. I do not think, you know, somewhere in the United States private telephone systems are so much more advanced than we are and we are in the Stone Age here. I am able to communicate with anybody in the world on a level that I need to communicate with them. I find it kind of offensive that this literature was put out saying these sorts of things without consultation with Manitobans. Like to produce literature saying that the sale of MTS has already happened when in fact it has not, again, it speaks to your desire not to really listen to what Manitobans have to say.

I also wanted to talk about, well, just the accessibility issue, which I already have in terms of rural Manitobans, and the lateness of the hour. I do not really want to speak on the terms of this government would be to speak on the terms of the profit and that MTS is a profitable company and that it does not make any sense economically speaking to sell it, and again you are aware of that. I am not sure why you are selling it except for an ideological belief which probably states that public ownership is not what Adam Smith would have desired, I guess, I do not know.

* (0230)

To close, I do not support the sale of MTS, and I believe, like all other necessities, that it should be publicly owned by the citizens to be kept reasonable for everybody. I do not have much hope that it will not be sold, but I hope that you will reconsider based on everything that you hear from all of the people who speak to you at this committee.

Mr. Chairperson: Thank you very much, Ms. Malabar.

Mr. Ashton: I regret the major inconvenience you are faced with. That is one of the reasons we moved the motion earlier, and certainly I hope that any members of the committee here who can stick around for whatever length of time it takes will not feel obliged to have to walk. I am sure I can offer and a number of other committee members can offer people a ride home. I would hate to see you would have to walk, especially in this weather and given the conditions of safety, so I will make that offer upfront.

I wanted to focus in on students today, and, in particular, I mean, there is one huge thing that is

happening for a lot of students now compared to 10, 20 years ago. That is the importance of telecommunications, access to the Internet being a classic example. I think if you talk to a lot of students, students use computers, are on the Internet, et cetera, far more than people of other generations and certainly far more than students even five or 10 years ago. One thing MTS has been doing is that it has been a leader in providing Internet packages, upgrading lines throughout Manitoba for the Internet. I am wondering if you could comment on that as a student, to what degree telecommunications is being used and how you think this sale will impact on students.

Ms. Malabar: Every student in the University of Winnipeg, at least, has an e-mail account, and everybody, I know, uses them. We are using them on a regular basis, and we use them to communicate in all sorts of communities, especially national communities. I am involved in a number of national organizations where our main form of communication is the Internet, so we communicate on a day-to-day basis on the workings of our organizations through the Internet, through e-mail. We put our information up on web sites, and I guess it really is, you know, a young person's—young people are really the most involved in it. That is why I mentioned it when we were talking about technology, because I had noticed and was aware that MTS was doing its best to increase the lines to the Internet and to provide that service for Manitobans, which is essential to everything. I mean, business, small businesses, it is essential to get on-line. It is a part of the new technology, I guess.

Mr. Ashton: I should mention too that we have a home page. I know a number of caucus members here—and my e-mail address is ashton@mtsnet, so you will see why I talk about the MTS Internet service. I want to focus on that seriously because one of the concerns I have—I really believe in terms of education in the next 10, 20 years, access to telecommunications, information highway, whatever you want to talk about, is going to be absolutely critical. To a certain extent, if you are not on that line, it would be like not being on the rail line a hundred years ago. A hundred years ago if you were not on the rail line, your community just completely died.

I am wondering if you can focus in on that because, you know, a lot of the members of this committee are not seeing first-hand necessarily what you are seeing as a university student currently today, and that is just how

much the Internet is changing the way that learning operates, particularly in the post-secondary level. So I am wondering if you can perhaps explain that to people who may not see it first-hand.

Ms. Malabar: We research on the Internet a great deal now. If you are looking for a paper, if you are looking for current information, you may go to the Internet before you go to magazines, et cetera. It is a main form of research for people, and it is fundamental to communication. It is hard to explain because I have been doing it for so long. I have been on the Internet for five years or something like that, so it is so common to me that I have a hard time explaining why it is essential because I do not understand people who are not on-line. When somebody says that they are not, how can you be, it is just so essential, but essentially we do research on the Internet and we do communicate—I communicate every single day on the Internet. It is fundamental in terms of—with research, there are so many levels. There is the web and also there are news groups wherein you can send out a request for information and actually get it from somebody. These are all things which are changing the way that we receive information on certain topics and stuff like that, diversifying.

Mr. Ashton: I think we may have to set up a news group on the impacts of privatization because it is interesting even some of the information today that has come forward from people that is new to me, some of the experiences in the United States. I say that seriously because I think what is interesting is the way the Internet is changing not just the way people are learning, but the way people are communicating. I just recently tapped into the British Labour Party. They had a virtual conference to match their actual conference in Britain, so that is how widespread it is.

I just want to give you one more opportunity, you know, in terms of the issue of MTS again itself, though, and particularly I would like to give you a chance as a university student looking ahead to the kind of society that you are going to be moving into jobwise and in terms of the society. It would only take two government members, by the way, to defeat the bill, two to vote the other way. I am wondering what you would say to those government members if you were to try and persuade them to vote not to sell off MTS.

Ms. Malabar: I guess I would really ask them to forget whatever is going on on the back bench and what the party hierarchy is saying about why this legislation has to be passed. I would ask them to really listen to the people who are speaking here tonight and respect that Manitobans really want to own this company and that they care about it and that we care about this province and that MTS is a fundamental part of that. I would just wish that their humanity and their respect for other people would win out over deals, you know, whatever they are.

Mr. Cummings: I would like to thank you for your interest and, as a student, the perspective that you bring to this discussion, but there seems to be an implication from what Mr. Ashton was saying that MTS is the only means that these services you have been talking about can be provided. I would only like to point out that in my part of the province, the only way we have been able to get these types of services in the last few years has been through private lines that have been purchased and installed, so I encourage you to keep up your interest, but there are several different aspects that come to bear on this.

Ms. Malabar: I am aware of private Internet providers. I deal with one myself, cyberspace, but my understanding is that they still connect to MTS in some manner in terms of the lines which they use to access the Internet on a larger scale.

Mr. Chairperson: Thank you very much, Ms. Malabar, for your presentation.

I call John Jacob. John Jacob, would you come forward, please. Have you a written presentation for distribution?

Mr. John Jacob (Private Citizen): No, I do not.

Mr. Chairperson: Welcome to the committee. You may proceed.

Mr. Jacob: Okay, thank you.

First I would like to talk a little bit about the mandate. A couple of people have said this evening that because your government ran the last election saying that they would not privatize MTS that you do not have a mandate to do so. That is true, but I think it is more than that.

We have to look at this legislation as part of your whole platform which you are trying to put through in this session.

* (0240)

Basically, what it is doing is, it is in a radical way changing the social contract between the people of Manitoba and its government. To do so without a mandate is unconscionable. I really think you should call an election and say, we want to sell MTS; we are going to look at selling Hydro; we are going to look at selling the liquor commissions; we are going to dismantle medicare, and ask the people, is this the kind of government you want?

Another thing I wanted to mention is what I see as likely to happen after you sell MTS. Now, you have some provisions in which say it has to be locally owned for a short period of time. That will last for a little bit, but it is not going to last very long. Sooner or later, probably within 10 years, we are going to look at MTS being dominated either by Bell or AT&T. I think that is pretty well guaranteed. Now, when that happens, do you really think that either of those companies are going to spend any research and development money in Manitoba? It is not going to happen.

Another thing I wanted to touch on was the people who are going to be hurt most by the change in fee structure which is going to happen with privatization. Local calls are going to become more expensive and will actually be used to subsidize the long distance calls, the complete opposite of what has traditionally been the case. Those people are going to be the people on fixed incomes, whether on welfare or on pensions. Basically, you are looking at a very large group of seniors and to take the telephone away from seniors is to put them at health risk. If you fall down in your house and you do not have access to a phone, how are you going to get help? Well, you are not until it is too late.

Then you look at the issue of the jobs which MTS provides. A lot of them are going to disappear. Right now MTS employs approximately 4,000 people, I believe. That is going to shrink dramatically under privatization. As far as—other people here have already mentioned that—the technological development which was supposed to be a reason for selling off MTS is a sham

because MTS is competitive, from a technological point of view, with any of the American systems which will likely end up owning us.

The sense of privatizing corporations which are profitable, which bring in income to the province, certainly does not make sense in the long term. It may make sense in the short term, if what you are looking at is some way of providing a surplus at the end of the fiscal year perhaps, but in the long run it is insane. The timing is interesting, too. The second year of a mandate you hope to push through all these bills which are really unpopular with not just special interest groups and not just the leftists, but virtually all of Manitobans, but you do it in the second year. The third year people forget about it a little bit, then you have the Pan Am Games, then hopefully, from your point of view, by the time the next election comes around, it is a dead issue. But it is not going to be a dead issue. The changes which are being made by this government are so fundamental and so radical that there is no way that the public is going to forget about it this time. That is all I have to say.

Mr. Chairperson: Thank you very much, Mr. Jacob. Are there any questions?

Mr. Ashton: You mentioned about American companies, and I am wondering if you are aware of the fact that actually Bill Catucci, the president of AT&T Canada, as it is called now—that, by the way, is considered to be a Canadian company by the CRTC, something that I find just absolutely bizarre—has indicated—he is formerly with AT&T in the United States—that they are interested in purchasing the Manitoba Telephone System. He made that comment several months ago.

I am wondering what your response is to the prospect that this company either in this go-around or perhaps at some time in the near future may be attempting to get control of the Manitoba Telephone System.

Mr. Jacob: Well, that does not surprise me at all. Why would they not? The MTS has proved to be a profitable organization. From their point of view, it will be a good deal. I mean, you look at how when we sold off the cable thing, we sold it for a fraction of what it was worth. What kind of deal would they hope to get with MTS?

Mr. Ashton: Well, one question that often comes up, and I get this from people too—there is a dilemma here. The government tries to sort of make MTS sound like it is in some critical financial shape, which is kind of tough when you look at the fact that it has been making a profit consistently. It has made more than \$100 million the last five years. What is interesting about AT&T Canada, the one thing I forgot to mention, is that the three other partners with AT&T Canada are the banks. I mentioned this in committee before, but a lot of people are not aware of this, but the banks are not that—they do not make that much profit, really. We just think they do. There are other parts of society that actually make more and one of the sectors of society that makes more is privately owned regulated phone companies.

So I am wondering if that, in your opinion, is not an explanation in and of itself why AT&T and three banks might be interested in Manitoba Telephone System, and that is that historically it has proven to be more profitable than the banks themselves have.

Mr. Jacob: Well, it certainly does not surprise me that the banks would be involved with AT&T, and it certainly does not surprise me that the banks would want to get into telecommunications. They seem to be getting into just about everything this past little while.

Mr. Ashton: It is interesting too about these little networks out there because we also have this interesting network of three brokerage firms which are also, a number of them, tied into Canadian banks, CIBC, Wood Gundy, which just happened to be paid \$300,000 by the government to help the government make up its mind on whether it wanted to sell MTS. Now, that is what we are supposed to believe here. Now, I am just wondering, and just objectively looking at this, did you think there was any doubt at all that these three investment bankers would, surprise, surprise, select out of only three options, that the only option that should happen is that the company be sold off when those same bankers now are the lead brokers in the sale. They are actually going to benefit from the sale.

Do you think there was any validity to this whole report when it is pretty obvious to my mind and anybody's mind that there was a real conflict here?

Mr. Jacob: Yes, of course, there was a conflict there. Wood Gundy could not help but find that it would be in the interests of themselves to take part in the sale of MTS or anything else.

Mr. Ashton: Yes, someone earlier likened it to the fox—actually indicates three foxes being asked to provide a report on whether to do a raid on the chicken coop. What makes it worse here is that the government actually paid \$300,000 for this seven-page report.

* (0250)

I just want to focus on something that has come up a lot. You know, you do not usually hear people coming in and criticizing government over its ethics. Usually people are mad over an issue, but a lot of people have talked about this; I have as well. I mean, I will be up front about it. I just think the whole process, the whole fact of selling off something as fundamental as MTS, and when you said you were not going to sell it in the first place, is absolutely unethical. I am wondering if you could express your views on this to the government members again and, hopefully, with a mind of persuading those two members to support our efforts to kill this bill, what you feel about the ethics the way the government is dealing with this issue.

Mr. Jacob: Unfortunately, the government has really behaved in an unethical and, in fact, sleazy manner. I do not like using that word because it sounds insulting, but what can you say? You just look at the whole process through which this has gone, and it is not democracy. It is not right.

Mr. Chairperson: Thank you very much for your presentation, Mr. Jacob.

Mr. Jacob: Thank you.

Mr. Chairperson: I call next, Heinz Saleski. Heinz Saleski. Have you a written presentation for distribution, Mr. Saleski?

Mr. Heinz Saleski (Private Citizen): No, I do not.

Mr. Chairperson: No, welcome to the committee this morning, and you may proceed.

Mr. Saleski: Mr. Chairperson, members of the committee. I speak for the first time in public. Please be patient with me. I have a few points where my concern is. One point is when a person gets to a certain age and his income is not too great and there is something coming up like now you are going to sell the Manitoba Telephone System and that person is not healthy, he needs the telephone. How can he keep the telephone if he is not able to pay for it? A company would never buy this Manitoba Telephone System if they do not make some profit on it. They are expecting a huge profit probably, out of it.

The Manitoba Telephone System is developed in the rural area very good. If somebody moves out, if you go around a section, you can see all the connections. The company has to connect the telephone and right away they can charge the people. That is why the private sector is interested to buy this company, because there is a huge profit coming, and not to mention the Internet, there is a huge profit coming too. I do not understand this government, why he is selling now the Manitoba Telephone System where it is going to bring profit in. All the time the taxpayer had to pay to develop this huge net in the rural area and everywhere, and now where the profit is coming in you are going to sell it.

The other point is how many people are in the same situation like I am who are not healthy, not have the proper income, live under the poverty line, and when this telephone company is sold, definitely the rates are going up, and then we cannot afford to keep this phone anymore. I live by myself. How do I contact somebody when something happens to me? Do I have to break my window so that the people know that I am sick, that I cannot get out?

The other thing is what do you think how long the public telephone booths are going to be for 25 cents? The government made a nice loonie in the beginning and then he made a toonie, and I bet you the private companies are going to like this toonie, and then you have to put it into the telephone system if you want to make a phone call. Who can afford it? You really should consider this, and if you are a responsible party and you not only are representing the rich people, but you should represent all the people even if they have not voted for you. You should represent them too, because they are Manitobans.

If you have a little bit of conscience you will consider this and think it over again, and I think there are a lot of elderly people who are living out there where the children are working and they are not living together. The people live for themselves and when the children come home they may fix a phone call and phone their parents how are you doing, are you still alive? This would not be possible anymore when they cannot afford to pay the telephone rate. You are going to take this systematically. You dismantle everything. This is a chain reaction when you sell this telephone and everything goes up, the business people have to pay more, the city has to pay more. Our Manitoba government has to pay the telephone on this private company. The tax has to go up at this moment drastically to cover the costs. Have you considered this? I do not think so.

The communication is going to break down in the families, in the friendships, because you cannot communicate. There are no phones anymore. These open public phones, if the new owner has huge expenses on it because of damage and they have to fix it, automatically they are going to get them taken out of the system, and you will not have any phone on the corner anymore where you can go and phone. Where do you go to phone when you do not have a phone anymore? Are you going to go to the next police station or the fire department to make a phone call?

When there is a break-in, when somebody enters your house—let us say there is a couple living, 65, 70 years old. Now they have a phone. They can go to the phone and can call when something is. They will not have this possibility anymore. It has been taken away. They have to take their coat and maybe run one and a half blocks down to the open phone there and make a phone call for the police if they are lucky, if they can get out of the house.

These are all things that really should be considered from the government, from a responsible government that I had always faith in, and I slowly lose faith in this. I have been in Manitoba for 16 years. In the beginning I really liked this province. I experienced things. I had a motorcycle accident in '82. These are 14 years where I am fighting without a buck to get a settlement. This is disgusting in a democratic system. I always believed in a democratic system. If this democratic system is only for the rich people, then I think there is something wrong in our society. That is all that I would like to say.

* (0300)

Mr. Chairperson: Thank you very much, Mr. Saleski. I certainly appreciate your presentation, and it is obvious that you have had some very significant feelings.

Mr. Ashton: I just wanted to thank you for your presentation and for the courage in coming before the committee. It is late, it is very intimidating, and I would appreciate talking to you personally afterwards too, in terms of that particular circumstance. I think that it is probably the best venue. I really want to thank you for coming forward tonight. It is stressful enough at the best of times, but particularly with the lateness and the rest. Thank you for coming out.

Just as one brief question, if I could, you mention about the phone service, how important it is to people, what concerns me, we have 97 percent of people in Canada having phones; a lot of countries do not have that. In a lot of countries it is more of a luxury than it is something for everybody. I am wondering if you are not concerned that is the direction we are going to head here in Canada as well and here in Manitoba if we privatize the phone system.

Mr. Saleski: I think in today's society, a telephone is not a luxury anymore. It is necessary for the people, because it is the only way to communicate most of the time, so you cannot call it a luxury anymore. It was maybe 50 years ago. You could say if somebody had a phone it was a luxury, but not in today's society. Wherever you go, even if you go look for a job, you fill out an application, they are going to say, we will call you. How can they call me when I do not have a phone? How can they contact me? If you say, oh, I am sorry, I do not have a phone, you are written off already. Nobody thinks to contact you by writing a letter; it is much too costly for this employer.

Mr. Ashton: Well, I appreciate that because the other people mentioned that as well, even for the most basic thing as getting a job. I think there are probably a lot of employers who, by definition, would net out people who do not have phones, not just because they cannot contact them, but because they may rationalize, well, you know, how are we going to get hold of this person if we need them to come to work, call them in on a shift. For the life of me, I get really scared when I see the prospect that we can go from what we have in Canada—in Manitoba, 97

percent of people having phones—to the American system, which is already slipping. You start seeing the first people to lose their phones or people in the rural areas or the poor—

Mr. Saleski: They are elderly people who have a small pension. I am sorry. The elderly people who have a small pension. They probably will not have the opportunity to pay the increase that is going to come up.

Mr. Ashton: What is interesting, too, is I had a person phone me a few months ago. She said, "I cannot come to any of the meetings you are holding on MTS." She said, "I am a senior citizen." She told me she remembered the days when you had to be pretty well off to have a phone. What struck me, she said, you know, it was not that long ago in Manitoba that was the case. Her concern that she asked me to express to anybody that would care to listen is that she did not want to see that happen again. She told me if the rates on her phone go up even a few dollars a month, she would have to cancel it. She is on a very, very fixed income.

I am wondering, just to finish off, if you had the chance to talk privately to some of the Conservative MLAs to try and persuade them to be one of the two MLAs that could vote with the opposition to defeat this bill, what you would say to them based on access, and some of the other issues you mentioned to try and change their minds and vote not to sell off MTS.

Mr. Saleski: I really could not follow what you were saying.

Mr. Ashton: I was just asking to say what you might say privately to them, personally to get them to change their vote, so they would not be voting to sell off MTS.

Mr. Saleski: I think that our government is a responsible government and is going to think it over again and make up some decision on not selling the Manitoba Telephone System, because it is going to bring more profit in now because of the Internet and all this, what is coming up on the other thing. The dangerous part is getting this privatized, the rural areas are going to lose, maybe far up North they are going to lose their phone because it is not profitable. The new owner says, if it is not profitable, I will get rid of it. Like lots of railroad lines got shut down.

Mr. Chairperson: Thank you very much for your presentation, Mr. Saleski. The next person I call is Lori Pilano. Have you a presentation for distribution, Ms. Pilano?

Ms. Lori Pilano (Private Citizen): No, I do not.

Mr. Chairperson: Welcome to the committee. Please proceed.

Ms. Pilano: All right. Well, after sitting here and listening to all the presentations so far this evening, I am not sure whether I am one of the last people here to present, or whether I am the one that is supposed to sit here and read the obituary for MTS.

It is unreasonably late, so I will try and keep this short. Most of what I have said, you have heard it all before, the past number of days. I think this repetition is a bit of an indication that it is your duty and your responsibility to take the concerns of Manitoba citizens back to your members, back to the House, to tell everybody in all the parties exactly what the people of Manitoba do think.

As I said, I will try and keep it short. I have a couple of basic questions. One of them is, exactly what kind of a person or an organization is it that decides to sell off something that is profitable? This is something I do not understand. If anybody can explain it to me, I would appreciate that.

The other question is, who sells or gives away what is not theirs? Moreover, without asking at all. Is that legal? What would happen if I were sell, say, my brother's guitar without asking him? He writes music. He makes money with that guitar. I sell it, I do not ask him. The cops do not tell me that is okay. It is an interesting thing to consider. Double standards again.

Again, the Conservative government here in Manitoba does have a mandate. It is a mandate which was received from the people of Manitoba in the election of 1995. This mandate, however, is partially based on the repeated assurance that they were not even considering selling MTS. If the government does sell MTS, even the most elementary democracy theory says that there is no mandate, that the government no longer has a right to rule. You have heard it before, but I have to say it again because it does not seem to be getting through.

One of the things that has been mentioned is people on fixed income, and the problems of getting a telephone, especially if rates increase for those people. This includes students. Many students are living on very fixed and very low incomes. I am a student myself. I would like to remind all the people here that a society that repeatedly keeps its youth down literally has no future. We have mentioned the grand possibility of job opportunities being missed by lack of a telephone. Do you want more unemployed students out there? Is this what we are aiming for?

I am a student, but this particular case does not apply to me. Why is that? Because I am employed. More than that, I am self employed. I am working hard to keep myself afloat in this era of jobless recovery. My business employs four people right now. We are also expanding fairly significantly. I am quite proud of that, and I think I have a right to be. I am, however, slightly worried, because my business relies very heavily on long distance phone usage.

* (0310)

Now, our budget currently is in a very delicate balance, and I have great fear that if the rates do go up, as has been the example in Alberta, we will no longer be able to continue to operate our business, and that will mean four more unemployed students, two of them with masters degrees. I hope that is not what you want.

Just to close this off, I want to remind the committee that every person who has presented to this bill represents many, many more, the people who could not come out for various reasons, people who normally do not come out but may share these opinions. I am really proud actually of being a citizen of Manitoba where members of the public can come and present to these committees. So let us not make this an empty shell, okay? Listen to what the people have said. We do not support the sale of our MTS. Thank you.

Mr. Chairperson: Thank you very much, Ms. Pilano. Are there any questions?

Mr. Sale: Ms. Pilano, you have said how dependent your business is on telecommunications. I know that one of the things that government members like to remind people of is that long distance rates have come down in

the last few years, and of course that is true, but the basic system rentals and the charges locally have not come down, on the contrary.

So I am wondering just roughly what proportion of your budget is telecommunications. Is it a tiny piece? Is it a big piece? Can you guesstimate how big a proportion it is?

Ms. Pilano: As the section of our marketing budget, it is the highest proportion of anything else.

Mr. Sale: You know, whenever I talk to small business people, especially people who are starting out, I am always impressed with how carefully they have done their homework, and they have got a business plan and a marketing plan and they know where they are going, and yet we had today the spectacle of a Premier who finally in the hall acknowledged that yes, indeed, they did have some studies done by unnamed people. The press asked them, well, who did them, and they said, well, people who do this kind of work. They said, well, the NDP has put out an analysis by a telecommunication expert in Toronto who does rate work for various groups. Why do you not put your's out? The Premier said, well, this is received for cabinet. This is not something that should be public. This is private information; this is not public.

Well, if it makes the case that it should be sold, surely it would be something the government would want to have out, just as your business case making the case that your business can succeed is something you would want people, your bankers in particular, to know about. So does it suggest to you that perhaps the Premier's case is not quite as airtight as he would like us to believe?

Ms. Pilano: That is an interesting piece of information. I had not actually heard that yet today. I think, yes, it would be a very good indication if these reports which supposedly would recommend the sale of MTS, if those are not made public, I would question them. I would question them quite significantly, because, as you have said, I know that it is important to make sure that your shareholders, the public, your bankers, they have to know. They have to know what is going on. People do not just—I mean, as somebody who has gone through the process of trying to build up a business, I know people do not just throw money at you. You have to know what you are talking about, and you have to be able to prove it

beyond any reasonable doubt. This government has not proved to me beyond any doubt at all that the sale of MTS would be something that would be helpful in my case or in the case of many other people in this province.

Mr. Ashton: What I find amazing, to follow up on the line of questioning, is that we have got a seven-page document issued by these investment bankers that recommended the sale. We do not have a business plan. The government does not know the cost of borrowing for the private company. The government has not finalized tax liabilities for the company. We do not even have the prospectus of the company or any information on the exact amount of the sale.

It is funny, you used the analogy before, because you mentioned about your brother's guitar, and the equivalent of what the government has done, to my mind, would be you going to your brother and saying, I want to look after your guitar. Do not worry. I will not sell it, and then turning around and selling it to somebody. Your brother comes and says, you promised not to sell it, and then explaining, do not worry, I have sold it to this person. I do not know what the price is yet, and by the way I extended the guy a loan here to pay for half of it, but it is in your best interest. You can still use it, but you have to pay rent to the guy that has bought it who has not paid for it yet.

That is what they are doing with our telephone company. These great business brains on the government side, they have not even dealt with the most basic information. I wonder how you feel, someone who is running a small business where you have to have a business plan, you have to know how much it costs you to borrow. When you buy something, you have to know what the price is. When you sell it, you have to know what the price is. Maybe even more than just giving a few comments, can you maybe give these people some advice on how they can run the government here?

Ms. Pilano: H'm, that sounds like an interesting invitation.

I am not actually sure how to respond to that. It just seems so obvious to me that the way to run a business is to make sure that this information is out there, to make sure you know what is going on, and to be on top of things. Above that, you have to be able to share that with

your shareholders. That is the way the system works. This information, I do not feel, has been adequately shared with the shareholders who are the citizens of Manitoba, people like myself.

Mr. Chairperson: Thank you very much for your presentation, Ms. Pilano.

That was the last person on the list. I will revert back to the front of the list, and I will call Barbara Strong for the second time. Barbara Strong not being here, she will be dropped off the list. I will call Randy Taylor. Randy Taylor, not being here, will be dropped off the list. Eleanor Johannesson. Is Eleanor Johannesson here? Will be dropped off the list. Darrell Arnold. Is Darrell Arnold here? Will be dropped off the list. Geoffrey Hayden, not here, will be dropped off the list. Veronica Sichewski, not here, will be dropped off the list. Joan Collot, not here, will be dropped off the list. Henry Bannman, not here, will be dropped off the list. Pat Allen Krawec will be dropped off the list.

Tim Agren will be dropped off the list. Ernest Borland will be dropped off the list. Ben Carson will be dropped off the list. Edith Carson will be dropped off the list. Kevin Dearing will be dropped off the list. Khalid Mahmood will be dropped off the list. Leona Penner will be dropped off the list. George Brown will be dropped off the list. Henry Bauer will be dropped off the list. Glenys Ackland will be dropped off the list. June Wieler will be dropped off the list. Florence Wiens will be dropped off the list. Michael Chaikoski will be dropped off the list. George Bedwell will be dropped off the list. Debra Mason will be dropped off the list. Paul Hesse will be dropped off the list.

* (0320)

Mr. Ashton: I just want to advise the committee that I was advised by another member of the public who is here that Mr. Hesse in fact will be returning in the morning—I will just quote from the note I received—because the Clerk's Office told him that he would be heard then because it went too late for him tonight. So I want to put on the record that Mr. Hesse is being, at 3:20 in the morning, taken off the list even though he will be here tomorrow morning, and I think it is very unfortunate, Mr. Chairperson.

Mr. Chairperson: Thank you, Mr. Ashton. Esther Fyk, not here, will be dropped off the list. Walter Nilsson will be dropped off the list. I call Raymond Pinchaud. He will be dropped off the list. Dennis Ceicko will be dropped from the list. That is it. Those are the last ones on the list.

I have now called all the names that were registered. The committee will now proceed to clause-by-clause consideration of the bill.

Mr. Ashton: Mr. Chairperson, it is bad enough that the committee would deny members of the public presenting through this process we just went through, but we are not prepared to deal with clause by clause at 3:22 in the morning, particularly when the government has—I received a package of approximately 20 to 25 amendments about six o'clock this evening. I would move that this committee adjourn.

Mr. Chairperson: What is the will of the committee?

An Honourable Member: No.

An Honourable Member: Let us do clause by clause.

Voice Vote

Mr. Chairperson: There is a motion before the committee. All those in favour that we adjourn, say yea?

Mr. Chairperson: All those in favour of the motion, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: I declare the motion defeated. Mr. Ashton?

Mr. Ashton: I move

THAT this committee do now adjourn and reconvene at 9 a.m., Wednesday morning, November 6, to begin clause-by-clause consideration of Bill 67.

This is debatable.

Motion presented.

Mr. Ashton: Mr. Chairperson, I want to indicate that I believe this committee now is turning into a sham. We went through a situation earlier tonight, where we said that people, their names would be called. I want to note for the record that people were dropped off the list at 3:22 in the morning, including a number of people that we have already identified who are going to be here first thing tomorrow morning, at a scheduled committee meeting—announced by the government—prepared, willing and wishing to make presentation on Bill 67.

Now, not only on top of that, the government is intent on burning the names off, they at this point in time are now saying they wish to proceed with clause by clause at 3:25 in the morning on Bill 67. Mr. Chairperson, I point out that our motion deals with the fact that we have a committee meeting scheduled for tomorrow morning at 9 a.m. Now the government would not extend the courtesy to the members of the public to be able to present to that committee. The least the government should do is hold off the clause-by-clause considerations of Bill 67 until that committee meeting tomorrow morning.

I want to indicate that the government has dumped approximately 25 amendments, that I am aware of—I received a copy at six o'clock this evening. I have been in committee since 6:30. I have not had the opportunity to look at those amendments. I want to say, Mr. Chairperson, I find it amazing that the government would be intent on proceeding on clause by clause on a bill as significant as Bill 67 and detailed as Bill 67 at this time in the morning. I mean, is there not anybody on the government side that does not see that they are making a mockery out of this process? I mean this is a complete and absolute sham.

This is the Manitoba Telephone System, something we have owned since 1908, and we have heard presenter after presenter after presenter say that the government has no right to sell it off. I have sat here, and I have only missed I think about two of the hearings, and I have counted three that support the government. Three. Now, we have heard, Mr. Chairperson, from—and you can provide them with the exact information—dozens, over

100, 150, 200, whatever the exact number of presenters solidly opposed. I want to give the committee some reflection on this because this is very relevant to why I find it bizarre that the government now would be rushing through clause by clause. For members of the public that are still here, clause by clause is where they start pushing through the bill. They start passing it section by section, clause by clause, word by word, comma by comma, and all 25 amendments that they want to move changing the section numbers.

We have listened to people such as the Manitoba Society of Seniors, the Union of Manitoba Municipalities which represents 166 rural municipalities. We have heard from MTS retirees who have come in here and said, it is outrageous that the government is suggesting in this bill, Bill 67, that it is deemed consent to have their pension plan ripped out of the Civil Service Superannuation and put in a private plan. They have said in no uncertain terms that they do not accept that, MTS employees and the MTS union. One of the worst information has been when this minister turns around and says, oh, MTS employees all support that. We have seen MTS employees stand here and look the minister in the face and say, you do not have any right to do this to our telephone company. We have had individual seniors, we have had organizations representing, we have had the Action Committee on the Status of Women, we have had people from church groups, we have had people from antipoverty groups, and we have had a lot of citizens, a lot of whom, Mr. Chairperson, have said very clearly they do not normally come to these kind of hearings, felt rather intimidated, a lot of them first time they have ever presented in a committee like this.

You know what makes me the most sick about what we are dealing with now is this government does not even have the decency to say, well, we will sleep on it. They do not even have the decency to do that. They just want to proceed now to ram through clause by clause on the bill, Bill 67, at 3:27 in the morning. Well, Mr. Chairperson, I hate to say this to the government, but you know what, you may have a majority in this committee, but you are going to have to hear a bit more.

To the member for Portage (Mr. Pallister) who took some offence to members of the public here being angry about what this government is doing, and I have never heard such strong language in a committee of this

Legislature from members of the public. I mean, when you get people who come in here, a gentleman today who said, you said to me and the Glenwood community—said about Mr. Filmon, that he said in the Glenwood Community Club, in front of 108 people, one week before the election, we are not going to sell off MTS.

Is it any wonder that people are angry, that are using words like “being deceived” and “lied to”? I have heard every possible word used, you know, the government being unethical. Has it not dawned on one government member that just maybe along the line there that what they are doing is not right? I do not know what it takes. We have had people come before this committee and say, you know, I have got no political affiliation, normally I vote Conservative, I always voted Conservative. It is even their own supporters who are saying that.

Do you not listen to the Union of Manitoba Municipalities, a nonpartisan organization that represents 166 rural municipalities? More than 50 municipalities have passed resolutions opposing the sale of MTS. The Manitoba Association of Urban Municipalities was not here today. They have passed a resolution, though. So the two umbrella organizations representing all the municipalities in this province have said: Do not sell off MTS. You know it was funny, in the early days of the committee, I remember members of the government heckling the people who were—

Mr. Chairperson: Mr. Ashton, allow me an interjection for just a moment.

Mr. Ashton: Yes, Mr. Chairperson.

Mr. Chairperson: I want to remind you that we are debating a motion. The motion is very clear, very simple. It simply says, we want to adjourn and reconvene tomorrow morning. Would you address your remarks to the motion, please?

* (0330)

Mr. Ashton: Mr. Chairperson, I am addressing my remarks to the motion because I am referring to this committee process and why this government should at least show the common courtesy of, you know, sleep on it, think about it. Think about the many presentations I have referred to because we have heard individual after

individual, group after group come in before this committee and say that this government does not have the right to do what it is doing. I say to this government: MTS is not yours to sell. You know you did not tell the truth in the election. You do not have a mandate to sell off MTS, and I do not know how many more people it takes for you to hear, the members of the public, to get that message. I know you do not get that message from the public outside of this building because this is a government that does not even have the courage to step outside of this building and have a single public meeting.

Why do they not have a public meeting? Because they know that the people of Manitoba will say the same thing that the people before this committee have been saying day after day, hour after hour until 3:22 in the morning, that this government is a corrupt government, that this government is unethical and it has no mandate to sell off MTS. The biggest offence on top of this is that you right now, this government sits here smugly with its majority on the committee not only ramming through the public presentations, but now wants to ram through the clause by clause on the consideration of this bill.

We have owned MTS since 1908. You are not even giving it a decent burial here. You do not even have the decent sense. I remember somebody talked, one of our last presenters talked about this, about writing the obituary. You know, MTS has served us well. I say this to each and every individual government member on this committee, what you are doing here is despicable.

You did not stop with just using the MTS name for your own propaganda and spending the taxpayers' money on \$400,000; you do not even want to give MTS a decent burial, do you? Nine o'clock on Friday morning, all you care about is the stockbrokers who are going to have their way on MTS, so that two out of the three investment bankers that you paid \$300,000 are now going to go out and sell off the company. That is all you care about.

Mr. Chairperson: Mr. Ashton—

Mr. Ashton: You do not care about the public or public submissions, Mr. Chairperson, and I say this to the Minister responsible for MTS (Mr. Findlay)—

Mr. Chairperson: Mr. Ashton, I am going to interrupt you once more—

Mr. Ashton: —because I think it is absolutely despicable that right now you are ramming through the clause by clause, because you want to meet the deadlines that you have already set, going back months with the stockbrokers that you paid \$300,000 to tell you, yes, surprise, surprise, that the company should be sold.

Mr. Chairperson, I know what the minister will say after I am finished, what he said after every member of the public spoke.

Mr. Chairperson: Mr. Ashton, again, I ask you just for the courtesy. I will remind you that you wrote the motion, I move that this committee be adjourned and recommend and reconvene at 9 a.m. Wednesday morning to begin clause-by-clause consideration of the bill. That is the motion we are debating, Mr. Ashton. You know the rules well.

Mr. Ashton: Mr. Chairperson—

Mr. Chairperson: So I only ask you the courtesy, that you extend the courtesy to this committee and abide by the rules that we debate the motion.

Mr. Ashton: Mr. Chairperson, I am abiding by the rules. I moved the motion that is in order and it is debatable, and I am debating it, and please do not add to the difficulty we are in, in this committee, by doing anything else other than allowing me to debate this.

Mr. Chairperson, the reason we moved this motion is because we do not accept that this minister has to dance like a puppet on a string for an agenda that he has set months in advance. We are here to represent the people, and we are doing it by asking that this committee operate in a normal fair fashion. I mean, do not make a sham out of this. You know what I find the most offensive is whenever we raise concerns, all the minister does is he goes out and he says, oh, that is all rhetoric. Well, I do not know what is rhetoric about saying you said one thing in an election, and you did not tell the truth to the people then and you are doing the complete opposite. You want to call that rhetoric? You know what I call it? I call it honesty and ethics.

I have been elected five times, and I have never once told the people of Thompson a lie. You know, sometimes I have had to go and say to people things that

people did not like, and you know what? I would not be here today, because people in Thompson remember if you tell them a lie, they will remember down the line. I cannot believe—I mean, this is not just a small item, this is the Manitoba Telephone System that you are dealing with in this fashion here. What is your concern about the situation, the deadline of Friday at 9 a.m.? I mean, that is what you are telling people on this toll-free line, Mr. Chairperson, 9 a.m. I also happen to know that you have this travelling road show scheduled, the Barnes company based in Toronto, Ontario.

The first meetings are set, the 14th and 15th of November, with the employees. I know that because, you know what, Mr. Chairperson, because I have talked to a lot of the MTS employees and that is where I have got the information on that. I know what is going on. You have the schedule all set. You have had the schedule set for months. I think you had the schedule set probably going back even before you made the so-called announcement. I think the schedule was set and it is interesting because I wish we could summon some of the people sitting on the side of the table who pop up, especially Mr. Benson, who seems to pop up anytime MTS is involved either in a standing committee or apparently when discussions of MTS have been included at board meetings, because I would like to know what Mr. Benson knows about when this decision was originally made.

It is interesting, I see the minister in my line of sight here, because I wonder if I am really perhaps being unfair to the minister because I wonder if the minister even knew about a lot of the things that went on. I have often begun to wonder, Mr. Chairperson, whether the minister, when he told me in September of 1995 there were no plans to privatize MTS, September 26, I thought he was not telling me the truth. You know what, what if he was? What if he honestly thought that?

I wonder if Mr. Benson or Mr. Tom Stefanson, who with his private agendas as he talked about at the last committee meetings—you know this is the chairperson of MTS—who did not want MTS to remain publicly owned because he said it was such a terrible burden, they have to be responsible to the Legislature and, God forbid, they would have to get ready for Question Period. You know what that individual said on the record? I challenged him. I said, what Question Period? I have been critic for a number of years, I mean is that onerous to have to

prepare information to answer. You know what he said? He said there were questions asked in 1991. My God, I do not know Mr. Stefanson that well, but if he is that far off the mark that he is making comments like that on the public record, I do not know why he is the chairperson of MTS. He does not have capabilities, I believe, to fulfill that role if that is all he can say, and I go one step further. I think he betrayed MTS when he did not even take the issue of the sale of MTS to the MTS Board.

The cabinet and Mr. Stefanson—Mr. Stefanson, the chairperson of MTS—they were the ones that decided. They did not even take it to the MTS Board. You wonder why I am concerned about process here? Think about it. The statement in the election—no plans to sell off MTS. The Premier (Mr. Filmon) said in the House the same thing. The minister said the same thing, September 26, 1995. We have clear evidence; the fix was in. We have clear evidence. They made the announcement May 2, two days after they got this consultants' report. When did they appoint the advertisers for this? We know it was at least in April. The First Minister has confirmed in the House that this contract was directly related to the sale of MTS, so they appointed the advertisers before they made the decision. Mr. Chairperson, even this government would not do something like appoint advertisers for a sale that was not going to take place. So all the way along we have not been told the truth.

I actually almost believed the minister when in March of this year, after they had not told the truth up until September, after we found out from people in the investment community that this government had appointed these investment bankers, guess what, Mr. Chairperson? We raised it in the House and they issued a press release later in that day saying that they had appointed these investment bankers.

Do you know why that is significant? Because in March the same minister—I was going around the province saying be careful, they are going to sell our phone company, do not trust them—he was sending letters to people who were writing to him saying we are going to deal with it in a very public way. Proof of this is the way that the Premier (Mr. Filmon) announced this publicly in December. I thought, oh, my God, I mean, the only reason they announced it in December is because we asked them a question in Question Period.

* (0340)

Do you know what the same minister said as well in March in a letter dated March 1? I have letters from people all over the province. He said this decision will not be made without a very public discussion. That was March 1, and they made the announcement May 2 without one single public meeting. Then this same minister had the nerve to turn around, when we went around and said you have got to listen to the people, the same Minister responsible for MTS (Mr. Findlay), do you know what he said? It is too late.

Mr. Chairperson, I find it mentally exhausting trying to deal with people who have such difficulty with ethical processes in government as this minister and this government. You promise public discussion; then you turn around and you announce the sale; then you turn around and say it is too late. I say this to the minister, there was not a single vote that had taken place anywhere in the province of Manitoba, anywhere on this issue then. But you had the nerve to say publicly it is too late. There had not been a vote at the Legislature. The first vote in the Legislature took place when? When we voted on the second reading of this bill to bring this bill to committee. When was that? Two weeks ago. You wonder why we get so concerned about process.

Well, it is bad enough, right? It is too late. No public meetings, not a single public meeting held by this minister who promised public discussion. We get into the fall, what does the government do? Well, they can run but they cannot hide because they have one slight problem. What is the problem? Every bill that goes before the Manitoba Legislature has to go to what? To public hearings. Now strategy is very clear. Rural and northern hearings? No, no, we cannot do that.

It is interesting though because I can look around this room and point to government backbenchers who have been holding public hearings everywhere possible in the province, 30, 40 meetings. The member for St. Norbert (Mr. Laurendeau) was up in Thompson. Very well received. Met about the child care issue. That is an important issue, and I congratulate him for doing that. I think the member for Portage (Mr. Pallister) in his previous life did a thing in terms of he did consultations around the province in terms of small business regulations, an important issue. We have seen the

member for Riel, Mr. Newman, holding hearings throughout the province on our civil court procedure. Mr. Radcliffe, now what did he do? [interjection] Child and Family Services. Wait a sec, Mr. Chairperson, the committee that is looking at the Child Advocate—this is a Legislative committee—agreed to having public hearings outside of the city, but when it comes to MTS, oh, no, no, we cannot do that, that has never been the case, no, we cannot do that. Only here in the province, we cannot have public hearings.

It is interesting because he went around the room—the government members, and I felt sorry for them having to be the trained seals on this one, because every single one of them I think, bar one or two, headed public hearings throughout the province on some issue or another in the past three, four, five months, but not on MTS, not on MTS. No, we cannot have rural Manitobans and northern Manitobans, they cannot have public hearings in their area. Does anybody perhaps have the courtesy in the government side to admit why? Do not kid yourself and do not kid me. I sat in here and I have been heckled, I mean I have been called all sorts of things personally, and I hear people say it is not an issue in my area, I do not get many calls on this issue. Hey, listen, you know, if you are an ostrich and you stick your head in the sand it is very easy to say I do not see any sunlight out there. You can stick your head down so far you will not see anything, Mr. Chairperson.

I mean, the bottom line is here, the reason you did not want to go to rural and northern Manitoba is why? It is because you do not have any support. I mean, the UMM, I saw the looks on the faces of the government members when the government members came in, the Union of Manitoba Municipalities. You know, I did not hear any reference about union bosses when the Union of Manitoba Municipalities came in, 166 rural municipalities opposed to privatization. You know, you did not want to go out to rural and northern Manitoba for one reason, you were going to get dumped on by person after person, and not only that, you would get dumped on by a lot of your own supporters.

You know what is great, Mr. Chairperson, I have had public meetings and you know what the interesting thing is? I mentioned some of the communities I have been in recently. I was in Morden, and we had people tonight in Gimli and Teulon, and I have been in Neepawa,

Minnedosa, Virden. I have been all over the province. I have been a travelling road show. I have held public meetings, and guess what? It is interesting. The member for Portage knew exactly how many people showed up at my meeting in Portage. He corrected me, it was not 40 it was 33. That is interesting, because I wish he would listen as much to the feedback from those 33 people as worrying about the numbers.

But you know what is interesting, every single meeting we have had—I cannot even remember one, maybe one—there have been people there from all political stripes, and we have had people come up and say I do not support your party, I am here because I support MTS. And I have had people who have said I have always voted Conservative, why are they doing this? I must admit I felt rather strange trying to explain. I just said I wish they were here to do that. I do not know. That is why you did not want the rural and northern hearings. All right. So you got through that, you used the government majority. I mean, there was a lot of heckling going on back and forth across the table and all the rest of it. There is not anybody in Manitoba who does not know why you did not hold rural and northern hearings—do not kid yourself—because you know you are going to get a lot of flack out there.

So what did you do? We got into this process. Quite frankly, we had some procedural matters, and I thought we were proceeding along fairly well. Well, then, we hit tonight, and the real agenda came out. Quite frankly, I do not know what is going on with this government. This is the same government that chose not to sit Friday night, not to sit Saturday night, and not to call Bill 67 on Monday night. I do not set the schedule for the committee hearings; it was set by the government. I do not know why you did not want to sit Friday night or Saturday night and, on top of that, three o'clock in the afternoon you adjourned. You did not call it on Monday, but all of a sudden, you know what, I think they started sensing out there, oh, oh, there are people signing on; the public is concerned about this. You know, this is really bad here, what are we going to do?

They came in today, the solution is, and this is a great ruse here. I mean a real smart move here. You came in today, and we are going to sit tonight if necessary and tomorrow night. The government House leader announced that. You had no intention of sitting

tomorrow morning, ever. I mean, why would you need that meeting tomorrow morning? You did not want it to hear the public; you knew your intent was to drag this all night. If you are going to drag it all night, you can sit right through to nine, ten, eleven, without stopping. You did not even want that meeting for clause by clause. Well, if you did, now is your chance to put that in place by voting for this motion.

I think you once again—you know, I guess it must get easier. Once you have misled people once, it is a lot easier to do it again. I guess you did it on the big one, right? You know, trust me, we will not sell off MTS—you know, read my lips. I am going to have a top ten list here: and I think your president is not a crook; read my lips, no new taxes; and I have no plans to sell off MTS. Well, I do not know if this makes the top ten list, but the next one is, there will be committee hearings scheduled if necessary for nine o'clock in the morning on Wednesday morning. Why did you schedule those hearings if you had no intention of using those hearings for public hearings or for clause by clause. Why did you do that?

I started realizing when I started seeing the people who were not here, and I mentioned the name of Paul Hesse who is going to be here tomorrow. I know there are people out in Arborg tonight who are going to be coming in tomorrow. They are going to find a locked door, unless we are still going at nine o'clock in the morning. I suppose that is a possibility too.

Mr. Chairman, talk about deception. You did not even have the courtesy to say, well, this is it, last meeting, schedule only one more meeting. No, we had to have that one final little deception in there. I guess that is a little one, I guess, compared to the bigger ones. You know what, boy it sure worked, right? The strategy worked—3:22 in the morning, the names were burnt off. We had 50-odd people wiped off the list. Some of those people, I think, probably, were barely on the list to begin with. It is not like these people were on in the beginning; these were people who had registered. I have seen this happen before where names get called twice.

* (0350)

Mr. Chairperson, so you wonder why I wanted to make comments about process here. I started to realize what

the problem is here. It is because the government has this nine o'clock in the morning deadline on Friday, and God knows, it might be embarrassing here. I can just imagine the phone calls that might go back and forth to Bay Street. Who knows, maybe the Premier (Mr. Filmon) will have to take a trip down to Bay Street and explain to the brokerage firms and the Barnes company and the bond rating agencies, all those undertakers waiting to do their job on the corpse of the publicly owned MTS. Wait a second here. We have a slight problem, you know. It is called the people of Manitoba here. I know we promised you this deal would be a done deal by November 8, but, hey, we have a slight problem. You know, they are coming out in large numbers to the committee. They do not like the bill and we are getting beat up politically out there. I started realizing that they have to shut this down because we are getting killed on this issue by the people of Manitoba. If they do not shut it down, what are they going to say to the brokerage firms? What are they going to say to those investment bankers out there?

I said to myself, Mr. Chairperson—I keep referring back to Sir Rodmond Roblin. He stands out for two reasons in Manitoba history. One is, he established MTS, and do you know what they did? They nationalized Bell. Can you imagine the fuss that must have been heard in those days on Bay Street about those socialists out in Manitoba who nationalized the government telephone system.

An Honourable Member: Bolsheviks, I think.

Mr. Ashton: Bolsheviks. There will be revolution in the streets. Those Bolshevik Conservatives—oops, Conservatives. Well, okay. Can you imagine the courage it must have taken to be a Conservative in 1908 and say, we are going to nationalize Bell? My God, Mr. Chairperson, I am surprised that he was not toppled in some coup or something after that.

The other thing is, and since I built Sir Rodmond Roblin up here, I should perhaps mention that his exit from Manitoba politics was not quite as—[interjection] I am wondering, and this is interesting, how did he leave politics? The biggest scandal in Manitoba history and we are sitting in it right now.

An Honourable Member: So far.

Mr. Ashton: So far, stay tuned. This building that we sit in right now is the biggest scandal. They had, and I am still amazed when I read the history of this because they had people—I mean, building contract—guess what, friends of the government, the Conservative government, were sending all sorts of bills for material to the government that was never used in the building. Whoops. Kind of called corruption, I think. It was massive. I mean, the budget ran over several times, and do you know what, Sir—I mean, sorry about this here but you left under a slight cloud here. I was wondering if this was not sort of—when I looked at it—an interesting analogy to what is happening right now.

The Conservative government which for years has inherited this Conservative tradition of talking about believing in some public enterprise—I remember John Diefenbaker. There was a Conservative I respected. Imagine what he would be saying today. You know what Mr. Diefenbaker did? He fought against the Bay Street interests. The Chief. He stood up for western Canada. You know what they did to John Diefenbaker? They threw him out. They humiliated him. He ran for leader in 1967 and, boy, I think he was sixth or seventh. Do you know what? Bay Street destroyed him.

I mention that because the same Conservative party that in 1908 nationalized the phone system is now sitting here today selling it off. Now, I have used the word scandalous, Mr. Chairperson. I am convinced absolutely that this is on the level of a scandal, because this process stinks. We have not been told the truth, and you know what is interesting? We see all sorts of inside connections with the Conservative government now starting to collect at our expense. Rodmond Roblin, I am sorry, but it looks like that is one tradition the Conservatives are following today.

The investment brokers—[interjection] How can you face anyone, Mr. Minister? How can you face anyone, I mean you told me in the House two days ago that you paid \$300,000 for that report. Sir, you paid \$300,000 too much because did you honestly believe that they were going to recommend other than the sale? I mean, this is objective? Why, we have lots of analogies. Was that objective, Mr. Minister? [interjection]

They would have done it for nothing. Guess what? I think they would actually have paid to do it, because they

are making enough money now on the sale to more than do it. What are those investment brokers today? You did not tell us that. In the committee you told me there were about 15 or 17 in the field and these happened to be three of the bigger ones. What are those brokers right now? Who is in the top left hand corner of the prospectus? Who is leading this through the markets? Who is going to be dealing with the institutional brokers? One of them. Who is on the other side of the prospectus? The other, do not get confused here. There used to be three; now they are combined into two. Do you not see that there is something wrong with that and you are compounding it now by being driven by this deadline?

I am not saying you said it. Perhaps Mr. Benson and Mr. Filmon can explain this deadline here as to what commitments were made and when. But do you not think it is unethical that the only document that you have recommending the sale is a seven page report done by the same brokers who are now benefiting by the sale the most? I do not know what to say to members on the other side. Do they not talk about this in their caucus? Has nobody said, this does not sound right to me? I know there are a lot of people whom I respect on the government side. Are you not saying anything? Do you not see that this is wrong? Do you know what people out there are saying about this?

I was in Morden the other day. Morden is not hotbed of the New Democratic Party.

An Honourable Member: Yet.

Mr. Ashton: Well, yet. That is optimism for you. But let us be objective about this. Morden is not the kind of place where you get any kind of meeting going. We had a meeting in Morden. People were out. Do you know what? They are angry. I had people come up to me afterwards and say, you know, I do not support the NDP; I do not agree with your stand on this, that and the other, but I am a Conservative, and I do not like what they are doing on the phones. Do you know what they hate the most, apart from the fact of what you did in the election? That is the No. 1, but when you start talking about these investment bankers, there are a lot of people in rural Manitoba who believe that not Bay Street but Main Street, Manitoba, should set the agenda for the province. Main Street, Manitoba. The ordinary people out there;

the ones that have to live in Manitoba and work. They can find the jobs, pay the taxes even.

It is interesting. You run through the people out there that are angry about this; it is everyone. Low income; middle income; small business people. We have heard it all in the committee. This is a microcosm of what has happened, yet to this day not one government member sees anything wrong with this. Does it not bother any of the government members that—I will tell you where I learned about the role of the investment bankers; from the Financial Post. Not from the Legislature of Manitoba, from the Financial Post. The funny part was the Premier (Mr. Filmon) took some of the questions as notice. The Premier does not even know who has been hired to do the roadshow; the Barnes Company setting up meetings already for next week. Shares are ready to go. I mean, does anybody not see anything wrong with that?

* (0400)

Are the 31 Conservative members—well, let us net out the Speaker—the 30 members on the Conservative side, so immune from the reality of common sense on this? Do you know what saddens me the most on this is—I will say one thing here. I have had meetings throughout the province. I would give anything for one real public debate, the minister, the Premier, anyone, anywhere, anytime. Because, do you know what, this government has not even had the courage to put forth its arguments, get into some real debate. You know, I have to debate Fred Cleverley in the Free Press. I respect Fred Cleverley. Do you know what amazes me? Fred Cleverley has to go and carry the can for the entire government. I can run through all the arguments.

What I keep waiting for the government to do is go to a meeting and say some honest things, like with the rates. Objectively, rates are going to go up under privatization. You have applied at the CRTC in July to have that factor kept in place for all the unforeseen circumstances that might arise for the cost of privatization. You have got that right in your application, concede that. Rural and northern service, in your own document, the MTS Answers you say, well, we do not have party lines anymore. Oh, my God, that is the most infuriating thing I find of the lot. We do not have party lines because we have a publicly owned system. There are three provinces in the country that have eliminated party lines: Alberta,

which used to be publicly owned; Saskatchewan, which is publicly owned; and Manitoba, which is publicly owned. Just talk to anybody who has been in B.C., pick up the phone and ask them. You may even get through to some of those party lines that still exist there.

You know, I kept running through the list of things waiting for the government to come up with its sort of argument, its best arguments, its only arguments, for that meeting that was going to be announced, that debate that would take place, where, Mr. Chairperson, the minister would call a public meeting at the Convention Centre and say, all Manitobans, please come out. We are prepared to present our case. No, not once, not here, not in rural Manitoba, not in northern Manitoba, but do you know what? The Barnes Company based in Toronto, Ontario, is going to be holding meetings throughout the province. There is one slight problem here. Do you know what? It is after the sale has been decided by the Legislature and they are out selling the company. Is it not amazing? They can spend \$400,000 in advertising, propaganda advertising, and they can have the Barnes Company do a travelling road show starting the day after MTS is sold off.

Mr. Chairperson, you know, I have been an MLA for 15 years. I have always been able to face my constituents, and do you know what? I have been on different sides, government and opposition, and there have been some tough issues as well. Do you know what? I always faced my constituents. Why are you not doing that? Do not tell me they are not saying anything; it is not a big issue. You know the right thing to do was to have those meetings before the sale, and a lot of your people out there are asking the same question. Do you know what? If your arguments are that good, do you not think you could persuade people? Do you think the people of Manitoba do not have the ability to make judgments on an issue as important as this? Is that the real issue? You know, I wonder if that is not the case, because I believe underlying this whole thing is this elitist idea that we know best, the government knows best.

Why do you not go to the people of Manitoba, talk to them, involve them in the process. Why do you not have a process? I asked the question here because I talk about process, I talk about the issue itself. You said you were not going to sell MTS. You did not tell the truth. How

will we believe you on anything? How do we believe you on Hydro? How do we believe you on Autopac? How do we believe you on anything? I hate to say this. Maybe some of you are not going to run again, maybe you are out because you do not have to face—I want to see you in the next election go to people and say, if we are elected, we are going to do this, with a straight face if you say you are not going to sell off Hydro. Maybe you will, I do not know. Maybe you will say you will sell it off. I do not know what is going on in this province when I have to point to—I am using Mike Harris in Ontario and Brian Mulroney to support my argument of just how bad this government is. I never thought I would do this.

Brian Mulroney, in 1988, campaigned on free trade. I think free trade has destroyed a lot of the fabric of this country. I did not agree with it. I had never worked harder in an election than I did in that election. His government was re-elected. I do not think the majority of the people support it, but he had a majority of the seats based on that issue.

Do you know what Mike Harris did in Ontario? Now I want you to compare this because Gary Filmon used to say, I am a moderate, like, you know, I will not sell MTS. I am a moderate. It is interesting because Mike Harris in Ontario in the last election said they were going to review Ontario Hydro to see if they were going to sell it off. Guess what, Mr. Chairperson, do you know what happened? They reviewed Ontario Hydro. It is interesting. That is one big difference from the government on MTS. They have not reviewed it.

The second thing, they found potential tax problems related to the sale. The Premier here gets us and says, oh, there is no problem. We know what is going on. He says on rates, oh, it is all going to be a wash. We have got studies; we just cannot show you those studies. We cannot name the people that did them, and yes, I said this a few days ago, no. Do not kid yourself, no studies.

Do you know what Mike Harris did? He said he was going to review it. They reviewed it and put it on the back burner. Mike Harris. He is a pretty right-wing Conservative the last I heard, and he will not even do what he did, put it on the back burner here in Manitoba.

I would suggest to him tonight, some of the best suggestions right at the end. People are saying, what is

the big hurry? We have owned since 1908. The most it has been on the agenda for privatization even in the most direct form is since December last year, in your words, with the start of the brokerage firm. At the time you said, oh, no, there is no decision made, so a decision was announced May 2. May, June, July, August, September, October, into November, not even six months. No public hearings. Virtually, no real analysis.

I mean, no analysis. I just cannot believe this is going on. I have to read in the Financial Post that bond rating agencies are now working on finding how much a privatized MTS is going to have to pay in the commercial markets to raise capital. You do not even know how much money they are going to have to pay, and yet you have got up in the House and you have said to the public, oh, do not worry, rates are not going to be affected, it is going to come out in the wash. You do not know that. You do not know the tax side of it.

Do you think that is bad enough? I do not know how incompetent you are or how little you care about the process here. You do not know—or you have not told us—the repayment of the loan. You do not go out of the way to tell people that, under this deal, the government of Manitoba will still own a significant part of MTS's debt. You do not know what that is. You certainly have not announced it. You have not told MTS that.

I have got a CRTC application where it says in the application that they do not know their loan repayment schedule from the privatization of MTS. I mean, are you that incompetent? Are you that incompetent you do not even know what the loan repayment is? I mean, I would not sell my house unless I knew the price. I certainly would not give somebody a mortgage on it and then rent it back from them in the process. But you know what? I would at least, if there was a mortgage, I would find out what the payments are. You go to the CRTC and you have to file and say we do not know what the payments are, the loan payments are. I mean, a person running a corner store could do a better business plan than you and your incompetent government.

I do not know what is going on here. Is there nobody in the back bench that sees this? Do you not ask these questions? There are people who have run small businesses on the government side. Do you not ask these questions? You know, when we released today the

information that there was a CRTC application made in July, did not anybody tell you that? Does it not embarrass you that you go to the CRTC and you have to say we do not know what the loan repayment is going to be with MTS, when MTS has to do that because it is not defined?

I have heard people come before this committee talk about ideology. Mr. Chairperson, all parties are based on some sort of ideology. It is a blend of ideology and common sense. You know, there is not a party in Manitoba that is not a blend of different views and perspectives and different views on public policy issues, but are you that blinded by ideology that you will not even run the most basic business analysis? Are you that committed to ideology that you would make the decision and then worry about the details afterwards? Is there not something wrong with that? Do all 30 members in the government caucus—well, actually I want to be fair here. I want to be fair to this, because the government back benchers did not vote on the sale. I know that. The minister has confirmed that. Tuesday the document went to Treasury Board from the three investment bankers, on the 30th of April. Tuesday is when the Treasury Board meets; the decision was obviously made in Treasury Board on Tuesday, went to cabinet on Wednesday; Thursday morning the caucus were called in; the announcement was made Thursday morning. I was there.

* (0410)

Do you not in the government back bench question the way you are treated? I have been on the back benches, an honourable position to serve in this House, from 1981 to 1988. I tell you, if the NDP government had done anything like that without going to the full caucus, there would have been a riot, and it would have been started by the NDP back benchers. They would have demanded a say. You know what? They would have demanded answers, too. Has nobody asked these questions in the caucus? Has nobody asked what the bond rating situation is, the tax liabilities, the repayment of the loans? Have you not asked those questions? Have you not asked what the sale price is? We have this estimate out there. Have you asked for the prospectus? Has anyone in the Conservative caucus been given the prospectus? A draft, a final copy of it? The Financial Post in Toronto knows who is running the prospectus. You know, I am getting calls from constituents who are saying that they are

getting called from their stockbrokers about the sale. Has anybody on the government side been given that information, or are you going to have to read about that in the paper too? You are going to have to read about that in the paper, too, Mr. Chairperson.

I do not know what is going on here. I do not know how you persuade the government members to do more questioning and raising of the process, the analysis—I mean, the whole thing. Are you on a collective political valium here? I have never seen government members, apart from the first couple of nights, being so quiet. Usually, as soon as I open my mouth, I get heckled by about four or five government members. I get personal attacks made, as I did the first night. You cannot get a job, Steve. You cannot do this; you cannot do that. Nice personal shots.

The first night of the committee I was hearing from members on the government side, You are sure stacking the people tonight. If somebody did not show up, they let you down, Steve, did they not? Well, it was interesting because I think, as time went along, they knew, they realized, Mr. Chairperson, that this committee hearing is unique in Manitoba history. I mean, I have never seen so many people at a committee hearing, but I have also never seen people carry the load of so many. They are not just talking for themselves. They are talking for hundreds of thousands of Manitobans who have not had a say, not once, on this issue.

Are you on political valium? Is this the strategy? Maybe that is it, Mr. Chairperson. Strategy is they have come in and they have said: Do not worry about this. You have just got a few more days. Take that political valium here, just kind of chill out a bit. They are going to tell you all sorts of things. Just ignore it. The decision has been made. It is too late. That is what the minister said back in June.

Oh, my God, we have got those investment bankers; we have got to satisfy them on Friday. We cannot break that. That is a deal; that is a contract we have with them. I do not think there is going to be a question whether, I guess, that overrides their word to the electorate. Is that what they have told you? Maybe they have told you that it is not really a big issue out there. It is interesting because the coalition did a survey. Go ahead, run your own survey. Do not take their word for it.

Do you know what percentage of the population of Manitoba support selling MTS? 16 percent. Now, I figure that, if you include the Conservative cabinet, caucus and their political appointees and political friends that are going to benefit from the sale, that is 16 percent right there. Does not take much to get to 16 percent with the number of people you have been putting on the payroll, and the number of patronage deals you have had in the province. But 16 percent of the population of Manitoba support what you are doing. 16 percent. That is after \$400,000 of advertising. You tried to brainwash them. Did not work. \$400,000 and 16 percent support. Do you know what the percentage against the sale was? 60 percent in the city, 65 percent outside of the city, the remaining 20 percent or so undecided.

Now, the question the coalition asks is very interesting, too: Should it be put to a vote? Do you know what the percentage was who said it should be put to a vote? Well, that same 15, 16 percent said no. They are loyal. Those people are benefiting from the Conservative government, the few that they are. They are loyal. They do not want to vote either. I mean, sell it off, no vote. Do not confuse me with any democratic principle talk here. Let us just get rid of it. Those 15 percent, bring on those shares. We will make our money off it. All right, that is the 15 percent.

Do you know what percentage said they wanted a vote? Do you want percentage, Mr. Chairperson? Eighty percent. Eighty percent of Manitobans say, put it to a vote. Now, has it dawned on anyone on the government side why that might be the case? Eighty percent. I mean, 80 percent. They are getting down to the levels, 15 percent, a few more percent, if that drops, they are going to hit the level, the old Elvis Presley level. They are starting to hit the polling numbers where there will be more people who think that Elvis Presley is alive than support what the government is doing on MTS.

I mean, that is how out of it they are. But 80 percent want a vote. Why? Why would they want a vote? The bottom line, they want a vote because they never had a vote in the first place. My mind boggles here. I look at the Conservative backbenchers again. There are four here tonight. You did not get a vote either. You did not get a vote in your caucus. Why do you not ask the same thing? I say to government members, we may even disagree on the issue. I know you, Mr. Chairperson, and

I have had some discussions on this issue. I know we disagree on the issue. Why not put it to a vote?

Public companies, private sector companies, companies that operate, family-owned, what do they have to do if they sell off their assets? They have to have a vote of the shareholders. We had a presenter before, a small business person, she has an RRSP. They send her ballots to vote on the shares she owns. I mean, I know the Premier (Mr. Filmon) said we are shareholders in name only. Has it not dawned on you that most Manitobans think we have a bit of an ownership stake in this company?

What is wrong with having a vote? Why do we not settle it that way? I would suggest, the way to resolve this right now would be not to proceed with clause by clause, finish off the rest of the bills in this sitting. We will leave Bill 67 open. We will take the provisions of the balanced budget bill. Remember that, Mr. Chairperson? Is it not interesting, the same government that brought in a bill that said: We believe in referendums; we want referendums. I think we are taking a page out of the Reform Party book here. Well, they wanted teachers' salaries, too. I forgot about that. But on tax increases, you want to increase the payroll tax that businesses pay, income tax or sales tax? There has to be a referendum.

Do you know what, Mr. Chairperson? We have a report from the elections officer. They have a system in place to do what? Conduct referendums. Oh, my goodness, does this not sound kind of just perfect here? It is in the report. We approved the resources. I was on the committee that approved it. Do you know what? I have even a better idea. I know staff is pretty busy drafting bills. How about we just take the wording right out of the balanced budget bill? Hey, this government believed in referendums so much, here is the opportunity.

Do you know what is interesting? For the life of me, I do not understand how a government can say, we have to have a referendum on tax increase. One thing, in the future, government could do is do anything it wants with taxes, roll them back. It does not have to keep taxes in there. Tax increases are something that are changed every year in the budget.

The sale of MTS, Mr. Chairperson, well, I am not convinced it is over yet, nor am I convinced it is over

when it is over, but I recognize in the world of NAFTA, and with what the private sector will do to MTS, there may not be the kind of MTS we have known in place in three years, mark my word, in three years. I hope the government has the honesty to put this in the prospectus as well, that the official opposition does not accept this decision on behalf of the people of Manitoba, supported by 16 percent of people, then shareholders should be aware that the next government—believe you me, if you keep on doing things like this, it is going to be an NDP government—will do everything possible to get back the control of the Manitoba Telephone System, everything possible. Do you know what? If we have to challenge NAFTA, so be it.

We have to go and take on the Bay Street brokerage firms, Mr. Chairperson. Hey, maybe I will dig up some of John Diefenbaker's speeches, and I will go on the hustings with those. People should be aware of that. But, you know, take the legislation right out of the balanced budget bill, and let us have the vote on MTS. You do not have to redraft a word. The machinery is already in place. I mean, what could be a better, more democratic way of deciding it? Put it to a vote of the people.

* (0420)

You know, I will tell you what. I will say this on the record because I believe strongly, and our caucus believes strongly, that MTS should remain publicly owned. But I believe in democracy, and do you know what, Mr. Chairperson? I will put it right on the record now, if the people of Manitoba vote to sell off MTS, I will disagree with that, but I will support it. It is their decision. The people are always right.

Do you know what, Mr. Chairperson? If this government had the courage to run on MTS in the last election and selling it off, I would probably still fight the bill; I would accept the result. But they did not in the election, and unless they put it to a vote, this decision will have no, absolutely no legitimacy.

You know, Mr. Chairperson, I know that the advertising has not worked on the public. I know that. The fear I have is that some of this brainwashing has worked on the government members. I keep mentioning this, the two government members who could vote

against the bill, to save the bill. I want to see a free vote. I really want to see a free vote on this. This is the kind of issue there should be a free vote on, and then you can decide if you want to stick with the party line or the rest of it.

But, you know, has it not dawned on you, you know, the contradictions between what the minister has said? He runs around, and one minute he says, oh, we are in great financial shape, comes in and brings in the MTS annual report. Then he says, oh, but we have to sell it. He says, we cannot invest \$500 million in new technology. How much money has MTS invested in new technology? Do not even go back historically, since 1988, since you have been in government, you have invested more than that in new technology, most of which has gone to rural and northern Manitoba. They will talk about the debt, and this is the ultimate deception. They are going to, you know, out and out, selling the company is something that has a net value. Why are these people going to buy shares otherwise? But the debt was invested in the company in the rural Manitoba service. It was invested. It has been paid down, and rates have not gone up substantially. Not only that, and I know this is embarrassing to government members, you have been making a profit. So where is all this talk about, you know, what is happening?

I could get into SaskTel. I mean, my God, what does it take here to figure out a way of convincing you on this. You are going to go from a publicly owned company, where a million people back up the company—you saw the kind of support it has. People will sit here until 4:25 in the morning, Mr. Chairperson, because they believe in their publicly owned phone company. Well, let us just look at the SaskTel option for a moment. Okay, I will admit one thing here, MTS could be in better financial shape. Do you know why I will admit that? I have seen the SaskTel books. You want to see a set of books—they will beat any private company in Canada. Firstly, do you know why they are in such good shape? Because their government decided not to proceed with this bogus competition that we have seen since 1992, which has stripped away revenue from MTS.

In 1992, the Conservative government said, no, we are going to go into this long distance competition. The rates have declined. We are still hanging in there pretty good, but they have declined. Do you know what the

Saskatchewan government said? They said, no, we are the phone company, we are not going to pay to allow Unitel and Sprint come in and steal our business. I use the analogy of a corner store operator in what the government is doing, the CRTC. They are saying, it would be a bit like saying, this guy over there, we are going to bring him into your store. What you are going to have to do is set up a cashier, and you are going to have to set this guy up in business in your corner store to compete against you. We are going to have a level playing field here. The only catch is, you have to pay to set up his till. That is what you have done with the long distance competition.

Do you know what SaskTel did? They opted out of that. I will give you the last three years, what their profits are. Let us put it in perspective here. Eighty million dollars three years ago, \$70 million three years ago, and it is about \$57 million, \$58 million this year. Do you know what the debt equity ratio—and members of the public often get hit with this when they make presentation. The Tories, they like to throw out the accounting jargon, and I guess maybe because I have taken accounting, you know, I am an economist by background, I am not scared off by this. But how is this one for you? Forty-three percent, that is better than most of the private companies. Do you know what their book equity in Saskatchewan is? Four hundred and fifty million dollars. Now, okay, I want to talk about the health of the SaskTel books. The reason I want to talk about that, Mr. Chairperson, is because you never once gave that option a consideration. Well, of course not, that is public ownership; it is against your ideology. God forbid that you would deal with an NDP government in Saskatchewan on SaskTel. Well, you have a company here that is making money. Two adjoining provinces, a million people there, a million here, and they have a lot of common traditions, similar make-up in terms of a lot of rural people there, more than we have here, so it is a rural sense of service for rates. They have not had a rate increase by the way since 1992 or '93, I believe, the last three years. Hey, that is a publicly owned company for you. But do you know what? It is interesting, you were not interested in that.

So let us compare these two options for a moment. The reason I have to do this is because you do not do it, your investment brokers did not do it. Do you know what? They were given three options: status quo, recapitalize

MTS or—oh, I mean this one, I do not know how this one snuck in there—privatize it. You did not look at the SaskTel. You did not even look at other options of privatization. I had a person I talked to the other day, he said, you know, I do not agree with you on the sale of MTS. He is one of the 16 percent, but do you know what he said? He said, I am surprised the government did not look at even other options: selling off part of the business; selling off a share of the company; selling off different classes of shares ensures the government and the people of Manitoba have control at that level. It is interesting that that was not part of the agenda.

What they chose, Mr. Chairperson, was to take away from the one million people and turn us into a privately owned company. The maximum number of people in Manitoba that are going to own shares is one in 10. There has not been a privatization anywhere where there has been any more than that. That is a high number, probably more like one in 20. Well, you are shrinking the number of people that are supporting this immediately. What is interesting was they announced this, they did their big PR stuff. It must have been embarrassing. There was a telecommunications analyst in there who said, there are concerns that MTS might be undercapitalized. Interesting.

You know the government likes to say, well, we have got to deal with change—I mean, as if change is anything new, especially in telecommunications or anything new in society. But what is interesting, they talk about change and what they do not reflect upon is what is happening is that companies out there are seeking alliances, companies are amalgamating because they can deal with bigger markets. Do you know what? You know, I have had people say, well, Saskatchewan and Manitoba, is that a big enough market in terms of what is happening in other global trends? Well, interesting, are one million people in Manitoba in a private company? Is that what is happening? No, it is not.

When the telecommunications analyst talks about undercapitalization, you know what, I suspect what is going to happen is in a few years, MTS has problems facing capital, they are going to come back to the government. Do not forget the government still will owe a significant amount of debt, and they are going to say, well, you have got to take off these restrictions, not that they are much use anyway, and it is interesting, because

this is how duplicitous this government is, these great restrictions, right? You know, 25 percent maximum foreign ownership and 15 percent for each individual.

Do you know what Alberta did? You copied everything from their act except a couple of key things. They had a 5 percent restriction on individual ownership and 10 percent on foreign ownership. So you immediately raised the ante: 25 percent for ownership is allowed under this bill, 15 percent. Put that in perspective, 15 percent currently is going to be about \$60 million of shares. I hope people in this room are not disappointed, but you will not be able to own more than \$60 million worth of shares when this thing is sold. That is going to be a real problem for a lot of Manitobans.

* (0430)

So you raised the ceiling on that, but is this part of the agenda because AT&T—do not take my word for it, Mr. Bill Catucci, who is the former general manager of AT&T in the States, and I know they did not tell you this in the caucus, I can provide you with an interview with the Toronto Daily Star, where he indicated their interest in acquiring phone companies. Right now they are making a move—AT&T is making a move on one of the major resellers, the third largest player in the market. You have AT&T Sprint, they are the third largest player. Guess what? They want to get into local service. Guess what? They said on the record they would be interested in acquiring the Manitoba Telephone System. You know what? If they cannot do it now, they will just have to wait their time. They can buy it up on the stock exchange. They can wait until you pay off the debt and the restrictions come off, or you know what? They do not need to have to even wait for that. What if they do not repay the debt on this schedule, unannounced as it is, and they go to the government and say we have got a real problem here, Mr. Filmon—and this will have to be within the next two or three years while he is still the premier—if you do not give us some relief on this act and amend the provisions of this act, we may have financial problems.

You know what, Mr. Chairperson, the minister responsible for MTS immediately said, oh, the member for Thompson is being irresponsible for talking like this, I was trying to destroy the telephone company. You know what I am trying to do? I am trying to put the facts

on the table about the reality that once MTS is sold off, you have to consider things like this.

I feel sorry for anyone out there in the public right now. I have talked to seniors who think it is like buying a bond. I mean, I can provide information to members who are not aware of this, what is happening in privatized companies. British Telecom shares, you know what has happened to them? Down. They plummeted. I can take you through privatization after privatization. I can guarantee what you are doing right now with the prospectus, not even having seen it, you are going to undervalue the shares just like they did in Alberta. You will get speculators in within three months, they will take their profit, and all those people out there and all those little installment plans who are tied in for a couple years, they will go just like they did in Alberta. They will be in just long enough for the price to start to drop. That is what has happened with privatized companies, virtually down, the entire spectrum.

Look at Air Canada. Have you looked at what happened to Air Canada shares? Have you looked at what the Air Canada shareholders have now? The stock market has gone up 60 percent. What are the shares worth? They have not even gone up 10 percent.

An Honourable Member: No, they have gone down.

Mr. Ashton: They have gone down.

An Honourable Member: Issue price was 10 bucks.

Mr. Ashton: Is that going to be in the prospectus? Have you explained that? Will the Barnes company from Toronto do that? Will the minister say that I am irresponsible for suggesting that there is a risk element here, both to the company and to the shareholders?

You had no problem going around and saying there is a risk keeping MTS publicly owned. Have you never once looked at the risk of privatization? Do you not put those risks in, the risk to the company and the employment? Because you know what, the most offensive thing the minister said to me is not the misstatements, but when he suggested that I was somehow running MTS down. Every public meeting I have had, you know what I say to people? I say one thing, I say if they sell it off, I am sticking with MTS. I

will tell you why, Mr. Chairperson, because it creates jobs in my community, it creates jobs in Manitoba. But you know what? There are a lot of people will not do that. I can tell you people who said they will not do that.

Have you looked at the marketing side of it? Your investment bankers had one brief reference in there to the loss of long distance revenue being greater than predicted due to the long distance competition—is that true? Were they aware that this is not just another Stentor company? Stentor, by the way, is the alliance that represents all the local phone companies.

Mr. Chairperson, did you not tell those investment brokers that the figures that MTS has shows that our market penetration is higher than the rest of the Stentor companies, significantly higher? It was in 1995. I know the minister said, well, there has been some slippage since then, and I know where it is coming from, the Canadian Tires and Sears, and some of the phone resellers, and the AT&Ts and Sprints—[interjection]—and, exactly, public institutions, which are now using the competition. By the way, I am a member of the alumni association at the University of Manitoba, and I am thinking very seriously about whether I should renew my membership, because I, for the life of me, cannot believe an organization like the alumni association is now pushing Unitel or AT&T. It does not create jobs in our province, MTS does.

Did you not even give them the marketing information? I mean, I know this does not go down well in the Conservative cabinet, but the people of Manitoba have stuck with MTS and long distance more than other local phone companies, and there is a good reason. It is because when you own the company, you buy from it; it creates jobs, and you stick with it. You own it; you buy from it. We have heard people at this committee say that. They own the company, so they will stick with it. [interjection] Yes, you would think you would understand that: buy-local side. I could go through that document, and there are so many things in there that just are not even considered. Did you not consider the marketing impact of going from public to private? I guarantee you that there will be a loss of market. There is going to be a loss of market, and I know that because I have talked to people who will switch to save those extra few bucks, Mr. Chairperson.

So I start running through this here. Do you wonder why I get concerned about the way this government is dealing with this? Mr. Chairperson, they have not even done the most fundamental business analysis that any commerce student—a first year commerce student could do a better analysis than this. Where is your business plan? Where is your cost to borrowing? Where is your repayment schedule? Where is your analysis of the impact on the market?

By the way, I did not even get in, Mr. Chairperson, to the talk about rates. You know, my mind gets boggled with this stuff. They do not do the business analysis. Fine, they do not do the business analysis, but what about the thing that worries people the most—rates? They said on May 2—it was great, I watched the newscast earlier. You know what they said on May 2? She had the minister right there on television saying: no difference on rates under private or public, no difference in rates. The Premier repeated that. I was there, I heard what he said.

You know, Mr. Chairperson, anybody who believed that is a fool. If they did not believe it and said the opposite, I think you know the word for that. Once again, you do not have to be an expert on this. I am an economist, my background. I am no expert on public utility regulation, but I tune up on public utility regulation, believe you me. I have appeared before the CRTC, I have appeared before the Public Utilities Board. I did my homework.

Before I went around the province early this year, I said, well, let us analyze this, let us look at the way—you know, let us look at what they are probably going to do. I predicted Alberta, the Alberta model. I said, let us look at what is happening in Alberta. I looked at what happened in Alberta. I phoned people, talked to employees, talked to a former general manager of Edmonton Telephone, a former senior official with AGT. I talked to city councillors in Calgary, I talked to city councillors in Edmonton, talked to people who have made presentations, CRTC on behalf of groups concerned about AGT. So I did my homework.

It is interesting we have had some students here tonight. I know what grade this government would get based on their homework here. They did not do it. I am surprised they have not come in here and said the cat ate my analysis or something. The bottom line is they did

not do their homework. I went to Alberta. I phoned all over Alberta. I said let us be fair. I think this is the model they are going to use. Guess what, it is exactly the model they used. I got into dealing with the way CRTC regulates. You know what? I do not know if the minister or the Premier have done that. Based on their answers, I do not think they have the faintest, foggiest idea, because—and I have read CRTC decisions and I talked to people who know the system. When we conducted this study, Mr. Chairperson, it was confirmed once again.

* (0440)

Currently, how does the CRTC operate? Standard public utility regulation. A public utility, Mr. Chairperson, does what? A public utility regulates based on the rate of return on equity. Why does it do that? Consider for a moment that you are dealing with—public utility is essentially a monopoly, is another way to put it. The problem you have, you have a private company running a monopoly, they will charge what the market will bear. Any first-year economics student can tell you that. So what you do is when you do regulation of a public utility, whether it is through our public utilities board, in this case the CRTC now it is under federal jurisdiction—is you regulate the rate of return.

The gas company deals with that, for example, Centra Gas will deal with that, or Steel Gas in Thompson. Now, what does that mean? It means that they say, well, you can pass on legitimate costs and get a rate of return to your shareholders, you have to pay your shareholders.

What is the ROE that is allowed for phone companies? I mentioned before, it is higher than the banks have been. Not my words. The Canadian Bankers' Association. I can get you a nice article they wrote defending bank profits. They make more money on that basis. What is the rate in Alberta with AGT? They are allowed 10.25 to 12.25 percent. What happened with the \$6 a month increase? They were only going to get a 2 percent ROE. You know what, they did not even get to go to their full range because that would have meant a \$12 increase a month in one shot. CRTC said only \$6. All those presenters who talked about MTS with \$2, it was \$6 in Alberta. That is the way it is regulated.

Well, Mr. Chairperson, anybody who knows about what is going on with the CRTC will go the next step.

As outlined in the document from this economic consulting firm, they deal with CRTC all the time, they are moving to a new model. What is the new model? It is a rate-capping model. It is a rate-capping model. Why do you think private companies are trying to jack up their rates right now? Because they are going to cap the rates. They will let them increase them first and then cap them. What is AGT seeking in Alberta on its rates? They are seeking to double them; in the case of rural Albertans to more than double them. Why are they doing that? Because they are moving to full cost of service, okay. I have talked to the people in the city of Calgary, city of Edmonton who have done analysis, who made presentations. I have seen the very excellent reports they have done on this. That is what is happening.

So what has the Manitoba Telephone System done here? It is interesting that we have to get an economic consultant to learn about this, because you never once announced it to the people of Manitoba. You did not tell your own caucus, did you? Well, what have they done? They filed a 200-page submission, right? One of the things they applied for is what is called the exogenous factor. Now, I am an economist and I know what exogenous means. You find an economist, the first thing you do is you ask him about his exogenous variables. It is all the things you can define, and then there are those kind of minor things you cannot really, you know, those exogenous variables. They may go up, they may go down, right? What are they saying is an exogenous variable here, what is it? It is the cost of privatization.

In July, MTS filed a document outlining the whole story of Bill 67 and the whole issue under rate capping, the exogenous variables, and what they did is they said, look, what we want you to do, just a minor little thing here, if there are any unforeseen circumstances from privatization, our costs go up, we cannot predict it right now, we do not know what it is going to be, we want you to pass that on as part of the rate capping, add it onto our bill what we can add to the consumer. You know what, it is even worse than that. They specifically said to the CRTC they did not have the information; they did not have the information on the capital repayment. They did not know what it was in July. They did not know what the capital repayment was. I get back to the analogies again. I mean, not only have you given this private company a mortgage, you have not even set the

repayment schedule yet. What is this, a forgivable loan? You know, is this a tab they can run up? Is this a grant?

Mr. Chairperson, I cannot believe this. I have had people say to me in the last little while, like, the Minister responsible for MPIC, sort of, well, how are you feeling, Steve, about things, just in general? Do you know why I am like this? I have never in 15 years in this House and in all my life of watching politics and reading in history seen anything as grotesquely incompetent, evidence of blind faith driven by ideology, scandalous, unethical, immoral, I mean, where do you stop? Where do you draw the line? You are not even running this in a good business way. I am used to having Conservatives say, like Gary Filmon likes to get up and say, oh, the NDP does not know how to run business. What business are you going to run the same way you are dealing with the sale of MTS? No business plan, no announced sale price, no debt repayment, no marketing analysis, no analysis of all the different considerations.

So you cannot even throw that at us anymore. You are not even good business people. You know that because you would not run your own business, those of you who are business people, the same way. You would not run a peanut stand this way, Mr. Chairperson, let alone a \$1.5 billion telephone company.

Now what is this? Is this a monopoly game? [interjection] Is this a monopoly—well, it is a sham. It is like a monopoly game. You know, you go around and you collect money as you go past Go, right?—and you just put up little hotels and you sell it off and you collect money, if you go—I mean this is real. This is the biggest decision that a government has made in decades. It is certainly the biggest decision on a sale that has ever been made, and I think the most significant item you would have to deal with prior to this would be the creation of Autopac in 1970. But that paled in comparison, that paled in comparison with that.

You know what is interesting, by the way. I mentioned about Autopac. You know what passed Autopac through the Legislature? I did not realize this until I talked to somebody who was involved with the MTS issue. There were two people wavering. You wonder why I talk about two people. One of them was Larry Desjardins, who later went on to become part of the Schreyer government, voted for MPIC, but with the involvement of private agents.

You know who the second one was? Gordon Beard. He had been a Conservative member, quit, and I remember him well. I was in school around the same time as his daughter. She is now a judge here in Winnipeg. Gordon Beard quit and he ran as an independent. He was elected as an independent in 1969. You know what happened? No one knew what was going to happen with Autopac until the final day. I talked to somebody who was there. He got up and he said, I was going to vote against this bill, I hope you all realize this. He said, you know when they figured that they did not know where I was coming from, insurance companies hired private detectives to check into my personal life. So when they did not find anything, they sent their private detectives to talk to my friends. When they did not find that, they sent private detectives to talk to my enemies. He said, I was going to vote against Autopac. They said, I have seen the way these people operate, and you know what he did, Mr. Chairperson? He voted to bring in Autopac. You know, I never knew that.

You wonder why I keep fighting this. Actually, I will tell you what, Mr. Chairperson. Some of my own colleagues, some people in the New Democratic Party sometimes think I am crazy when I suggest that we have got to fight right to the bitter end and look for those two votes. If the Schreyer government in the early 1970s had done the same thing, we would not have Autopac today. We would not have it. It is interesting, two votes then made the difference. Two votes can make the difference again.

You know what, Mr. Chairperson, two issues you can vote on. Government member, please ask these questions, by the way. Please ask these questions in your caucus. You do not have to believe me. Ask these questions.

An Honourable Member: Write them down.

Mr. Ashton: Write them down. I will give a list. I do not think you even have to, especially those who have been involved in small business. Just go in there and pretend you are dealing with anything. Pretend you are sitting down with your accountant, or perhaps you are the accountant, and they are questioning you. What are the questions you are going to ask? You know what to ask. But there are two issues that we can deal with here, and one is the sale itself. Gordon Beard did not agree with

Autopac in principle. He voted for it. Raise the issue of a free vote. Do you know what? Let us put it on the record here. If it is a free vote, it is not a confidence issue. I would love to defeat the government. I really would. I would love to go to the people in an election right now. But do you know what? My first goal is to save MTS. You say, well, it is an important public issue, and we are going to have a free vote on this. Do you know what that means? It means the government does not fall. It means that you can go and vote on behalf of your constituents, your conscience, whatever factors, and I respect that. You know there are other factors you put into play, and I think your constituents should matter. I really do.

* (0450)

But let us get to the other side of this too because that is the one issue. The second is the issue of the vote itself. I mean, I like the people who have come in here and have shown some real spirit in suggesting you should call an election. I would love that too, and we could settle this in 35 days. I know what the result would be, and you know what the result would be too. You know what the result would be. You know, get your pollsters, check with people. Do not take my word for it. I do not know if they have been showing you any poll results recently, and I do not normally worry about poll results too much, but, believe you me, if I was in your shoes and I saw some of the results recently, I would worry, not just rural members, by the way, city members as well. It is an issue in the city, a big issue in the city.

But, you know, put it to the people. I will tell you what, I think three months would be a fair time period. You could have public hearings. Quite frankly, I think any kind of referendum, if you can have it, or vote. I do not like, actually, the word "referendum" because I think this is really a shareholders' vote. It is a shareholders' vote. We can have set public meetings. I do not even worry, by the way, of spending limits. You can spend another \$400,000. You can spend \$400,000 on top of that. I have every faith in the people of Manitoba and their judgment. Please, please, think about it.

I have just a few more things I want to say because I realize it is easy to say, oh, well, it is all rhetoric, and I know the minister says that any time I say anything about the democratic process or ethics or the way this is being

dealt with, or if I say it about the business decision or the rest of it—and then we get into the usual script, but this is a really, really important decision, a really, really important decision. If you were in a private company making a decision of this nature, you would want all the information, you would want time, and you would want to go to the shareholders. I am asking you to only do what private companies do. I really say this because, when you get into the heat of a lot of these issues, there is a tendency sometimes for people to take things personally and take personal shots. I know I have received some, and if I have made any, I certainly apologize. I do not think I have, and I have tried to stay away from that. I am not talking about questions of telling the truth and whatnot. That is not, to my mind, a question of personalities. That is a question of the root of politics.

I think you are not only going to have to face your constituents on this issue, I guarantee you, the spinners in the caucus will say: What? Do not worry, it is two or three years away. By the way, I sat in the government in 1988 where they told us the same thing. In 1988, they said, do not worry about Autopac. The election is two years away, do not worry about it. Guess what happened? A government member voted against the government, the election was in 1988, and the rest, as they say, is history.

Be careful because the bottom line is, they will spin that, but never take that for granted. When you start getting to the point where you have a thick enough skin to ignore the people on as important an issue as MTS, I think the better analogy of what is going to happen is not what happened to the NDP government in '88 but the Mulroney government. They went from government to two seats—two seats. I happen to think that is two too many, but—[interjection] Gender parity. Yes, that is right. That is the only caucus with gender parity and the only caucus that can meet in a phone booth.

Who would have thought that the Mulroney Conservatives, recycled as the Kim Campbell Conservatives, would go down to two seats? Two seats. Do you know what the big issue was? The GST, right. Remember the GST. I think their support, the time they pushed the GST through, was coincidentally about the same support you have now on MTS, 15 percent. That must be the federal percentage of people who are Tories

and on the Tory payroll. They went down to two seats, so do not buy that. Even if you are running or not running, there are some more important factors than even that.

I will begrudge that there will be some people who say, it does not matter, I want to make what I feel is the right decision, but can you, in good conscience, say that you have the mandate to sell MTS, the analysis, the process? Have you looked at all the alternatives? Have you all the information? You are not just going to have to face your constituents on this issue, you are going to have to, I think, live with it. We all will.

Now, I want to see it bought back by the next government, but what if there is a problem with NAFTA, and what if there is nothing left of the company that we know? I mentioned about Sir Rodmond Roblin before. He may have gone out in a scandal in the end in 1922, but I guarantee you, to his dying day, I am sure one of the proudest things he ever could tell his family, grandchildren, if he had, and others, was he brought in MTS in 1908 in Manitoba, nationalized Bell Canada. We are in a position now where you are expecting us, at five in the morning, to be dealing with this issue and, over the next couple of days, to ram this through. You are not going to have to just deal with your constituents. I think you are going to have to ask how this fits in for the province of Manitoba. I will tell you one thing, Mr. Chairperson, it is difficult when you are sitting in these committee meetings and you have to keep your family contacts by long distance. I talk about the phone. That is how I talked to my kids tonight, and it is tough being away from your kids. It is tough being away from them now, for all of us.

You know, it is interesting, my daughter is 14 years old now, and she is starting to follow the news quite a bit. She said to me tonight, it is really good what you are doing on MTS. I guess she heard me in the morning on CBC radio. She heard the talk in the afternoon, and she said, I hope they are going to listen to people. I have spent 15 years in politics, and my daughter is 14 years old. It is funny how they pick things up. My son, a few years ago—my wife is Greek. Go to Greece, and people are fairly expressive. It was equivalent of the finger, and I do not want to be too graphic about what it is. But Brian Mulroney came on the TV screen, and he made kind of—I do not think he realized it, he was about three

years old—a kind of semi-obscene gesture at Brian Mulroney. I said, no, you should not do that. I have always told him and my daughter, because early on, you know, when they are kids, they tend to think that Conservatives are bad people. Right? You know, NDP good, Conservatives bad.

I was a little bit worried when my daughter got real excited when Sharon Carstairs was on the bus trip out to Brandon. She is going, there is Sharon Carstairs, there is Sharon Carstairs, but I think that was because there were very few women involved in politics at the time, and my daughter identified with Sharon Carstairs as a role model. There are a lot more women now, and that is positive. Do you know what? I do not think anyone in the Conservative caucus is a bad person, to use what my kids would say, and I told them that. I have even introduced my kids, I think, to a fair number of the members of the Legislature.

But, collectively, you can make bad decisions even when you are not bad people, and you can make decisions that I think you will regret down the line. This is not vision building. It is not building for the future. If you were concerned about building vision, you would be out there talking to people. I mentioned John Diefenbaker. By the way, I was a big fan of John Diefenbaker. It was a good presentation, I think, from Joan Johannson a few days ago. She talked about that. She read Lament for a Nation—a big fan of John Diefenbaker. It is funny that way, coming from an NDPer, because I have always been an NDPer since I was 17 years old. I always had a lot of respect for John Diefenbaker. I remember reading about John Diefenbaker and watching the documentaries and hearing people talk about him. Do you know what he did? He captured the public attention with vision.

* (0500)

I remember it because it was northern vision. He built a vision, and even when he was defeated, the guy had a lot of class. He lost to Bay Street, and I know it must have been tough for him when he was sabotaged by his own people, humiliated in the 1967 leadership. I will tell you what, though: John Diefenbaker went to his grave not having a single regret for anything he ever did. A great man, and I think he was great because he was probably, I would say, the last national leader that I think truly had a sense of Main Street. I think the current

Prime Minister talks about it and then goes off and makes deals with power corporation and the rest. I think he is more to do with Bay Street than—he talks the rhetoric of Main Street. I do not think there have been leaders since who have paid that much attention to Main Street, especially in western Canada.

You know, he went to his grave being able to say, he fought. Maybe he lost. You know what, Mr. Chairperson, I told my daughter tonight and my son, and I will tell them down the line: I will have a clear conscience when this is done. You vote this through—I have a clear conscience, and I know you will rationalize it—well, you will have a clear one too. Will you? If you can honestly say the analysis has been done, and you know it has not; if you can honestly say that you were given all the facts, and you know you were not, and not even been given the facts today. When you can honestly say that you were part of the decision, you can hold your head up high. I do not think you were. This is a bad decision. I mean, some called it evil. There is one phrase I want to leave with people, and I am going to repeat this because I think it sums it up. I want to paraphrase it because it is the intent rather than the exact wording. You know, the way for evil to triumph is for good men and women to do nothing. The way for this bad decision to be made is not to question it.

Not in our case and the opposition of members of the public, but it would have been as if to say, and I have heard this, people said, what is the point? They are not going to listen. I have talked to people who said, no way will I go to the committee. Did you notice how many people came to the committee, who sat here, who sat here, and even members of public here right now? They do care. You know what they did? They are questioning the government. They are putting you on the spot. I ask you to do the same thing tomorrow. Tomorrow is Wednesday, cabinet day. You have the chance to go back in there in terms of cabinet ministers. Do not take my word for it. You can dismiss me out of hand if you want. I am used to that. I am used to, you know, when you fight something, get dismissed, you have to put up with some of the flack you get.

But you got a lot of good people in there. Why do you not ask some questions? Why do you not ask for an analysis review? Why do you not ask for time? You know what, I think there would be a lot of Manitobans

happy if, out of that cabinet meeting, the government came out and said, we have listened to the people and the public hearings and out there in the public—not directly—and the people are saying they want more time to deal with this. So Bill 67 will be tabled; we will complete all the other items of legislation; we will adjourn the House, not prorogue it—that means we can come back—we will take this to the people. We are going to have three months of information meetings throughout the province, a fair discussion of the issues, and then we will have a vote. Do you know what? I would even be happy with what Saskatchewan has done in terms of their Crown corporations. They went around, they have had public hearings, and they have had three-quarters of the people say they want to keep SaskTel publicly owned.

I want to vote, but if it is getting those public hearings, getting time, giving you a chance to listen to what I have been hearing, what the members of the public are saying, please do it, because one thing you cannot do is persuade me or anyone that you followed the proper process. Our Leader keeps talking about the most basic thing that you do in any sale, called due diligence. The bottom line is the sale fails every test I can imagine. I want to list the categories because, you wonder why I get worked up about this, name me another issue that we have seen recently other than maybe the GST, but even then is in this category.

Number 1, the question of telling the truth in the election. He did not tell the truth; you know that. We had confirmation of that. The bottom line is that is clear.

Number 2, you had no mandate and then you did not go to the people and try to get a mandate. You did not act like any responsible government would do. In Saskatchewan they have been clear, they are going to look at their Crown corporations, they held public hearings. You did not turn around and say, things have changed or whatever. I do not buy that; they have not changed, but you did not turn around and say, look, actually we should at this. You did not even do what Mike Harris did in Ontario. You did not do what he did in Ontario. So that is No. 2.

Where do I continue? Number 3, you did not even tell the truth in the Legislature. In May, you said, we are not going to sell off MTS. Not going to sell off MTS. Okay.

Number 4, what happened in the summer that year? August of 1995 you claimed that the Crown Corporations Council produced this report, and that was all of a sudden when you woke up. You woke up to 70 percent competition. Where have you been since 1992? That is the obvious question, but there are some other questions about this Crown Corporations Council report. How come when we try and get a copy of it, or the media does, you white out 10 pages of it? If this is the real reason, why do you not share it with us? The last 10 pages are blank pages on the document.

Oh, no, it gets better than this. I have another thing you violated. Not only do you not give us the complete report, you then go on CBC radio, October 18, the minister goes on the radio, and you know what he does? He says, and he quotes from a passage in the Crown corporation report, and it is interesting because it is like, well, the negative risk factor. Now, he does not mention all the other aspects of the document. You know, I missed this when it was first announced. I just sort of thought, well, okay, it is from the Crown corporation report.

A member of the public came to this committee and tabled the report. Guess when that report was produced and tabled? April of 1996. Even when you are trying to defend your argument, you have to reconstruct it. You have to take a document from April of 1996 to say that that was what was said in August of 1996, when it was not. So you not only misled us, you kept misleading us until a member of the public in this committee came in and explained the situation.

It continues. In September the minister does two things, or the government. Number 1, the minister says, and I keep repeating this because my head spins; I can still remember the look on the minister's face. The first question I asked in committee, because we get to look at the Crown corporations every year and MTS, does the minister have any plans to privatize MTS? Well, what did he say? Did he say maybe, who knows, could be, you never know, stay tuned, you find out in due course? These are the kinds of things we get in the Question Period when we ask questions. Did he say, I will take it as notice, I am not sure? Did he go on some rambling debate as they do in the House when we try and ask questions on this, blaming the previous government or the previous previous government for something? No,

what did the minister say in September? He said to me: The only person—he was talking about privatizing MTS—is the MLA for Thompson; the only party that is talking about privatizing MTS is the NDP. We have no plans to privatize MTS.

It is interesting. Well, we know they did not have a plan. This is ad hoc all the way through. We know this, but you know, Mr. Chairperson, what is absolutely fascinating about this is, a year later in committee we have a new minister—well, same minister but a new convert to the gospel of privatization—

An Honourable Member: Born again.

Mr. Ashton: Born again, born again believer in it, and he came into the committee and he got something. We are not sure what he has got, we will probably find out some time down the line, but what is interesting is, he came in and it was his prepared statement and all the usual rhetoric and he said, well, we interviewed seven investment brokers in September and October of that year, 1995. That is interesting because we know the contract to those brokers was let in the middle of November. We know that because when we asked questions in December, that is what the Premier told us. Well, maybe we should not believe it, but they had to have put the contract in place at that time. September 26. A year later the minister was saying they were already interviewing the brokers, and September was already one month after the supposed report from the Crown Corporations Council.

* (0510)

Two conclusions here. One is the minister did not what was going on, and that is horrifying to think of, that the minister might not have known that they were thinking of privatizing MTS. Is that the way you run your government? Or No. 2 is, and I have to be careful of the language I use, but the minister was not telling the truth, okay? Those are the only two conclusions. There are no other conclusions you can come to. So you misled us at that point.

Next point, you had seven investment brokers you interviewed. You picked three. I understand, or I assume you picked, the three major ones. We found out about it. They did not announce it to us. We found out from

people in the investment community. We got calls saying, guess what, they have got three investment bankers doing a report on MTS. You know what my reaction was? I cannot believe it. I mean, this is the same government that said they were not going to privatize it. So we raised it in the House. The Leader of the Opposition (Mr. Doer) asked questions, I asked questions, and the member for Crescentwood, (Mr. Sale) who is here today, asked questions.

It is just absolutely fascinating because the Premier said, well, we had to get three of them to get an objective opinion. He even acknowledged that there might be some difficulty. Well, Mr. Chairperson, they finally admitted in December, and you know what they said? They said this is just a review. They never said that the three investment bankers were hired to prepare the end of MTS. I mentioned about the undertaker, they did not wait until the patient was even dead before they were trying to size it up for the burial. December, they did that.

What can I conclude from that? You know, I cannot use certain language in this Chamber; members of the public could use the word quite a bit. It is obvious you were not telling the truth. You were not telling the truth in December. Well, I went through this earlier. It gets worse when you get into what happened in March with letters going around and by that time—we started our campaign to save MTS in January. What is interesting too is 15,000 Manitobans filled out ballots in that period of time. It was obvious what was happening. We had meetings in Winnipeg, in fact, in front of the Corydon phone centre, we were in The Pas.

I will tell you where we went, just so you know. We went to Brandon, a very good meeting. We went to Portage. You know where one of our best rallies was? Morden. We had about 70 people out in front of the MTS building in Morden, Manitoba. It is very interesting. And we had a meeting in Gillam, a meeting in Thompson. So we made a point of going throughout the province. We went to Dauphin. We had more than 250 people out in Dauphin, by the way, the largest crowd ever. I mean, the greatest one in terms of just sheer perseverance was Portage la Prairie. It was minus 38 that day. People cared enough about their phone company to get out and do something about it.

You know what I did at that time? I said, the government has got these investment bankers, I do not believe what they are saying; and I said, please phone the minister responsible for MTS, phone the Premier, the rest of it. And that is when people started getting these letters saying there is going to be public discussion. Another set of meetings in June and I want to tell you what one senior told me at the meeting. He stood up at the meeting and said, I am a senior, I got this letter three weeks before they announced the sale. I do not know if I can even say this, Mr. Chairperson, but he said, is that what the government is stooping to, lying to seniors? That senior, who lives, I believe, in Boissevain—now Boissevain is, once again, it is not an NDP constituency—I do not think the gentleman has ever supported, well, might be in the future if they continue at this rate, but that is beside the point because he did it.

I was getting letters from people—I will never forget one, it was a 95-year-old senior who just summed it up, she wrote me a really nice letter. Actually she is blind, she is losing her sight. She lives out in southwest Manitoba. She said, I have been with MTS right from the start. You realize, 95 years old, she would have been born and been a child when MTS came in and she just asked me one question. She said, they cannot really be looking at selling off MTS, can they?

What was I supposed to say to that? You know what happened as soon as we went around the province? You know what the minister said? He started accusing us of fearmongering. Oh, my goodness, fearmongering, the ultimate insult for any opposition politician trying to get the truth out of a not particularly truthful government. You are fearmongering. What was I doing? I was saying MTS might be sold. Guess what happened? I was right, we were right.

It does not give me much consolation to say that, Mr. Chairperson, because I asked the question in May and I asked it in September and I did not believe the answers and I started the campaign with a lot of other concerned Manitobans. We actually started working on this in December and we went around in January. I do not get much consolation out of being able to sort of say, I told you so, but we were going around the province, and people were saying, they have lied to us. Seniors were saying, they have lied to us. People were standing up at the meetings waving the letter from the minister.

Mr. Chairperson, again, you wonder why I get concerned? As I run through the reasons why I should be upset, you just do not tell the truth to me. You do not tell the truth to a senior in Boissevain, to a city councillor in Brandon. I can show you, they are all form letters. Not only that, you know what we did? I will tell you what we did. I will be right up front about this. We wanted to run a grassroots campaign. We organized a save MTS week. You know what people did? They phoned the minister's office and the Premier's office. A lot of people could not get through, the lines were so jammed. They got through, and you know what they were told, you know what they were told by the minister's staff when they phoned in March? No decision about MTS has been made, and there will be no decision made without public discussion.

You know what? For one moment I started to waiver a little bit. I thought, you know, we are finally getting through to them. I thought, maybe there is some hope here. Maybe our campaign is working. Maybe they are listening. Maybe there will be some public discussion. Actually, I will go one step further, Mr. Chairperson. I did not believe that even this government would not hold public meetings. When I saw public discussion, I thought, you know what I thought they would do? I thought they would do this road show they are going to do now after the sale, but they would do it before. Public meetings in about 30 or 40 locations in Manitoba, set up their dog and pony show, try and persuade people, answer questions, listen to the public. I thought we would end up probably having to chase this dog and pony show around the province to give our perspective.

But you know what? For one moment in March, I let my guard down. I thought, I believe them, maybe that is what they are going to do. Even if they are announcing that this is what they were looking at, they were going to do it.

* (0520)

You know, Mr. Chairperson, one time in the last couple years I actually believed anything they had to say about MTS. So did the seniors, the city councillors, the chambers of commerce and people who had written them letters on the issue, and the municipalities. They were told there would be a public process. I actually believed it, and then within weeks they announced the sale. I really regret that because, maybe it was good in a way. I did not want to be totally cynical. You have got to

believe sometimes in what people say. You wonder why I get concerned.

I mentioned this before, because that is not the only thing. You were not only sending letters out. You were hiring the advertisers to do the sale of MTS. I asked questions about the advertising contract before you announced the sale. You know what? After you announced the sale, we asked the Premier (Mr. Filmon) again, and he confirmed that this advertising contract was to do with the sale. You have got a document dated April 30 that you took to your Treasury Board and the cabinet, and you already had the advertising contract let. This is enough to drive anyone insane here.

What did you tell your people in Treasury Board? Were they part of the fix? What did you tell people in cabinet? What did you tell your caucus? What did you tell MTS? What are you telling them now? How can you justify making the decision April 30 or 31 allegedly, and having already let the advertising contract for it?

I know you do not listen to members of the opposition and you do not listen to members of the public. Do you not even have any concern for your own members? Do you not see that what you have done is set up a web of deceit? I mean, what a tangled web we weave.

Then you get to the investment bankers. I have mentioned this before, and I will not get into it in any great detail. What amazes me again here, too, a seven-page document—you paid \$300,000 for a seven-page document that listed only three alternatives, picked the one that everybody knew was going to be picked.

An Honourable Member: They could have phoned it in.

Mr. Ashton: Yes, they could have phoned it in. It did not take much. Heads I win, tails you lose. It was that kind of a situation, Mr. Chairperson. How do you explain this to yourself? How do you go home and sit down and explain how you paid \$300,000 to this firm? You paid \$400,000 before the decision was supposedly made for the advertising, \$700,000 of the people's money, a decision that never had any analysis to it.

It gets worse because you consider it here. This seven-page document comes out. I do not believe you, by the way, when you had the dates on there. I do not believe

anything with this anymore. Quite frankly, I question the ethics of these three brokerage firms, dating a letter on that date. I think that is just a sham. I think that just happens to be the date of the Treasury Board meeting. I want you to be honest about this sometime and tell me when the real decisions were made and what you knew about them, because none of what you have on the record right now adds up. You are contradicting yourself.

April 30, this comes out. If this was a private company selling off a billion-dollar asset here and if you were to believe the government, what just boggles my mind is the announcement on May 2 says, we are going to free MTS from the hands of government; we need to make quick decisions so we have to have a private company to do that. What is amazing about this is you have been the government since 1988 so you are obviously admitting your own incompetence—or maybe it is not incompetence. Maybe you did not want MTS to be able to do that, anyway. What is interesting is, you went and made the decision allegedly here, according to what you want people to believe, in two days. Actually, it is not even two days—one day. Twenty-four hours. Boy, that was real tough, those reins of government, right? Boy, a slow-moving process. Treasury Board on Tuesday, cabinet on Wednesday, announce it on Thursday. Yes, right, real tough.

How long did that Treasury Board meeting go? I wish Mr. Benson was here. I actually enjoy it when he sits here. I am just hoping one of these days that he is going to leap out of his seat and actually tell us this, because he is kind of the faceless man in this whole thing. Quite frankly, I am beginning to wonder who runs this government.

An Honourable Member: Bay Street.

Mr. Ashton: Well, besides Bay Street. I think their representative here in Manitoba is one Mr. Benson, because the amount of time the Premier (Mr. Filmon) spends out of the province, somebody has to be running the province. The Deputy Premier (Mr. Downey) spends as much time going to Brazil as the Premier does travelling around the world, so it is sure not one of those two.

I really wonder about the Minister of MTS here, and one of these days maybe Mr. Benson is going to leap out

of his seat. Do you know what? Mr. Benson amazes me. In the Standing Committee on MTS, do you know what was happening? Tom Stefanson was sitting there, and guess who was sitting behind Tom Stefanson? Jules Benson.

I actually asked the minister to introduce his staff. I will be honest about this, up front. I knew who his staff was. By the way, I knew who Jules Benson was too, but do you know why I wanted him to introduce his staff? I wanted to find out what role Mr. Jules Benson had with MTS. What is his position with Treasury Board? He is the—[interjection]

An Honourable Member: Secretary.

Mr. Ashton: ~~Secretary-treasurer~~, okay. The Secretary of Treasury Board, all of a sudden now, is whispering answers into Mr. Stefanson's ear. Now, I will tell you, if that is the best he can do, I really wonder about Mr. Benson here. But they were whispering back and forth, and you could see that Mr. Stefanson was given the discussions. That is when it sort of dawned on me here. I am not even sure what real discussion Treasury Board had. Do you know what? They probably did not have to have much of a discussion. Who sits on Treasury Board? Who sits on Treasury Board to have a discussion on this? Who is responsible? Eric Stefanson, Tom Stefanson. I think they may have had something to do with it, Tom Stefanson being the chairperson of MTS. I think they may have been part of this all the way along.

Now, we can deal with the Premier's involvement and whatnot too. I think we are starting to boil it down. What kind of discussion was there in Treasury Board? Did you make a \$1.5-billion decision in one day on a seven-page report? Can you look anybody in the face and say that is due diligence, that is proper decision making? I would not sell my car in that quick a time. My car is an '86 K-car. I mean, God knows, I probably would not be able to get anybody to buy it anyway, but I would not sell it. I would not sell my house or a major personal asset. You sold the company, and you went through one Treasury Board decision. The document is dated April 30, or was it post-dated? We do not know. Perhaps that was part of the whole idea, to create the sense of a flow.

Now, let us deal with cabinet. Cabinet deals with a lot of decisions in any particular meeting, okay. How much

time was spent on MTS? Who ran it through? Was it the minister? Was it the minister responsible for Treasury Board? Was it the Premier? I raise this because I am really curious here how in cabinet you made the decision and in what period of time. One morning? You know, this slow-moving government process, you did it in that time? Did the cabinet not look at that document? I will give it to a first-year commerce student who can write a better document than that, more detailed analysis and ask better questions. I will tell you, there is nothing in there that—actually, Mr. Jules Benson could have written it himself. Maybe he did, we do not know. Maybe he did.

You expect the people of Manitoba to believe you made the decision in how many hours in cabinet? If you net out the other issues, how much time did you spend in cabinet on this? An hour, half an hour, 15 minutes? Now, after you did that, did anybody suggest this should go to the MTS board? When did you talk to Mr. Tom Stefanson, who we know was the only person consulted. Why did Tom Stefanson not take it to the MTS board? Whom does he work for? I believe he works for the people of Manitoba. I know he is a Conservative appointment; I do not think he makes any bones about that. I do not care. He does not work for the Conservative Party. He works for the people of Manitoba. Did anybody not suggest that this be taken to the board of MTS?

* (0530)

I know it is politically appointed, but you know what, you did not take it to the board of MTS, but it is even worse than that. It is even worse than that [interjection] They might have asked some questions. Well, here it is interesting. We filed a freedom of information in October of this year. This is the second time I have probably let myself slip, and I apologize for this, but I thought that maybe there were some hidden studies out there we had not seen. I really thought, just maybe, I thought maybe you had a study done by MTS. Guess what? Guess what, Mr. Chairperson? Guess what MTS responded to the freedom of information? It basically runs, you have requested information on any studies that MTS has done on privatization—stop. MTS has not done any studies on privatization, nor is it using any studies on privatization. [interjection] Exactly. Do not confuse us with the facts. They did not take it to the board. They did not even ask

MTS, the company itself, that has all the expertise, certainly on telecommunication issues, all the expertise in terms of its debt situation, has some excellent staff, did not ask them to be part of the decision and did not ask them to do a single analysis, did not even take it to the board before or after that Wednesday meeting.

Then we get to Thursday. I do not know how you can live with yourself, on the government side, when you call your backbenchers in, you announce it to them, it is happening at eleven o'clock. I guess you said it was too late, right? Did you maybe tell your caucus members—what did you do, what did you say? Sorry you guys, we do not trust you enough; you do not have the expertise?

I am sorry, I look at the back bench. I would stack the back bench up against the cabinet on expertise, including business expertise, any day. I am not just saying that. I have to respect a lot of people on the back bench. I happen to think there are some cabinet ministers, too, if they were to speak out on this, could do this. Why did you not ask your backbenchers, your caucus as a whole, 30 members, why did you not ask them if they agreed to the decision?

I mean, you know, I start having visions of the 19th Century, and I read my history books in high school and in university. Remember the family compact? There was a time when Upper and Lower Canada was basically run by a handful of people. Think about it. Eric Stefanson, Tom Stefanson, Gary Filmon, Jules Benson and maybe the Minister responsible for MTS (Mr. Findlay), five people that sold off MTS. It really gives me no satisfaction to try and do this. I sort of feel like it is a bit of an Agatha Christie novel here. It reminds me of Murder on the Orient Express. Remember, when there were 12 passengers on the train and who did it, and in the end they all did it? In a way, that is what has happened here.

(Mr. Vice-Chairperson in the Chair)

But, you know, I mention about the family compact. Five people, the only five that I can attach to this decision who had any real input on it. This is the 20th Century. This is Manitoba, and you know I hate to say this, but I can now understand the rebellions of 1832. I really can.

Ms. Friesen: 1837.

Mr. Ashton: 1837, pardon me, that is right. Our history critic again, and it is interesting because the rebellions in Upper and Lower Canada were very much fighting against this oligarchy that we had, and, you know, I thought we had won that battle.

We have had universal suffrage in Manitoba since 1970—[interjection] What is that, the—

An Honourable Member: Yes, there is a little bit of a prospectus in here.

Mr. Ashton: Prospectus, yes, I was phoned last night and told, and now it is officially out, for members of the public who are not aware. The prospectus is on the front page of the Free Press, front page of the Free Press, the same prospectus that the minister has said will not exist until the sale is done. I mean, what incredible, incredible deception. It is interesting, Mr. Chairperson, I see how the government caucus members now get their information. Read about it in the Free Press.

Ms. Friesen: Clinton won, too.

Mr. Ashton: Yeah, and by the way, Bill Clinton won too, just in case you are not aware, but you might want to read—[interjection] Yeah, Bob Dole did not do too well. Maybe there is a lesson there.

Read the article on the prospectus: Tories offer bonus on MTS. Here we are, like you have to read about it on the front page of the paper. Is it not interesting? We now have the share price, yes, not to exceed \$13. We now have the amount. They are estimating \$800 million.

Like, talk about disgusting. You have to pick up the Free Press to read about this information. I know you do not want to deal with—by the way, I knew about this prospectus before most of your government members did because the Free Press phoned me. That is why I am quoted here. It is interesting, because, Mr. Chairperson, bottom line here is, I cannot believe this. We have the sun with investors abuzz, brokers bullish on MTS stocks. The undertakers are really, they are really enthusiastic about deaths. It is good for business.

I cannot believe this. I cannot believe this here. You do not even have the courtesy to table the document in the Chamber. You know, I could use language here. I say

right now to Mr. Findlay, you, sir, as Minister, should resign. This is the last straw. This is the last straw. I cannot believe this. I cannot believe this. The government is so incompetent that we read about the prospectus of the sale of MTS on the front page of the Free Press because it was leaked to the Free Press. Now, who has this document? Have you not heard as such things as—You know what happens in the House if you leak budget documents? The Minister of Finance? Why is this information out there? You will not give it to members of the legislature or the public.

You know, it is interesting. This comes out right after the hearings are over. Non of the members of the public that you cut off tonight have had the opportunity to speak on this. I mean this is absolutely, absolutely unbelievable. How far would you go? How many wrongs do you have to get in there? How many times do you have to ram this through? How many rules of ethics and procedure do you have to break? How many rules of common decency? How low have you got to go?

I say to the minister, how can you justify this? How was this information out there? The sale has not even been voted on in third reading. It has not passed through the legislature. You know what, I do not think you have the right to sell it. It is not yours to sell yet. Not until the dying days of this session.

I think, by the way, you have poisoned the prospectus on this. I wonder what the Securities Commission is going to have to say about this. I do not know how many copies there are of the Free Press here. What is their circulation now? It has dropped a little. [interjection] It is not what it used to be. People are going to wake up this morning. They are going to see this document, preliminary prospectus here, leaked to the Free Press. Do you now understand how that taints the process once again?

When finance ministers leak budget documents, that creates difficulties in the financial markets. It affects the financial markets. People get inside information on this. The prospectus for the sale of MTS is now all over the front page of the newspaper. Look at it. Wednesday, November 6.

We have not even gone clause-by-clause on this bill in committee.

An Honourable Member: We tried.

An Honourable Member: Could have.

Mr. Ashton: You tried to ram it—Well, yeah, and the Chair, we have another neutral Chair who says could have. I will say, Mr. Chairperson, you might want to get settled in, because do not anticipate doing it in the next little while.

You did not even get clause-by-clause through. You know what? This story was being written before you even closed the committee hearings. You realize that? Well, they tried to close it. They closed the public out.

But the prospectus was leaked out. I mean, what is next? What is left? I mean, is this the way we run government now? Why do you not just fold the government, by the way? I have a suggestion here. I mean, first of all, you could probably save the province a lot of money, since you are getting most of your information out through the Free Press and the Financial Post. You do not need half your spinners and publicity people out there. I would suggest, by the way, cancel the \$400,000 advertising contract, what is left of it.

* (0540)

Why would I suggest that, Mr. Chairperson? You just leak stuff to the newspaper. I am wondering if next year we are going to get a new proposal for the way we are going to run the province, and that is that the government will not announce its agenda, and when it does finally announce it, it will be on the front page of the newspaper. Why do we not just have a one-day sitting of the Legislature? Let us dispense with all these nasty, sort of unmentionable things that you have to go through, like committee hearings. The member for Portage (Mr. Pallister) congratulated one presenter for being very polite, and I give him credit, I mean, different styles, obviously does not like being told that his government did not tell the truth, and they lied and the rest of it.

Mr. Chairperson, is that what we are going to come down to? Actually, we do not need Hansard anymore. Read about it in the Free Press.

An Honourable Member: Read all about it.

Mr. Ashton: Read all about it. We have the Sun talking investment community abuzz. Is that how low we have stooped with democracy here in Manitoba?

I also want to ask a question, rhetorically, and that is what does it take—

An Honourable Member: I bet they will not answer it.

Mr. Ashton: Well, they will not answer it, but what does it take for a minister to have to resign? We have a Minister of Defence who resigned over a letter he had signed inadvertently. It is interesting, because the minister's signature is all over letters. He signed in his knowledge, promising public input. What does it take? I mean, we see a Minister of Justice who is totally out of control, but, no, there is no resignation there. We see other ministers doing things that just offend any sensibility, and now we have a situation where this information is out.

You know, I remember the days, it is not that long ago, when there was a sense of honour amongst ministers, and believe you me, if there was this kind of a major leak, I would not have to raise the question.

Quite frankly, I would say to the minister I will not criticize him if he leaves this room and gets on the phone and perhaps even thinks about this, about his own position. If I was him, I would be asking, what the heck happened here? Does the minister have no concern about this or was this a deliberate leak? If it is a deliberate leak, you will have to resign for violating the Securities Commission process, violating your position as minister and, if it was not, who leaked this? How have you got this information out there? What right do you have to stand up in the House when I asked for the prospectus and say, we are not going to give this, it is not appropriate to release this information to members of the Legislature, because it is not the appropriate way to deal with the deal.

Now it is on the front page of the Free Press. If it was not appropriate to give it to us in the House and members of the public, now it is okay to have it on the front page of the Winnipeg Free Press? What is this? Is this part of your disinformation campaign or is this part of your incompetence? I say to the minister, up until now I disagreed on many issues with the minister, highways

issues, but you know, in terms of highways issues, it is in a different category. I disagree with the policies of the government. This runs to the way in which our province is being run. This is wrong; it is unethical.

Not only that, you have tainted the share issue. Advance information is out there. Not only that, who knows how accurate it is reported. I mean, who got this document? I would suggest one thing, by the way: Fire those brokerage firms right now. Fire them. They should not have released any preliminary prospectus prior to the day after the session. They got a way out of the conflict.

One thing that will satisfy both of your issues here: Fire them. I do not know what contract you have signed with them. There must be some provisions of secrecy, or have you not dealt with that? Are these same brokerage firms who are now running this, are they already running this? I am getting calls from people who are saying that they are getting calls from their stockbrokers. Are these same two companies, are they using this inside information? Is this why this document is being released? This is inside information.

I would suggest to the minister, get on the phone, check with those brokerage firms and fire them for violating what you had requested, presumably, and that is that this information not be released. The second thing I would get on the phone is the Securities Commission and find out how this impacts. I thought my mind had been boggled before, but when I am sitting in a committee at quarter to six and we get the first morning papers and now we see it on the front page, I say to the backbenchers, you have got your issue now. You do not have to take my word for a minute, it is plastered all over. It is all over the front page of the Free Press. Now is your chance.

Now I realize this cabinet tomorrow will call a special caucus meeting. Ask the questions. Why do you not ask them, first of all, how come you did not get that information and we in the Legislature did not get it but it is now all over the Free Press. You may want to ask them, too, about what is going on in Toronto, because we knew and we had raised it in the House based on the Financial Post, and I mentioned this earlier, about the role of the investment brokers and the Barnes company. How many other people know about this? And while you are at it, why do you not ask them—I look to the member

for Morris (Mr. Pitura), member for St. Norbert (Mr. Laurendeau), member for LaVerendrye (Mr. Sveinson) who are here, and I hope they are listening because are you not going to ask those questions. I mean, I would not take this. The way they are treating you is worse than they would treat any member of the opposition.

I at least get asked questions. Sometimes I have to badger the government. Sometimes they take it as notice, sometimes I file Freedom of Information requests. You know what? Every so often I actually get an answer. I found out about the \$300,000 contract that way, the \$400,000 advertising contract. I would say to the minister, please, I mean, I do not want to hold you here. If you have to phone those brokers, it is quarter to seven in Toronto. I do not know what time Bay Street opens, but you may want to give them a call and ask them what the heck happened. I am glad to see the minister is following my advice here, maybe I am getting somewhere after all. But to the member for St. Norbert—actually if he wants, we can lend him an MTS cell phone, I think we have a few of those in the gallery here. To the member for Morris and the member for LaVerendrye—now actually, it is interesting, there is not a single cabinet minister here. One at the back, but he is always working at the table now. Well, there is one, but he is so far out of it back there that you do not have to worry about him. It is interesting, actually. Between the opposition and the government backbenchers, we control this committee right now. Think about it. It is awful tempting to go for a vote here but—

An Honourable Member: Hands on the throttle.

Mr. Ashton: Hands on the throttle, but, you know, there is still time here. I do not know if the government has even considered this, by they way, because I have been looking at this tonight. I think there are problems with the existing schedule in the passage of the bill. There is not enough notice requirement, even if it is rammed through today. I was just looking at the rules earlier tonight, and I do not know if you have even considered that. Think about it. The rules are clear in terms of whatever agreements, but the rules are clear also in terms of the notice requirements. You do not just push a bill through in one day, especially a bill like MTS. There may be time—I am not just saying for the people of Manitoba and myself—there may be time for you.

Now, Thursday morning is coming up tomorrow. You will have a caucus meeting then. I know that because that is when they had a Thursday morning meeting to announce the sale of MTS in May. Why do you not ask them about this front page article? I mean, I do not expect anybody to put anything on the record. Why do you not ask them how this happened? Ask them how many more embarrassments you want to go through.

I mean, you can just roll it back, the prospectus has leaked out today; yesterday we announced the role of the brokerage firms, based on the Financial Post and the Barnes company. Last week we released information on the tax liabilities. The Premier did not know what he was talking about. We released information on the rates today. I mean, does it not strike you as strange here that the opposition is the one that is—we are doing the reports, we are providing the information. We are not just asking the questions, we are answering them. Well, we did not answer the question on the prospectus, but you know the funny part was, I was aware of the result, what was in the prospectus, before the government members were, because the Free Press phoned me on it.

* (0550)

There is a song out right now. Isn't It Ironic, you know, the song. Is it not ironic here. I am not going to quote the rest of the song here. I am not a good Alanis Morissette, but there are so many ironies here. Is it not ironic that I found out about the prospectus, not from the minister, but from the Free Press, and that the member for St. Norbert, who sits in that government, has to read about it in the Free Press. I extend my sympathies to the member of St. Norbert and his constituents. He deserved to be treated better than that. Same thing to the member for Morris. I have a lot of respect for the member from Morris. He has done a fine job in chairing the committee and a fine gentleman. We had a good chance to talk, and you know, I give the member from Morris some credit too, because I know he is one of a couple of MLAs who have spoken on MTS in the Legislature well before the recent debate. I respect that. I think you were treated unfairly too. I do not think that this is the kind of respect that you deserve as an MLA.

I tell you, I had times when ministers used to send me letters, and I remember one in particular, and I will not mention the minister. I went down to his office and I

said, No. 1, you did not write this one, did you? And he said, well, no. I said, No. 2, I would not send that out to my worst opposition critic. Just remember, I am a government MLA, but more importantly I am an MLA. It does not show any kind of respect for the people that asked me to raise this concern. So I say it with some experience. Same thing to the member for LaVerendrye (Mr. Sveinson). I mean, I think you deserve more respect than this. I will say that about—and by the way, I do not want to divide and conquer here. The minister responsible for MPIC—oh, listen, I just got a note that Becky Barrett is on her way in and she is ready to help out. She should arrive shortly after 6 a.m., so—

An Honourable Member: Hold on, we might agree with this motion yet.

Mr. Ashton: Well, anyway, you deserve respect.

An Honourable Member: The cavalry is coming.

Mr. Ashton: Yes, the cavalry to the charge here. But I think we all deserve more respect in this, Mr. Chairperson.

All my pleadings can fall on deaf ears. All of my pleadings can fall on deaf ears, I realize that. And I know what happens with governments. I have been in government. Good things that happen out of caucus solidarity, you go back in and you slap each other on the back and you say, hang in there, and, we will fight it out to the bitter end. You get that and I remember times when I just said, no, no, no, no, no.

You know, I will be up front with you. In 1988 I told people in the caucus, we are getting killed on Autopac. I was a bit ahead of my time on that one too. Well, I was not the only one; there were others in the caucus, and they said, do not worry about it. I mentioned this before. They said, well, you know, this time, do not worry.

Think about it here. Think about it for a second because, are you not getting into the bunker mentality yourself? I mentioned about the political valium. I know you have a strategy, you had a strategy tonight, that was obvious.

The moment I saw who was in the Chair, I figured, this is going to be the freight train, and it is the express

version tonight. That is why I raised the point early on. I looked at who was in committee and I looked at the behaviour of members in committee. The first couple of nights a lot of heckling and even the Chair, who nearly threw me out earlier today for heckling. When he sits there he heckles like crazy, but it was interesting, and I appreciate, by the way, that I think the Chair maybe overstepped his bounds, and he recognized that. He did apologize on the talking about our side when he was in the Chair, and I know he was trying to close debate at one time and he also wanted to throw me out of the committee at one time or threatened to and the Chair does not have that power in committee. The Deputy Speaker is here and can testify to that. It has to be reported back to the House.

But you know, I could see the freight train going. Now, there must have been some really good discussions to hang in there. We will ride this out, do not worry about it. The people of Manitoba will not remember it by the time the next election is here. You know what, I know that is being said because I talked to the Conservative MLAs and that is exactly what they have said to me. Ah, this will not be an issue. You get into that whole thing. But how much of a bunker can they put you in when you do not see what is going on? The Sun, front page article, and the Free Press. I mean, I remember what Pierre Trudeau said about M.P.s. Do you remember that? He said M.P.s were nobodies when they left Parliament Hill.

An Honourable Member: Yes, that is Trudeau.

Mr. Ashton: The Deputy Speaker says, that is true. I actually think it is the opposite way around. I always found as an MLA, I am always a somebody in my constituency because I represent the people. But have you thought that maybe if Pierre Trudeau was to come to Manitoba, the appropriate quote would be here that the government MLAs are nobodies when they go into their caucus? Think about it.

In your constituency, they look to you and to you and to you and members of this committee. People give you a lot of credit and—by the way, when I have been in other constituencies—I was in Morden the other night. There were some people who were making comments that were negative towards the MLA and I was respectful. I said, no, it is your MLA and regardless of what you think, you

should talk to your MLA and the rest of it. I have done every constituency. I have been in Neepawa and the Ste. Rose constituency, did the same thing there. [interjection] Yes, you did, too, and that is the way I operate. Because you know what? I was in Neepawa, I did the same thing. I did the same thing in Minnedosa, I did the same thing when I was in Virden and I did the same thing when I was in Roblin, in Brandon with Brandon West.

It is interesting, Mr. Chairperson, because I believe that all members of the Legislature—I do not agree with Pierre Trudeau—they are somebodies and they are particularly somebodies in their own constituency. The member from Steinbach is here, and I remember when Mr. Rudy—

An Honourable Member: Emerson.

Mr. Ashton: Emerson, pardon me. Albert is not here.

An Honourable Member: It is not ten o'clock yet.

Mr. Ashton: Oh, it is not ten o'clock. All right, that is when your shift comes in. You know, there were people from his constituency that I have talked to. I have talked to people from Steinbach as well—you know, the Minister of Natural Resources phoned me on the MTS issue—first thing I said was, phone your MLA. I have had people say, I do not want to talk to my MLA. The bottom line is, I still say, respect those MLAs. What does it take here to recognize, by the government, what they are doing. You have been treated as nobodies in your own caucus. The member for St. Norbert (Mr. Laurendeau) was elected by a significant number of people, member for LaVerendrye (Mr. Sveinson), both re-elected. You have been elected more than one term. The member for Morris (Mr. Pitura) was here earlier, the member for Emerson (Mr. Penner). Any of the members who have been in these committees have one thing in common, elected by their constituents and I would say respected. Even if people are angry right now, they still will use the MLA, and you will get calls from people on issues, including this one, and you have got to respect that.

What is wrong with this picture? It is the fact that in your own caucus, you are being treated as nobodies. You were not involved in the original decision. You did not get the information; you did not get even the most basic information like the prospectus.

* (0600)

Well, is it not amazing how this issue today wraps up absolutely? It wraps up truth, it wraps up the question of a mandate. I think every presenter before this committee talked about mandate, every presenter. It deals with questions about ethics, you know, the brokerage firms; trust, I think, to a large degree; morality. We have had some very expert presentations, people talking from that perspective. Yes, there were a lot of people here who were average citizens who came in and talked about the morality of what this government is doing.

What other issues have we got here? Competence, I have mentioned; decision-making process, I mentioned that; and the role of the Premier (Mr. Filmon). You know, it is interesting, because I remember the Premier, in his usual charming self, the other day—

An Honourable Member: Charming?

Mr. Ashton: Charming—well, I am being a little bit facetious—when he said, oh well, the member for Thompson will never get a job in the private sector. Well, I have worked in the private sector. I guess I never had a real job. You know, before I was elected I worked underground. I mean, I never had a real job like—it kind of reminds me of Lucien Bouchard and the “real country” debate here. I mean, what is a real job? What is a real job?

What was interesting about the comment was, the first thing that came to my mind was, you know what, I think I may have blown my career as an economist in the private sector. Guess who hires economists in the private sector, Mr. Chairperson. Banks. Brokers. I will make one prediction right now. I do not think I am going to get offered a job on Bay Street after tonight, and I started thinking about it. I do not have any problem with that. You know what? If I end up being an MLA as long as the people support me in this constituency for doing whatever, well, I will tell you, if I end up being unemployed after I am MLA for what I am doing tonight, it is an honourable thing to be.

Before I was elected, I had been working underground at Inco. I was finishing my master's degree in economics. I was on strike, so I had a tough time figuring out what my occupation was for the ballot, because you had to list that in those days.

You know what was interesting is, some of the Conservative members said, you were unemployed when you were elected. That was supposed to be an insult. You know what? I wish there were a lot more unemployed people sitting in this Legislature. If there were a lot more unemployed people as MLAs, I do not think we would have the same degree of unemployment.

Is it not kind of coincidental, is it not ironic that the average person who gets elected in here tends to have more sufficient means than to be in poverty and to be unemployed? But it is interesting, because I was thinking about the role of the Premier. You know what I said. I did not want to take any personal shots back. I just said that I had worked in the private sector. The only thing I did say, and I do not know if that is considered a personal shot or not, but I said, well, consider it this way, I get the feeling the Premier probably will be employed in the private sector, probably in the corporate sector after this. And you know what?

An Honourable Member: Right along Myron Baloney.

Mr. Ashton: Well, we are talking about here the former Prime Minister of Canada. If you notice what Mr. Mulroney is doing currently, he is on every board you can imagine, every corporate board. There is the guy that sold us out on—you know, we talk about MTS here—NAFTA, free trade, sold us out, I believe. Now, fine, he had a mandate, but is there not something wrong with—and it is a good thing I am in the House here because I suppose I could get sued for \$50 million for even mentioning his name.

An Honourable Member: Actually you are in committee.

Mr. Ashton: I am in committee, oops, I could be in trouble. Anyway I do not have \$50 million so I guess I can just plead poverty and I will not have to worry about it.

But you know, I sure hope for the sake of the province of Manitoba that the Premier or other members of this government do not end up sitting on corporate boards that have anything to do with the sale of MTS. That would be the ultimate insult to injury and the ultimate scandal.

You know, Mr. Chairperson, I do not know anymore, I do not know what to believe. I believe the Premier has

had a private agenda for quite some time. I think he is totally out of touch with Main Street, Manitoba, on this issue, except for one thing. I think we all know and understand that the Premier did know he could not win an election on this issue.

An Honourable Member: He sucker punched us.

Mr. Ashton: Sucker punched us, as the member for The Pas (Lathlin) says. Well, is that not interesting, Mr. Chairperson, because what is the Premier's real agenda, Mr. Jules Benson's real agenda, Mr. Tom Stefanson? I wonder what salary the new chairperson of the board is going to be getting. I hope it is not going to be an increase, because there has been one increase too many. Mr. Stefanson. I do not know, maybe we should run a check on some of these companies and check on campaign contributions. I think the banks have contributed a significant amount to the Conservative Party. I hate to say this; well, I like to say it actually, we do not get any in the NDP. We do not get bank support.

It is interesting, campaign contributions. I wonder with some of these other companies whether there is going to be any of the other companies, the beneficiaries of the government's largesse. I raise that because we mentioned about Sir Rodmond Roblin before.

At what point does this government move from the situation it is at where it did not tell the truth to the people about every other thing I mentioned, all 10, 15 things? When does it become a scandal? Are we not already there? When I think of scandals I think of—you know, it is hard to define in one sense—but politically it is essentially improper conduct. I think that is the general—but beyond just sort of something that is wrong. It goes beyond that. It offends the very sensibility of any person with even the most rudimentary sense of ethics and morality.

I ask the question, is this not scandalous? I mean, what you have done with the investment brokers is scandalous. Fire them. Fire them today. Get them off that prospectus. Withdraw the prospectus, the minimum. You cannot have any credibility. If you do not want to change your mind, the least you can do is that. Or are we in the situation where it is not just the ministers cannot be fired but that you cannot recognize anything? Is this the

new philosophy of the Conservative government, tough it out, pretend it does not exist?

What does it take? Some good people on the Conservative caucus side, sit down with me privately and tell me that a lot of this does not stink. Try and defend it to me one-on-one. Look me in the face and tell me what is going is right. If you agree with what the government is doing, answer me the question as to whether they have treated you right, they have involved you right. Do they ever really even care? You know what, Mr. Chairperson? I do not think the little clique, the little family compact, the ones who are making the decisions, I do not think they care. They assume you are going to—you know, you need your salary or your pension or RRSP or whatever.

I hate to talk this way, but I remember when people made similar mistakes with a previous government member who defeated a government. You know what? I did not agree with the way he voted, but it was obvious in the end that they were wrong. I heard people say comments. I definitely do not agree with what he did, but you know what? Are they not saying the same things about you right now? I mean, you know they are saying things behind your back. We have got living proof of it here. What does it take? Does it have to hit you directly in the face? Does somebody have to say it to you?

* (0610)

The Free Press. Read the Free Press, and I am glad to see that at least one member on the government side is reading the Free Press. Normally, I do not encourage it in a committee, but you know, read the front page. It is there, black and white. The prospectus is on the front page of the paper. You wonder why—what was it, we started this at 3:22 in the morning. You wonder why we talked about process. You wonder why. Is it not ironic? We have been sitting here, and as we have been talking and getting increasing information, I mean it just adds to it. What is next? What can you do for an encore? I am trying to think what you could do. [interjection] Well, The Globe and Mail, I have to check The Globe and Mail because there has got to be something in there. You know, I am still waiting for Mike Bessey's name to reappear in this. Is it not ironic? Mike Bessey could cut his teeth in this Legislature researching on issues related to telecommunications, MTX. I was in those committees. I chaired them.

An Honourable Member: Good old days.

Mr. Ashton: Well, the good old days, and I realize the Minister responsible for MPIC (Mr. Cummings) is probably getting somewhat nostalgic for the days of his being in opposition. I do not blame him after what this government is running through right now. You know, it is interesting, because I mentioned about Mr. Bessey, the same Mr. Bessey, we all know about his book and scholarship deal with one of the principals of Faneuil. Now, Faneuil, as we pointed out, is a telemarketing company that has a deal with MTS that we feel is highly questionable. Well, it is interesting, because Mr. Bessey got a \$400,000 scholarship and book deal. Now, I notice there were some students here before, and I wonder if any of them have been offered a \$400,000 scholarship and book deal. Yes, it is sort of a fallacy. Well, yes, but it is interesting because, do you know what Mr. Bessey's thesis is? Guess what it is.

(Mr. Chairperson in the Chair)

An Honourable Member: How to win friends and influence people.

Mr. Ashton: No, it is not on how to win friends and influence people; it is not how to make a quick 400,000 bucks. What it is, it is the cost and benefits of privatizing MTS.

An Honourable Member: How to sell MTS.

Mr. Ashton: As the member for The Pas (Mr. Lathlin) has pointed out, essentially, how to sell MTS. What a coincidence. Mike Bessey, what a coincidence, closely connected with Jules Benson, good friends of the Premier (Mr. Filmon), connected with Faneuil.

An Honourable Member: He thinks you should change the topic to Manitoba Hydro.

Mr. Ashton: Yes, well, that is right. There is some suggestion at the table that he has changed it to Manitoba Hydro now, and we will have to watch that. I guess that is maybe one of those, you know, it is like the gopher when he pokes his head out of the hole, or the groundhog, in February, you can tell what is coming by that. Is that what we have to do, go check Mike Bessey's next thesis?

Now, this thesis was drafted, the concept was drafted when? It was drafted well before the government announced the decision. You know what? There was somebody in the committee who made a presentation—

Mr. Chairperson: I want to remind members that we are still in committee and that I would like to retain the order that we have had up to now and that the conversation and discussion that I see starting to emanate needs to be curtailed. I also want to remind members in the audience listening to the discussion that we maintain a semblance of order.

Point of Order

Mr. Laurendeau: Mr. Chairman, on a point of order, I do not want to interrupt the honourable member's time during his presentation, but I would ask you if it might be relevant that the member possibly start putting some of his comments through the Chair. It might help some of the decorum out just a little bit. It does challenge us to get into debate.

Mr. Chairperson: Thank you, Mr. Laurendeau, you have no point of order.

* * *

Mr. Ashton: But I think he did have a point, so I accept that. My comments should have been through the Chair, and I thank the Deputy Speaker for that, but the reason I mentioned Mike Bessey is because, at what point does the light bulb go on on the government side? Mike Bessey, I should have added him in the mix, because he is obviously part of this. I mean, what do we need, Bob Woodward, to come and do a, you know, that kind of journalistic approach here? Do we need an investigative reporter or do we need a deep throat in the caucus? Well, we know there is a deep throat on the prospectus, it is all over the front page of the Free Press today, you can read the Sun, too. I realize that this is where you get most of your information from on the government side.

But, you know, what does it take before you start saying, there is something wrong with this picture? How much can you sit there and take it? I realize it has to be tough. I mean, the decision tonight was like to take that political Valium, not say anything and not respond, and this has been noted by presenters, by the way. I

understand that strategy. I mean, I understand why you are doing it. You did not want to get into arguing with presenters. You wanted to finish it off tonight, ram it through. I understand that, Mr. Chairperson, but you know, is there not some point at which you can only take so much? Is there not some point at which you start saying, you know, I have listened to the MLA for Thompson here since 3:20 in the morning and he has a point. Do I not have at least a few points?

If you could look me in the eye and say that you were consulted, had a say in the decision and were absolutely, 100 percent sure of all the information, all the facts, been treated fairly on this, okay, maybe I would expect that, but you have not been. I want to focus on that point because, think about it. Why do you think the people of Manitoba are so angry about this?

Here is what has happened. The people of Manitoba are being treated like Tory backbenchers. That is my thesis, Mr. Chairperson, and by the way, I am just getting a little bit of help and assistance here. Actually, some members of the committee were saying, not that bad, but think about it. I mentioned about Pierre Trudeau saying, nobodies outside of the Legislature or, in this case, the House of Commons that he was talking about, but you know—

Mr. Chairperson: I would ask the two members who are continually in conversation to listen to the presenter. We want to listen to the presenter, and we would ask that all committee members listen to the presenter. Thank you very much, Mr. Sale and Ms. Barrett.

Mr. Ashton: I mentioned that the Conservative MLAs were being treated like nobodies, and that is why they should be upset about this. You know what? Members of the public are being treated like nobodies too. Do not kid yourself. Think about it. If you are a little bit concerned, and you should be, put yourself in the position of being an average Manitoban. Any of the people in this room, just go out to Portage and Main, anywhere. Go to Neepawa or go to Morris. Go out to St. Norbert. Pick your favourite coffee shop. It is 6:20 in the morning. People are starting to go into coffee shops, starting to have breakfast. People are starting to wake up, the member for Wellington (Ms. Barrett) included.

I mean, a new day is dawning in Manitoba. Oh, sorry, that was in the 1980s. Anyway, people are going to be

sitting down in the coffee shops today, and they are going to be saying—it just might come up in the conversation. And you know how the discussion is going to go? I will tell you how it is going to go, because I have heard it in the coffee shop already. Somebody is going to say, Filmon said he was not going to sell it. Somebody else is going to say, yes, you know, it is not right. Maybe somebody else will say, well, why do they not put it to a vote? Some cynical person will say, are you kidding? We do not count. An election every four years, that is the only time they listen to us. They got elected, too bad.

I tell you why I am telling you this, Mr. Chairperson, because I have been on a coffee-shop tour. That is what people are saying. Never seen the level of cynicism as high as it is. When I hear presenters before the committee, you know what particularly hurts me is when I hear the young people, university students here talking about the cynicism. Boy is it out there. It is not just out there on MTS, by the way. I talked to people who voted for this government on the Jets, talked to me a few months ago, in this building. Told me, you know, he said, I will never do that again. He said, boy did I get fooled on that.

I hear the cynicism from young people. You know what it boils down to, what a lot of young people are saying? It does not matter, I am not really involved in this. I am a nobody as far as the government is concerned. It is interesting, because you know I mentioned this before. You know I got involved in politics, Mr. Chairperson, when I was 17, joined the NDP.

An Honourable Member: Good move.

* (0620)

Mr. Ashton: Liked Ed Schreyer, liked what the NDP did in the North, admired what Joe Borowski had done as MLA. Little did I know that at the age of 25 I would be fortunate enough to be elected to this Legislature.

An Honourable Member: You are smart.

Mr. Ashton: You know what? When I was a university student, I was university student president. There was a fair amount of cynicism in those days. That is when Sterling Lyon cut funding to universities, increased tuition fees by 20 percent. It is kind of interesting how

history repeats itself, current government doing much the same thing.

I came after the '60s in one sense. I graduated from high school the early '70s. People would say, boy, those days in the '60s must have been something, all that political activism. So I was already getting a little bit of that, but you know what? I know a lot of people did what I did, they got involved in politics. They joined political parties. I see people in all different parties who I knew in high school and who are now involved in politics. Thompson, a good example of that, one of my classmates runs the cabinet office, Conservative. Another one of my classmates is now a city councillor. At the university level, I know people who managed the Liberal campaign last time. You know all that. There are people you know, you have gone around with.

You know what really scares me? What scares me is the fact—in fact I have got some of my former student union constituents from there. You know what bothers me—by the way, people are saying this, are saying the message of others. The fact that they were here indicates they do not share that cynicism. Think about it, Mr. Chairperson. A whole generation of people now is being educated on two things on Manitoba: the Jets and MTS.

Now lest you think I overstate this, by the time the next election rolls around there will be people who will be 31 years old in this province who will have never voted in an election where anything other than a Conservative government was elected. Think about that. That is the only government they know in their adult life, let alone the people who are turning 18, 19. Somebody who is turning 18 in the year 1999, year 2000, if the government runs its full course, which it may or may not, somebody who is 18 at that time will have been six years old when the government was elected, gone through their entire time in school. That is a long time.

It is interesting because their whole impression of politics is going to be formed by what they have seen: this government. Do not kid yourself, there were a lot of young people who voted in the last election on the Winnipeg Jets. It is relevant to the MTS issue because the exact same thing happened. The same recipe was there. It was the same combination of running a fraudulent campaign, misleading the public. You do not have to take my word; just talk to a lot of the people who

voted that way because of that issue. Then, afterwards, the truth came out. Within days, the beginning of the end of the Jets. The tax scam, they had shifted the ownership of the Winnipeg Jets to Quebec. I mean, you could make levity of it. I know Quebec lost their hockey team. It did not mean we had to register the Winnipeg Jets in Quebec.

Is there not some sense that this is wrong? How about some of these upstanding citizens who are out to save the Jets? Was it not coincidental that some of these same people, like the lawyers, the accountants and the rest, they were getting the money from the Save the Jets fund. Boy, oh boy, oh boy. We get back to ethics again here.

I am glad the minister is back here now. I hope he has fired the three companies in the process. You know, it is even the same thing here. I am interested to see the connections in the law firms, the three law firms hired to handle the MTS sale. See who is involved in that deal. It has got to the point where—talk about disillusioning for young people. You get these people who claim to be find upstanding citizens, saving the Jets for altruistic reasons, who were pocketing money on the side. There were kids who put their money from their piggy banks into that. Did they not have any shame?

I was in Flin Flon on the weekend, and they put out an appeal for food and support in Flin Flon for the food bank. You know what happened? The kids went down with their allowance. A couple of kids put down \$20. I really have to admire those kids. For the Jets, they took money from their piggy banks. Remember that big protest, big rally? A lot of kids there, and what was interesting is, they put all this effort in, and they really believed in this.

During the election, they targeted kids. I have talked to people. They knew exactly who they wanted to talk to. It was young people. They knew exactly what the issue was, because they polled before. It was the one issue where you either were against it, and it was only one of a number of issues, or you were in favour of it, and that was vote determining. They targeted them, and they had even the Free Press. God knows why the Free Press would ever take a political position like this, not even on their editorial pages, but in the sports pages, saying that the only way to save the Jets was to vote for the Conservatives.

Well, it will be interesting, because in the next election, I wonder if the government is going to run around campaigning on, you know, we saved the Phoenix Coyotes. Like, you can only fool some of the people some of the time, but you cannot fool all of the people all of the time.

Well, I mentioned that in the context of young people because, what are they supposed to say about MTS now? Everybody I have talked to, young people, seniors, no matter what age, everybody identifies with this idea that we are shareholders, our company. This was mentioned numerous times. Now, what is interesting is, I raised this in the House with the Premier (Mr. Filmon). What did the Premier say? What did the Premier say to Manitobans? He said we are shareholders in name only. It is news to a lot of people. What an insulting comment.

I will tell you, I guess I could say, he is Premier in name only. I think he is. He has not risen to the office. I have never seen a Premier slide so far down into the gutter than I have with this Premier. I could call him that, Premier in name only, but you know what? I will call him the Premier out of respect. I do not like his conduct, but I will call him the Premier. He was elected. He may have fooled some of the people, but you know, he is not going to fool all of the people.

I wonder if this has dawned on people on the government side here, because there are some people sitting in this room who have run in a number of elections, they are experienced, and if I cannot appeal to you on the merits of the arguments and the process and the rest, let us put it the other way, because I know, and I hate to be crass about it, but people assume sometimes that politicians are only concerned about votes.

I will tell you what I am going to do. I will tell you right now what I am going to do if you pass this bill. The first thing I am going to do is to tell everybody everywhere exactly what I think of it and what we think of it. You are betraying Manitoba, particularly rural Manitoba and northern Manitoba. You are betraying Manitoba. That is exactly what I am going to say.

Number two, you know what I am going to suggest? Those nice telephone bills that we get, by the way, they are the Bell Canada bills. You may not be aware of this. Those are the same bills that Bell Canada issues. Just,

please, watch out and make sure they do not end up being prepared by Bell Canada, a private company. You can tell people, save your telephone bills. Do not believe what we have been saying about rates. Save your bill. Check back in three years if you survive that long.

You know what, what are you going to do? This is not like health care and education, and I know what you are going to do there. Cut, cut, cut, and then just before the election, well, you know, we will go into the piggy bank, the slush fund, the Fiscal Stabilization Fund, and we will open up the biggest piggy bank in Manitoba history, the proceeds of the sale of MTS, and you will go and spend it, and you will say, we are born-again believers in health care.

Sort of like the Reform Party federally. There is a group of people I trust to protect my medicare system. You are going to do that. Education, you know all those angry teachers and angry parents, you are going to go in and you will give them a 2 percent increase instead of cut, cut, cut.

* (0630)

You think this is off base. That is what Sterling Lyon did in 1980 and '81. I know that because I was elected that time. You are going to go there and you are going to say, okay, maybe we went too far. You know, even Ralph Klein in Alberta is doing what? He had a doctor run against him for his nomination, a die-hard Tory. You know, he had to fight for his own nomination. Guess what, Ralph Klein had a saying in Alberta. Guess what he is saying. Well, maybe we cut a bit too much on health. A bit too much? We are dealing with a situation where, a bit too much? They took a sledgehammer, a chainsaw to the health care system in Alberta, but they cut it just a wee bit much.

Oh, yeah, we had a good campaign ad on that, the chainsaw. Once again, we were ahead of our time on that. But it is interesting because, that is going to happen on education. Now, you know, the Minister of Highways at that time is going to gear up the highways machines. They always used to do this in Thompson. It amazed me. Oh, 391, it amazed me every election. Talk about cynical, I guess I did start off a bit cynical as a kid because, when I was a kid, I remember the Conservatives promised to pave Highway 391. You know what they

did? They paved 20 kilometres—no, 20 miles, it was miles in those days. Twenty miles and that was it. The next election came around in 1969. Guess what. Another 20 miles, and they got those little paving machines out. You know what, a gift shop owner, examiner named Joe Borowski, ran in the Churchill provincial constituency in 1969. I was 13 at the time. I remember it well. He said, pave the whole highway, enough of this one-lane bridge. We need a double-lane bridge across to Burntwood, and he said, you do not have to drive all the way around through Swan River and the rest—

Mr. Chairperson: Mr. Ashton. If you could give me two seconds.

Mr. Ashton: Sure.

Mr. Chairperson: I would like to call the committee to order. It almost appears to me as if some members of the committee, and I referred to Ms. Barrett at the end as playing to the audience more than anything else, and I would ask Mr. Ashton to at least bring his remarks in focus with the issue at hand instead of speaking about Highways budgets and health care spending and those kinds of things. I think we are debating a resolution or a motion that deals with whether we should adjourn this committee until 9 a.m. and continue debate or whether we should not debate it. That is the resolution, or the motion, so I would ask Mr. Ashton to bring his marks to bear on the motion, and I would ask members of committee to please maintain the decorum that we have seen around this committee all night. I have appreciated it, but it appears to me that there are members that want to disrupt this committee and if that is their desire, they can certainly do that. So Mr. Ashton—Ms. Friesen on a point of order.

Point of Order

Ms. Friesen: On a point of order, Mr. Chairman, I want to say for the record that it is my impression that the decorum around this table is far better than it is at most committees I have been to in the last few weeks. It is quiet. It is calm. It is reasonable. People are listening to the speaker, and it may be that it is early in the morning, that you have been there a long time, but my sense is that the impression that you left on the record of the atmosphere in this committee room was not that which I see.

Mr. Chairperson: Thank you, Ms. Friesen, there is no point of order. However, I want to re-emphasize that I have asked for continual decorum and order, and I intend to maintain that. I appreciate what you said, Ms. Friesen, that we have good order, and I do not want to lose that so I ask Ms. Barrett and Mr. Sale to refrain from continually talking.

Point of Order

Mr. Ashton: On a point of order, Mr. Chairperson, the most severe penalty that we have in the rules is to name individuals. It is absolutely out of order for you to, in this case, name two individuals. What you should do, Sir, is—I have no problem with suggesting we maintain decorum in the committee but, Sir, naming individuals in the parliamentary process is one step away from having, in this case, the names reported, and that is inappropriate, Sir, when you are dealing with very minor, not even disruptions. We are dealing in this case with some discussions, and I would suggest that the admonishment be in a general sense. I have no problem with that, but it is absolutely uncalled for to name individuals. That is one step away from reporting them to the committee and having them ejected, and that is not the process.

You only name individuals in the House where you have a situation of a point of order where someone refuses to retract a statement, for example, or makes unparliamentary language and is dealt with that. So I am extremely concerned that you are naming individuals in this committee for minor infractions when in fact naming is a very severe admonishment. It is totally uncalled for, and I would ask—I have no problem maintaining the decorum, but it should not be something directed at individuals and then having their names repeated two, three or four times. That is not the way we function in committee or the House. That is not our rules.

Mr. Chairperson: Thank you, Mr. Ashton, you did not have a point of order. However, I accept the advice. I will, however, indicate to you that I have asked three times for order and decorum.

Point of Order

Mr. Sale: Mr. Chairperson, on a point of order, you have inappropriately named myself and Ms. Barrett or attempted to do so. I have had the joy and pleasure of sitting in committees where you yattered on at great

length rudely and continuously from your side of the table, interrupting, taunting, name calling, and this pot-and-kettle routine that we are being subjected to is simply nonsense. We have done very well while you went off and had a nap or went off and had a coffee or whatever you went off and did for a while. We have had a very good process and Mr. Ashton has made what I think is one of the most brilliant speeches that I have ever heard in a political process. He has covered the waterfront wonderfully well and painted the whole picture in a way that I think none of us had ever seen before. I think we have all listened.

I think at this time of the morning to expect people to be like sphinxes so that you can have some delight in your absolute control is inappropriate. It simply inflames the situation. It does not do anything in fact for decorum, because you have now managed to provoke a couple of points of order and another spending of the committee's time.

I suggest that you have some perspective, maybe take some clues from your colleague Mr. Pitura or Mr. Sveinson, both of whom have chaired this committee with great skill, with sensitivity, with a sense of humour, with grace, with politeness, and I have appreciated their chairing and I think the committees run well under their leadership.

So I would suggest that you not name people—that is not an appropriate thing for you to do—and that in fact we get on with listening to Mr. Ashton, who is painting a very important and very broad picture for us all as to why it is utterly inappropriate that this committee not adjourn and reconvene at some future time, because we simply are not going to go through clause by clause. I think that ought to be very clear to the committee by now but, if Mr. Ashton needs to speak longer to convince you, I am very glad to listen to him.

Mr. Chairperson: Thank you, Mr. Sale, for the advice. You had no point of order.

Point of Order

Ms. Barrett: Mr. Chair, on another point of order, as the other member of this committee who has been named by you, I believe along with Mr. Ashton inappropriately, I would like to raise a point of order that while we of course expect not only in committees but in the full

House a sense of decorum, even in the Question Period, which often, as you well know, being a very active participant in Question Period whether you are actually answering questions or not, the Speaker does allow for a certain amount of interchange on each side of the House as long as it does not disrupt the activities of Question Period.

* (0640)

We do tend to get too active at times, Question Period being what it is, but I would suggest, Mr. Chair, that the Speaker does allow for members of both sides of the House to talk amongst themselves as long as it does not disrupt the proceedings, as long as the questioner and the responder have an opportunity and can hear one another, which I will agree at times is difficult in the House, but I, too, Mr. Chair, have been at several committees this session chaired by yourself and chaired by other members of the Legislature and have not found, with the exception of your chairing in this committee where you continually interrupt from the Chair asking for order when there is no disorder in the committee, no disorder if you compare the committee actions with what happens in the Question Period and in the House. I think that we would be best to observe the type of rules and the flexibility of the rules that the Speaker puts forth in the House during Question Period and debate in the Legislature. That should be our template, and you, Mr. Chair, I would suggest, have gone over that flexibility.

Mr. Chairperson: Ms. Barrett, you have no point of order.

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Mr. Ashton: I was pointing to what happened, and I was halfway through explaining what had happened. One Mr. Borowski and Mr. Schreyer and the NDP government, you know what they did? They paved all of 391, they put in Highway 6, cut the journey to Winnipeg by three or four hours, and they went and put the bridge over the Burntwood. The reason I mention that—and it was in my political influence to get involved when I was 17 years old, and you know, that is the difference here.

In the next election you can run around as you did in 1980-81 to try and undo all the damage you have done or at least part of it. You can be like the Tories in 1969 who promised 20 kilometres or 20 miles worth of paving,

length rudely and continuously from your side of the table, interrupting, taunting, name calling, and this pot-and-kettle routine that we are being subjected to is simply nonsense. We have done very well while you went off and had a nap or went off and had a coffee or whatever you went off and did for a while. We have had a very good process and Mr. Ashton has made what I think is one of the most brilliant speeches that I have ever heard in a political process. He has covered the waterfront wonderfully well and painted the whole picture in a way that I think none of us had ever seen before. I think we have all listened.

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Mr. Chairperson: Thank you, Mr. Sale, for the advice. You had no point of order.

Point of Order

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committees but in the full House a sense of decorum, even in the Question Period, which often, as you well know, being a very active participant in Question Period whether you are actually answering questions or not, the Speaker does allow for a certain amount of interchange on each side of the House as long as it does not disrupt the activities of Question Period.

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Mr. Chairperson: Ms. Barrett, you have no point of order.

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Mr. Ashton: I was pointing to what happened, and I was halfway through explaining what had happened. One Mr. Borowski and Mr. Schreyer and the NDP government, you know what they did? They paved all of 391, they put in Highway 6, cut the journey to Winnipeg by three or four hours, and they went and put the bridge over the Burntwood. The reason I mention that—and it was in my political influence to get involved when I was 17 years old, and you know, that is the difference here.

In the next election you can run around as you did in 1980-81 to try and undo all the damage you have done or at least part of it. You can be like the Tories in 1969 who promised 20 kilometres or 20 miles worth of paving,

should be collecting income tax, and I think the CFIB made a similar point.

It is interesting, Mr. Chairperson, because their argument was, tax MTS, make it just like any other private company. They do not want to be unfair on those poor, poor, private companies like AT&T and Sprint. Treat them all the same. I have heard that from people. You know, there is the level playing field.

* (0650)

So let us make sure you pay the tax. Who ends up paying that tax? Well, you can say it is the company, but let us not forget, how does the CRTC work? You pass the cost on to the consumer. That is what they did in Alberta. The tax liabilities are passed on. Under rate capping, you do not even have to worry about a regulated rate of return anymore. Next election, I will not have to wave that document around.

Now, there are other things that this report talks about. It talks about the cost of capital being determined by book value is equal to the cost of assets, net accumulated depreciation. You know what? After privatization, the cost of capital will relate to the price paid by the new owners.

I am sure the Premier must object to this statement. They will require a competitive return on their investment. Did the Premier dispute that? I mean, why are these shareholders lining up, according to the brokers. You know, why are they going to line up? Is this the United Way. Are they donating their money? This is for the public good? I am sorry, let us get a reality check here, Mr. Chairperson. What does the document say? It says, they will require a competitive return on their investment.

You know what the document did? Maybe this is where the Premier objected to the document. It said, we assume the government of Manitoba will sell the company for the highest price it can receive. Okay, now, are we on to something here? Did they not sell to the highest price? I can go through the prospectus now. Thanks to the Free Press, we will maybe get some idea on that. Is that what they objected to? No, no, no. We actually sold it at a discounted price. It says here, the government could sell the company at a significant

discount in order to reduce the need for rate increases, but that would significantly reduce the benefit to the Treasury, privatization. There is no indication the province will sell MTS for anything less than the market is willing to pay. The selling price is likely to be at least equal to book value, hence capital is being financed and likely to climb and may increase.

Here is an interesting dilemma for you. What happens is, heads I win, tails you lose. Well, this is basically the other way around, because what happens in this case is, if the government sells for the appropriate price or even higher price than book value, rates will go up a lot more. If it undervalues the shares, rates will not go up quite as much, but then we get ripped off on the sale. Either way, you get to explain which direction you go. Now, is the objection to the Premier (Mr. Filmon) the fact that they are deliberately underpricing the shares? Our rates will not go up as much, as is projected. I do not know what more you can do.

It is like, the Premier, when he was asked questions about the rate increases, said, it will be a wash. I do not know what kind of wash he is talking about. He said, oh, it might be this and it might be that; it could be up, it could be down.

An Honourable Member: Take us to the cleaners.

Mr. Ashton: Yes, that is it. We are being taken to the cleaners, I think. Mr. Chairperson, a wash, okay, I said before, I am an economist. You do not have to be an economist. You can be anything. You can analyze yourself. It is not that difficult. You can set off the factors, on the one hand, there might be increased rates, on the other hand, might lead to decreased rates. You can do that theoretical analysis. You can go to Alberta, I mentioned this earlier. I phoned Alberta. It documents everything we have been saying. So why am I saying this to you now? You know what? Because in the next election, I will not have to wave this document around, other than to say, we warned you.

You know what is interesting, the poll the coalition did, the survey, they also asked people what they thought about various arguments about the sale of MTS, in addition to the vote and the rest, and 65 percent of people said, rates will go up. I think about 20 percent of people disagreed with that. Seventy percent agreed or strongly

agreed that service in rural and northern Manitoba will go down. To people such as the member for St. Norbert (Mr. Laurendeau), I know they also looked at voting intentions. People are already beginning to look at that. I do not usually talk about polls, but it has to tell you something when you start seeing the Tories running behind the Liberals in competition for second place. If that does not warn you I do not know what will

So we are going to be in a situation in the next election, and there I am appealing to the toughest nuts in the caucus here and I write out all the other—you know, somebody might say, who cares about ethics? Who cares about proper decision-making process? I do not care, you know, whatever, we will just do it.

We will show them, maybe we will get in there and, like, be rah, rah. They think they were going to get us to back down. We will not back down unless hell freezes over—freezing over as it, so I would not use that analogy—but I have heard all those arguments and it is kind of that Charge of the Light Brigade kind of mentality: Onward they rode into the valley of death. Been there; done that. I have been in government, I have seen some of those speeches with rah, rah, and then all of a sudden, you sit there and you go, no, something is wrong here.

All right, so I cannot appeal to you with any of those arguments, so what have I got left? The next election, you cannot undo it, the rates are going to go up. I am going to be able to go to people, I am going to—maybe I am giving away an election tactic here, but all right, let us do it—I will xerox an MTS bill from this year, I will ask them to check their bill to see what it is like in 1999 or the year 2000, I assume that is when your plan for an election is. You cannot undo it, not only that, you cannot even buffer the increase. Once it is private, that is it. It is between the private company and, as you point out every occasion, the CRTC; you have no ability to influence.

So when your constituents in La Verendrye or Portage start saying, how come my phone bill is 30 bucks a month? That is what it goes to. That is what they are moving to in Alberta, by the way, that is what I am basing it on. It is not a scare tactic that I am accused of or fearmongering, I am just going on based on what is going on in Alberta. A private company comes in and who knows, maybe there are unforeseen consequences of

the privatization in this variable, the July application, CRTC. I mean, you are sitting there with your phone bill—I am going to go to somebody's door and I will tell you what, not just in Thompson, I will not be fighting the election in Thompson next time, we won Thompson five times in a row. We have won 23 seats. It is going to be over the next six, seven, eight seats that you need to form a government. I tell you, we are going to be in a lot of the Conservative areas. Do you know what we are going to do? I think I will just go to the door and I will say, remember when the Conservatives promised they were not going to sell MTS last election? Look at your phone bill and see if you can afford to trust them and have them break their word again.

I have never seen an issue of this magnitude that is as irreversible for this government, and when I say irreversible, I still hope that it can be repurchased in the future, I really do. I think there is some strong possibility of that, but I know you will not do it. You cannot. You cannot sell it off and then repurchase it just before the next election.

I will tell you what you will not be able to do as well, you will not be able to run around and do the ribbon-cutting press-release type of things you have done. Do you know what really bothers me with your talk about the debt? You go and you applaud yourself, pat yourself on the back for the rural and northern service initiative and that goes back in the mid-1980s. You put the financial side of it in place, and I have agreed with it. You cannot have it both ways, run around criticizing the debt and run around having the press conferences to announce these. But do you know what is going to happen? You will not be able to do that anymore, you will have nothing to do with it.

How about decentralization? In 1989 the provincial government announces a decentralization initiative. Hmm, what a laugh indeed because, you know, we supported decentralization. The first government really to implement it was going back to the Schreyer government, and all governments have followed that. It is a good concept.

It is interesting. Who was included under decentralization? Civil Service. Who else? The Crown corporations. Now, it was not always real. In Thompson I discovered there were 34 new employees for Hydro

working in Thompson. Guess what, Mr. Chairperson? You know what they did? Kelsey is the generating station; 34 people work at Kelsey. You know what? They were listed as being out of the Winnipeg office. They then moved it over to the Thompson office. You know how many of those lived in Thompson? Not one. But now they were reporting to the Thompson office. So that had been decentralized. I mean, you know, talk about phoney as a \$3 bill. Some of the stuff you see on that. They did it with MTS.

I have seen the numbers on decentralization for MTS. You know what has happened in the last few years? There are fewer jobs in rural Manitoba than there ever were. They have been cutting jobs over all, and they are down in every region. I have got the regional breakdown. By the way, I could not get the breakdown by community because MTS wanted to charge us \$450 to give us that information. You know what, though, that is not a problem, and Mr. Stefanson will rest easy in a few months, Mr. Tom Stefanson.

* (0700)

Pretty soon you will not have to be responsible for that. Freedom of information, you will not have to worry about that anymore. No Question Period questions. You will not have to worry about having to give that information. As Mr. Stefanson says, you can just go in there. All you have to do is be like a private company. Boy, will it not be great. Just worry about the board, and once a year you see a few shareholders. You do not have to worry about it. You can do what you want. Read his comments in Hansard. That is what he said.

But you know what? In 1990 you campaigned on decentralization. You will not be able to do that anymore. Not only that, what is interesting is, you have not even gone as far in the bill as the investment banker said in their seven-page report. Guarantees of universal service, have you read the bill? Do you see what is in it? Nothing. Nothing. Read the mission statement of MTS. Compare it to what is going to be in this bill. It is not there anymore. And you know what is not there? There is a guarantee of the head office, for a while anyway. Now, no one says what the head office will have in the way of staff. It could be a phone number but, assuming there is a head office.

Nothing in here about the rural offices. You will not be able to announce decentralization. You are going to be running around explaining to your constituents why those offices are closed. There are offices right now that are being targeted for closure. That is not what I am telling people, that is what senior officials of MTS have already given notice at meetings with employees. Employees are very concerned. Do not kid yourself. You know, I have seen all this stuff that has been put out by MTS, somehow kind of fudging it by trying to say our customers in rural Manitoba and the rest of it. You know what? There will be some offices, and I will tell you what they will probably be. Brandon, Thompson and Winnipeg. How long is Minnedosa going to remain open? How about Morden? It is a major centre. How many people are going to work there? A lot of them are already being transferred out anyway. I can tell you that. They have started the process already. But what is interesting is where are we going to be? You cannot guarantee it. You know you cannot. It is not in the act. We may have a head office, no guarantee on that point.

Now, you may say, ah, there goes the member for Thompson fearmongering again. You know what I did? I phoned Alberta. Do you know how many jobs they have lost in Alberta in their telephone company under a privatized company? Five thousand. More than we have in total. Five thousand jobs were cut. I will tell you what they did. It is probably going to happen here. They laid off 20- and 25-year people who then got hired back by private contractors making half the wage, a lot of those in rural areas. Do you know what happened in the rural areas? They closed phone offices, phone centres. The funny part was they had to re-open some of them. In this purge that took place, people were laid off and laid off and laid off. I have talked to people who worked there and it was terrible.

Any of the things that have happened at MTS the last little while pale in comparison with what happened at AGT. People all the way up the ladder in terms of seniority were laid off. Did the minister check that? Every time I have said something on this issue, I have done my homework first. Rates, employment service, profits, I have given you information that takes the Manitoba situation and runs it through. We have a report here that does that. I checked what has gone on in Alberta. Did you not do the same thing? You copied the Alberta model but you did not check with what happened

in Alberta, or did you check? In which case, how can you make statements in that MTS Answers document that are not true, that are lies, misleading? You know, I can say this now but how are you going to hide from that fact in the next election?

(Mr. Vice-Chairperson in the Chair)

Remember, I am appealing to the one thing I have left, how people are going to vote in your constituency. What kind of a campaign are you going to run? Hey, we support health care and education. Yah, right. Try another one. What are we going to do? Save the Manitoba Moose? I think that one is a little bit stale by now. What are you going to do? What is going to be your symbolic issue, and what are you going to do when someone in the debate or public meeting asks the \$64-question? Are you going to sell off Hydro and are you going to sell off MPIC? What do you say? Well, yes, in the last election we said we were not going to sell MTS and, yes, we did not tell the truth, but that was different. No, I do not think that will work. Oh, you can try what you are doing in the House. We have no plans to sell off Hydro, no plans to sell off Autopac. Wait a second, are those not the same words you used in the last election? What are you going to do?

Now, you have a real problem here because, you think that MTS costs more, what about Hydro and Autopac? We have the lowest automobile insurance rates in Canada. Do not take my word for it, it is a CAA report on the cost of running an automobile. They identified that, the lowest rates in Canada, and the minister is here to confirm that.

It is interesting, because the Minister responsible for MPIC (Mr. Cummings) being here, what I like is, MPIC went out of its way to defend the public ownership aspect and the efficiencies and the cost of raising capital. They had one of their PR people do a really great letter in the paper, and I just felt like taking that article and netting out Autopac and putting in MTS because, you make some of the same arguments. It is a different industry, but the same arguments that you made apply to MTS, and they do. Interesting.

Manitoba Hydro. You know what scares me about Manitoba Hydro? The Minister responsible for Manitoba Hydro, what is he doing now? He is breaking Hydro up

into various components. Hmm. Sound familiar? Boy, been there, done that again. What did they do with MTS? They broke it into four components. Now, I asked the minister about that in committee. That is when he got in his rampage about me being the only one talking about privatizing. That is what triggered it. When I saw this I said, I do not believe this. They sent out documents to people at MTS saying, this has nothing to do with privatization. Yeah, right. I believe Mr. Stefanson, Tom Stefanson, that is, had this as part of his private agenda—he called it that—private agenda on MTS, breaking it up into these new components. This is the latest rage.

I can read just as many management books as any of the government members can. You know, I have taken enough management. I look at what is going on, you know, all the talk about getting rid of the middle managers, breaking into manageable size components, the rest of it. I can give you the specific books that are driving this. We can argue this back and forth, but do not kid me, that was the prelude to privatization. It brought in four senior new people, new presidents, three from Unitel and one from Mary Kay cosmetics. I think he also had a telecommunications background as well.

Now, boy, is that not coincidental. You bring in four new presidents at \$130,000 a year with backgrounds in the private phone industry. You did not promote from within, did not go to SaskTel, and coincidentally from Unitel. Interesting. You know, it is interesting, because what do you do in Manitoba Hydro? Exact same thing. Now, is it not interesting because, you have got a situation now where, what is going on with Manitoba Hydro? The minister is saying, we have got to open it up to competition. Is that not interesting? What is the reason you are using here to say we should sell off MTS? Competition.

Now, you had a choice in 1992. Saskatchewan had a choice. You did not immediately have to go within federal jurisdiction. What did you do? You went and you agreed to that competition. Your choice, for MTS bottom lines, no doubt about it. You agreed to that. What is going on in Hydro? You are going to move into competition. We are seeing the same sort of buzzwords in the Minister responsible for Hydro (Mr. Praznik). Now, the Minister for Hydro is saying, we have no plans to sell Manitoba Hydro. Yeah, right.

I mentioned about Manitoba Hydro, what are you going to say about Autopac? I happen to believe that the minister himself probably is committed to maintaining Autopac in public hands. I hope so. I hope he believes the stuff that his own corporation puts out. You know, it is one of those things that just drives the ideological right-wingers nuts. A classic case where in this case you have an insurance turn into a public utility, and you know what, it is efficient, the lowest rates in Canada. This is according to the CAA, by the way, I can provide the details on that.

* (0710)

You have a problem, though. There was a presenter in. It was Mr. Kelly, I believe. Mr. Kelly came in, he said—an interesting thing about the CFIB is, they do not operate by a democracy within their own organization. What they do, they survey their members. But anyway, he made a statement that I thought was very interesting. He said—this is a good one, because only three people came before the committee. He said, what is going to happen if you have a private company versus a public company? The private company always has cheaper rates and better service than the public company. I do not know how much lower you have to go beyond the lowest rates in Canada to get the message across that that ideology does not always work. Autopac has the lowest rates. Hydro has the lowest rates probably in North America, if not the world. MTS has some of the lowest rates in Canada.

So, you know, I know it is tough when your ideology wants to sell everything off, but when you are confronted with the facts, what do you do? Now, the minister says—I believe the minister probably believes in public ownership of Autopac. I really do. I hope so.

(Mr. Chairperson in the Chair)

You know what, if he is no longer the minister, what if Jules Benson starts getting involved in this one? What if, and you know I can almost plot this out, there will be some discussion about, well, Autopac served us well since 1970. Now, let us not forget, we are talking about the fox and the chickens here. After Autopac was passed, do you know what the Conservatives did in the House? They wore black armbands. They said it was a dark day for Manitoba. Black armbands. So you know, if I do not

have quite a lot of trust in this, I think you see where I am coming from. I just think you run into problems because next thing you know is, once Dan Kelly and the CFIB have gotten rid of MTS are they going to not want Hydro or Autopac next? You know, Peter Holle was in here. He believes that you sell off everything, you know, go like New Zealand. I wish I had more time to point out that the New Zealand election results where the people of New Zealand have thrown out the right-wing politicians, and you have seen a lot of issues like health care being key issues there, but how much longer do you go before you run into that brick wall of ideology, right-wing ideology and realize what is going on.

I did not just research Alberta. I researched what has happened in Britain. They sold off their telecommunication system. They sold off everything. Do you know what is going on there with their privatizations now, in transport, waterworks and the rest of it? It is chaos. You know what has happened? Guess what has happened everywhere there has been a privatization. The first thing that happens is that senior executive salaries skyrocket. It happened with EdTel. It happened with AGT. It has happened with every privatized company in Britain, in most of which you have CEOs making a million pounds a year. Three and a half million in waterworks. That is the first thing that happens, and they get share options and stock options, the rest of it. I will be watching to see what happens in this sell off here. Because you know what happened in Alberta, as well. They have restrictions there. Did I ever mention the restrictions? I talked to some senior managers, the former senior manager. You know what some of the senior managers did? They went around and they scooped up the shares. They went to every bank in the province and they got proxies to buy the shares for them. Is that not interesting? Big increase in wages and pluck up the shares. That is what happened in Britain, too. I want to run through this because it makes my point.

The next thing you have is rate increases that are dramatic. Drop in service. You cannot name a privatized company where that has not happened where you are dealing with basic services. I am not talking about a bus company or a mining company, you know, that kind of public ownership. I mean, the NDP government that sold off the Flyer bus for example. That was—we are not talking about a public utility. We are talking here, in the case of the bus line, we are talking

about that kind of service we are dealing with. It is interesting because that is what always happens. It has happened in every single privatization. So how do you say to the Mr. Holles and the Mr. Kellys and the others—and I respect their views. I am not attacking them personally or anything, but we think they are going to say, ah, MTS is enough. That is it, we are going to quit right there. You think that? How about the chamber of commerce that has been, it is interesting because we had a presenter from the chamber of commerce who was not even aware that not all chambers of commerce support privatization of MTS as I know at least one chamber of commerce passed a resolution against it. But you know they are not going to be happy. You did not say no on MTS, how are you going to say no on Autopac? What arguments are you going to use? All right, you are going to say on Autopac, what, the rates are low, the rates will go up higher in a privatized company? There is a slight problem with that one because, you look at it, you are in the situation now, you cannot argue that. That is the same argument on MTS.

How about Hydro? What argument are you going to use on Hydro? They are going to say, well, we have to privatize Hydro. Well, you know, we have low rates. You cannot use that again, that is not the driving force on this one, you do not care about the rates on MTS. You are not coming to tell us you have a debt with Hydro. Well, you do. What is the debt there for? The dams? What are the dams doing? Producing the lowest rates in North America, and the dams, the Hydro dams, are a physical asset and they are producing a profit. So I do not know if you have thought this through, but you are not going to be able to say no to these people. How are you going to draw the line? Well, that is probably an easier thing to deal with in some ways than we are going to have to deal with the people, because people are drawing the line.

An Honourable Member: Are you trying to convince us to privatize?

Mr. Ashton: No. The member for La Verendrye says, well, am I trying to convince you to privatize? I am trying to convince you not to get down that slippery slope of privatizing MTS today and Hydro and Autopac tomorrow. This is one of these things where, if you do not learn to say no on this one, you do not know how to say it on the next one, you do not know how to say it on

the next one. Do you know what worries me? Where does it end?

The Liquor Commission? Hey, there is a candidate for privatization for this group. Let us just do it like we did the wine stores. Let us just do it like that. Do you know what happened with the wine stores, Mr. Chairperson? It is interesting, because the board of the Liquor Commission dealt with it. One of the members of the board of the Liquor Commission was a former Tory candidate in Crescentwood. Guess what happened with the proposal? The Liquor Board approved, in agreement with the government, to move to four private wine stores. Guess what happened. This individual resigned from the board, and guess who one of the four licensees is today? The Tory candidate from Crescentwood who sat on the board, pushed the decision through to get private wine licences and now conveniently gets off the board before the decision is made, and now his family has one of those wine licences.

Is it not ironic again? Why is it everywhere I turn I see the same agenda? We have partial privatization already in the Liquor Commission, and guess what. We have somebody benefiting right off the bat, and no one saw any ethical problem with that. You can sit on the board, push through a decision that benefits you in a direct way, get off before you actually have to make the specific allocation, and then benefit from it.

* (0720)

If a member of the Legislature did that, they would be disqualified, they would lose their seat. You would not last the public view of this very long. The public of Manitoba is not going to fall for this if you are a politician. But these Tory insiders, they managed to do two things. One is get their ideology out, but is it not coincidental how their ideology also has a bottom line, Mr. Chairperson, and guess who benefits. Guess who benefits. They benefit. You get a wine store here, a brokerage firm contract there, in the case of MTS, and you know what? There is a lot of money to be made on Autopac, a lot of money to be made on Manitoba Hydro. There is a lot of money to be made on the Manitoba Liquor Control Commission.

You know what is interesting, once you get past this combination of right-wing ideology and making a few

bucks for yourself, you do not really have to worry about the facts.

I can see what is driving this, because the next step is, what happened when they privatized the liquor commission in Alberta? You know, Alberta is fascinating if you want to look at privatization because, have you ever seen the store Toys R Us? They have a couple of stores in Alberta now. They privatized a lot of functions out there like government forms. There is an American company now, it is basically forms r us, and there is a booze r us, too, I think out there. They are pretty subtle with their names for these. You are going to say, the public has benefited, right?

Do you know what has happened? The prices have gone up, because the margins, well, it relates exactly to what MTS—how many times do I have to say to you here, you privatize liquor, the price goes up, the selection goes down. The private companies, let us be frank about this here. You do not get involved in a private business for charitable reasons. You get in there to make a buck. There is nothing wrong with that, nothing wrong with that at all.

But I ask you this question. Should there not be more to the equation than your ideology and benefit, personal benefit? I do not mean necessarily for you individually. I mean for people out there. I mean, when you see the privatization of the liquor control does not work, does that not worry you? I mentioned about Britain, the water works. It is chaos. How about buses? We had presenters here and this can be compared to the phone system in the States. Until you realize how much chaos there is in a totally privatized system there—we had somebody talk about having to spend 3 bucks to make a phone call from a phone booth to an office that was across the street. You know why that is? Because the gentleman was quite right, you can walk in and you can take over the control of a phone—you know, the phone booths are out there. They are not run by the basic companies. It is interesting because—

An Honourable Member: Take time to chew, Steve, it is okay.

Mr. Ashton: The bottom line here is, you know what happens. You pay the money, you pay the price, and that is what is happening in the United States.

Mr. Chairperson: I will not stop you from chewing, Steve.

Mr. Ashton: That is right, I am not chewing gum, either, so do not give me a detention.

Mr. Chairperson, do you know what is going on in the United States? Do you know what is going on in the United States? In Montana and a couple of other states, you know what they are moving to is co-ops, back to the future. I mentioned this during the committee hearings. Why are they moving to that system? Because the bottom line is they do not and will not provide the service that a publicly owned company or regulated company, the original baby Bell has provided. So you have to provide it yourself. And do you know what was the foundation of the phone system in Manitoba? It is municipal and co-op and government. There were still municipal-owned phone services in Manitoba well, I think, into the 1930s, 1940s.

It is interesting because you know when the Manitoba Association of Urban Municipalities, the Union of Manitoba Municipalities say that they are opposed to privatization, there is a reason. Why is there a reason? You know, they were part of it right from the start, the municipal-owned phone systems. There are still municipal-owned phone systems by the way in Ontario and other jurisdictions. Are we going that far back to the future that now we are going to have to get local people to set up co-ops to provide that service? What is going to happen to the member for The Pas' (Mr. Lathlin's) constituency? How many of those communities are going to maintain service?

Do not kid us with a few clauses in the act. The way it works no one is suggesting that a private company is going to rip up existing phone lines. But you know, the minister can tell this committee how many northern Manitoba communities have had their service upgraded in recent years. I can tell the minister because I know in my own area, virtually all my communities now are within calling areas. The phones are upgraded to that point, and they are upgraded to the point, too, where communities can use the Internet—not all, there are still a few.

One of the benefits of a publicly owned company does not exist the same way in northern Ontario. It does not exist. They are not doing it.

My school in Nelson House, the Nelson House First Nation, is now doing contract work which they use to help train their kids for the Department of Indian Affairs. They do contract printing, et cetera, and they use the Internet. Kids in Nelson House, in a community that barely has a road, do you know what? They are on the Internet. They have their own home pages. Why? Because the phone lines are connected to be able to do that, and now Nelson House is within the calling area.

Check in other provinces. Do not take my word for it. We have got the best calling area system in Canada. That is one of the advantages of publicly owned company, you can lead by example. I find it frustrating. I mentioned this in context at election because the minister is the one who made the announcements. He was always there for the ribbon cuttings. Now we have had the same minister since 1988, so he cannot wash his hands of how many hundreds of millions of dollars of capital investment—750? Well, 620 is in the rural service. I accept that 620 is a figure that the minister has used. The minister, under his watch, has invested \$620 million. But if you believe the government, it cannot raise another \$500 million over the next five years. The same amount of money in the next five years. It just amazes me. If you can invest so much energy into building something up and then tear it down so quickly. That is why I really wonder if the minister was even involved with this, if he is just taking orders. I would like to think that is the case.

I just do not know how you can work and build up a public system, and I have been in committee when we have had the reports, glowing reports. You know, if you were to listen to the minister this year, you would believe that MTS was in great shape. You know, he says they brought the debt-equity ratio down and the debt has been paid down.

What is wrong with this picture, Mr. Chairperson? What is wrong with this picture is that you cannot believe the minister. Either MTS is in good shape or it is not and you cannot run around and claim that you have been running the firm properly, the business properly, in this case MTS properly, for eight years and then turn around and say, oh, all of a sudden—let us get the dates right again—between the election and August you suddenly learn, hey, things are in terrible shape, we have competition, we have 70 percent of our revenues are from

competition, but the Premier (Mr. Filmon) said he finally realized.

I mean, which planet has the Premier been on? I know that every Manitoban has gotten calls from Sprint and Unitel. I guess maybe the Premier does not answer his phone. I do not know if he has gotten any of those telemarketing calls. If he had, he would, I think, have understood that. I guess if you spend as much time out of the country as the Premier has recently you may not know what is going on.

You know what is interesting? I forgot about this, interesting, real interesting. When all this was happening where was the Premier? When I kicked off the campaign on MTS in front of the MTS building on Portage, well, it was late January, I remember the weather well. Yes, it was extremely cold. Everyone around us, we had—I took a cell phone with me. By the way, I made sure it was an MTS cell phone. Boy, did I make sure it was an MTS cell phone, and I went and I actually called the Premier's office. Where was the Premier? He was off on that cruise that was of some publicity, and that was the time when he was out of the province for six weeks I think.

I do not begrudge the Premier a holiday or leaving the country. That is not the problem. I do not have any problem with that. You have to be able to do that. I have heard questions on that, that is not why I am raising it, but one of the critical decisions that were being made about MTS was being made then. What was he doing, phoning in from his cell phone from the cruise liner? Was he having conference calls with the cabinet during that time?

I really wonder, and I remember, it is funny how you think of different political examples. Maybe it is just because of the Bill Clinton election victory last night, but I remember the last election when Bill Clinton, what really won him the election I think and with George Bush where George Bush lost was where George Bush could not talk to an ordinary person about what it was like to be unemployed, could not relate to that. How about the Premier? I am beginning to wonder. Maybe he did not know there was a lot of competition in the phone service because maybe he is the only Manitoban in the province who does not answer his phone. If he answers his phone, he will get a call from one of those telemarketers. I think we have had rather a lot of them.

* (0730)

Mr. Chairperson: I think you are straying a bit, Steve.

Mr. Ashton: You know, this is extremely relevant, because you think about it, does anybody in this committee honestly believe that the Premier did not know about this prior to August? Give me a break. He is either incompetent, because we have had competition since 1992, or he is not telling the truth. Which is worse? A Premier who is not telling the truth or a Premier who is incompetent? I mean, that is what I start running through with all these things is, either way, you cannot be charitable anywhere along the way. You are either not being told the truth or you have a staggering degree of incompetence.

That is why I talk about the election. What are you going to do? How are you going to explain to the people of Manitoba what you did? Now, a lot of questions about the share price, the value of the shares. I do not trust the government. I would not doubt that the shares will be discounted. It has happened in a lot of other privatizations. I also warn the public, buyer beware. It is not a bond. The prices can go up and they can go down. I hope the government will be honest enough to do that. I remember when the minister was going to buy shares himself and he said, what a great deal they were going to be for Manitobans. You have to understand here, you are selling shares. You are not a stockbroker.

I mean, I think you had better be very careful in anything you put out to tell the people all the risks. I will, done it on the record. You could also tell them the other risks too, because there is another thing that is going to happen by the time this rolls around. Sure, some of your friends will make money. Ninety percent of the people will not buy shares. They do not have the money. Of those who have bought shares, you may run into a situation where you are getting angry people at the doorstep saying, how come I bought these shares? You said they were such a good deal. Mr. Chairperson, what if the share price does not go up? What if it drops? What if it becomes like Air Canada?

Be very careful because, when you are dealing with trust at elections, it is bad enough. When you are dealing with trust here, be very careful that you tell people the honest truth about investments. I know there is not a

member in this committee who does not have some sense of that. There are some risks. You know that in your own personal life. You know, MLAs do not have pension plans, they have RRSPs. One of the first things you look at is risk, risk versus rate of return. So think about the scenario. You can have the people who have—oh, it is interesting, while I am on the turn, that is interesting. I have just been advised by the member for Crescentwood (Mr. Sale), I was talking about Bill Clinton before, and it is interesting, Faneuil is polling votes for Bob Dole.

An Honourable Member: From here.

Mr. Ashton: From here. By the way, the duplicity of telemarketing is unbelievable because, this is the world we live in. Talk to people who have worked in telemarketing firms. You know what the first thing is they tell you if you are in telemarketing? If you phone Alberta from Manitoba, you tell them you are phoning from Alberta. You have to lie. Actually, I am sort of seeing why Faneuil and the government will get along so well here because, it is the same sort of process. I have talked to people. I am not just talking about Faneuil; I am talking about all telemarketing. That is the way it works. What else do you do? You phone people, and you harass them. You get angry. You get threatened. You get sued. Telemarketers, I have seen them do that. I have talked to people who have done it. It is interesting with this political connection in there because, is this the world we are in, competition, or harassment? It used to be how many telephone poles you could cut down in 1908. Now it is how many people you are going to harass.

I am disgusted with companies like Canadian Tire. I am a Canadian Tire credit card holder. Never once in their document do they say that they are not dealing with MTS in terms of long distance. It is AT&T. I had some people in my constituency incensed. They signed up on the plan, assumed it was MTS; when they found out it was AT&T, they hit the roof. They wanted to tear up their credit card and not shop at Canadian Tire again. That is the world we live in.

How are you going to be dealing with this in the election? I understand there may be some people who will not run again. That is fair ball. How are the Tories, who are going to run in your place, going to explain it,

those who are going to run again? I know, I mean, I have heard it before. Do you know what they said in Morden the other day? One gentleman said, a lot of people consider this yellow dog country. He says, do you not think there is not much use in saying anything? They are not going to listen. People have voted here, they will vote for a yellow dog if it has a Conservative logo attached to it.

It is interesting because I reminded the individual, remember the last time they talked about yellow dogs? How about those federal Conservatives? How many seats did they win in western Canada in the last election? Did they lose half of them, three quarters, 75 percent, 80 percent, 90 percent? One hundred percent defeated. One hundred percent were defeated in the last election. They have two members left now, not even yellow dog country. This is a Conservative in Quebec; there is a Conservative in New Brunswick. Every single Conservative in the last election went down in defeat. Who'dathunkit? Charlie Mayer, my goodness, who would have thought? Who would have thought any of the people from there?

I know that some people in the room were glad with that because I know there are some Reform Party supporters in the Conservative caucus. But look at what happened. Who would have thought that rural Manitobans would have voted Liberal? I never thought I would see that day again. It was 20, 30, 40 years ago that you would see that. Portage had a bit of a Liberal tradition provincially. Most rural areas have voted PC, certainly, since the 60s and 70s. What happened? Those yellow dog candidates, where are they now? All of them defeated, every single one of them. Not only that, badly defeated. I mean, it was not much consolation on election night when I saw the NDP had nine seats. I must admit, there was a bit of an irony there. The NDP ended up with nine seats, and the Tories had two, two seats, two seats too many.

But I want to get back to your situation here. Here is a good election platform for you. I try to sort of advise you of what you could do. I mean, this is a little bit facetious here, but some good advice: Sixteen percent of Manitobans said sell off MTS. We did; we represent the people. Okay, that might not work. Sixteen percent said, do not put it to vote. No, that will not work. You trusted us on MTS, trust us on—no, that will not work either. Start thinking about it. What are you going to say to people? We saved the Winnipeg Jets—okay, that will not

work either. What are you going to talk about at the door? Trust us on health care—oh, yeah, that is a good one too. How about education? Just wait until you hit the doors with those teachers. They will tell you about that one. What are you going to talk about? You cannot talk about health, cannot talk about education.

An Honourable Member: Fishing.

Mr. Ashton: Fishing. Well, last year, Albert Driedger, we do not want to drag him in on fishing issues here. I do not think we want to get into that one here. Defeated Tory candidates, defeated Tory candidates, I love it when defeated Tory candidates are taking shots at ministers. I will let Albert Driedger deal with that. I do not want to drag him into that, but you mentioned fishing, so I was distracted, I am sorry.

What are you going to do? Recreation issues—hey, in my area, you have doubled the cost of seasonal camping fees. That is a good one to run on. What else have we got here? Oh, highways, that is a real winner. You know, northern highways, you will go around again promising like you will ignore people for another four years. What have you got left? [interjection] Oh, the member talks about tax increases. I mean, everything that moves, they do not want to call them taxes going up. Seasonal camping fees are doubling, MTS rates, we will see where they end up. You are going to hit people every which way. What is going to be interesting is—I predict the one thing they may do, and they are going to get this from a real good source here. They are going to go and raid that Fiscal Stabilization Fund. Okay, do you know what they are going to do? I think the member for Portage (Mr. Pallister) has kind of given it away here. They are going to say, we are going to cut your taxes. I think they may even run around with signs saying 15, 15—

Floor Comment: Bob Dole.

* (0740)

Mr. Ashton: Bob Dole. It sure worked for him, did it not? We are going to cut your taxes, yes, or cut your health care too. I think he got killed on that in the United States.

So that is maybe what you do. You do that, and I will tell you what I am going to do. I am going to ask people if they think there is such a thing as a free lunch because

the taxes—you can even have the nerve to do this. Where are you going to get the money from? Well, I think we know, and this is where it comes all full circle because this is it. This is where you finally get down to the real bottom line there. You get it from the Fiscal Stabilization Fund. What do you put into the Fiscal Stabilization Fund? The money you sowed from MTS.

Now, the balanced budget bill, do you remember that last year? That is when you were in favour of having votes on everything, taxes.

An Honourable Member: And you were opposed.

Mr. Ashton: Well, it is interesting, the member for Portage (Mr. Pallister) now is starting to wake up here and starting to get involved in discussion. That is interesting because that is legislation now. It is adopted by the Legislature. If he is so interested in votes on that, that is fine, we will do it on MTS, put in there.

Do you know what is interesting? We moved an amendment at committee, and what did it say, Mr. Chairperson? It said that the proceeds from the sale of the Crown corporation could not go into—the revenues could not be considered towards the balanced budget bill. Do you know why? Because we said, what if they were to sell off a Crown corporation like MTS? How legitimate would it be to dump that money in it and use it as a political slush fund? That is what they did.

An Honourable Member: They already did it, a seed company apparently.

Mr. Ashton: Well, they did it already. That is true. They started with McKenzie Seeds. When you start even getting where you have auditors proving the fact that the books are balanced in name only, you start seeing how important this was to them.

But I want to see you go to the people and say that, we sold off your phone company. Here is a good one for you, we sold off your phone company without asking you, your rates have gone up, but, hey, we have a little goodie for you here. It is a tax break. Do you know what? Say to everybody in Manitoba, just ask them where that money came from. Why do you not just go home today and sell off your house, put the money in a bank account and in three years from now go on a spending spree?

Boy, what good financial managers, right? I mean, it is easy to have a great income if you sell all your assets; you will do great that year. We might even have a couple, three, four good years.

I look at this gentleman back here, Sir Rodmond Roblin. Where would we have been if they ran the province like that in 1908? Where would we be today if he had had such a shortsighted approach? I mean, you have not even put it into some kind of trust fund. You are going to dump it, and you are going to spend it. The further you go down in popular support, the more desperate you will get.

It is like Bob Dole. Bob Dole in the States, he never agreed with these voodoo economics. George Bush never agreed with it either. Anyway, 15 percent—what happened to Bob Dole yesterday anyway? What happened to that right-wing agenda we used to hear about? By the look of it, I think Bob Dole and the Republican Party went down in major defeat. Interesting because—do you know what?—you have not woken up to this yet, have you? Talk about being a little bit late, I mean, you are trying to get on board the ship, and it is already out of the harbour. You have to realize what is going on. The right-wing revolution that you are apostles of here, what is happening worldwide? Bill Clinton just got re-elected as president. However you count it, I mean, Bill Clinton may not be a left-winger, but he sure as heck is no right-winger. Bob Dole was riding a very right-wing campaign.

What do I have to point to next? The British Labour Party. Do you know where the experiment has been applied the most? In Britain. Everything has been sold off. I will tell you, Margaret Thatcher at least had the courage to say, that is what we are going to do. It is chaos. And do you know what level the Conservatives slipped to? They are down to about 25 percent. Labour is way ahead in the polls. Everybody is conceding Labour is going to win the next election.

New Zealand. You have to look at what happened in the New Zealand election? The right-wingers lost. The right-wingers did not win. They were defeated on—what was the issue? Health care. Privatized health care. It is interesting that if you look, Mr. Holle came in; he has his new think tank, and Sir Roger Douglas is listed. They are big time in the New Zealand stuff. The proponents of

the radical right-wing agenda, do you know what percentage of the vote they got there? Seven percent. Now if you want to go after that 7 percent here, be my guest.

Now what is wrong with this picture again, talking about the elections? Does anybody remember when Gary Filmon used to say, I am a moderate? Well, he still says that sometime. [interjection] I mean, yeah, right. These are words that do not quite fit together like progressive conservative. What is the other one? Military intelligence, industrial park, Gary Filmon moderate. I mean, it does not wash. It does not work anymore. You cannot fool anybody that way.

I have demonstrated tonight I believe that he is more right wing—oh, this is tough to say—by his actions than Mike Harris. He is not as honest about it. Mike Harris—remember I mentioned before about Ontario Hydro. They said they were looking at it, they looked at it, they are not selling it off. Mike Harris is not selling it off. I mean they have got some pretty draconian things going on there; welfare cuts—whoops, what do we have here? Tax on the labour; on labour unions, well, the same thing here. Teachers, the same thing here. So a lot of things are very similar, but we are selling a major Crown asset and they said no to that. It is interesting.

It is interesting because Mike Harris is not—Mike Harris a moderate? No, I do not think I will go that far. No, I think I will be getting calls from people in Ontario if that got out. I mean, Mike Harris is no moderate. He is a right-winger. Gary Filmon is just as right wing as Mike Harris. And do you know what? Just as right wing as Ralph Klein. What has Ralph Klein done? Cut the health care system. What is Gary Filmon doing? Cutting the health care system. What happened with Ralph Klein? He did run into a few roadblocks of laundry workers. What happened to Gary Filmon? He ran into a big roadblock, the home care workers.

The bottom line is you cannot bulldoze the people all the time. But you know, look at Ralph Klein, look at here. They sold off their liquor stores. We are selling off our telephone company. They sold off their telephone company a few years ago. Gary Filmon, the Conservative Party, are not moderates. I do not believe they ever really were, but they are not moderates now. This may come as news to you but you know when you have got 60 percent of people supporting what you are doing on an issue,

that is like 84 percent out there that do not. Now, first of all, you probably are down in popularity, so you may have 16 percent of the public support you, and they all support selling off MTS. It is possible, but it does not work that way. There are a lot of people out there I have talked to who still call themselves Conservatives. There have been in people who have come before the committee and said, I am a Conservative, strong Conservative background, you are wrong to sell off MTS.

The first night I could just see it, the heckling was going on at the table, people were saying, well, you know, it is NDP supporters that are on the committee. You know why? When the Union of Manitoba Municipalities came in, that kind of went out the window, did it not? Manitoba Society of Seniors? Know what? I bet there are a lot of NDP supporters here as well. The NDP does care and the NDP members and supporters do care about what you are doing to our phone company. Wake up and smell the coffee. Wake up and smell the coffee, Mr. Chairperson. You are alienating a lot of your people, a lot of the people that have supported you because you told them for generations that Conservatives believe in what? All the free enterprise talk, but believe in—Sir Rodmond Roblin left us the legacy of the Manitoba Telephone System, Manitoba Hydro. You even tell people you believe in Autopac now. Makes you wonder, does it not? It makes you wonder why you cannot understand when your own people get upset at you?

* (0750)

I do not know how you can face your own party supporters. I have suggested this—I do not mean this facetiously—but I would say if you had a meeting of Conservative Party members, I would be willing to debate in front of the Conservative Party. I can name you dozens of Conservatives, active Conservatives who oppose you on the sale of MTS. I do not know if I can win a vote at the Conservative convention on this issue, but I can tell you a lot of your grassroots Conservative people, party members—we have had them at our meetings—I do not know how it makes you feel when you have got Conservatives going to the meetings, not just kind of to report back to Mr. Pallister how many were at the Portage meeting, but to get involved.

You know who some of the most vociferous people at the meetings are? The Conservatives. You know why?

Because they feel betrayed. We had a meeting in Swan River. I did not know all the people there. I asked Rosann Wowchuk, MLA for Swan River, afterwards. She said, I could not believe it. She said, that guy—and she pointed to him—he is a strong Conservative. He was the guy that got up and said there should be a vote. The government does not have any right to sell it off. She said, not only that, that other guy there, he is a real strong Conservative. I said, but he is the one who said we should buy it back at cost.

It is interesting, because Swan River is an area where there is a lot of NDPers, a lot of Conservatives. It is that kind of area. When you get die-hard Conservatives, die-hard Conservatives saying I am against it—I was on the plane recently with an individual I know. I have got a lot of respect for him. He does not support me in the election, you know, a small-business person. Came up and he says, Steve, you know I really support what you are doing on the telephone system. I really want it to be kept publicly owned. Do you want me to show you the ballots, the surveys, that we get from people that say, I am, or, in some cases, I was—a lot of cases, I was—a strong Conservative supporter and I do not want you to sell off MTS?

You do not trust my survey, right? You do not trust the survey of the coalition. Run your own survey, do it. Ask people what they think. You will not run a vote, run a survey. Do not just go putting an article in the newspaper—I noticed that people who have done that—or appear on your local cable channel, if you have a cable channel. Go and do a survey. Do you know what the member for Brandon East (Mr. Leonard Evans) did? He ran a survey, the Brandon Sun, he got 400 responses. This is before it was announced that they were going to sell it off. There were 400 responses, overwhelmingly against selling. What is interesting is all cross sections. There are all sorts of signs up in Brandon now because the coalition has been putting out lawn signs. They are blue signs, by the way, not Tory blue, they are MTS blue. They are very nice signs, actually: Do not sell MTS, My Telephone System. You would not believe the people putting these signs up.

Actually, I know you would not believe it, because I remember you did not believe it in home care. You did not believe it in home care. I remember the first days of the home care dispute. You did not believe it then.

There were discussions with a lot of government members saying, no, we will get the big support on this. I do not know when it dawned on you, but it is maybe when there were signs plastered all over places like Carman. People phoning in in Morden, Winkler. Maybe that is when it started to dawn.

How about Neepawa? Big issue in Neepawa. I know people in Neepawa. I talked to them. I am not talking about New Democrats either. They were saying this was the talk of the town. A lot of retired people in rural Manitoba felt betrayed, supported the home care workers. I say that because it took you weeks, it took you months, to get the message. You did not get the message until you created a lot of disruption. I remember, you thought you had the public on your side on this. I do not know what it took. The rallies did not persuade you. The picketing did not persuade you. I know it came down in the end. A lot of it was the clients themselves.

I went to a meeting sponsored by a number of groups right at the beginning of this, when the minister tried to defend what he was doing. I give him credit, by the way, for one thing: Jim McCrae, Minister of Health, went and faced the people on home care, once. Early on, several hundred meeting. It was a hot meeting. I was there. People were angry. It is interesting because the Minister of Education (Mrs. McIntosh) has not done it. She has hidden behind two members, the member for St. Vital (Mrs. Render) and the member for Pembina (Mr. Dyck). I feel sorry for them. They went out, and they got a lot of flack. Talk about being set up as fall guys, the terminology.

You know the Minister responsible for MTS (Mr. Findlay) did not do what the member Brandon West did, even go to one public meeting. I saw the Minister of Health get pounded, such as Shapiro and others, clients—just did not know the facts, did not understand. I could just see it. It was blind ideology again. They had to privatize. We know that the member for Brandon West is closely connected with We Care. We have people who were at meetings when he talked about privatization in the home care system. It took you weeks to get the message. You finally did. By the way, I admire the courage of the people that took a stand, and it was not easy for a lot of the home care workers or clients or people in the communities, but you finally had to listen.

What does it take on MTS? You are going to tell me the same things you said on home care. What does it take? I mean, rationalize all you want. You can tell me it is not a big issue. I know what you are going to do. You are going to try and keep as low as possible on this until the storm blows over. But what if the storm never blows over? Interesting. Gary Filmon got up the other day and took questions about public hearings. He said, we have had public hearings all over the province, we had lots of meetings. I just sat there and I said, you make my point. Why do you send backbenchers around and the whole cabinet tours and not have a public meeting or hearings on MTS? I mean, are your arguments that weak? Do you have any arguments? Is that the problem?

I just throw this out, because you know what? One thing puzzles me here. I want to get back to the bottom line here. I am just assuming that I cannot persuade you on the other arguments, but let us talk about the political dynamics here. You think you have been scoring points by ducking meetings? You know what it is like when I go to Morden, and people say, it is really nice to see you people here because we have not had a single meeting here, a single chance to get involved in Morden. Yet, people walk up at the end of the meeting and want to join the NDP in Morden.

You know, George Hickes came with me to the MTS rally early this year, March.

An Honourable Member: Nice guy, that George.

Mr. Ashton: George is a nice guy. You know what? I forgot to introduce him. I felt really bad. Then it gets even better because he went to a hockey game—his son plays hockey—

An Honourable Member: And you forgot to introduce him.

Mr. Ashton: —and he was down in Morden. Yes, forgot to introduce him, and a guy comes up and says to him at the hockey game, are you not an NDP MLA. Now if you are in Morden, do you really want to answer that question, you know, given the way politics have normally been in Morden? I mean, let us be fair about this. People in Morden are very polite but, you know—you know what he did? George said yes. You know what the guy said? The guy said, I was at that rally on MTS. He

said, our biggest problem is we have always voted Conservative, we should have voted for you guys last time. Oh, it does not stop there.

The seniors in Morden invited someone from the MTS coalition to go and speak there. I could not go, we are in the House. But you know who went?—the union rep for the CEP. She presented to the committee, Maggie Hadfield, and she relayed this to the committee. She went to the seniors in Morden in the afternoon. So I asked her what happened afterwards, and she said, it was interesting, she had discussion with a number of people. She got invited to come back. She even got invited out for dinner. I mean, people were very friendly, and do you know what, they were all talking about what was going on: things like Pharmacare and MTS and the rest of it. There was one gentleman, who used to run a pharmacy who said, you know, our problem around here, we always vote Conservative and we should have voted NDP in the last election. Oh, the Pembina constituency. Now I know I have got friends down in the Pembina constituency and they are New Democrats, but let me tell you this: they do not tell too many people in Morden, or at least they have not up till now. It has not been the kind of thing that has been considered to be something you want to advertise.

* (0800)

An Honourable Member: Are you telling us about a dream you had?

Mr. Ashton: No, it is not a dream. This is a reality here. In Morden, Manitoba, what is the talk about in the coffee shops? They are talking about the NDP. Morden is in the Pembina constituency. Now Pembina constituency last I heard, how many NDP votes were there? About 800, 700, not a heck of a lot, most people did not admit to the public. But you know I should not even say this in a way because I would rather you just go on thinking, just keep on thinking, it is not a problem out there.

Talk to people. Do you know why they are upset? We are starting, well, seniors, you raised their Pharmacare rates. They are upset about that. You got into this home care dispute, upset over that, and MTS, boy are they upset over that. You had better watch it. I say it because one thing about seniors, whether it is in Morden or my

community, they have got a lot of family members, carry a lot of clout, like in northern communities with elders. You want to find out what is going on in a northern community, you meet with chief and council, you meet with the elders. Is it that much different in rural communities? A lot of rural communities, it is not really. You had better respect those elders, and that is where, I tell you, you have got problems.

Now I know, you are going to say, aw, it is okay, they will vote for us. Yellow dog, right. Who else are they going to vote for? What alternative do they have? I have been through all those kind of rationales that people have. I remember people who do not sit in this Legislature anymore who said the same things: You know, I wonder if the NDP would get into trouble. Who would have thought? How about some of the seats that you represent right now, who would have thought you would represent those seats? I mean, the bottom line is you have to recognize reality out there. You cannot win when you got 16 percent of the public on your side. It does not add up. It is a recipe for political disaster.

Do you know what is interesting, too, about MTS? The more you hide, the more angry people get. The reason people are angry here today is because you are hiding away from them, then you are trying to ram it through. Boy, you were real smart, you were going to get this finished at 3:22 in the morning. I am sure you had it all planned out. You forgot one thing. You have got to face the opposition and the public at some point in time. The public, you are probably going to have to face as you get out of this building. You sure have to face them in the election. You still have to face the opposition in this House, and I will tell you, it is a lot easier to fight an issue like this when you know you have 84 percent of the people on your side.

I will tell you, the more calls I get from people saying, I am a Conservative and I support what you are doing, just gets you knowing that what you are doing is right. Oh, yes, and you are showing the motion. I know we are right on this, because you know what, you do not and did not have the right to ram this through in the middle of the night. Do you not understand—you are digging yourselves in—[interjection] It is like every time you turn around and try and bunker down, you get worse. You just keep going, and keep going and keep—really brilliant idea. You got a little bit tired of listening to some of these

presentations, and I know you are getting concerned. There are more people getting on the—certainly more people wanted to present. It is interesting. You did not mind burning them off. It is okay, right. You were willing to take that. You know what happens though? Now, really smart move. You were going to shut down the committee in the middle of the night, and by now you would all be asleep in bed and you would, like, ah, we sure showed the NDP and we sure showed those committee presenters.

H'm, we are still here. You can run, but you cannot hide. You have got to face it, and I will tell you, you had better start getting used to it because you have got a couple more days maybe. We will see what happens here on the issue. But you know, I am not going to stop going to Morden, and Neepawa, and Minnedosa, and Virden.

An Honourable Member: And Winkler.

Mr. Ashton: And Roblin. Well, we have got to go into Winkler because they said, if I went into Morden, I have got to go to Winkler. So, if I went to a coffee shop in Morden, I would definitely go in Winkler. You know what, Mr. Chairperson, there are people in seats that have never had much of a history with the NDP where people are talking about running for the NDP. They are asking us, how do you join up? How do you run? Actually, you are doing great things for recruiting for the NDP, I can tell you that. But you know what, I do not want to see a political party benefit and the province get destroyed in the process. If I had a choice between saving MTS and getting some political gain, I will tell you right off the bat I want to save MTS. That is what I was elected to do. I was elected to represent my constituents, and my constituents are clear on this.

I represent eight northern communities. Seven of them are outside of Thompson. Four of my communities do not even have roads. They know what infrastructure is all about. I can tell you right now a lot of them cannot afford phones to begin with. It is going to get a lot worse if the rates go up, and if you have got a full cost of service, I will tell you what is going to happen. Some of my communities will have no phone subscribers outside of the community office and the nursing station. I can tell you that because they cannot afford it right now. Some can; a lot cannot. Simple logic.

So I come here and I know I represent the constituency of Thompson. We have got people here from Wellington, in Winnipeg, Wolseley, Crescentwood, the member for The Pas (Mr. Lathlin) on our side. It is easy. We know we are supporting everyone on this issue in our community—well, not everyone. I would say in the North it is probably 5 percent in favour. It is not too hard to come in and represent 95 percent of your constituents, but I know I am speaking for the majority—[interjection] You have 3 percent in The Pas. That is because the MLA is doing a good job of communicating to his constituents.

I know that I speak for people in Morden and all the communities I referenced before. You do not have to take my word for it. Run a survey, run a poll, whatever you want. You do not have to believe my numbers. Do it. Put it to a vote. I mean, I would like to see a referendum. Do anything, canvass them. You know you cannot sell this in rural Manitoba. You know you decided that right from the start, not you all individually. I do not think all of you were part of that decision. Collectively it was a decision that was there in caucus, well, we are going to have to do this for whatever reason. We cannot sell it. It is a vote loser, so what are we going to do? Ram it through.

Well, it was interesting because, you know what, if you actually had public meetings a short time ago, people would be mad. I do not think they would be as angry as they would. If you put it to a vote, you would be heroes, I think. I think we all would be. Imagine what your constituents are going to say. You mean you are asking us? You listened? You got the message? Putting it to a vote?

Really what is more important to you, selling it off no matter what, no matter what the analysis is—[interjection]

An Honourable Member: Bay Street agenda.

Mr. Ashton: Representing your constituents. I mean let us get serious for a moment. How many of you really care or should care about these Bay Street brokers, the great Bay Street agenda? You do not owe them anything. You represent Main Street, Manitoba. At least you did. No party gets elected to government here without support from Main Street, Manitoba. The NDP did in the '80s. When we lost that support, we lost government. The same in the city here but especially in rural Manitoba.

You started with the support of your townspeople, the rural people. You know you are not representing people. That is what is going on out there. That is the reality.

Please, think about it, because you know it is never too late. I have sat in this Legislature and I have seen constitutional items die. I saw Meech Lake die. How did it die? The government messed up procedures. They were aware of it. I even told the House leader at the time, there are problems with procedures. He said, well, thanks for telling me, do not tell anyone. What happened to Meech Lake? Why did it die? Because the government did not have the support of the people. The government and parties collectively did not have the support. The government screwed up the process and it was killed by one person. Interesting.

I have seen items withdrawn, mention 1983. I have seen bills withdrawn from the Order Paper. It is not that hard; it used to be done on a regular basis. I have seen bills dropped and brought back. I saw labour bills, final offer selection. That was an interesting one, 1989. What happened there, we had a bill. It was a minority government. There was an amendment moved by the Liberals. We supported the amendment in report stage, the combined Conservatives and NDP voted against the bill. Some of you remember that.

* (0810)

It is interesting. The bill came back another year. I did not agree with the bill, but it survived for another year. I know some people were not happy with it. I still like talking to Huey McNeil who was the first one to tell David Newman in his former life that the legislation had not gone through, and Mr. Newman was not impressed, to say the least.

But you did it then. It has been done on constitutional issues. When I go through it, bill after bill in the 1980s, withdrawn, tabled. Do you know what? There are bills on the books; they have never been proclaimed. There are bills that have been passed in 1970, '71, '72, bills that have never been proclaimed. It is not that hard to do.

I mean, what do you do? You think about what has happened, to my mind. You maybe say, yep, we should put it to some vote. We should have some consideration. You do something of that nature, right? What is the

toughest thing you have to do? Say you are sorry? Like, what are we going to say in the opposition? What are we going to say if you withdraw the bill? Well, we can criticize you for what? You should never have brought it in in the first place? I do not think you have to worry about that. We can criticize you for spending the money, the \$300,000 and the \$400,000. I will tell you what. I will not criticize you for that if you drop the bill, if that makes you feel any better. If you drop the bill, make a ministerial statement, and I know the minister is out phoning those investment bankers, trying to get them fired right now, but if he can get the message, I will tell you what. I will get up afterward as the MTS critic, we will do it jointly. I will just say we agree with this.

Do you know what we could say? The democratic process works. The government listened. The real winners are the people. That will be the whole statement right there. What do you have to lose with that? Now, the funny part is, remember the last scenario I talked to you about, the election scenario? Do you know who is going to lose the most? It will be us. Next time I go back to Morden, I will probably have a meeting with the people, and they will say, thanks for getting MTS saved. They will probably say, well, we are happy with the Conservatives again. Well, maybe not all of them, but that does happen.

What else is going to happen? Ah, the investment bankers will not be happy. I will tell you, the Mercedes dealers in Toronto are going to have a day of mourning. I mean, they are not going to be having that infusion of disposable income at the brokerage firms. Now, Manitoba might be embarrassed. I will tell you why it will be embarrassed. The Financial Post, ah, they would say, these cowards, they buckled in, terrible, they listened to the people. The Globe and Mail might have an editorial as well. I am just trying to think of who else might. Barbara Amiel might write something. Conrad Black might send in a letter as a private citizen which might just coincidentally get printed in all his papers. I am just trying to think of who you might—you know, Rush Limbaugh might attack you. Boy, that would be real vicious, would it not? I am just trying to think who you are going to alienate here. Okay, the Taxpayers Federation, there goes your life membership with them; the Peter Holle's Prairie Centre, they will not be happy; the CFI will be surveying to see if you are a bunch of wimps. They will just send out a survey. You do not

have to worry about that. The Chamber of Commerce will say, oh, I thought we were supposed to be out promoting your position, and now you have changed your position.

I think you can explain that to them. I get the feeling you could probably have a quick meeting, and all of a sudden, it would just flip over. I mean, I can just see Lance coming in next time and saying, the government has done a great job. You know, it is funny, actually, no, I have even got a better idea. The Chamber of Commerce adopted a really good motion at the convention, talking about the process for privatization—analysis, public hearings. When they read it, I thought, boy, the first time in a long time the NDP and the Manitoba Chamber of Commerce have agreed on an issue like privatizing companies. I agree with it, it is great. You can go back to them and say, you know, we did not realize. We read your brief. What we want to do is we are going to actually implement the Chamber of Commerce's—now, you are going to have some newfound friends out there.

This, I know, it is going to be hard to get over, but if you drop the bill, the Manitoba Federation of Labour will have a press conference praising the government. Boy, that will throw things out of whack. I do not know what Vic Toews will do. He will be spinning, but you know you will have the Manitoba Federation of Labour supporting you on dropping the MTS. We might be able to arrange a photo op here with all of you. That is going too far. I do not think Rob Hilliard is going to, but I think that will happen.

Think about it. The MTS unions, we know about that. Oh, hey, listen, you are going to have a tough time here. Who else is going to be happy? The Union of Manitoba Municipalities, those other union bosses. Like, you do not call them that because, it is interesting, you have some respect for them. I do, a lot of respect for the UMM. You will have the UMM saying we feel vindicated if you listen to the democratic process. The Manitoba Association of Urban Municipalities, boy, there is another one, they are going to be happy, real happy. Oh, the Manitoba Society of Seniors, many of whom did vote Conservative or used to. I will tell you what, you could have a press conference with the Premier and the Minister responsible for MTS, line everybody up behind the cameras. Would that not be something? Oh, I tell you, there would be a lot of the people that would

come out, aboriginal organizations, absolutely, women's organizations. The FL will be there. Talk about the dream, the absolute dream. The bottom line is, would that not be something?

Now what if you lost, what would you have lost? You would have lost one thing and one thing only; you have alienated Bay Street. What is the worst that can happen? Fewer campaign contributions. Do you know what? Think about it. Conservative Party gets a lot of money from corporations. You could probably live with a little bit less. You have got enough in there. I think you can get by with it. That is what I am trying to do. I would like to thank you, Mr. Chairperson, for showing this list to me, the motion, because that is all you have to lose. The Bay Street brokers, and maybe some of the right-wing opinion makers. Do you know what? Maybe the Premier (Mr. Filmon) will not be able to go to Davos, Switzerland, for the next one of those global economic summits that he goes to. He will not be able to go in there and say, hey, listen, I am one of the club now. I privatized my phone company. He will not be able to sit around with the world right-wing leaders and say, do you know what—they will pat him on the back, and he will say, it was real tough. Only 16 percent of Manitobans agree with it, but I did it. What I find interesting about that, Mr. Chairperson, I know the Premier goes there. Every time he goes there, he gives these speeches in the House after. They are like travelogues.

It is was like when he went off to the world summit in Brazil. He came back, and it was, here is me with a poor person, here is me—I know, I get a kick out of it—here is me in front of a village with no sewer and water. Have you ever heard of northern Manitoba, Mr. Chairperson? I can show you communities in northern Manitoba, Pukatawagan being a good example. Here is the Premier in Lac Brochet, exactly.

In Davos, Switzerland, he sits around with the world leaders. He came and he lectured the House about these—what did he lecture us about? Was it the prime minister of Sweden? He said this social democratic prime minister of Sweden, he said, it is tough, it is tough, we have got to cut and privatize the rest of it. Okay, I was heckling, I must admit. It is a good thing you were not in the chair, Mr. Chairperson, because I would have sure heard about it. I said to him, I said that is a right-wing prime minister. This is before they were defeated. It is

now social democratic. This is a couple years ago. Basically, he said, what is the difference?

What is the difference? I know that the Premier is not exactly that aware of what is going on outside of this province. It surprises me, he spends enough time outside of the province. What is the difference? It has been like hiring these investment bankers. You talk to somebody who is a right-winger from Sweden. Guess what they might suggest you do? Cut and privatize, I mean, simple as that. What scares me is, the Premier did not know this guy was a right-winger. Is he that naive? Is he that out of it?

Now, I know he has been back to Davos, Switzerland. Do you know what the topic of the summit was last time? [interjection] Oh, that is right. He has been all over. A travelling man here, but he has been in Davos, Switzerland, the last time was preserving globalization. These world leaders got together, right-wing leaders, basically. They said, globalization is not going as good as we wanted it. People do not like some of the—they do not like free trade and NAFTA. In places like Britain and whatnot, they are not happy with their water services being privatized, bus service, the chaos and high prices. They are getting kind of upset. The rich are getting richer, and the poor are getting poorer. They had to reinforce with themselves, hey, talk about the bunker here. Not the PC caucus, the world summit. They had to reinforce—and you know what?

* (0820)

The Premier apparently went as a guest speaker. He had his way paid there. Not to be confused with the way paid on the cruise. This was Davos, Switzerland. It is very expensive to attend those things. What did the Premier talk about? Did the Premier go in there and say: I am a moderate; I do not privatize, I do not cut; I am a moderate? Do you know what I think the Premier did? He went in and he just put his credentials down and he, probably at the last summit, said: We are going to sell off the phone company.

Now, what is the problem here? It is starting to boil down here. I cannot think of a balance on an issue that is clearer. I mentioned that coalition you would have of people behind you all the way. We could do a joint press

conference. The minister and I. You know, the Premier and Gary Doer, saving our telephone system.

Mr. Chairperson, would that not be something if we could come together on that? We came together in this province on a constitutional task force. The Constitution, we agreed on a common position. We still have a common constitutional position. What about MTS? When you have got 16 percent of the public say they agree with you, and the other 84 percent do not, do you not see that there is a kind of a win-win out of this? You drop the bill, 84 percent of the people are on your side. I mention that press conference, if we break in a few hours here, I could probably go and phone Rob Hilliard right now and talk to Rob. I am sure Rob would come down.

Can you imagine, if you dropped MTS, Manitoba Society of Seniors, what an event that would be for Manitoba? You know what you do as well? You would take us from a situation where we have had some real bitterness and anger in this province. Do you think it is good for the province when people come before the committee and call the government a liar? It is not good for the process. Bottom line is, it hurts me to see what is going on. The divisiveness in this province, and the frustration of people that come before this committee and have the committee shut down at 3:22 in the morning. I notice there are a lot of members of the public back, so it would be interesting, Mr. Chairperson. Some of the people who were shut off the list, I do not know if you explained to them that, according to the government, they no longer have the right to present. This government wants to push the bill through, ram it through.

I am trying to appeal to you, you have got the support of the public if you want it. It is there. Save MTS. Mr. Chairperson, just look at Rodmond Roblin again. You can just say, well, actually we have rethought our historical perspective. It is as simple as that. You can just say, we had a temporary memory lapse; we forgot our history as a party. I mean, it is not that hard. I can give you all sorts of precedents. I will give you an example of a sitting member of the House. The member for Lakeside (Mr. Enns) voted in favour of the natural gas purchase in the 1980s, in principle. He voted in principle to that. It took a lot of courage. What is the problem here? You cannot convince anyone in Manitoba that there is any support for what you are doing. I think what you need on

this is (a) to come to your senses, and (b) to find a way out. How many more ways out can I think of? Drop it, have a press conference, you will upset the Bay Street brokerage firms, put it to a vote. What is wrong with putting it to a vote? If you lose, you can still argue to sell it. Right? The NDP will oppose selling MTS. That is our clear position. The Liberals, we are not sure about. They say they are in favour of it in principle and against it in process. Sorry, but on MTS right now, a couple of days it is going to be the final vote. You cannot be on both sides of the fence. You are either against it or you are for it.

But you can argue your position; the Liberals can argue theirs; we will argue ours. What would be wrong with that? You might lose. You will not lose government. You still hang in there. You can get another few good years before you have to face the people. What you can do is you can bring some legitimacy back to this process. I do not understand why you will not put it to a vote. I understand it is going to be an embarrassment if you lose. What is worse? The embarrassment of losing or the embarrassment of the public of Manitoba not believing your word and having seen their telephone system sold off leading to all the things we have talked about.

Now, you have a couple of times you can do it. I talked about the process; let us talk about how you can do it. Talk about that. We are proceeding into clause by clause, if you have your way. It does not have to go to clause by clause. You do not even have to have another vote on this. Table the bill. The session can be finished in no time. On other bills, there are some we are opposed to, very significantly. Okay. Drop it right now. Next step. The next step is, what do you do if you do not do that? Maybe you feel you are kind of committed on the clause by clause. At 3:22 in the morning, you wanted to ram it through and you wanted to show the opposition that you are in charge. Interesting, you know. We are still here and it is 8:30 in the morning. Yup, you sure showed the opposition, did you not? You showed the public who were here when you shut them down at 3:30 in the morning, you are in charge, you are the boss. I am sorry, but it did not quite work out. Maybe you feel you got kind of stuck on this one. All right, I understand that. You have to show you are on boss on this, right? Ram the committee amendments through. You get your 25 amendments, right, and you can rename a few sections, okay. Another chance. Report stage, it does not have to

go to report stage. You can vote against it. Now, okay, I realize you cannot do that. It does not have to go, dies in committee. I say that because, Mr. Chairperson, you know what, I think after the way this has gone, I am not sure, it may even be easier for you than you think. I am not sure if we are going to want to stay in this committee if you ram it into clause by clause. I do not see the point. If that is what you want, a raw display of power, I do not think I want to sit here and be part of a kangaroo court for MTS. Maybe that is what it takes to show you how little legitimacy this process has when you do not have the support, you do not tell the truth. Okay, but you get it through.

You do not have to take it to report stage. Well, okay, maybe you cannot do that. Maybe you made some commitments that I do not know about, you have to go further. All right, so you bring in a report stage, go through the notice provisions. It goes to third reading, and we vote on report stage, and we vote on third reading, okay. I can guarantee you that. We will vote against it, I assume all the opposition members will and we will see. We will see if we can persuade two members.

Well, another thing you can do when it gets to third reading, you can put in an amendment. You can keep the entire bill with one amendment that this act not come into force until there is a vote of the people of Manitoba. Now you can define it however you want. If you do not want to apply the shareholder vote concept you can take the balanced budget bill wording, just rip it out, the page out, slip it in, it can be an election. I have heard different views from people. I know some presenters for the committee do not necessarily support the shareholders' vote on this, they would rather see an election. We thought we could give you the option. You can campaign if you want on selling MTS. What could be fairer than that? You can pick the time. By the way, that is what my private member's bill does. You can pick the time. You can ice the bill right now and what you can do is you can say, well, okay, we listened, people say they want to vote. We do not think we want to go to a referendum. Shareholders' vote? We will have a vote in the next election, no problem. Not only that, you put in a provision on this that there be a shareholders' vote.

* (0830)

We may not support the principle of selling off MTS, but I tell you the bill will go through with that provision, come into force if there is a vote of the people of Manitoba. I think anybody in this province would support that on either side of the issue. So you have juncture after juncture, you have door after door. It is not Let's Make a Deal here. It is not even three doors. It is like several of them, and I am not trying to make a deal here. I am trying to give you a way out. Like maybe you need to kind of pound us into the ground here and maybe when my voice gives out and the rest of us and maybe when you have the members of the public here who were kind of supposed to disappear in the middle of the night, maybe you can just show them you are a boss, too. That is it, no more public hearings. We wrap this up at 3:22 in the morning, and I find it interesting that people were told that there would be public hearings tomorrow at nine o'clock in the morning.

Floor Comment: And here we are.

Mr. Ashton: Well, we are getting close. But it is interesting, because if you need to do that, I mean, if it makes you feel better, I do not know what I can say. Do we have to go through that exercise? But at some point in time you have to get down to the real issue. Make you feel good to close the committee down? It may make you feel good to cut members of the public off as you did last night.

An Honourable Member: You did.

Mr. Ashton: The member for La Verendrye (Mr. Sveinson) says I did. I did. I moved a motion, my original motion, the member for La Verendrye, he should see the original motions because I said that we should sit until midnight and come back the following morning to listen to the members of the public. I never once said we should shut down the committee. I think we all said, I have it here. Moved by Mr. Ashton, and we had this. We moved, we are still dealing with this, adjourning and reconvening at nine o'clock. I have other motions on the table that I moved as well. You know it is interesting, I moved that this committee—oh, no, that is different. I was going to censure the Chair but I did not get around to that one, that is because the Chair retracted some comments.

I moved that we hear presentations until twelve o'clock, not call the list afterwards, but hear people after this time who cannot return. I have a couple of other motions here as well. But it is interesting because we wanted to do what we have always done, follow the rules. I think that the member is forgetting this. We sat here for close to a week; that is one set of rules. The rules were right here in this motion that I moved, we would hear presentations until twelve o'clock and the rest of it. That is when we got into this situation, and the situation, the bottom line is we would not be here right now if the government had done one thing, followed the rules and procedures that were established. The member for Morris (Mr. Pitura) was in the Chair on that first day and I thought that worked really well.

I realize that there are some members here who have not been in opposition. Some have. Some have been across the table, and I know the Chair has had that experience, and I believe the minister responsible for MPIC (Mr. Cummings) has as well. Believe you me, I have been on both sides. I found it amazing that I was being criticized for something that happened years ago under the NDP government and mostly what I got to do in these things was chair the meetings. Believe you me I did not set too much in the way of the agenda, and it is funny, because probably in the 1988 election it was not held against me. So some advice there for members, but the chair always get blamed. It is a tough position to be in, but the bottom line is here, we were doing quite well. We had a standard set of rules, procedures, I mean standard in the sense it worked this way in the committee. Not only that, I am amazed. Friday, we quit at three. I mean, Mr. Chairperson, we quit at three. We quit at three on Saturday.

An Honourable Member: But Gary said rise.

Mr. Ashton: That was the time set by the acting government House leader, to sit from nine until three. He knows that. [interjection] Oh, so we could have sat by leave. The government decided not to sit Friday and Saturday evenings. They did not call the bill. The government did not call the bill on Monday, Monday evening. I mean, it is interesting. Now what is being suggested is that the opposition should run these committees because the government itself is not capable of doing that. By the way, the government House leader did not make the announcement; it was the acting

government House leader. There may have been some miscommunication. But I was given a document that said, I propose calling from nine till three Friday, nine till three Saturday, not sit Monday evening. It was not the opposition. It was the government. Then I think what happened, I see the reality of this here, you started to get panicky. You were not burning up the list, and you could see what was happening.

When I walked in yesterday, I knew something was up when all of a sudden that understanding was not there. You shot down my motion which said what we had agreed to for every other committee hearing, and I looked around and I said, they are going to try and run all night here. I thought, by the way, we would go two, three o'clock, and it is interesting, at 3:22 in the morning they burned off all the list, and do you know what I thought? I thought, okay, it has been a long night, I do not agree with this, but let us go back on clause by clause at least next—you know, they called a committee hearing for nine o'clock this morning. Did they agree to that? No, they wanted to ram through the clause by clause with 25 amendments, or whatever the number is, a significant number, they wanted to ram it through clause by clause at 3:22 in the morning. Burn off the list, push it through. They had a meeting set for this morning.

What a ruse. I mean, talk about a Trojan horse here. There are people here, I think, even this morning who have come in expecting to present. You may wish to explain to them, Mr. Chairperson, you cut them off last night. What a way to—I hate to say this but you cannot run a committee here, let alone a government. You cannot run the committee. I mean, we are supposed to trust you on the telephone system. The bottom line here is this is—I think there needs to be some elemental rules of democracy here.

First of all, governments get elected to be democratic, to respect the people, to listen to the people, not to say one thing in an election, not tell the truth on MTS, and do another. It is the first thing you do. Tell the truth. The second thing is you listen to the people. You do not sit here and be here in body but not here in anything else. You listen to people. We have had three people in favour of this bill, and what? Two hundred people against it. Look at the groups that are against it. Look at the people who are against it. You know, 16 percent of the public, in surveys, say they are in favour of it, 16 percent.

[interjection] Well, you know what? I am wondering if some of the—I will bet you half the Tory caucus if they were polled on this would not be in that 16 percent.

I think there are some independent thinkers in that caucus, and I mean that seriously. I think there are people in there who are not part of this agenda, and I appeal to them. But you cannot do that, you cannot take your majority, change the rules arbitrarily in the committee, shut it down; you cannot just take your majority and say, yes, we did not tell the truth in the election but so what, we have the majority. The point of mine here is you just cannot do that. Do you know why? It is ironic because you keep talking—and I have heard this from government members—we hear committee people are told—they come in—this is the only province in Canada where we have public hearings. Well, Mr. Chairperson, it is true that we have public hearings. There are public hearings in other provinces but not on all bills. That is really what happens. I am proud of that.

One of the reasons we wanted to have more orderly sessions was to have more orderly committees. I thought we were headed on that way, and I think we could have been orderly even up to this point in time, but sitting here does not mean you are listening. When you use your majority in this committee in this way, it is just further evidence of that. The bottom line is, Mr. Chairperson, the bottom line is here, there are limits because of this contact with the public. You cannot hide away here. There are one million people. The average constituency size is what, 22,500? I can keep in touch with all my constituents. It takes a bit of time, you have to travel a lot. I knock on doors, knock on every door, have done since I got elected, still do it, visit my communities, hold office hours. I know all members of the House do that to a certain extent. I hope they do; that certainly should be the case.

* (0840)

That is the point, we are a small province. You have a different scenario here. You have to listen to people; you cannot ignore them. Sixteen percent favour what you are doing. You do not have a mandate, and you said you were going to do the complete opposite in the election. I mean, what does it take? I do not know. It is funny because one of the learning principles that I have always talked about, and you talk to teachers, there is something

to be said for repetition. You have to hammer it in—right?—when you are learning something. I think this is a learning process for the government members. Think of it that way.

An Honourable Member: Dull rote.

Mr. Ashton: Well, the member for Portage (Mr. Pallister) talks about dull repetition or reception, I am not sure what he is referring to there, but I am glad the member is listening, because the bottom line here is you do not have support from the people of Manitoba for what you are doing.

I would not be here fighting, the members of the public would not be here fighting—we have been here since 6:30 last night. It is now, it is 8:42 a.m. That is a long—before I was elected, I remember working underground and working at Inco, and you would work like a double shift, and this is like a double shift and then some. You do not get paid overtime either. Do you know what it is? What is interesting is we have been here since 6:30 p.m. yesterday and I still think I have to keep repeating some of these points because I do not think it has sunk in yet. I would stop right now if I thought that they were convinced. I am still looking there—[interjection] keep going, oh, okay, they need a bit more encouragement here. I am sorry, I am just being distracted by the member.

Mr. Chairperson: Mr. Ashton, I just want to remind you that we are debating the motion to adjourn and that we reconvene at nine this morning. We are debating that motion, Mr. Ashton, so I would remind you that you keep your remarks pertinent to the motion that you put before the committee.

Mr. Ashton: Thank you, Mr. Chairperson, and I might predict that in a few minutes the motion will have achieved its purpose without its having been passed. I want to say that I think this is entirely relevant to the motion because the government expected at 3:22 in the morning that we were going to sit back, we were all tired, and they probably looked around and they thought, now we got them. Even the House leader for the NDP, the MTS critic, is tired and the member for Wolseley (Ms. Friesen)—oh, the member for Wellington (Ms. Barrett) was not here, she was resting up. She was the next shift here, but the member for The Pas (Mr. Lathlin) was here

and the member for Crescentwood (Mr. Sale) was here, and they must have been saying, ah, we got them now, 25 amendments, we will run the whole bill through, and we will get on the phone in the morning to the investment bankers and say, good news, we got it through the next stage. We are on time; we are on target. One problem. There is a more powerful force than even the bankers of Bay Street. You know what it is? It is a democratic system of Manitoba backed up by a million people. That is the power. That is the power that we have today.

Mr. Chairperson: We are debating the motion.

Mr. Ashton: Well, Mr. Chairperson, this was, is driven by the agenda. We had a presenter of the committee saying this bill has to pass by Friday morning.

Mr. Chairperson: As you would say, we are debating the motion.

Mr. Ashton: Exactly, that is why—

Mr. Chairperson: Let us keep our remarks pertinent to the motion.

Mr. Ashton: Mr. Chairperson, I want to make sure that we help the government avoid having to—

Mr. Chairperson: Just make sure you are keeping it to the motion.

Mr. Ashton: Yes, well, the reason we want this motion passed is we want to avoid the government having to be following the agenda of Bay Street.

Mr. Chairperson: Then I will call the vote for the motion.

Mr. Ashton: Mr. Chairperson, I have not finished yet. In fact, I would say that I am probably somewhat past halfway in my remarks, and so I would like to let government members know there is a light at the end of the tunnel here. I would not be here right now if I knew for sure that I did not have the people on my side, but I know that the people support not just us in the New Democratic Party, the people that are here today support the fight to save MTS. People are phoning me, they are saying you have got to talk, you have got to do whatever you can to save it. If, to convince this government to

save MTS, we have to move a small little adjournment motion to prevent this government from ramming through the sale of MTS, I think that is worth it. In fact, I think everything I have said is good reason enough to support this motion. I would suggest that some of the government members may have reconsidered over the last five hours because the bottom line is we did not have to get to this point.

If you were not intent on ramming this through in the middle of the night, there would have been no hassle at all. We could have adjourned the committee, we could have come back, we could have come back this morning, but you thought that your six government members on this committee—and I am not saying you individually, Mr. Chairperson—but the committee members thought that their six-person majority in this committee, six to three, could outvote and force their agenda on us. You know what? This is the only room in Manitoba where you have a majority of the people supporting you, six to three. You go outside of this room on any street in Manitoba, any main street anywhere, any rural community, northern community, right here in the city of Winnipeg, you take the first 10 Manitobans to come along and you ask them the simple question, do you want to see MTS sold off? You will not get any of them—you will get one or two—you will not get any group going in your favour. You do not have the support of the people of Manitoba.

I have never seen a government so pigheaded on this. It is obvious why you have not had public meetings. It is obvious why you have tried to ram through the few public meetings we have. You do not want to hear. You are trying to get this idea across, convince yourselves that what you do not know will not hurt you, right? Remember that when you were a kid, what you do not know will not hurt you? I am sorry, you cannot hide from the people. You cannot. You could not in this committee, 200 presenters to three. That is kind of overwhelming, you know. That is pretty solid.

An Honourable Member: It is a trend.

Mr. Ashton: It is a trend. That is right. I would love to see the spin that goes on that. The government is going to go in there and say the support for the sale of MTS is growing. It grew from two to three yesterday. They are going to run a tracking poll. They will maybe get Bill Clinton's pollsters in—no, they will get Bob Dole actually,

knowing this group—and they will say the support for MTS being sold off has gone from 16 percent to 17 percent, the overnight tracking polls. Mr. Chairperson, I wonder, if you do not support this motion I get the feeling that the tracking poll will go the other way. Even some of that 15 percent that you have supporting you on this issue, 15, 16 percent, even they might be offended. They might think you are being a little bit heavy-handed.

The poor opposition here—three members—and there are about half a dozen members of the public still here, and we have not been getting coffee sent in intravenously all night here. We have been talking on the issues. I have talked about all the deception we received from the government on this, but I have a lesson for the committee members. This is a democratic province and you cannot change that. You may have a majority in this committee, but you do not have the majority of support of the people of Manitoba on MTS, and that is where we are going to fight this one all the way to the end. I say to you as well, we have to also listen to every member of the public who wants to present. There are people going to be here expecting to be part of this nine o'clock meeting. I suggest that we should hear them. It is interesting because that is one of the—

Mr. Chairperson: Mr. Ashton, can I intervene for a just a wee bit. Let me remind you of one thing, that you are the one who has filibustered your own motion. You have not given this committee an opportunity to vote on the motion that is before this committee. You have now for almost six hours filibustered your own motion, and we are wondering why. So, Mr. Ashton, I would suggest that you tell us why you are filibustering the motion to adjourn at nine o'clock and go clause by clause on this bill. So I am asking you to contain your remarks to the motion.

Point of Order

Mr. Ashton: Mr. Chairperson, on a point of order, it sounded like you wanted to speak to the debate, in which case I do not think you should be sitting in the Chair, nor asking me questions on why I moved this motion. I think it is obvious to anyone. I did not want this government to ram through the clause-by-clause consideration of Bill 67 to sell off MTS at 3:22 in the morning and thus far it has succeeded. If we had had the vote on that at 3:22 in the morning, we would be lying in bed right now. The

minister would be phoning the investment bankers, saying we got it through. I know he is busy right now. He is probably phoning the investment bankers to say what the heck happened, with the prospectus being on the front page.

You wonder why we use the democratic processes of this House. I will explain it to you, Mr. Chairperson. You know, when we sat here at quarter to six in the morning and they brought in the Winnipeg Free Press, it just amazes me if you look at the front page and the prospectus has been leaked. The prospectus has been leaked to the Free Press. You will not even give it to the people of Manitoba through the Legislature. Look at this. Tories to offer a bonus on MTS. You wonder why we are concerned about processes and use the few tactics we have. We asked for this information in the House. The minister said, it would be very irresponsible for us to hand out this information prior to the sale, but not irresponsible to give it to the Bay Street bankers who then go and leak it to the Free Press.

* (0850)

Mr. Chairperson, why would we be concerned about that? Why would we not want to deal with a government that wants to deal with clause by clause on Bill 67, at what time? At 3:22 in the morning. Why did I move this, and why am I still debating it? Because if we had stopped debating it the government would use its majority, would have closed off motion, would have then proceeded to clause by clause, would have rammed it through. You know, it is interesting, the government was so anxious to ram it through. They are so concerned about process, but it is quite all right—and I point out to the government members here—for the government to allow the prospectus to leak out. I mean, ministers of Finance have resigned when budgets have leaked out. I believe the Minister of MTS (Mr. Findlay) is going to have to resign over this. This is disgraceful. When you have this information, which is, supposedly, according to the minister himself, confidential commercial information, I mean this is getting to the point of being scandalous.

Why are we doing this, Mr. Chairperson? I will tell you another reason, because we do not dance to the tune of Bay Street here, the investment brokers. You know, the investment brokers that the government hired to

prepare the report, \$300,000, who are now leaking out the report. Who is preparing the prospectus? The people whom you hired. That is why we moved this motion.

Mr. Chairperson: Mr. Ashton, let me ask you one thing. Are you still speaking to the point of order?

Mr. Ashton: No, I am speaking on the motion now and if you want to rule on the point of order, I will speak on the motion after.

Mr. Chairperson: I think you were still speaking on a point of order and I have been listening very closely to the point of order. I have not heard it yet, so I would rule that there is no point of order.

* * *

Mr. Ashton: But I think I had a point, Mr. Chairperson, and when you look at the prospectus being leaked to the front page of the Free Press, what is left of any credibility the government has on this issue? They did not tell the truth. You know, they hired the Bay Street brokers; they paid them \$300,000. They brought in a report recommending the sale, and now these people are now running the sale and they are leaking this information on the front page of the newspaper. Government members read about it for the first time in the committee this morning. I knew about it last night when the Free Press phoned me.

This government is not only unethical in the way it is dealing with MTS. It is absolutely incompetent. I mean, you cannot even issue a prospectus. I mean, we know you do not have a business plan; we know you do not know the borrowing costs, the tax liabilities, the rate implications, the impact on service. Do not confuse me with the facts, say the Premier and the Minister responsible for MTS. You know, we do not want to know about that, and, well, if there are other studies, they are not real studies anyway and we have got these internal documents but we cannot release them, and trust us. The sale of MTS, it should be like on TV when you get a sponsor, brought to you by the people who said in the election they were not going to sell MTS. Somehow that does not have much of a marketing ring to it.

What are they going to do, Mr. Chairperson? I have seen these dog-and-pony shows they are going to set up

to sell off our public company. What are they going to do? Get the Premier up there saying: You can trust us; it is a great buy. Would you believe that? Would you buy a used car from somebody who just told you that—they have been telling you have got a Maserati and you are dealing with a clunker here. I mean, this is no way to run a business; it is no way to run a government. What does it take? I have never seen anything as embarrassing as this. Right now, by the way I have no problem for members in the government side, if you want to call an emergency caucus meeting and find out what is going on, I have no problem. We will continue. Check it out. We will continue. I am sure we can keep the committee going for you, okay? We promise we will not shut it down when you are not here, okay? Not only that, we will not deny your chance to speak afterwards, as you did with members of the public, and if you want to get into the clause by clause, well, one of these days we will get into the clause by clause.

But go to your caucus, demand answers on what is happening with this kind of thing being leaked on the front page of the paper. You know, I think if anything, and the Chair asked me this question, and I am not used to answering questions from Chairs, but it is okay. The Chair asked me a question why we did this. Well, look around you, Mr. Chairperson. It is not 3:22 in the morning anymore, and you have to face the public of Manitoba again. It is funny, the member for La Verendrye talked about it all being a dream. I think the Conservatives would probably want 3:22 until nine o'clock right now to have been a nightmare. I say to the government, this is your worst nightmare.

An Honourable Member: Come true.

Mr. Ashton: Come true. You have to face the people. Too bad it is not Halloween because I think there is a bit of a Halloween spirit in here. You have to face your worst nightmare; it has come true. You are waking up now. The new troops are coming in, the Minister of Finance, the Deputy Premier. The bottom line is you cannot do what you want to do. I got into some trouble in the House when I said the Premier is not the dictator of the province, and I did not get the chance to withdraw that. I had some people suggest I should definitely withdraw the comment, not the dictator. Because the bottom line is, and I am just reminded too by the way that

Tuesday was Guy Fawkes Day. That was, well no, we are not trying to blow up the Parliament.

An Honourable Member: No, not at all; they were.

Mr. Ashton: No, they were trying to do it. I think they were definitely in the Guy Fawkes—and that was the original burning in effigy. It is quite clear in terms of that. But the bottom line here is this government is going to have to face the opposition, and it is going to have to face the people.

I am glad to see all the new members in because I am getting the feeling that I may have to repeat some of the things I have been saying earlier for Mr. Stefanson and Mr. Ernst. I can certainly do that. In fact, Mr. Stefanson was a significant part of it—

An Honourable Member: No, he has not. He has not seen the Free Press yet.

Mr. Ashton: Oh, well, actually, have you seen the Free Press yet? [interjection] You read the paper. You may notice on the front page that someone has leaked the prospectus.

An Honourable Member: Clinton cruises to a win. I see that, yes.

Mr. Ashton: Yes, well, that is right. I mean, Doer cruises to win in three years. I mean, watch yourself on this one here.

I feel like, as the dawn rises across Manitoba here, a lot of people are going to be asking, what on earth is going on? I mean, to the Minister of Finance (Mr. Stefanson), what would happen, through you, Mr. Chairperson, if you leaked a budget document? You would no longer be the Minister of Finance. Who leaked this? What does this do to the share issue? What does this do in terms of the Securities Commission? How can you say in the House, as you did a few days ago, that you cannot release this, that would not be the proper thing to do, and now we wake up to find this? Who leaked it? Those investment bankers, have you phoned them yet? Have you fired them? Gross incompetence. Did you do it?

The bottom line, Mr. Chairperson, is there are a lot of unanswered questions, and we will get to those—I have to

move my car from the Premier's (Mr. Filmon) parking spot here, but I am giving them to somebody else, so I want to thank him for doing that—but, you know, the bottom line is, this is getting to the point—and I want to reflect on this with Sir Rodmond Roblin, who built the MTS, and then went out in a cloud of scandal in this building. I mentioned this right at the beginning of my remarks, because the bottom line, I think that what you are dealing with now and the way MTS is being operated and sold off without the support of the people of Manitoba, is nothing short of a scandal.

When I see this, your friends, the investment bankers that you paid \$300,000 to recommend the sale of MTS, blew it big time, and now we are faced with this. I would suggest to you, you do not even have to fire the investment bankers—and I would suggest the Minister responsible for MTS (Mr. Findlay) has to seriously consider his position as minister—I think you have to seriously question the whole sale itself. You have tainted the democratic process by what you said in the election. You have tainted the democratic process by what you have said since the election. You have tainted it by not going to the people in a vote. You are tainting the process of this committee, and now you are tainting this very sale of MTS itself.

I do not know how in good conscience you can do anything other than do what we have been suggesting right from the start, withdraw this bill. Withdraw it before it goes to clause by clause. Let us get some sanity back. Let us adjourn the public hearings. We can do it now. Let us go to rural and northern Manitobans. Let us listen to the people who are back here this morning who were all going to be disqualified if we had not fought to keep this going until this morning. You, Mr. Penner, I do thank you for having asked me that question earlier, why we did this. We did this because we are fighting on behalf of the people of Manitoba, and this is the one and only chance, Mr. Chairperson, they will be heard.

* (0900)

I note, by the way, that it is now nine o'clock, and since this matter is no longer relevant, we can certainly proceed with the announced Wednesday morning meeting. It is supposed to start at nine o'clock, and I would suggest, the appropriate thing to do, as well, is hear the members of the public who were told there would be this meeting

taking place right now. I suggest we rescind that and we most definitely do not proceed with clause by clause on Bill 67. Thank you.

Mr. Chairperson: Mr. Ashton, thank you.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order, please. Might I remind the committee members that you are not setting a good example for the general public.

Order. I ask for consideration by those that are in attendance here today that we have order in this committee.

An Honourable Member: Point of order, Mr. Chairperson.

Mr. Chairperson: On the point of order, I would like to make an announcement before I accept the point of order, if that is in concurrence with the committee's wishes.

Some Honourable Members: Proceed.

Mr. Chairperson: I would like to speak to the adjourning at nine, or not adjourning—the meeting which commenced at 6:30 yesterday will continue based on the parliamentary principle that where a session runs beyond the set time for the next session to begin, the first session or meeting takes precedence over the next scheduled meeting.

I would like to also announce that I would like to advise the committee that the motion moved by Mr. Ashton, and I think Mr. Ashton knows this, is now redundant, based on a ruling of Speaker Walding of July 30, 1983. Therefore, I would recommend to the committee that as public presentations have been completed, we will now commence clause-by-clause consideration of the bill.

Some Honourable Members: Oh, oh.

Mr. Sale: Mr. Chairperson, I had my hand up for a point of order, and I think you have made your announcement.

Mr. Chairperson: I will recognize you now, Mr. Sale.

Point of Order

Mr. Sale: Mr. Chairperson, on a point of order, let me make very clear that this committee, all through last week and most specifically on Saturday, had the assurance of government members, including the Minister of Environment (Mr. Cummings), that every Manitoban that wishes to be heard would be heard.

Last night, several people were called by the Clerk's Office, were told that given how low they were on the list, they might wish to attend this morning's meeting at nine o'clock. Very specifically, Mr. Werner Wirz was called by the Clerk's Office and given that advice. As I said at the Friday meeting of this committee last week, Mr. Chairperson, I do not blame the Clerk's Office for giving that advice. It is sensible and reasonable advice, given the order of the person concerned in terms of the list.

But, Mr. Chairperson, we had a very honourable process in this committee until last night. We believed, when we sat last night at 6:30, that the committee would follow the procedures it had established, which were to cease calling names at midnight, to canvas the house, and then if there were still persons wishing to present this morning at the announced meeting, that we would hear them.

So, Mr. Chairperson, I would ask that the committee give leave to do this before I address the question of this committee's further process. So I suggest that the committee do the honourable thing and give leave to hear those who wish to present here this morning, and when that is finished, then we can resume the question of when and how we hear clause-by-clause discussion. I think the first thing to do is to canvass the House and see how many presenters there are.

Mr. Laurendeau: Mr. Chairman, on the same point of order, at approximately 5:40, I know the honourable member for Thompson, Mr. Ashton, stated clearly for the record—and if the Chairperson would care to review Hansard, he will see that he did recognize at that time. It was 5:40, 5:38, 5:42, in that area. You will notice that the member did recognize that public representations were concluded. Also, Mr. Struthers who was here at the time and Ms. Wowchuk did recognize that on the record in about that vicinity—{interjection} So I would ask you to

peruse Hansard. I did not interrupt when they were speaking. I would like the opportunity to conclude.

Mr. Chairperson: Order, please.

Mr. Laurendeau: So, Mr. Chairman, I would ask you to peruse Hansard and find out that that information is there on the record.

Ms. Wowchuk: Just to correct the record, I know Mr. Laurendeau has had a very long night and maybe cannot keep track of the hours, but he says at 5:42 both Mr. Struthers and I made comments that the committee was complete. I would like to inform you that at 5:32 I was not at the committee. I was at home. So let the record state that we were not here. We did not say in committee—and in fact, last night, when we spoke, Mr. Chairman, we asked that the committee continue this morning to let those people who still have interest in presenting and who were notified by the Clerk's Office—that there would be hearings this morning, that they should be allowed to speak.

Mr. Chairperson: I hear the points of order. I have a request from Mr. Sale, and Mr. Sale has asked if there is leave from the committee to hear presenters. Is there leave?

Some Honourable Members: No.

Mr. Chairperson: No. Leave has been denied.

Mr. Ashton: I have a motion. I would like to move

THAT this committee hear members of the public wishing to present to the committee on Bill 67.

Mr. Chairperson: Is the motion in writing, Mr. Ashton?

Mr. Ashton: I am prepared to explain the motion.

Motion presented.

Mr. Ashton: I want to assure the member for St. Norbert (Mr. Laurendeau) that right from the beginning—and those members of the public who were here, some are still here from three o'clock in the morning, will remember that we strenuously opposed throughout the committee hearing, including 3:22 in the morning, the

government burning off the list and not listening to members of the public.

I would stress again, the government had a meeting scheduled for this morning. People were told by the Clerk's Office about the meeting this morning. There are people here this morning. They want to present. Let us do it, Mr. Chairperson. The motion is very clear. Let us hear from the people of Manitoba. Let us hear from every last Manitoban who wants to talk about the sale of MTS, who wants to try and save our publicly owned telephone company.

Voice Vote

Mr. Chairperson: We have a motion. All those in favour of the motion, say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed to the motion, say nay.

Some Honourable Members: Nay.

Mr. Chairperson: I declare the Nays have it.

Some Honourable Members: Oh, oh.

Mr. Chairperson: Order.

Formal Vote

Mr. Ashton: I would ask for a recorded vote.

Mr. Chairperson: A recorded vote has been requested. I will indicate to the committee who is still on the committee or who sits on the committee. It is Mr. Ashton, Mr. Cummings, Mr. Findlay, Mr. Kowalski, Mr. Lathlin, Mr. Laurendeau, Mr. Pallister, Messrs. Penner, Pitura, Sale and Sveinson.

I ask the question. All those in favour, would you indicate by raising your right hand.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 6.

Mr. Chairperson: I declare the motion lost.

Mr. Sale: Mr. Chairperson, I have a motion for the committee. I move that this committee do now adjourn and meet again for clause-by-clause consideration of Bill 67 no earlier than 6:30 p.m., Wednesday, November 7, 1996.

* (0910)

Mr. Chairperson: Mr. Sale, I would accept this motion to adjourn; however, it is the House leader that sets the time when the committee meets next. I would ask whether you would be willing to amend your motion to recommend to the House leader that the committee meet when you have indicated?

Mr. Sale: I would be glad to accept the clerk's advice on that.

Mr. Chairperson: So the motion has been amended to read "recommend."

The motion reads, by Mr. Sale, I move

THAT this committee do now adjourn and recommend to the House leader that it meets again for clause-by-clause consideration of Bill 67 no earlier than 6:30 p.m. on Wednesday, November 7, 1996.

Mr. Doer: Speaking to the motion, last evening, early evening, our critic received a package of some 25, I believe it is 25 proposed amendments to this bill. This is a major piece of legislation. This has major implications for Manitobans. We have alleged all along that the government has not proceeded with this breach of their election promise without due diligence. They obviously have the right, they think, to do that as a majority.

I want to make it very clear to members opposite, they cannot expect us to deal with amendments on the fly to something this important. We will do our homework on every one of the 25 amendments. I do not even know whether we can do it before this evening. You have the responsibility, Sir, and you have the responsibility to get these amendments to the opposition well in advance on something this important. This is your responsibility under our rules. This is your duty; this is your sworn duty. We are not going to make our decisions based on front page stories, what is going around on Bay Street, et

cetera. We will ask the government questions about that, but we will study the impact of every one of these amendments.

In the committee a couple evenings ago, we had amendments that were proposed to committees that were out of scope. We had to do a lot of work and research, and study the impact of the out-of-scope amendments dealing with universities. We should not, as critics, have to do this. It should be the government ministers that do this. We are not going to take amendments that we have been given, that are still warm off the Xerox machine, and immediately pass them because that is what the government wants us to do. I want to speak in favour of this motion, but also put on notice that the government has a responsibility all through the process to do their due diligence. They have a responsibility to make public all the analyses they have on rates, on jobs, on investment, on debt, on capital. They have a responsibility to do that. They have a responsibility to their own employees on the pension fund. They have responsibilities to the public of Manitoba to deal with amendments to this bill in a timely way. This is a \$1.2 billion asset, and you are asking us to deal with amendments.

I really want to applaud the member for Thompson (Mr. Ashton), for speaking out on behalf of democracy. I do not even understand why the Conservatives required him to do that last evening or this morning. I want to make it clear to everybody across the way that we will do our homework on these amendments, and if it requires time, we will take the time. We will take the time. We know how to take the time. You cannot give us amendments 48 hours before the legislative timing. You just cannot do it. You cannot ask people to pass amendments—I am appalled that you even wanted us to go clause by clause at 3:30 in the morning. Whom are we going to call at 3:30 in the morning? What kind of investigative work can we do? What kind of contempt are you showing for us in our role?

This motion is generous, because it provides for the ability of this committee to come back tonight. I do not know how much work we can do in the middle of this day, in the legislative session, on these amendments. We will do our homework. That is our sworn responsibility. I am absolutely shocked that the Minister responsible for Telephones (Mr. Findlay), knowing how serious this matter is, would, in fact, give the envelope to our critic

about half an hour before the committee started last night. In fact, I was in the office when the package arrived. I think it was around five o'clock. I walked it down to our critic. Thank goodness they did not put it in his mail slot and he still had not the amendments before the committee started last night.

I just want to serve notice that this minister, in tabling amendments last evening, will require the opposition to do their homework. Secondly, I met people last evening—I left here relatively early, in relative terms to people who have not even left, of course, on both sides. I left before 2 a.m., at 2 a.m. and I said before 1 a.m., when the debate at the public hearing process—there were people in the hallway. I met a young person who believed that the committee was meeting tomorrow, which is today, had checked the notice board that the committee was meeting today in his understanding, and fully expected to present his views today.

So I say to the government that we are not going to ram through amendments. The government had the option of tabling these amendments long ago. The government has had this matter before their analytical group, the brokers, who are doing the hallelujah chorus in the media today, and there are more than investors involved in this decision. There are the ratepayers. There are the present owners of the phone system, which is all the public of Manitoba. It is obvious the government is protecting the interest of the investors, but that is only one part of this decision, and we will make sure that all parts, to the best of our ability, are dealt with in a public way. That is why we resent the fact the government has denied the opportunity for people to be heard this morning, and we make no promise about how quickly we can deal with the proposed amendments that I say were not even cool when we received them off the Xerox machine last night.

I do not think anybody across the way can expect anything less. You would not expect anything less from us, and we will not operate flying by the seat of our proverbial pants. I guarantee that, and I want to serve notice to this committee and notice to this Legislature that we will do our job and due diligence, and this motion allows some start to do some homework. I am not sure whether we can do all of it with this little notice, and if we can, we are going to do it. We are just going to do our homework, and I think you would expect nothing less. I actually would expect nothing less from members opposite. Thank you.

* (0920)

Mr. Chairperson: Thank you, Mr. Doer. I want to ask the indulgence of those who are here today listening in to this process, please give us the courtesy that we can hear each other. I would ask that there be no interruption, because this is very serious business that we are conducting here today.

Mr. Sale, I recognize you to make comment.

Mr. Sale: First of all, I would ask that the committee give leave to correct a date. We have been sitting here for a number of hours, and I got my days mixed up. It should be the 6th and not the 7th, although frankly, I guess, we would prefer the 7th, but really my intention was the 6th, so it should read the 6th, Mr. Chairperson, if that could be agreed by committee by leave.

Mr. Chairperson: Does the committee agree? [agreed]

Mr. Sale: I want to address this second motion, Mr. Chairperson, which, I believe, has been recognized.

Mr. Chairperson: I would first recognize the House leader. I wanted to recognize you, Mr. Sale, to make the correction, that the committee was able to consider the date that we could debate a properly dated motion.

Mr. Sale: Mr. Chairperson, if I may, understanding that this was the motion I moved, I have not yet had a chance to address it, and I expect to have a chance to address it before any question is called.

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Mr. Chairman, I do not want to prolong what has been a very long evening and night for the members of the committee, except to say that the government will support this motion and that I will call the committee, as the government House leader, for 6:30 p.m. tonight to consider clause by clause Bill 67.

Mr. Sale: Mr. Chairperson, in that case, my remarks will be very brief. I simply will say the most structurally vital reason why we would not agree to hear clause by clause in the dark of night, there are 1,541 signatures on a petition concerning the pensions of pensioners of MTS. They have approached us, numbers of them, with very deep concerns about some very offensive language in the

bill. They seriously question many components of the bill.

The minister gave assurances that there would be substantive amendments. I have not seen them. So far as I know, Mr. Beatty, with whom I spoke yesterday, has not seen them, although Mr. Meronek may have. I was not prepared, in the middle of night, to trade away the pension rights of retired people and to try and contact them at 3:30 in the morning and find out whether indeed they have given any consent.

That was the major structural reason why it was inappropriate in any case to do clause by clause, but to put at risk the pensions of people who served MTS and served this province, without the possibility of us contacting them and seeing whether their needs had been met by the amendments, was the worst kind of ramming through antidemocratic action that any government could take, complete contempt of people who had served you well and faithfully.

I very much appreciate the government House leader's indication that the committee will support this motion, and I ask you to call the question.

Mr. Ashton: I just wanted to note for the record the two things I wanted to do—

Mr. Chairperson: I want to remind members of the committee that we are discussing a motion.

Mr. Ashton: On the motion, there were two things that we wanted to assure last night. Unfortunately, the one was voted down earlier, and I think it is a real travesty when you have members of the public here expecting to present and they are not given that opportunity. I accept the fact that the government now is seeing that it did not make sense, on top of closing the list off at 3:22 in the morning, to deal with clause by clause on significant amendments.

While I am pleased that the government House leader is now agreeing to a more sane approach in terms of clause by clause, I think it is a real travesty, Mr. Chairperson, that we have people who are here this morning expecting to present and are not being able to present because of the other decision that was made at 3:22 in the morning. I would really urge the government

to consider that. They are going to have to listen to the people one way or the other, and I suggest they start listening now. There are a lot of people here this morning who are here to present. I think the only fair thing to do—that is why I talked, and why we all stayed here from the opposition all night was to make sure that the government does not ram this through. We have succeeded, partially. I think that is a victory for the democratic process. I welcome that, but we will not succeed fully until we get this government to do the only thing it should be doing which is listening to the people of Manitoba and dropping the sale of MTS.

Mr. Chairperson: Thank you, Mr. Ashton. The question before the committee is, it has been moved by Mr. Sale

THAT this committee do now adjourn, and it is recommended to the House leader that this committee again meet for clause-by-clause consideration on Bill 67 no earlier than 6:30 p.m., Wednesday, November 6, 1996. Agreed?

Some Honourable Members: Agreed.

Mr. Chairperson: Agreed and so ordered. What is the wish of the committee? Shall the committee rise?

Some Honourable Members: Committee rise.

COMMITTEE ROSE AT: 9:26 a.m.

WRITTEN SUBMISSIONS PRESENTED BUT NOT READ

Re: Bill 67 – The MTS Reorganization and Consequential Amendments Act

As a citizen, I wish to state my opposition to the policy and provisions of Bill 67. My name is Victor Olson.

MTS holds assets worth over \$1 billion, debt of approximately \$800 million, and consequently has a net asset value of over \$200 million. This represents wealth now owned by all Manitobans in equal shares per capita.

For the five-year period from 1990 to 1994, both years inclusive, MTS has generated between \$10 million to

\$40 million in net earnings, for a total of \$100 million, while providing all Manitobans with affordable telephone service. Its debt charges are fully serviced from income without tax subsidies. Moreover, the operating expenses of \$450 million shown in its balance sheet represent funds contributed to the Manitoba economy. According to the most recent information available to me, MTS employs 3,755 Manitobans, including more than 1,000 in rural and northern Manitoba.

No decision to sell this vast public asset should be taken without clear and unambiguous public approval. After all, we, the public, are its owners. Since it is our property, we should have the right to decide whether it should be sold, and on what terms.

Before the provincial election of 1995, the government made no mention of selling off MTS—not seen in the fine print of their campaign literature where one found the words “Progressive Conservative.” As late as September 1995, Premier Filmon was still denying rumours of an impending privatization. Premier Filmon refused to admit that his government was so much as considering the privatization of MTS until December 9, 1995 and, even then, denied that any final decision had been made by cabinet. It was not until May 2, 1996 that Premier Filmon gave any official confirmation that the government intended to privatize MTS.

During a radio call-in program, CBC Questionnaire, on October 18, 1996, the Minister responsible for MTS, Glen Findlay, said that the government had not considered privatizing MTS at all until it had been advised to do so in a report of the Crown Corporations Council prepared over a period of time from or about August to October 1995, and received by the government in October 1995. Interestingly, he did not remain on the program long enough to answer questions from the public.

In fact, the report was released in two versions. The first version, 27 pages long, released to the Free Press under The Freedom of Information Act is alleged by the newspaper to contain 10 blanked-out pages and many censored passages. The second version, released to the Legislature as part of the council's annual report, is four pages in length. Neither version recommends privatization.

When asked about this omission by a reporter for the Winnipeg Free Press, Finance Minister Stefanson replied that he did not know why the alleged recommendation was not included, and merely claimed that the report contained an implicit suggestion that the government should be considering alternatives to public ownership.

In fact, although the report does state that MTS is a high business risk because of industry uncertainty and a high debt to equity ratio, it not only does not recommend, but does not even evaluate privatization or any alternatives to privatization.

Apart from the Crown Corporations Council, the only other entities apparently so far consulted are three investment firms that would profit from the privatization of MTS through commissions. According to the Winnipeg Free Press of September 28, 1996, Finance Minister Stefanson stated that the valuation of MTS by the three firms, operating under the name of MTS Financial Advisory Group, which strongly recommended that MTS be sold, formed the basis for the government's decision. His statement implies that the government received other persuasive advice. Open and accountable government requires consultation with the wider public, certainly with more than a few parties whose pecuniary interest in recommending privatization is too obvious to require comment.

The report from the three firms is dated April 30, 1996, two days prior to the government's announcement of its intention to privatize MTS. Is the government making a snap decision to sell a public asset worth over \$1 billion, or was it planning to privatize MTS much earlier than it is now willing to admit?

Certainly, there is no indication that the government has seriously considered alternatives to selling MTS to private interests.

The Saskatchewan government offered to amalgamate MTS with SaskTel, and concurrently Manitoba Hydro with SaskPower, in order to create larger Crown corporations with greater investment capabilities. However, its offer was curtly dismissed by Finance Minister Eric Stefanson without public consultation or even disclosure.

According to a report in the Winnipeg Free Press, on January 13, 1996, the proposal led to some discussion among government officials but it never went any further. Further, no position papers were produced and the matter never got to the ministerial level, Winnipeg Free Press editorial, January 16, 1996.

Minister Findlay was asked, CBC Questionnaire, October 18, 1996, why the government did not issue MTS bonds, comparable to the highly popular Hydro Builder Bonds, in order to finance further investment, but failed or refused to answer.

The government has apparently given no consideration at all to the possibility of expropriating lucrative private cable TV operations in order to achieve an economy of scope that would eliminate wasteful duplication of cable networks for telephone and television, rather like eliminating parallel train tracks for competing railways by building a single publicly operated line. The growing convergence of media technology encourages this solution in any event, and the CRTC, the federal government regulator of broadcasting and telephone systems, has already ruled that TV and telephone operators may combine and deliver both services.

Furthermore, there is, as Finance Minister Stefanson might say, an implicit suggestion that the government should be considering this alternative contained in a consultant's report of 1993, which the government itself commissioned from the accountancy firm of Ernst & Young. The consultant's 1993 report finds that, there is a wealth of evidence demonstrating the strategic value of cable television plant to a local exchange carrier. In our view, MTS is indeed fortunate to own cable TV facilities and to have had a number of years experience in maintaining this type of distribution plant. As broadband services to the home become a more significant revenue stream for telephone companies, and as cable TV companies become more aggressive in encroaching on traditional exchange carrier lines of business, this asset can only increase in strategic value.

Instead of following its consultants advice and keeping the cable TV network—with an estimated worth of over \$60 million—the government ordered the sale of the network to a consortium of private operators led by Shaw Cable for \$11.5 million without tender, as is the normal procedure in the sale of Crown assets.

When asked by the program host why the government should not wait until the next election to see if this was what the people wanted, he replied that the government could not afford to wait this long and would have to act now.

Such evasiveness and secrecy appears to have characterized the actions of the current government since it was re-elected with a majority. This fall the government announced that its members will not even speak on 60 of the approximately 70 bills now before the Manitoba Legislature, many of which contain measures that will reduce the accountability of institutions to the public but which were never themselves mentioned during the last provincial election. Political writers have called this refusal to debate unprecedented in Canadian politics, and a departure from the principles and norms of parliamentary democracy.

Public hearings, such as this one, however, are not enough. Government committees often hear only what they want to hear, and submissions from the public rarely change the mind of cabinet even when serious opposition emerges. If the government does not speak on its own legislation, how likely, in any event, is it to listen to debate and proposals for amendment from the public?

Offering shares to the public at large is not in any sense consultation, as government ministers have claimed. This notion of consultation is based on the maxim of \$1, one vote. The only Manitobans to have the right of first refusal to purchase shares in MTS are those with sufficient wealth to exercise it. Past privatizations show that small share holdings are quickly bought out by large interests such as Bell Canada or AT&T.

To describe the sell out of MTS with the phrase "going public" is as cynical and Orwellian an abuse of language as any committed by the government to date. In financial markets, the phrase refers to a stock offering by a share capital corporation which until the time of the offering had been owned privately by a single individual, family, or small—under 50—group of investors. As a Crown corporation, however, MTS is already owned by the public at large. Rather than expanding the number of owners in the manner of an initial public offering, the privatization of MTS privatizes ownership, reducing the number of owners. Incidentally, Sections 6(1)(d), 13 and 14 of Bill 67 allow the government to sell MTS to a

multinational such as AT&T, without restricting foreign ownership or requiring the new owner to maintain a head office in Manitoba. All that is required is that the owner is pay out all MTS debt on purchase.

Government, rather than the private sector, has developed the many highly sophisticated technologies, including the computer, the Internet, the cellular telephone and the telecommunications satellite.

Nor could it have been otherwise. In the short term, commercial prospects for these technologies were remote. Stock investors, who look for dividend income and a profitable return on their investments within a few years, would not and did not have the willingness to undertake such risk or the patience to commit funds for the long terms required, often lasting into decades. Venture capitalists, rich investors or angels, as they are known in the investment trade, did not have the deep pockets for essential research. Only government has the financial strength and planning capacity to develop such technology.

Canada is built on public, not private enterprise. National and provincial governments have used public financing to link the nation by railroad, and have set up Crown corporations like Air Canada, CN and the CBC to forge a distinct society on the northern half of the North American continent.

As a Crown corporation, MTS has proven itself to be formidably competitive in long distance service, even though it must provide the same level of service to rural communities overlooked by private operators. Eighty-six percent of long distance callers use MTS. Although the current government claims that MTS represents too great a risk for further public investment because it is no longer a monopoly, it is overwhelmingly successful in precisely those areas of services in which it must now compete.

MTS offers Manitoba the second lowest residential rates in North America, with the possible exception of SaskTel, which is the only other publicly owned telephone company on the continent.

Private telephone companies, on the other hand, are in business to get the most for the least. Their objective is to make the highest possible profit from their investments.

The CRTC, which regulates all Canadian telephone services, recognized as much this past February, when it allowed the recently privatized Alberta company, AGT, to increase its rates by \$6 per month while at the same time restricting MTS to an increase of only \$2 per month. The difference, it rules, was needed to ensure that private profit-driven investors would receive an after-tax return, for otherwise they would obviously not invest.

Accordingly, if MTS is privatized, rate increases—probably steep—are sure to follow. AGT, for one, has applied for a second rate increase of \$6 per month to take effect this year. Payment per call rather than the current flat rate is also a prospect and has already been requested by the privately owned B.C. Tel and Bell Canada.

Rural and city residential rates are subsidized by charges to big business and long distance users, which would be withdrawn by profit seeking private management. If rate subsidies were ended, these are the minimum residential rates rural and northern areas would pay:

	Current Rate	Actual Cost
Winnipeg	\$13.30	\$17.20
Western Manitoba	\$12.90	\$35.56
Northern Manitoba	\$11.75	\$48.64

After British Telecom was privatized in 1985, users were required to pay for telephone time, in addition to regular charges for service rental. Calling the next door neighbour now costs 14 cents per minute.

A publicly owned MTS is essential to compensate for the failings of the marketplace. MTS was originally set up in 1908 to extend telephone service into the countryside, where it was and still is costly and unprofitable, see above, when the privately owned Bell companies were only interested in connecting the lucrative cities.

While the government argues that the debt-equity ratio of MTS is excessive, it should be noted that much of this debt was used by the Pawley government to invest in cable lines and equipment that extended the quality of service available in the city of Winnipeg to rural and northern areas. The investment was made in accordance with the mandate of MTS to provide affordable telephone service to all Manitobans.

A share capital or business corporation is driven by market forces to maximize profits to shareholders and often, as well, to directors and executive officers. Its interests are inevitably adverse to those of its customers and employees. It is therefore not surprising to find that AGT, the Alberta telephone utility, has begun to restrict or eliminate service to remote areas of the province since privatization.

As a public enterprise, MTS works as a counterforce against outside control of our economy and keeps in local hands the head office jobs and revenues that are otherwise likely to leave the province. Currently, it employs 4,000 people, all in Manitoba.

If MTS were owned by out-of-province investors, some—perhaps much—of the revenue and employment which it generates would be lost to the local economy. Recent developments confirm this view, inasmuch as private operators have either transferred jobs out of the province—in the case of Unitel, 150 job losses were announced in January, 1996—or failed to carry out promises to create new employment, as in the case of Wang Computers and Royal Trust.

As a local, community-centred enterprise, MTS has helped to foster the entrepreneurial values of self-reliance and independence in our provincial community.

The economic benefits of public ownership of telephones to the entire community have been clear enough to previous provincial governments. In fact, Conservative Premier Rodmond Roblin, whose government created MTS in 1908, gave as his rationale that MTS is a good commercial proposition and whatever profit there is in the operation of the telephone system from this time on will belong to the people of Manitoba rather than to a private company.

The government should hold a referendum and be bound by the result. It should follow the same procedure that The Corporations Act of Manitoba requires for fundamental changes to a business corporation or co-operative, such as the sale of all or substantial assets, namely, that such change be approved in a vote by two-thirds of all shareholders of all classes.

If the government refuses to consult meaningfully, the NDP opposition should reclaim public ownership in the

following manner: 1) repurchasing the assets at a price no higher than the initial sale price, 2) denying compensation to shareholders for profiteering and excess rents.

The following resolution sets out the position of the Manitoba New Democratic Party on the privatization of MTS. I commend it as a policy for reclaiming the MTS, and any other assets which the current government may sell improperly and illegitimately.

Whereas the Manitoba Telephone System has served Manitobans well since 1908

Whereas our publicly owned telephone system provides some of the least expensive telephone rates in North America; and

Whereas our telephone company provides more than 4,000 jobs throughout Manitoba

Whereas MTS keeps profits, jobs and business spinoffs in Manitoba; and

Whereas the provincial government has indicated it is looking at selling MTS; and

Whereas privatization has proven to be a disaster in other jurisdictions, leading to higher phone rates and job losses;

Therefore be it resolved that the New Democratic Party commit itself to maintaining the public ownership of the Manitoba Telephone System; and

Be it further resolved that if the Conservative government sells off Manitoba Telephone System or any other Crown corporation without the agreement of the people of Manitoba, that the next New Democratic Party government will take back our public assets by repurchasing the company at a price no higher than that paid by the purchasers; and

Be it further resolved that in taking back any shares which may be issued by the present government, in MTS or its successor companies, the next New Democratic Party government shall reduce or deny compensation to shareholders by the extent to which they have privateered, and, without limiting the generality of the expressions it

shall consider shareholders to have privateered where it has reasonable grounds to believe that:

- (a) shares have been tendered to the public for a price below the net asset value of MTS or its successors; or
- (b) assets in the privatized company have been sold in a manner detrimental to the future operation of MTS or its successors; or
- (c) service rates have been raised more than was warranted by the investment needs of MTS or its successors; or
- (d) profits have been realized through wage reductions, layoffs or unfair labour practices; or
- (e) profits have been realized through rate rebalancings or other measures with the effect of limiting service to rural areas of the province; or
- (f) profits have been distributed to shareholders by dividend or other means in a manner detrimental to the future operations of MTS or its successors; or
- (g) direct payments, assumptions of corporate debt, or other government subsidies to MTS or its successors have been used to benefit shareholders rather than being reinvested or used in the public interest; or
- (h) corporate funds or assets distributed to shareholders have been obtained through borrowings or asset sales detrimental to the future of MTS or its successor.

* * *

Presentation on Bill 67

In 1993, 56 percent of all people below Statistics Canada's Low Income Cut Off, LICO, were women. New public policy decisions, particularly in social and economic reform, need to be based on a careful analysis of their impact on women's real life situations—excerpt from *Setting the Stage for the Next Century: The Federal Plan for Gender Equality*.

Telephone costs, as they presently are, have yet to be included under the basic necessities provision of the provincial assistance act.

What does this mean for the real life situations of rural women? If you are poor, unemployed or on welfare, it is difficult for you to have telephone services. Even with the present costs it is not easily affordable. Manitobans who do sacrifice a portion of their budget to telephone may not be able to do so any longer once new more expensive rates apply. In effect, the Province of Manitoba will be contributing to the isolation of thousands of women who already struggle in difficult circumstances.

As a rural Manitoba woman, mother of five children and outspoken advocate for fairness, I urge this Conservative government to consider the impending hardship that would result for rural women when and if our MTS company heads down the road towards privatization.

For some time now rural Manitoba women have been at a disadvantage with respect to employment in their communities, availability of core health services and training opportunities that could assist women to get off social assistance. Now, too, it appears that they will have the added impact that increased telephone costs will bring.

Telephone service is one basic outreach service that should be available to all. Information available through government departments can only be accessed by telephone when an individual lives in a rural setting. Telephones to ensure access to safe houses and toll-free assistance numbers such as Teen Touch and Manitoba Farm and Rural Stress Line provide a link to safety, information and assistance.

It has been my understanding that the telephone system was publicly owned in order to ensure all Manitobans equal access and equal service for equal cost. So, too, long distance rates have been subsidized in the past, again to ensure that all Manitobans, including those in northern and southern Manitoba could have full usage of the telephone service. In rural communities, telephones are not a privilege or a luxury.

In addition to the previous concerns, the cost of selling off MTS will certainly translate into lost jobs as privatization looks to increase profits. Many employees who could potentially lose their jobs will be women, women operators, cashiers, service personnel and clerical staff. As we reduce the numbers of jobs, we will push

women into low wage, part-time work. Again, the impact this will make on rural women cannot be underestimated. I challenge this government to be cautious and promote a more equitable distribution of assets, wealth, opportunities, income and services.

It is this governments responsibility to take the appropriate precautions during these times of economic

restructuring in order to ensure that women not pay the price of making MTS a company of profits and business rather than a company of reasonable, affordable service and equitable employment for women.

Submitted by
Rosemary Friesen, M.F.
Dauphin, Manitoba,