



Second Session - Thirty-Sixth Legislature

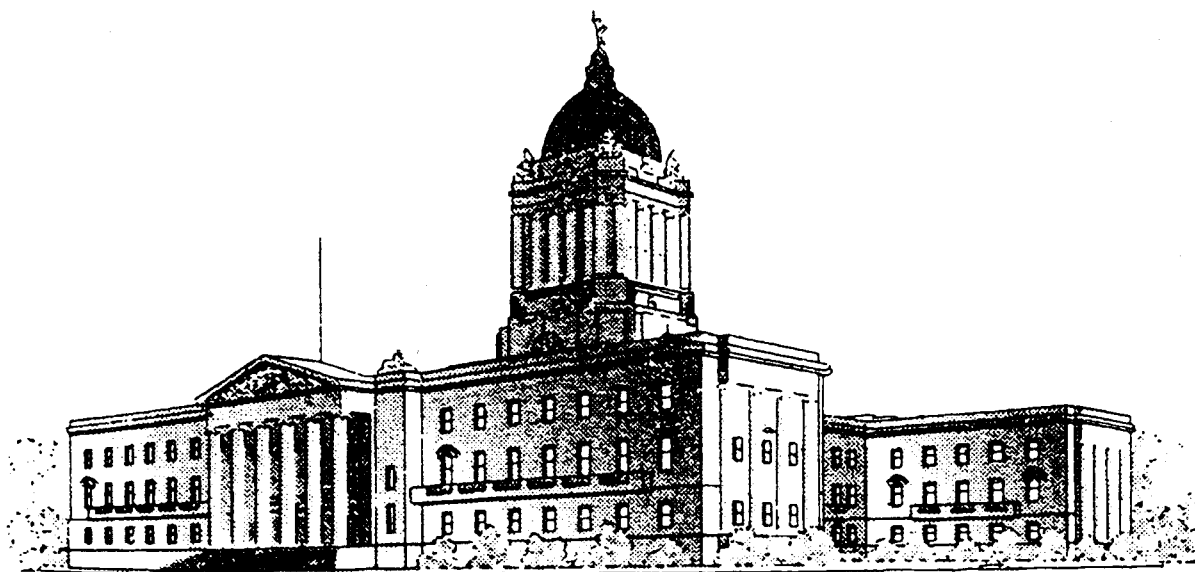
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

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authority of
The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 14, 1996

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Guaranteed Annual Income

Ms. Diane McGifford (Osborne): Madam Speaker, I beg to present the petition of Tasha Jade Jackman, Darlene Teeple and Pat Cordner requesting that the Legislative Assembly urge the Minister of Family Services (Mrs. Mitchelson) to consider repealing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, that this annual income increases as prices increase, that this new legislation provide for the creation of real jobs with the goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing that allows them to meet their needs and the needs of their families, and that this new legislation provides adequate supports so that individuals with disabilities receive appropriate assistance in finding meaningful work.

Mr. George Hickes (Point Douglas): Madam Speaker, I beg to present the petition of Herb Hewke, E. Braun, M. Roux and others requesting that the Legislative Assembly urge the Minister of Family Services to consider repealing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, that this annual income increases as prices increase, that this new legislation provide for the creation of real jobs with the goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing that allows them to meet their needs and the needs of their families, and that this new legislation provides adequate supports so that individuals with disabilities receive appropriate assistance in finding meaningful work. Thank you.

Manitoba Telephone System

Mr. Gregory Dewar (Selkirk): Madam Speaker, I beg to present the petition of Gail Kotowich, Colleen Allan, Leslie Benson and others requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Guaranteed Annual Income

Ms. Marianne Cerilli (Radisson): Madam Speaker, I beg to present the petition of Brent Letain, Carl Ridd, Len Metro and others requesting that the Legislative Assembly urge the Minister of Family Services (Mrs. Mitchelson) to consider repealing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, that this annual income increases as prices increase, that this new legislation provide for the creation of real jobs with the goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing and allows them to meet their needs and the needs of their families, and that this new legislation provides adequate supports so that individuals with disabilities receive appropriate assistance in finding meaningful work.

READING AND RECEIVING PETITIONS

Manitoba Telephone System

Madam Speaker: I have reviewed the petition of the honourable member for Osborne (Ms. McGifford) and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

* (1335)

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

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

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

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

Guaranteed Annual Income

Madam Speaker: I have reviewed the petition of the honourable member for Wellington (Ms. Barrett) and it complies with the rules and practice of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

Madam Speaker: I have reviewed the petition of the honourable member for Radisson (Ms. Cerilli) and it

complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

Manitoba Telephone System

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

ORAL QUESTION PERIOD

Manitoba Telephone System Privatization—Information Request

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the Premier.

We have asked in the past for information that the government has available to it dealing with their analysis of the impact of privatization on rates, on investment, on jobs, on debt and other tax considerations, and the government has kept that information, unfortunately, secret from the people of this province. In the latest issue of CA Magazine, apparently a financial group has been

established made up of Mr. Stefanson, Mr. Fraser, and Ms. Barker that has prepared a number of financial bits of information and analysis of information on the privatization of the telephone system. The CA Magazine goes on to say that this group has prepared earnings forecasts for the new private company.

I would like to ask the Premier, in light of the fact that it is the shareholders and the public of Manitoba who now currently own this telephone system, will the Premier make public today the earnings forecasts for the Manitoba Telephone System?

Hon. Gary Filmon (Premier): Madam Speaker, I have indicated to the member opposite on numerous occasions that the government of Manitoba, in reviewing the report and the analysis that was done for us by the Crown Corporations Council, was faced with an analysis that said that the Manitoba Telephone System was the highest-risk Crown corporation that we had of all the Crown corporations in public ownership. They said that based on a number of factors, one being that the field of telecommunications is the field of the most rapidly changing technology of any sector of our economy and that, as well as that, this particular telephone company had the highest debt-equity ratio of any telephone company in Canada, that in addition to that, the Manitoba Telephone System was going to be faced in the near term with decisions that might involve the investment of some half billion dollars with respect to their continued need to compete with the private sector because now, as compared to when they were operating for many, many decades as a monopoly, they are today a Crown corporation in which over 70 percent of their revenues are in competition with the private sector. That puts them in a position where they will be very much in jeopardy in their efforts to try and keep up with technology, to try and keep up with changes.

Madam Speaker, in order for us to make analyses as to what might happen to the rates, what we have to do is compare, as I have indicated before, to the rates that are charged by other telephone companies in Canada, either in public or private ownership. I indicated, for instance, in Rate Group 2—

* (1340)

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Filmon: I am sure that the members opposite do not want to hear the answer. They just want to go on with their rhetoric. The fact of the matter is they can act like a rabble as much as they like. I have a right and a responsibility to answer questions and to put information on the record.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, Beauchesne Citation 417 is very clear that "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate." The Premier was asked a very specific question about financial projections that have been made. His answer bears no resemblance to that.

I would like to ask you to call him to order and answer a very serious question asked by the Leader of the Opposition.

Madam Speaker: The honourable member for Thompson does not have a point of order.

* * *

Mr. Doer: Madam Speaker, I asked the Premier to produce the earning forecasts that were produced for the private investment. Surely the public shareholders of Manitoba Telephone System, contrary to the Premier, the 57 members in this Legislative Chamber that deal with the Manitoba Telephone System and the one million Manitobans have a right to those forecasts, not just the brokers and investors. I would like this Premier to start acting on behalf of all Manitobans and not just the investors and the brokers in this province, so I would like the Premier to table the information as we have asked him. What is he hiding? What is he keeping secret? Why can he not share this information with all 57 members of this Legislature? What has he got to hide?

Further, the CA Magazine goes on to say that tax issues must be dealt with in the privatization of the Manitoba Telephone System. The financial group has been preparing work because investors will be insistent on accurate forecasts dealing with the tax changes of the federal government. Now we should be insistent as well as the investors of what the tax implications are. The

Premier has refused to make that information public in the past. Will the Premier now today table that information that has already been prepared by senior officials of the Manitoba Telephone System? Release it for all of us rather than just a select few that may buy the shares of the telephone system.

Mr. Filmon: As I have indicated before, the Manitoba Telephone System has been informed that the assets of the Manitoba Telephone System can only be carried out on the books for purposes of depreciation at maximum, at fair market value. Since in the privatization process people will be paying for those assets and will be establishing the fair market value, that will be the value that will be utilized for depreciation purposes, and it will be the value that is placed upon the share offerings.

The second aspect to it, which I have also indicated previously, is that an advance ruling has been made in favour of the ability of the telephone company to transfer in as an asset at full value the pension funds that will be transferred in with the company, so a favourable tax ruling has been received there. Both of those matters of course would be matters that would need to be disclosed and will be fully disclosed in any prospectus that might be issued.

* (1345)

Some Honourable Members: Oh, oh.

Mr. Doer: Members opposite clapping for a Premier that said that this information will be disclosed to the private future investors rather than to the present owners of the telephone system, the one million Manitobans.

We all know that the telephone system is worth well over the debt, Madam Speaker. That is why the Minister of Finance (Mr. Stefanson) is licking his lips with the \$400 million or \$500 million he is going to put in his Fiscal Stabilization Fund. We know that it is worth a lot more than what the government is telling the people of this province. They are trying to have it both ways: Use the debt as a reason to sell it but use the assets before the next election. I think it is a disgrace in terms of what is happening.

I would like to ask the Premier a further question. The CA Magazine also goes on to say, and quotes senior partners across Canada, that tax treatment can put

privatization in doubt. It is one of the reasons Ontario Hydro has stalled the privatization efforts of the Ontario Hydro, because Ottawa has cancelled a section of the tax act.

I would like the Premier finally to table the forecasts of revenue, to table the analysis that he has. Make it public. Let us have the debate out in the open, not in the backrooms of the Conservative Party. And will he table the analysis dealing with the tax rulings as indicated by the accountants must be before the public before decisions are made?

Mr. Filmon: It is because, of course, the member opposite and his colleagues, the New Democrats, are so brilliant in their knowledge of values and investments that Manitoba Telephone System under their stewardship lost \$30 million in Saudi Arabia—because they are so brilliant, Madam Speaker. That is why of course no Manitoban would ever trust them to value a corporation or to put any sound financial advice on the record with respect to any issue.

As I indicated prior, the tax information that the member opposite is putting on the table is information that is readily available, and the fact is that it is not possible under current tax legislation and regulations in Ottawa to value a corporation at greater than its fair market value. So we are not in the situation that Ontario Hydro attempted to be in of trying to value its assets at their purchase value as opposed to their fair market value.

We have received what we believe is sound advice on that, and that is how the corporation is operating, based on sound and solid advice, not on the musings of the Leader of the Opposition.

* (1350)

Manitoba Telephone System Privatization—Referendum

Mr. Steve Ashton (Thompson): The Premier mentioned the word “trust” and the people of Manitoba trusted this Premier in the provincial election not to sell off MTS, Madam Speaker.

Given that the Union of Manitoba Municipalities, the Manitoba Association of Urban Municipalities, the

Manitoba Society of Seniors, the Manitoba Pool, 67 per cent of Manitobans province-wide and 78 percent of rural Manitobans do not want MTS sold off, I would like to ask the Premier a very simple question. It is based on trust here. Will he trust the judgment of the people of Manitoba and refer the issue of MTS to a vote of the people, a shareholders' vote, a referendum on the issue of the sale of MTS?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, it is with interest that we listen to what Manitobans say. The member focuses on certain individuals. I focus on the kind of editorials that come out in various papers right across Manitoba. The most recent one—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Findlay: Madam Speaker, those editorials focus on the realities, the issues that are in front of us. They focus on competition; they focus on technology that is changing; they focus on the need for MTS to respond quickly, to be competitive, to be able to supply the best service in the future; they focus on the debt that government currently guarantees; they focus on the new capital that is going to be needed and they understand things have changed.

As Bob Rae mentioned when he was in Winnipeg last week, the NDP now has to embrace the concept of what debts and deficits mean to governments in terms of their ability to serve the basic needs of society. Supporting a Crown corporation that is in a competitive field is clearly not one of them and is identified in many editorials, also in rural Manitoba, Madam Speaker.

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

Mr. Ashton: My supplementary is to the Premier (Mr. Filmon). I want to ask when the Premier is going to stop listening to investment bankers based on Bay Street, editorial writers, and listen to the people of Manitoba by doing one of two things, either stopping the sale of MTS or, at the very least, put it to a vote of the people of Manitoba. Let the people decide, Madam Speaker.

Mr. Findlay: Madam Speaker, we were elected to govern in the province of Manitoba. We were elected to be fiscally responsible to look after the affairs of the province of Manitoba, to reduce the level of risk that we put the taxpayer to, and that issue was identified time and again by Manitobans as they speak to us, as they write editorials. The risk is high; the time has come to do what we are doing. It is right, to be sure, that we protect the government in terms of being able to be sure we deliver the health care, the education, the family services, to build the highways that are needed without unduly taxing the taxpayers. We are supported strongly and widely in Manitoba in that concept.

* (1355)

Privatization—Campaign Promise

Mr. Steve Ashton (Thompson): Madam Speaker, on a final supplementary and once again to the Premier. I want to ask the Premier if he will now state very clearly to the people of Manitoba, since we have seen in this Chamber that there are about 30 people in Manitoba left who do not believe this government broke its election promise, that in fact, in 1995, he said he was not going to sell MTS and that he will now be breaking that campaign promise if he goes and rams through a sale that is not supported by two-thirds of Manitobans and 78 percent of rural Manitobans.

Hon. Gary Filmon (Premier): Madam Speaker, above all, whenever I have run for office in this province I have promised to exercise my best judgment to do the very best that I can to ensure that the people of Manitoba are protected. I can understand why members opposite get very agitated and upset, why they want to shout us down when we talk about responsibility. They do not understand that term. Members opposite can go and they can spread misinformation. They can go and they can stir up their own political pot. They can go and be as irresponsible as they want. They can be on all sides of issues. They do not have to look at the long-term interests of the people of this province. They do not have to look at the long-term effects on the economy of this province. They can shout all they want, but the fact of the matter is, this is a government that is responsible. This is a—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, the members opposite can be as childish as they want. The fact of the matter is that we take responsibility to be in government seriously. We take our responsibilities to the long term—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, we take responsibilities for the long-term interests of the people of this province and the economy of this province. Based on that, we believe that we are making the right judgment for the future of Manitoba.

Manitoba Telephone System Privatization—Impact on Rates

Mr. Doug Martindale (Burrows): The Edmonton Social Planning Council have interviewed 40,000 people in the city of Edmonton, and the results of their research shows that the ability to pay for a telephone is affecting all low-income people, including people who are unemployed, people who are working but low-income and people on social assistance, so that fewer of them own a telephone.

I would like to ask the Minister responsible for the Manitoba Telephone System if he can guarantee that rates will not increase in Manitoba as a result of privatization, and if he cannot guarantee that, then why are you selling the Manitoba Telephone System?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, we have a very competent regulator in Canada called the CRTC that takes into account all the factors that the member opposite has mentioned. I also want to remind the member opposite that we have a penetration rate in the telephone system in excess of 98 percent. I cannot give him the exact figure, but it is in excess of 98 percent, a very high penetration rate.

The CRTC considers all those factors in the many, many rulings that they are involved in to be sure that we have the best telecommunication service for all Canadians across this country.

* (1400)

Mr. Martindale: I would like to ask the Minister responsible for the Manitoba Telephone System if he has talked to his colleague the Minister of Family Services (Mrs. Mitchelson) or whether they are working at cross-purposes, since we know that privatization is going to make a telephone unaffordable and many people will not have a telephone.

Presenters on Bill 36 said over and over again that they need a telephone to find a job. It is absolutely essential to have a phone to find a job. Why is this minister working at cross-purposes with the ability of people to find a job in Manitoba?

Mr. Findlay: Madam Speaker, CRTC's major mandate is affordable universal telephone service to all Canadians. The other thing the member must realize is the telephone bill is made up of local, interprovincial charges, and because of competition over the last five or six years, long distance rates, which benefit every telephone user, have gone down in the vicinity of 50 percent.

Mr. Martindale: Can the Minister responsible for the Manitoba Telephone System assure low-income people in Manitoba, including the unemployed, people who are working but low income, and especially the people who are on social assistance, that rates will not increase, given that he knows that the CRTC always gives the increases they are asked for, including in Alberta of \$6 a month increase in rental, so that people can afford a phone, so that the same number of people will continue to have a phone so they can get a job and get off social assistance?

Mr. Findlay: Madam Speaker, as telephone companies put forward rate applications to CRTC, CRTC holds hearings where every interested individual group of citizens across the country can make representation to present their case. At the end of the day, CRTC makes those fair and reasonable decisions to be sure that the majority of people, the vast, vast majority of people have access to a telephone at a reasonable rate as is the case in Canada. There is no indication that that will change, and ownership of the telephone company is not relevant in the process of making that decision.

Manitoba Telephone System Privatization—Board of Directors

Mr. Tim Sale (Crescentwood): Madam Speaker, one of the most deceitful elements in the undemocratic plan to

privatize MTS is the pretense that the company's board will be made up of Manitobans and that the real head office will be here in Manitoba.

Will the Minister responsible for MTS now acknowledge in this House, as he had to in committee, that the so-called protections are just shams which evaporate the moment that the debt is paid off to the Manitoba government?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, the member was present in committee. Within the bill it is very clearly stated that the majority of directors must be Manitobans and the head office must stay in the province of Manitoba. I would request him to read the bill and pay attention to that.

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

Mr. Sale: Madam Speaker, is the minister then saying that Mr. Yaffe, the corporate counsel, and Mr. Benson, who answered questions at committee, were wrong and that the certificate of continuance which will be issued with these conditions in it cannot simply be amended at any meeting of the board of directors or any properly called shareholders' meeting, that all these protections evaporate, all that is left is a set of letters patent that can be amended at any time? These protections are shams. Is he now saying his own counsel was lying, or is he not telling the truth?

Mr. Findlay: When the debt is defeased, there is continuance under The Corporations Act. We have made it very clear in open presentation to Manitobans to give them the offer to purchase. Manitobans will be making the decisions of the Manitoba Telephone System in the future, assessing the risk and supplying the level of services necessary. I cannot imagine Manitobans wanting to move the telephone system out of Manitoba.

Privatization—Manitoba Ownership

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

Mr. Tim Sale (Crescentwood): Will the minister, who has just now confirmed that his first answer was incorrect

and Mr. Yaffe was correct that these protections are shams, will he now explain how Manitobans are supposed to believe that there will be nobody owning more than 10 percent of the shares, that there will be no accumulation of shares on the part of multinational or other Canadian telecommunication corporations, that that promise is also a sham, as confirmed by Mr. Yaffe?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): To increase the level of Manitoba participation, we removed the 25 percent available to a strategic partner. We have lowered the maximum that any one individual or group of individuals can own from 15 to 10 percent. [interjection]

Madam Speaker: Order, please.

Mr. Findlay: As the Premier (Mr. Filmon) pointed out earlier in Question Period, we have a responsibility to protect the taxpayers of Manitoba, to reduce the level of risk that they are going to face in the future if it remains a Crown corporation. Members opposite refuse to ever address the issues in front of this government, in front of all—[interjection]

Madam Speaker: Order, please. The honourable Minister responsible for the Manitoba Telephone System, to complete his response.

Mr. Findlay: Around the world, government ownership was the order of the day in the past. The lists that have been privatized to this point and the list that we have privatized in the next year or two is rather phenomenally long as every government assesses the level of risk that they face in the telecommunication industry that has high competition, further need for capital and under a high level of risk. Those are the issues that we face, and those are the issues on the basis of which we make the decision that we protect the taxpayers best by the process we are involved in.

* (1410)

Manitoba Telephone System Privatization—Distribution of Sale Proceeds

Mr. Kevin Lamoureux (Inkster): The Liberal Party is greatly concerned in terms of how this government is

going to be using the revenue generated by the sale of MTS to manipulate the voters in the next provincial election.

Madam Speaker: Order, please. The honourable member for Inkster, to pose his question.

Mr. Lamoureux: Madam Speaker, on March 16, 1995, the Premier made a commitment that projects totalling \$191 million will be approved for health care capital construction. My question to the Premier is, given that he has broken the promise on the sale of MTS, will he fulfill his other promise of the capital infrastructure and make that commitment today that that money is going to be reinstated with the proceeds from the sale of MTS?

Hon. Gary Filmon (Premier): Madam Speaker, I would think that a Liberal whose government is cutting back on transfers to the province for health and post-secondary education amounting to some \$220 million per year would hardly have the nerve to stand up and ask about expenditures on health care from a government who spends more as a percentage of its budget on health care than any other province in Canada.

The fact of the matter is, we are spending over one-third of our entire expenditures on health care in this province, no thanks to the Liberals who have cut us back by \$220 million in annual transfers.

Madam Speaker: Order, please.

Point of Order

Mr. Gary Kowalski (The Maples): I have been listening very carefully to the Premier's answer, and I am still looking for an answer to the question. I am familiar with Beauchesne's section 417, I have heard it often enough here, that the answer shall be as brief as possible and answer the question or he does not have to answer it.

The member for Inkster asked a question about whether or not he will put money into the capital projects in health care. Is there an answer? If not, I believe the Premier is out of order talking about many other issues.

Madam Speaker: Order, please. On the point of order raised by the honourable member for The Maples, I would remind the honourable First Minister that his

answer should be as brief as possible and should pertain to the question asked.

* * *

Mr. Filmon: Madam Speaker, despite this reduction in transfers from Ottawa of some \$220 million annually, we are proceeding to keep our commitments with respect to health care. The members opposite may know that, in evaluating the priorities under our Health capital program, we have renewed our commitment to the Manitoba Cancer Treatment and Research Foundation and that we have indicated publicly that, in accordance with the new regional health authorities, we will be again reviewing the priorities and that capital commitments will continue to be made in the priority in which they are required to ensure that the people of this province continue to get the highest standards of health care that we can possibly deliver and, as I have indicated before, to the funding that is the highest percentage of funding given to health care of any province in Canada.

Mr. Lamoureux: Will the Premier today make good the word that he said back in March 1995 that \$191 million was going to be vested in capital infrastructure for health care? We do not have to wait to two months prior to the next provincial election. Will the Premier make the commitment today so that he is not—

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, I know that the member opposite is having difficulty because he is getting signals on the one hand from a Leader who says she is swinging left, on the other hand is trying to say that they approve of privatization of Crown corporations but they just do not like the way this is being done. They are all over the map on it. I am trying to figure out what he really has in mind here. He says on the one hand that he is against the Manitoba Telephone System privatization, but he wants us to use the money from the privatization. You cannot have it both ways. I know that the member opposite is confused, but I think that he is adding to the confusion.

Mr. Lamoureux: Madam Speaker, my question to the Premier is, how does the Premier of this province justify to Manitobans that he is using the proceeds that are going to be generated from the revenue of the sale of MTS for nothing more than a cash cow that is going to be put into

a slush fund for his personal re-election as Premier of the province? That is an absolute disgrace and the Premier should apologize—

Madam Speaker: Order, please.

Mr. Filmon: Madam Speaker, I totally reject all of the information that the member opposite put on the record. It is absolutely false. The only money that will accrue from the proceeds of this sale will be to the interests of all the people of Manitoba.

Minister of Education and Training Parent Group Meeting Request

Ms. Jean Friesen (Wolseley): Madam Speaker, the Minister of Education was recently sent over 140 letters by Steinbach parents asking simply that the cuts to education stop now. We know that the minister refuses to meet with representatives of over 2,000 north end parents until she is publicly embarrassed. We know that the minister is frequently and openly contemptuous of legislative debate.

I would like to ask the minister today what her response will be to those parents from Steinbach.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I see that the members opposite have run out of questions on the MTS. Having extended the session to deal specifically with the Manitoba Telephone System, I see the members opposite have now run out of questions on the Manitoba Telephone System and I hope that then—

Some Honourable Members: Oh, oh.

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

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, Beauséne does not have any specific reference to ministers being able to give editorial comment in answer to questions, particularly in Beauséne Citation 417.

I also want to add that we have plenty of questions from MTS. We are just pacing ourselves for the next

little while. I do not think the minister will have to worry, we will have lots of questions on MTS before the session is over.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. On the point of order raised by the honourable member for Thompson, actually I was going to rule in his favour but have some difficulty doing so given the debate he entered into while raising his point of order.

* * *

Madam Speaker: The honourable Minister of Education, to respond to the question asked.

Mrs. McIntosh: I am presuming then that they will give leave today to finally debate the Manitoba Telephone System bill.

The member for Wolseley, having now as part of their broken agreement on the House rules extended Question Periods, knows that I meet regularly with parents and her comments about me not meeting with parents and so on are out of order in terms of accuracy. I also say that she knows perfectly well that in terms of funding for Manitoba schools, why just this day in the paper we have people indicating the results of the education system as being extremely satisfactory, clearly pleased with what is happening in education with the dollars they have been given.

The people from Steinbach I have communicated with regularly, people from the Steinbach area. I have met with the board there on many occasions. I have met with teachers from the Steinbach area. I have met with parent council from the Steinbach area, and I have indicated to them what everybody knows to be true, we have increased funding to education by over \$113 million since we took office in 1988.

* (1420)

Education System Impact of Funding Reductions

Ms. Jean Friesen (Wolseley): Madam Speaker, would the minister confirm that the poll conducted by Winnipeg

School Division No. 1, which she just quoted from, where 4,000 parents, 4,000, expressed serious concerns about her education cuts, reflects exactly what she has been told in recent weeks in letters from the Transcona-Springfield trustees, Brandon trustees, Brandon teachers and hundreds of presenters at the committee hearings, that her education cuts have hurt a generation of children?

Hon. Linda McIntosh (Minister of Education and Training): I point out to the member what I have tried to point out to her on numerous occasions. We have been throwing money at education in Canada for 25 years, throwing money I say across the country, huge, huge, huge amounts of money being designated to education across Canada in the last 25 years. The results that have been obtained until ministers of education across this nation started looking at measurable standards, improved curricula, the results were not giving us what we should have been expecting for the money given across this nation in the last two decades until the recent few years when we hear parents saying these things: that 79 percent are pleased with the quality of education, 81 percent are tremendously satisfied with the teaching, 77 percent are satisfied with the performance of the school administration, 67 percent believe in provincial examinations. Madam Speaker, the people are clearly satisfied with the results of the education that they are getting for the money that we are giving them.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Manitoba Telephone System

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, yesterday I was amused while the member for Thompson (Mr. Ashton) quoted from his top 10 list. Today, I would like to invite members opposite to participate in what could be called Jeopardy, NDP style.

The first one: The NDP, without referendum, increased this tax 2.25 percent. Answer: What is the payroll tax? The NDP, without referendum, lost \$40 million of taxpayers' money on this aircraft company, leaving taxpayers with old, used uniforms and matches. Answer: What is Saunders Aircraft? The NDP, without referendum, lost \$27 million of taxpayers' money on the

sands of Saudi Arabia through a venture called this. Answer: What is MTX? The NDP, without referendum, spent \$30 million of taxpayers' money so tourists could sit in their lawn chairs to watch the ice go out of the Red River on this bridge north of Selkirk. Answer: What is the bridge to nowhere?

Madam Speaker, I sit here in complete bewilderment as to why the NDP party did not involve the people of Manitoba in these financial decisions. Given their unbridled enthusiasm for referendums, one must ask, where was this enthusiasm when they increased taxes 22 times in five years while in government? One can only wonder. Perhaps they should speak to the member for Brandon East (Mr. Leonard Evans) who very reasonably agreed with a statement made by the Premier (Mr. Filmon) that declared, we are in office with a mandate to exercise our judgment and to make decisions on a whole range of issues under new and changing circumstances. This is clearly what the situation with MTS is.

Manitoba Telephone System

Mr. Stan Struthers (Dauphin): Despite the huffing and the puffing of the members across inside the Legislature, they do not have the courage to go out and say these kinds of things to Manitobans. This government has no mandate to sell off the Manitoba Telephone System. They told the people of Manitoba in the election of '95 they would not do it and here we are; they are doing it now against the people's wishes. It does not seem to matter to this government that 78 percent of my constituents and theirs do not want you to sell MTS. It does not seem to matter to this government that 67 percent of the people of Manitoba say, do not sell MTS. It does not seem to matter to this government that 182 out of 185 presenters opposed what they are doing.

A couple of weeks ago, Madam Speaker, I challenged the members across the way to join me in Grandview to debate the MTS sale. Not a single member across the way had courage enough to leave this building and join me there. I want to find out how confident this government is in their word. I put out another challenge to each and every one of you across the way. If we can show you that you broke your word in the 1995 election, will you put MTS privatization on hold? Will you have the guts to do that? I do not think so. You will not keep

your word and you will not take me up on this challenge again because you do not have the courage to do it. You will not face Manitobans. Thank you.

Operation Red Nose

Mr. David Newman (Riel): Madam Speaker, I rise today to commend a community group which has taken up the initiative to help make our streets safer. Manitobans deserve to be safe in their communities and in their neighbourhoods. As you know, Manitoba brought in the toughest drinking and driving laws in Canada, laws which have been emulated in other jurisdictions and laws which we intend to make even stronger. Our laws can only do so much.

* (1430)

We need the support of the community to make our streets safe and that is why Operation Red Nose is so important. Using volunteers, Operation Red Nose is going into its second year to help Manitobans reach their destinations without posing a danger to others or to themselves. Instead, driving a vehicle when they should not, the individuals will be able to make a phone call to Operation Red Nose and be provided a ride home for themselves and their passengers.

This sort of community partnership which helps make Manitoba a safer place needs further support from all of us. We all need to work together for the common goal of ensuring a safe place for ourselves and our families. In addition to helping make a road safer, donations to Operation Red Nose go towards the Manta swim club. Our government appreciates the volunteers at Operation Red Nose and the Manta swim club for taking this initiative. I am sure, for the many Manitobans who took advantage of the program last year, they will—all the provinces benefit. I encourage Manitobans this year when appropriate to utilize this service and donate generously when they do so.

Madam Speaker, very briefly, moving to another subject, MTS, which we can call operation red face by the members of the opposition in the way they have conducted themselves, I wish to record my disappointment at the tactics of the official opposition with respect to the sale. I had expected them to conduct themselves in a more respectable fashion. The end

justifies the means has no part in a democracy. Thank you very much.

Manitoba Telephone System

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I have to say that it is a sign of a desperate government when the member for Turtle Mountain (Mr. Tweed) has to stand back and bring up issues that go back 30 years ago of things that the NDP did. It is a desperate government that is trying to cover up their tracks. What the member for Turtle Mountain should be talking about is the money his government lost and wasted—\$4 million on Connie Curran; \$50 million that they have lost on the Winnipeg Jets; \$100 million that they gave to the Royal Bank only last year.

The member for Turtle Mountain should raise some of those issues. CFI? Why will he not raise this CFI and the money that they lost on that? What the member for Turtle Mountain should really be telling the people in this House and the residents of Manitoba is that he was one of the rural candidates who told the people in his constituency that his government, the Filmon team, would not be selling MTS. He was one of those candidates, so let him not try to come off so squeaky clean.

This government misled Manitobans during the election, but we should not be surprised. They misled them on many other issues. They told us that they were going to save the Jets. Where are the Jets today? This government and the member for Turtle Mountain (Mr. Tweed) is just trying to raise issues because he is ashamed of what he is hearing from rural Manitobans. He does not want to accept the fact that 68 percent of the people across this province do not agree with this government on selling MTS. Seventy-eight percent of rural Manitobans oppose. You should be ashamed as a rural member that you are saying you support the sale of MTS when Manitobans are telling you that they do not want it. Stand up on your feet and go out to rural Manitoba, hear what the people have to say and give people an opportunity to have a say. Hold a referendum on this issue; do not be afraid to go out to the people of rural Manitoba.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Legislative Process

Mr. Kevin Lamoureux (Inkster): It was interesting listening to the member for Swan River, the member for Turtle Mountain. I anticipate on Monday, it will be David Letterman's top 10, and who knows what the New Democrats will come up with? But we wait with bated breath. It shows that there are a lot of games that are played inside the Chamber, no doubt about that. We, no doubt after the Members' Statements, are going to be seeing the government House leader request some form of leave so that debate can continue on inside this Chamber with respect to MTS and the sale thereof. We do not necessarily oppose allowing for that debate to occur, but, having said that, we do not support the government House leader adjourning this Chamber.

There are substantial other bills, private members' bills, resolutions and so forth that can in fact be debated. In particular, I will give a little bit of a plug for Bill 200, a bill which the Liberal Party has on several occasions brought, in different forms, into this Chamber, which has really never been debated in this Chamber, and it is most unfortunate. Here we have a golden opportunity to be able to have a good debate on that particular piece of legislation. That is one of the reasons why we do not believe that it is a responsible way of dealing with taxpayers' dollars when we adjourn the House as we have done in the last couple of days. We want to be able to allow ongoing debate inside this Chamber.

We are also very concerned about the potential of the government bringing in a closure motion. We have dealt with different forms of closure from the New Democrats in the past. We are very concerned that this government does have intentions of bringing in a closure motion, and we would suggest to the government that they start wheeling and dealing with the New Democrats and try to come up with some sort of a compromise that would not see closure brought into this Chamber.

Thank you, Madam Speaker.

MATTER OF GRIEVANCE

Mr. Steve Ashton (Thompson): Madam Speaker, I rise in my opportunity in this session to raise a grievance. To

the Minister of Education (Mrs. McIntosh), the issue is MTS, and I want to assure the Minister of Education and other government members, they have not heard the last from us or the majority of Manitobans who do not want their telephone system sold.

I found it rather bizarre in this House—you know, I had the Deputy Premier (Mr. Downey) yesterday say that it was only the socialists like the member for Thompson who were concerned about the sale of MTS. I found that interesting. That may be news to the 78 percent of rural Manitobans who oppose the sale, the 67 percent of Manitobans who oppose the sale. I do not think they are all socialists. I will tell you, after this government is finished with another three or four years, a lot of them may be. I know a lot of them are going to vote New Democrat in the next election.

But the logic, or lack thereof, of the government just escapes me. The member for Turtle Mountain (Mr. Tweed) reminds me of The Charge of the Light Brigade. You know, onward they rode into the valley of death, cannons to the left of them, cannons to the right of them. This is the member who stands up here and has thunderous applause from 29 people. When will that member and every single one of those government members who have not had a single public meeting have the courage to face their constituents? Have a public meeting. Face your constituents, the 78 percent who oppose the sale.

I have said it before, I will say it again, and I will say it to the Minister responsible for MTS, let us start with a debate in his constituency next Tuesday. We are going to be holding a meeting open to members of the public in Springfield next Tuesday, 7:30, Dugald Community Centre. I want to see the minister there. How about the Minister of Education (Mrs. McIntosh)? Anywhere, anytime, we will debate the issue.

How about the Premier (Mr. Filmon)? I want to see the Premier in front of a public meeting, explaining why he did not really mean what he said when he said he would not sell off MTS. I want to see him explain the comments of his members.

I am reminded of the old story of the emperor having no clothes. I mean, everybody in this province knows that the Premier said he would not sell MTS, and he has

broken that promise except to 29 government members. The Deputy Premier (Mr. Downey) said, oh, we did not promise to do that. We did not promise them. The Minister responsible for MTS (Mr. Findlay), oh, we did not do that. We never said, we never—

The bottom line is, he said it on the record. We have witnesses at public meetings where he said it. He even said it in the House in May of 1995. You wonder why we are fighting for the people of Manitoba on the sale of MTS right to the bitter end? I can assure all government members, it ain't over till it's over.

The bottom line is, I have never seen a government so arrogant as to say that 67 percent of the people are wrong; they do not know what they are talking about. You know the government that will not hold one public meeting turns around and does what? What do they do? They say the opposition is spreading misinformation. They have not even had the courage to have one single meeting. They have hidden behind \$400,000 worth of advertising.

What do they then do? What have they done this week? The Deputy Premier (Mr. Downey) accused me of what, Madam Speaker? Of hiding behind the silly rules. The government House leader (Mr. Ernst) talked about hiding behind the rules. Our rules are based on hundreds of years of parliamentary tradition. This government may feel that it is appropriate, as it did last week, to ram through the sale of MTS at 3:22 in the morning. They may feel it is appropriate to take the largest single financial item that has ever been decided by this Legislature in any bill—this is the largest matter this Legislature has ever had to deal with. Think about it. They have concern that we are doing what? They accuse us of wasting the taxpayers' money. Is it not amazing? You know, they say it costs \$10,000 to run the Legislature. I have a solution. Let us adjourn the House right now and put the issue of Bill 67 to a vote of the people of Manitoba.

* (1440)

I want to say this in a way of helping the government a bit, because we have tried everything. We have had public meetings throughout the province. There is not one of our constituencies where we have not had a public meeting. If you look at Winnipeg, we have had several

here. We have had meetings throughout rural Manitoba. We have gone to Conservative-held areas. We have been in Morden and Neepawa, Minnedosa and Roblin. We have been all over the province and, you know what, 78 percent of rural Manitobans said, you are right. We have been there.

I just want to say something to the government. I am wondering what they think they will have left in the way of credibility out of this whole process. You can give the greatest speeches in the world in this House, but what are you going to say to the people? I just want to run through this, because I mentioned this in committee that night between 3:22 and nine o'clock, and this will have to be a slightly abridged version, unless I can get leave to speak for somewhat longer than 15 minutes. [interjection] Oh, okay. Well, anyway, I will probably have a longer period of time to speak in later stages of this bill. I would ask in fact on the record, to my Leader, to have designation to speak for unlimited time on at least one section.

But what are you going to do in the next election? What kind of campaign are you going to run? I can just see it now. You are going to have Gary Filmon walking along a riverbank saying, trust us on health care. No, sorry, I do not think that is going to work, especially after home care and Pharmacare. What are you going to do? Education—oops, slight problem there. No, that is not going to work too well. You know, we are the party that supports public education—do not think so. What are you going to do? I know. You could always promise not to sell MTS retroactively. Oh, wait a sec, I know. You will say, we promise not to sell Hydro and Autopac. I do not know. Somehow I think that might just get a few people going, well, this does not quite add up here. What are you going to run on? Save the Phoenix Coyotes? What are you going to have left?

Now I know you are going to say: We made those tough decisions. We said no to 78 percent of our constituents. We sold off the phone company. Rates have gone up—well, whatever. What could we do about that? You know, service is not there. The head office is off to who knows wherever. Madam Speaker, think about it, and I say this seriously to members opposite. I know in the next election I can go to the people of my constituency as I have for five elections and know that I said the truth to the people of Thompson last election. I

know that. You will not be able to do the same in your constituency if you pass this bill. Not only that. How can you say you represent your constituents?

You can debate, and that is a legitimate debate to representative democracy and government using other means, including referendum and plebiscites, but I want to make this argument. Representative democracy is based on the fundamental principle that you tell the truth in the election and you have a mandate for what you are doing. You have no mandate, and you wonder why we say, put it to a vote. Then I find it amazing the argument of the member for Turtle Mountain (Mr. Tweed) in saying, well, you did not want to vote this, that and the other of the other issues, so, even though we said, we sort of like votes in some things, we are not really in favour of votes on this. I know why you do not want to vote—because you are not going to win it. You are afraid to face the people

Well, I want to put this on the record because I hope, if MTS is sold off, that it can be brought back under public ownership. But, you know, it is like unscrambling the omelette. This is not something that can easily be reversed. We have had referendums on what kinds of issues in this province? The Charlottetown Constitutional Accord—why? Because it has a fundamental sweeping impact on everyone and redraws the rules. What about the Manitoba Telephone System? The minister himself says 98 percent of Manitobans have a telephone. We have the lowest rates in North America, some of the best service. We have some of the best employees. This is one of the best telephone companies in the world, and they are going to rip the heart out of it by privatizing it.

I want to say, if they are the kind of issues that we are dealing with here, this is the appropriate one for the people to decide because, what if it is not reversible? I hope it is, but what if it is not? What costs would be involved in terms of time and effort of doing that? What right does this government have to sell off MTS in the first place?

You know what amazes me is, I trust in the judgment of the people. You know what they say when we say, put it to a vote. They say, you know what, if this was a private company, the one issue that would have to go to a vote of the people would be what? The sale of the

company. So what on Earth is stopping you from doing this?

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

You are concerned about the session, any of these issues, all you have to do is say, look, we did not realize the opposition that was out there. We will put this to a vote and have a 35-day campaign. I will tell you what, we will even accept, you can spend whatever you want in advertising. You spent \$400,000 thus far and you got up to 27 percent of the people supporting what you are doing. Spend \$4 million if you want, \$40 million, \$400 million.

An Honourable Member: No, we cannot afford it.

Mr. Ashton: We cannot afford it. I know, but I do not think that really impacts on this government anyway. Spend whatever you want.

On the other side, I know the coalition that is fighting this has maybe spent \$4,000. I will tell you what, I do not think we would have to spend a cent. We will just go to every constituency in the province and do what we have been doing since January of this year. We will face the people. We will answer the questions. We will put our argument forward.

You know what, if you do not trust the people, that is fine, but I will tell you, we trust them. I have spent most of these last 12 months fighting to save MTS as has every single one of our caucus members but, you know, if we have a vote on this issue, we will accept the result. I tell you, if you had raised this in the election, we would have accepted the result because you would not be in government today and you know that.

Mr. Deputy Speaker, do not hide behind this bluff. Do not hide behind this, accusing us of hiding behind the rules or wasting the taxpayers' money, by doing what? Sitting in this Legislature? I say to the Minister of Education, shame on the Minister of Education for discounting the democratic process. She and nobody on that government side has any right to shut down the Legislature.

I just want to say a couple of final things on this particular day because there will be many other days

ahead when we will have a chance to debate this. What I found interesting about what happened in the last week or two in this province is the number of people I have spoken to who I do not even know personally who phone me and who have said, one thing that the New Democratic Party has done for the people of Manitoba is given them some hope. There is a lot of cynicism out there. We heard young people come before the committee saying, what difference does it make? That is what people are saying.

You know what is sad is that the government itself does not even acknowledge what happened last week. I cannot believe that they expected us to wrap up this session when we could not technically do it with the bill still stuck in committee stage on Thursday. You know what they have not put on the record is, out of that committee came some significant amendments to pensions, 6,000 Manitobans whose pensions are greatly improved in the protection today.

* (1450)

I have talked to MTS employees who said, I presented to that committee, and I watched what happened to those who did present. I talked to some just this morning, and they said, it gave me some hope for the democratic process. I cannot believe what the government said and did last week. Did they honestly expect we were going to pass this bill at 3:22 in the morning on Wednesday? Did they think that it would just magically disappear? Why did they not say, well, let us sit down and give MTS the time it needs, the largest single financial transaction in Manitoba history?

I do not know anyone, I tell you, I do not know a corner store that would spend less time on the due diligence on the sale of its assets than this government has on the sale of MTS. They have not studied it. They have not done due diligence. They do not even want to give it time. They wanted to ram the committee through. They brought in 25 amendments, and they expected us to deal with them with virtually no notice.

Mr. Deputy Speaker, the bottom line is here. Whether you agree on the principle of the sale or not, this is not the way to do any kind of dealings with the public business in this House. I am amazed at the government. Wake up. See the reality of what is going on. You do

not have public support. Do not kid yourself; you have no public support for this. You have no mandate, and you are trying to ram it through. But do you know what? You can run, but you cannot hide. Even if you ram this bill through this Legislature, you are still going to have to face it, and believe you me, you will be hearing about this issue from each and every one of us, not only in our own constituencies but in all 57 constituencies because we are going to go, we are going to tell your constituents, you did not tell them the truth and then you voted against them. I say to the government, come to your senses. You have one chance left. Listen to the people of Manitoba. Withdraw this bill, adjourn the House and put it to a vote of the people of Manitoba.

Mr. Jack Penner (Emerson): Mr. Speaker, I would also rise today on a grievance. The reason I rise today, and I have thought about this for a number of years, whether I should at some point in time rise in this House and voice my concern about some of the rhetoric in this building and how we portray our constituents and our constituencies in this building, and how we represent the truth in this building. I want to reflect because I have had some experience on the other side of this Legislative Assembly in a former life, when I was a lobbyist for the agricultural community. There certainly were times when we met with government, and those members sitting as the opposition in the opposition benches today were then, at least some of them, sitting on the government side, some of them in ministerial positions. Yet, when we discussed legislation, and when this legislation was put before this House, seldom ever, seldom ever were we given notice of more than 24 hours to take a look at legislation, to analyze legislation and indeed to appear before public committee in this building to make our views known as to what we thought of the legislation that was being proposed. Whether it was agriculture, or whether it was transportation or health care or education, seldom ever were we given more than 24-hours notice, and most of the time it was not even 24.

I can remember a day when a most important agricultural bill was put before this Legislature at five o'clock. It went to committee, and by seven o'clock, we had to be, or were notified we had to be, in committee to make our views known—two hours.

The reason I rise today is because we have had a number of members opposite decrying the actions of this

government in the MTS sale or the proposal for a sale. Well, Mr. Deputy Speaker, this government prides itself as being the first government in this province and indeed, I say, probably the first government in Canada that has in fact put legislation for a proposal on the table before the end of May and given Manitobans a whole summer to look at all the legislation that was put before this House, and then they stand there and condemn.

Secondly, Mr. Deputy Speaker, we have proposed that there be referenda periodically on given issues, especially in light of our determination to put forward a balanced budget in this province to ensure that our children and their children's children will not have to pay for the debt that we incur. We said if there is a need to cause increased taxation to meet that criteria, we would be willing to go to referenda. Yet the opposition members on the opposition benches voted against that proposal. The member for Brandon said you cannot go to referenda because it costs too much. The member for St. Johns (Mr. Mackintosh) indicated it is simply too expensive to go to referenda. Here, today, I am appalled and I am saddened by the fact that those very members on opposite benches cannot get their act together as an opposition party, cannot agree within their own ranks as to what they would want, what position they would want to bring to government on this very issue.

It was very evident at the orchestrated process that they, through their CHOICES organization and indeed some of the unions, were orchestrating members to appear before committee in opposition to the sale of MTS, and I respect that. I respect that. Every organization, regardless of what they are, has the right in this Legislature to appear before committee, voice their opinion. They have every right to organize against. However, let me say this to you, Mr. Deputy Speaker, it was apparent that members opposite could not get their own act together because they came at the issue from four different angles, and it would appear to me that there are four factions within the NDP caucus today that are bringing forward four different views on the sale of MTS.

I would dare say that there are even those amongst the NDP caucus that would be in support, that would vote in support, were they given the choice, of the privatization of our communication system. I truly believe that there are thinkers on that side of the House, and I truly believe that there are those who have enough of an economic

background to realize that the technology is changing quickly enough that it would be very difficult for a government to be able to quickly enough make the decisions to make the changes in communications that are going to be required. I say to you that there are those members on that side of the House that know this, and therefore I believe would be proponents if they were allowed to be proponents. Therefore, I think the disunity and the dissension that is currently eminent on that side of the House is where it is and that is causing them a great deal of difficulty.

I would suggest also that the one thing that I have been saddened by as a member in this House is people in their questioning during Question Period especially, not all members on that side of the House but some members, walk on the edge of truth constantly.

I give you this. There is no other government in this province that has paid more attention to health and health issues than our government, the government of Manitoba has. Even in spite of the fact that our Liberal government in Ottawa is decreasing spending on a daily basis to health care, we are still increasing health care on a year-over-year, line-by-line basis. No other government in this country can make that statement. Yet the opposition is constantly, constantly talking about telling people how badly we are cutting back on the health care system. I say to you, Mr. Deputy Speaker, it saddens me because it is walking on the edge of honesty.

I think people in rural Manitoba are really questioning the honourable member for Thompson (Mr. Ashton). I know that I receive phone calls from people that have attended meetings that he spoke at and have asked questions on what he has said. It saddens me when they ask those kinds of questions because we as members of the Legislature are charged with the responsibility of being on the side of the truth.

That is why I rise today on a grievance. As I said before, I have thought about this a long time. Education is a key and an important element of government to provide to our young children, but we as members of the Legislature have a responsibility as well that, when we go out to the general public and we make statements, we had better have the facts and state the facts as they are instead of walking on the edge of truth.

* (1500)

I say to you that these things are going to come to haunt the opposition members when we get into the debate of the bill and when a year from now, two years from now, three years from now, the truth finally comes out on what rates in rural Manitoba are really going to do under new technology and how we are going to be affected because they have no way of knowing. And, quite frankly, neither do we. We can only go back and look at historically what has happened.

I want to talk a bit about rates historically.

An Honourable Member: Folks in Ethelbert will not be happy.

Mr. Penner: I know the honourable member for Flin Flon (Mr. Jennissen) does not like what I am saying, but he is one of the members that I have some respect for because he has been very careful as to what he has put on the record in regard to this.

But, looking at rates, looking at long distance charges in rural Manitoba, MTS charged its customers—and I am one of those customers that virtually every time I picked up the receiver of my telephone in rural Manitoba to make a call, I was charged an extra charge. Not so of most of the members opposite that live in this city. They could call anywhere in this city without charge. They could do business with almost anybody they chose to in this province without charge, yet I as a rural Manitoban was asked to pay a fee for every minute that I picked up that receiver. Whether I wanted to call Manitoba Pool Elevator head office in Winnipeg to do business with my own grain company or whether I chose to call Manitoba Telephone System in the city of Winnipeg, I was asked to pay an extra charge.

Do you know what that per-minute charge was in 1986? Mr. Deputy Speaker, \$1 a minute. Do you know what it is today? It is 46 cents a minute. It is less than half. The rural Manitobans today pay less than half for long distance charges than they did in 1986, when the NDP were in government. They were the government. The honourable member for Burrows (Mr. Martindale) and some of his colleagues indicated that there were 80 percent of people in north Winnipeg—

Point of Order

Mr. Doug Martindale (Burrows): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order, please. The honourable member for Burrows, on a point of order?

Mr. Martindale: Yes. I think if the member for Emerson would check Hansard, he would find that I put no such statements on the record during the committee stage of Bill 36.

Mr. Deputy Speaker: The honourable member did not have a point of order, it is clearly a dispute over the facts.

* * *

Mr. Deputy Speaker: The honourable member for Emerson, to continue.

Mr. Penner: I withdraw the reference to the honourable member for Burrows, but there were members opposite that indicated during committee debate that there were 80 percent of people in north Winnipeg without telephone service. I ask you, Mr. Deputy Speaker, who owns today the telephone system in Winnipeg? Is it not government? Is it not a publicly owned utility? Yet they decry the services they get from a publicly owned service.

I say to you that rural Manitobans are better off today, under a competitive system, by better than 50 percent on long distance charges and an additional percentage off of that if you are a large user than they were under the NDP government. Therefore, I ask honourable members opposite when you walk, walk on firm ground; when you tell a story, please tell it honestly; when you go out and hold meetings, please provide the correct information, because rural Manitobans in my constituency, the last few days the calls that I have received, are absolutely appalled at what the opposition is up to in this House. They are disappointed; they are disillusioned; and they want to know the truth. So they called and said, what is the truth?

I say to you that there are a very significant number of people that support what we are doing in this government, and the honourable members opposite are right. We will, at the end of the day, have to answer for

our actions in front of the people, but they have entrusted us with a duty of running government, making decisions on their behalf, and I say to you that I believe the honourable member for Brandon East (Mr. Leonard Evans) is correct that referendums will not serve the purpose of providing that honesty and truth in the long term.

So I ask members opposite, I ask members on our side of the House, that we truly pay attention to what we say about MTS and how we portray the sale of MTS. Thank you, Mr. Deputy Speaker.

Mr. Tim Sale (Crescentwood): Mr. Deputy Speaker, I would like to rise on a grievance on behalf of my constituents, many of whom have spoken with me about both the process and the content of this unfortunate and undemocratic decision that the members of the government seem so bent on pursuing.

I want to start first by reflecting on a comment made by the honourable member for Emerson (Mr. Penner), who just finished speaking his mind on this issue. He said, and I believe I am quoting him correctly, and I hope he will stand up and correct me if I am not, that the honourable members opposite, speaking of us, Mr. Deputy Speaker, do not know exactly what is going to happen in the future and neither do we. I want to pick up on that comment to begin with. Governments have great resources at their command to attempt to figure out what is happening in the future, and this government has made a great point of standing up and saying, in great sweeping generalities, this is indeed what is going to happen. We are going to have increased privatization everywhere. Telecommunications companies are in an unstable technological era, and so we cannot take the risk.

Mr. Deputy Speaker, they have also said that they have projections of future earnings. The Premier (Mr. Filmon) in the hall in scrums has said, we have hired experts to look into this for us and to give us advice. Well, which is it? Which is it? Do they not know what is going to happen in the future? Do they really, genuinely not know? In which case, why in the world would they make a decision to sell the single most important asset in terms of Manitoba's future, our future economy, our future well-being, that is, a lever on telecommunications policy? If they really do not know what is happening, why would they have the unmitigated gall to put on the table Bill 67

and say, we are going to sell this asset? We do not know what is going to happen in the future. We are going to sell the asset. Well, now, is that not a wonderful basis for making difficult decisions? We are not sure what tomorrow will bring; let us sell it. That is a very strange way to do business.

Now the other alternative, Mr. Deputy Speaker, is that they do in fact have a great deal of information about the future, and let me speak a bit about that. I believe that they do have projections of earnings for this little company, and I think that the projections of earnings are incredibly rosy. That is one of the reasons they would like to spin it off to their friends. It is one of the processes, unfortunately, that happens in an old and tired government as you look for parachutes, and one of the parachutes is a very lucrative stock deal on which great amounts of money can be made trading on margin and flipping stocks quickly. So it is very valuable to have a \$750-million deal out there which is going to appreciate by at least 10 percent, in their view, and probably closer to 20 percent within a year. But what is 20 percent of \$750 million? It is \$150 million. That is the profit that brokers are projecting Manitobans will pocket as a result of this deal in the first 12 months of its being in place. That is not counting the 12 percent guaranteed dividend that each person who buys shares will have.

Now, Mr. Deputy Speaker, if they do in fact know what they are doing, and they do know that rates are going to be fine, and they do know that this company is in jeopardy because it cannot get access to capital, and they do know that the technology problems that it is going to face are going to demand \$.5 billion of investment in the next few years, why have they not made that public? Simply asserting this to be the case is not making data public. It is not helping the public to make a complex decision.

* (1510)

My constituents are not dummies. The Union of Manitoba Municipalities are not stupid people. The delegates at the Pool Elevator are not people without intelligence and without access to computer programs to analyse information. The Manitoba Society of Seniors with the president Dr. Mary Pankiw are not exactly made up of imbeciles. They can assimilate and make clear decisions based on intelligent information. So for these

members opposite to say that this information is too complex, you know, it is really a very difficult choice we have to make here. We are elected with a mandate to do this, and you are not really bright enough, you elected representatives at the municipal level, you city councillors in Brandon and Portage la Prairie and Minnedosa and Neepawa and Morden and Steinbach. You are not bright enough. You are not intelligent enough to understand the complexities here. So we have to make this decision for you. We were elected after all, and even though we lied to you in the election, even though we told you untruths time after time after time, we will not sell this, we do not really need to share the data on which we are going to sell it with you because you are not up to making that analysis. That is what you are telling these people. This is what you are telling the Union of Manitoba Municipalities, the Pool Elevators, MSOS. You are telling them that they are not able to understand a complex issue.

Now, there is a third possible reason, Mr. Deputy Speaker, why this government will not trust my constituents and your constituents and all of our constituents to be able to make sense out of the data that they have in cabinet and which they used to make this unfortunate decision, and what is that third reason? Well, it is that the data do not support the conclusion, that, in fact, those who like reading balance sheets over there, and I guess the member for Turtle Mountain (Mr. Tweed) has had great sport in the last few days, having Barb Biggar write cute speeches for him. I believe he has been a business person, and I think he maybe might like to read the balance sheet of the Manitoba Telephone System.

If he did, he would find that this little company which is so vulnerable and so weak has thrown off \$750 million in internally generated capital in the last five years. They have invested \$710 million of it in upgrades, including the rural single line system upgrade. If you go over the last five years of the Manitoba Telephone System's balance sheet, what you find out is that their debt has only increased by \$40 million in the last five years.

So what is this crisis? We have gone to single line service, all digital switching, more fibre optic cable than most other telcos in Canada per subscriber. We finished the single line project in Shoal Lake last week. The Minister of Telephones (Mr. Findlay) took great pride,

and so he should, in that great undertaking well completed. We congratulate him on that.

But almost all of the funds required to do that were generated internally. This company is throwing off in excess of \$250 million a year in revenues available for either debt retirement, profit or capital investment. Go and check the balance sheet, the member for Turtle Mountain, who is such an expert in this area. Go and check the balance sheet—\$570 million in revenue, more than \$250 million of it available for the company's own purposes. This is not the mark, Mr. Deputy Speaker, of a company that is vulnerable and weak and in debt and at the mercy of the markets. This is the mark of an incredibly well-managed, successful, competitive, up-to-date, thoroughly modern company.

So I think actually of the three reasons, the reason put forward by the member for Emerson (Mr. Penner), we do not know what is going to happen in the future; the reasons put forward by the Premier (Mr. Filmon), this is confidential, we cannot trust the people of Manitoba with this information, it is too complex for their poor minds—that is the Premier's word—this is for the cabinet only, we do not need to share this information; I think the third reason is the real reason, Mr. Deputy Speaker, and the third reason is that the data they have do not support their conclusion, so they dare not make public the studies that they have had at cabinet.

Now, there are so many other issues about this. I want to move on to the issue of morality. You know, many people have said to me, and of course they would say it to the member for Thompson (Mr. Ashton), as well, and the member for Dauphin (Mr. Struthers) and the member for Selkirk (Mr. Dewar) and other members who sat at the committee hearings, were you not bored? When you sat there for 81 hours, most of us sat there for 70 of those 81 hours, and I know the Deputy Speaker was there, too, a great number of evenings and so was the member for Emerson (Mr. Penner), I do not think we were ever bored.

The quality of the presentations was superb at the hearings. Oh, there were a few that one might say were not absolutely wonderful, but, by and large, I think you would agree that the quality of the presentations was superb, and one of the themes that came up over and over and over again that the Deputy Speaker will confirm was

the concern of young people about the morality and ethics of this particular decision.

I know that the honourable members at the committee from the government's side were upset with people who raised the question. For example, I think what was probably the most poignant moment, when a young woman said, you know, even Brian Mulroney had the guts to run on the free trade debate. Even Brian Mulroney's ethics included running on an unpopular issue and taking the chance of being defeated. You as a government, she said, cannot even jump over the standards set by Brian Mulroney—could not even manage that.

I guess I did not ever think, and I am sure that members of the committee never thought, that the ethics of the Mulroney government would have been held up as a standard for this government to attain but, unfortunately, to fail in attaining.

The substantive reason that this bill failed to make this House on time was very clear. It was that the government had far too many amendments to be dealt with in a short time. Again, the Deputy Speaker sat through most of this, and he will know the complexity of the amendments in the bill. But, in particular, the unions and the retirees had tried and tried since May to get a fair agreement on pensions.

What produced the fair agreement on pensions, which, by the way, is not completed yet? What produced it was the fact that this committee was still sitting and the government was under pressure to finally do the just thing and give retirees some control over their pensions; give retirees the rights to the pension surplus and not, in fact, as they were planning in their draft prospectus, to give the pension surplus to the new company as a free gift. What a shame. What a lack of ethics.

Finally, by virtue of a process which the government itself mismanaged, the workers began to get some justice in their pensions. That is why that committee did not get any further than it did. The House leader (Mr. Ernst) knows that. The members who sat on the committee know that. At 10:30 at night they were reading into the record a memorandum of agreement which still needed to be backed up by amendments which were made the next day. The process of that committee could not be

completed in the evening because the government itself was not prepared to do justice by its retirees or its workers and to have its amendments in order. That is why that committee was not able to report—and justly so. It should not have reported until it had completed its work.

Finally, on the issue of rates. You know, we have asked the government to table some data on where rates are going as a consequence to privatization. They will not do so. They have the data. I am sure they have investigated because, if they had data to prove their case, surely they would not be so silly as to not make it public. But in fact I think they have data, and the data agree with the data put forward by Econalysis in Toronto, which says that the rates are likely to rise by at least 10 percent simply as a consequence of privatization.

People only have to look at the balance sheet of the Tellus Corporation in Alberta to find out what happens under privatization. In a very short four years, revenues from long distance calls in Alberta have fallen by about \$20 million, but revenues from local rates have doubled. Local rates have doubled. Now, partly a consequence of privatization? Yes. Perhaps a consequence of some other features such as the same things that CRTC has ruled on for MTS for \$2. But the \$6 increase, which is shown in last year's annual report, is going to be doubled by next year so that private phone rates, residential phone rates in Alberta, will have more than doubled simply as a consequence of privatization over the last four years. That company is the model for this privatization, Mr. Deputy Speaker.

* (1520)

So if in fact this government has data on rates and on the issues of privatization, let the government make it public. Let them share their information on scarce capital. What scarce capital? This company generated all the capital it needed in the last five years from its own internal operations. What information can they put forward that will guarantee that this company will stay in Manitoba and be owned and managed here? None whatsoever, because their own legal counsel has said, those promises are shams, as confirmed today by the Minister responsible for the Manitoba Telephone System (Mr. Findlay). There can be no such guarantees.

This entire bill is a tissue of deceit. It is a tissue of deceit. It cannot produce and deliver what it claims to promise and deliver, which is protection, Manitoba ownership, Manitoba board of directors, fair rates, et cetera. It cannot do that. As its own legal counsel and its own minister confirmed in committee, these promises are shams and they will be seen by Manitobans as shams. Thank you.

Mr. Deputy Speaker: The honourable member for St. Johns, on a point of order.

Point of Order

Mr. Gord Mackintosh (St. Johns): Mr. Deputy Speaker, I usually would not rise on a matter like this but, after listening to the remarks of the member for Emerson going on about the issues of morality and truthfulness, he did in the course of his remarks, I understand, say that I had said that referendums were too expensive to hold. I believe those were the words that were used.

I just want to draw the House's attention to the words that actually were used in my debate on October 17 of '95, where I said, now, it is interesting that even if a government runs in an election on increasing revenues, increasing a certain tax, it still must, on attaining office, go back then to the people with an expensive referendum. I do not know where the sense of that is.

I ask this member who, of all ironies, gets up as a member of the most deceitful, dishonest caucus we have probably ever seen in the history of this province saying something like that, I ask this member to withdraw the comment and apologize for misleading this House.

An Honourable Member: On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order, please. Is it on the same point of order or on another point of order?

An Honourable Member: Take your pick.

Mr. Deputy Speaker: On another point of order.

Order, please. The honourable member for St. Johns does not have a point of order. It is a dispute over the facts.

Point of Order

Hon. Jim Ernst (Government House Leader): Mr. Deputy Speaker, the member for St. Johns, in raising his point of order, made certain allegations and impugned certain motives against the caucus of this side of the House. That certainly is unparliamentary. He ought to withdraw and he ought to apologize.

Mr. Deputy Speaker: The honourable member for Thompson, on the same point of order.

Mr. Ashton: I think the term that was used was, the most deceitful caucus in the history of Manitoba, which was not a reflection on an individual member. Also, I would point out that deceive, which is the root of deceitful, does appear on both lists. I would suggest that perhaps if that allegation had been made against any particular member it might be considered unparliamentary but, given the fact it is on both lists and was made in reference to a deceitful caucus, I suggest that that is not unparliamentary and perhaps you may wish to take that under advisement to ascertain further details.

Mr. Ernst: On the same point of order, Mr. Deputy Speaker, it is not the words but the impugning of motives. That is what is wrong here. All members in this House are supposed to be honourable members and to impugn motives not just to one member but to every member on this side of the House certainly ought to be withdrawn.

Mr. Deputy Speaker: I thank the honourable members for their advice on this matter. The honourable minister did not have a point of order. The member for Thompson is quite correct. It was not directed towards an individual member of the Chamber so it would not then be a point of order.

* * *

Mr. Mervin Tweed (Turtle Mountain): Mr. Deputy Speaker, I too would like to speak in relation to the grievances that have been put forward today. I sit and listen to the debate back and forth and certainly had the opportunity to sit in a lot of the committee discussion on Bill 67.

I can remember actually the first night, a cold night. The wind was howling; the storm was just coming into

Manitoba, and the committee sat. As we began on the process, it came to our attention and, I think, the understanding of all the members of the committee, that due to the circumstances, we would certainly make the understanding, and I believe it will show in the record, that there was agreement that everybody unable to attend that particular night because of the weather conditions that prevailed would have an opportunity to speak to Bill 67.

The list of names was called, and as I recollect, certainly the agreement was made with the members of the committee again that we would call the out-of-town presenters first and give them the opportunity to get home before the storm got any worse, or if it were to continue, they would certainly have the opportunity of getting home as early as possible. With the storm conditions that prevailed, there were certainly a lot of people that were unable to attend that first meeting, and again, with agreement of the committee and in discussion, we agreed that not only would we let their name go to the bottom of the list and be called again, but that we would do it a third time and ask for those people to come forward, thus giving them the opportunity of—being unable to be there that particular night, they would have the opportunity to do it at a further date.

We listened to a lot of presentations, and I am sure the members opposite will rally with the numbers if I happen to make a mistake, so I will just speak in the generalities to the people that made the presentations.

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

We certainly heard a lot of commentary in regard to the bill itself, but we also heard a lot of commentary in regard to the actions of the government of the day, and, I guess, added to that was the spice of the members opposite who took every opportunity and every liberty in those committee hearings to put forward their position. I guess it is probably famous now throughout, at least this Chamber, I am not sure if anywhere else, but the member for Thompson in his lengthy speech in regard to the bill itself. There has been lots of reference in regard to the campaign that we ran, and I can remember one of the candidates in the campaign who brought forward the idea at one of our meetings that if you could not say it in 15 minutes or less, you should shut up and sit down. I thought about that comment as we were listening to some

of the ongoings of the members opposite but recognizing the importance that they felt with this issue. I believe it is important to all Manitobans, and we certainly as a committee and, as members of this side of the House, I would say, listened very patiently, listened with attentiveness, and took the committee's commitment to be there and to listen to the people of Manitoba very seriously.

I think it is a little unusual, again, I listened very attentively to the member for Crescentwood's (Mr. Sale) speech just prior to me standing, and he talks about referendum. Again I would refer back to some of the discussion that we have had earlier this week and that took place earlier in the spring and even up, I would suggest, to the passing of the balanced budget legislation.

* (1530)

There is a mixed feeling, I would suggest, Mr. Acting Speaker, coming from the other side in regard to where they stand on referendum, and I would suggest that I have put forward this past week some of the concern that I have. I think, just for the reassurances of the members opposite, I will put some of those back on the record again just to make sure that I have an understanding, and that I am not judging them based on my own opinions but actually on the comments that they make.

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

I do find it interesting when the member for Crescentwood talks about the government and how we are reluctant to go out and talk to the people of Manitoba, suggesting that they would not understand what we were trying to do and that they would not be able to grasp the direction we are trying to take. But I would suggest that it is actually the opposition that would make those statements and have made those statements, particularly in dealing with the balanced budget legislation where a referendum becomes a part of the process of the government if they want to increase taxes to the people that they represent. I think that is a very fair approach in particularly today's economy in the sense that we are not going to the people of Manitoba with a tax increase; we are taking a direction that we see as beneficial to all Manitobans. As government, we have, I believe, the ability and the right to do so.

I do like to just again suggest a couple of the referendums, and I will suggest that the member for St. James (Ms. Mihychuk), during the same debate on referendum in regard to the balanced budget legislation, suggested or actually questioned whether Manitobans could understand the complexity of referendum issues. I would say that sums it up very concisely, very clearly for a lot of the people in this House and a lot of people in Manitoba. It is her words, not mine, so I presume that at that particular time that may have been their understanding of what a referendum was and what it should do.

It was quite interesting to sit in the committees as a relatively new person to the Chamber, Mr. Deputy Speaker, I would suggest that it has been a very enlightening experience for me to sit in on the committees. I find that the work time certainly has not changed from the private industry, but the rate of successful completions at the end of a day is probably a little bit less than I had hoped for. Nevertheless, it is certainly an interesting process that we go through. I hesitate to say this, but I probably suggest that everybody in Manitoba should have the same opportunity that we have to sit in the House. It would certainly open up the opportunities that are out there and basically present the opportunity that are often made available to people in Manitoba that we know so very little about.

I think that the meetings that the members opposite talk about—I refer back to when the bill in regard to MTS was introduced, I believe it was in the spring and believe it or not, and I am sure the members opposite would question it and that is their ability to do so and they have that right, but I would suggest to you that it is true, that I spend a considerable amount of time in my constituency. We discuss many of the issues that affect them directly and indirectly. Some of the decisions that I was not aware of how government decisions affect a lot of people. I was concerned that some of the things that we do that it has enabled me to go out and get a totally different perspective on what the people of Manitoba are saying.

I know, in my particular area, Mr. Deputy Speaker, highways is certainly a big issue out in my area, something that we discussed in long hours during the campaign to the election. It is something that I have continued to follow up and I would suggest that the experience has taught me a lot more about the transportation system in the province of Manitoba than I

knew before, and I certainly hope to continue to be able to ride this learning curve.

Some of the other things that I have learned from my constituents is the fact that I think if we were to prioritize concerns of all Manitobans, I would dare anyone to suggest that health care is not the most important issue. I think that far beyond anything else that we do as government, I think health care in the people's minds, the people of Manitoba's minds, is by far the most important issue. I have certainly had the opportunity to discuss that with not only the people that actually run the hospitals but the people that work within the hospitals.

I was unfortunate enough to be a patient of the hospital system in the recent past, and I can certainly say that it comes to the lips of every Manitoban when you talk about the priorities of all Manitobans. I think that during this particular session we have also—not that we did not know it before, but I think from my perspective education has come to the highlight of all the people of Manitoba. There has certainly been some discussion in regard to the direction of education and I think that people are on the record in those committees too. I have to say that I had the opportunity to sit in on several committees to discuss several bills, and the one common stream or the one common thing that I noticed in a lot of the committees that I sat in was that a large number of the people made presentations to several of the committees that I sat on. Whether the time it took to get through the committee on MTS or whether it was the time that we sat in on the education or other bills, we almost developed a bit of a friendship with some of the presenters.

I know that I sat on the committee that sat three nights consecutively and I had the opportunity of meeting the same people several times over that same period of time. It is interesting because now the committee is out of session and we are no longer sitting in committee, I have kind of missed that opportunity to visit and chat with those people and get more of an understanding of where they are coming. But I do think that that is important to put on the record was the fact that—and I will certainly check the names on the lists of the people that made presentations, but I would certainly suggest to you that they have a lot of concerns in regard to the direction of Manitoba. These people expressed their concerns in not only one committee but in two, three, perhaps four committees, and it is very nice to see people in Manitoba

that concerned about the issues that are dealing with the province. As I said earlier, I certainly think it is a wonderful opportunity for them to make those presentations.

The one thing I would like to suggest, Mr. Deputy Speaker—and one of the members opposite and I had the opportunity to travel out of province during the committee hearings. We were in a group of people, politicians, from all parties, from all over Canada, and they were quite amazed that we were the only province in Canada that would offer the opportunity for people to come in and put forward discussion and debate and suggestion in regard to the government's direction and offer amendments to the bills that we were making presentation to. I am not sure whether they were saying that we were right in doing so, but they certainly expressed an amazement of the fact that we actually did.

I think that speaks very well for the government of the day, Mr. Deputy Speaker. We listen to people, and quite often we listen to the same people on different bills, and perhaps, as I stated earlier, with the opportunity of every Manitoban to get the opportunity to represent, we will see some of those people in this Chamber to bring forward some of their ideas in a more representative way, and I look forward to that.

* (1540)

I think that as things change, so too will government and the direction that we want to go in. I think that the opportunity for a peer person to appear before a committee, make presentation to the government is something that we can be commended on. I think both sides as far as their actual presentations and their work in committee are to be commended. It is a lot of hard work. It is very time-consuming but also very educational, and I would suggest that that is a positive thing for all Manitobans, and I think that that is their right and should continue. Thank you.

Mr. Jim Maloway (Elmwood): I am very pleased to rise today to speak on my grievance for this session. I, too, wish to deal with the travesty of this government, that of Bill 67, the MTS bill in which they are ignoring the will of the public in trying to sell this corporation to the detriment of the people of Manitoba.

This corporation, Mr. Deputy Speaker, was formed by a Conservative government as far back as 1908, and it has been with the people of this province all this time delivering good service at reasonable rates. This government's action, while it took a little while to develop, has prompted people who were not that politically active or interested in politics to come forward and align themselves with our party in this cause, and I am talking here about Conservative supporters and Conservative members of long standing who cannot understand why, who actually, I believe, think that this government has lost leave of its senses in trying to divest itself of this, the telephone company.

In fact, I think, Mr. Deputy Speaker, it has a lot to do with the fulfillment of their long-term ideology. The ideology that they were not able to develop and fulfill in their first term is now being developed and fulfilled in their second term. I think what we are seeing here is if they are successful, if they are successful in their attempts to privatize this company, then we know what logically follows from that is that the liquor stores and Manitoba Hydro and MPIC and others will surely follow. It is on that basis that we have decided in our caucus that we must do everything possible to stop the sale of this asset, one of the Crown jewels of the people of this province.

I want to deal with the broken promise because we have made this point many, many times, and this government has managed over the years to finesse the previous broken promises. In all elections, this Premier (Mr. Filmon) has managed to weasel his way out of promises that were made and this time we have caught him. We are not going to let him get out of this. We have candidates, we have Tory candidates on the record promising that this corporation would not be privatized. We have the Premier promising not to privatize it and actually misrepresenting the case. In fact right to this House, right in this very House when he was asked time and time again by our members in Question Period as to whether or not the corporation would be privatized, they responded no. In fact at the very end of the day they announced the privatization just days after they promised they would not.

So all the while the sham that we see here, all the while that they were publicly promising that this corporation would not be sold, what has in fact happened is that they

were secretly preparing the groundwork, they were preparing the groundwork to sell it. The brokers were being lined up. The justification was being made. Barb Biggar was being recruited to be given another political plum, the Premier's former press secretary, and with her record on this case, I do not think the government will be wanting to hire her again because they have dumped some good money after bad here. They dumped \$400,000 on a slick PR campaign to try to convince people that it was a good idea to sell the corporation and it did not work. No more than 30 percent of the people support it. On the other side of the coin, there has been no \$400,000 campaign to save the corporation. It is maybe a \$400 campaign, and that \$400 campaign, Mr. Deputy Speaker, has generated 67 percent support.

The government, if it wants to lapse back to the good old days where it bought itself back to popularity with its million-dollar advertising campaigns in advance of the last election, if it wants to go back to that tried-and-true formula which I think it was trying to do, it is not working this time. You see, there comes a point where the old system does not work anymore, the old formula does not work anymore, and I see a look of fear. Every day, as I look across during Question Period, I see a look of fear on the eyes of the tired old warhorses over on that side of the House, and I never used to see that. There used to be some youth over there. There used to be vigour. There used to be confidence, a sense of purpose as to what they were doing, but that has all evaporated. That has all evaporated. There is that fear in their eyes. They know we have them on the run, and we are going to run them out of town. If they decide that they want to move closure then that will just help our cause even more so, you know, all their options, all the roads are leading to oblivion for the government opposite. No matter what road they take, if they try to go east, it is bad news. If they try to go west, it is bad news. If they sit where they are, if they stay put, bad news. So they have a very difficult problem here.

The heart of the support for the telephone system happens to be in their strong areas, in the country, so they are losing the support, antagonizing the very people whom they count on to support them. I mean that cannot be a comfortable position for people on that side. There has to be a lot of uncomfortable people over there as they think about what is going on here, and the older residents of this province, the people who tend to vote, unlike

younger people who, you know, do not vote in as great a number. The older people do vote, and they are the people, Mr. Deputy Speaker, who are the most concerned about this issue. They are the people who do not want it sold.

I mean, I can see the fear on the part of the government in going to a referendum on this matter. I am not suggesting it will happen but there is an opportunity here for Manitoba to make history on the same point in 10 years, and that is having a government member vote against his own government. Perhaps lightning can strike twice.

We know there are unhappy people over there. We know there are certainly unpredictable people over there. We know that. I think the Premier (Mr. Filmon) will be very nervously looking over his shoulder when those votes are called for fear that maybe some of those members will not stand up. We saw the member for Lakeside (Mr. Enns), a number of years ago, when the government presented a plan to nationalize the gas company, we saw that member vote with our government to nationalize the gas company. So do not ever kid yourself, there are problems over there. There are lots of problems over there. They were counting on keeping the lid on it until after the 8th, and then everything would be fine. But now the cat is out of the bag, and it is going to be hard to put it all back together.

* (1550)

I want to deal with the poll that was done a few days ago. This was a scientific poll done for the CBC, and I think the results speak for themselves. I think many times an issue for a government takes a while to develop as we have seen in issues in the past, but once the ball gets rolling it becomes very hard to stop. I think the results of that poll are certainly permeating through the public of Manitoba. People are getting to understand this issue a lot more and the more they see of it, the less they like of it. This is a bad move for the economy. The workforce at MTS, a highly paid, well-trained workforce, has dropped over the last few years from around 5,100 people down to 3,800. I have heard them, these are just rumours at this stage, but there will be 500 people dropped from the corporation once it becomes privatized. How else are the shareholders going to be rewarded for buying these shares if the following elements are not

included in the deal? One, undervalued shares. We know that is going to happen. Good brokers commissions to convince the brokers to jump onside with this investment as opposed to selling something else. In order to enhance the return to the investors, who is going to suffer is the employees. They will have reduced wages, they will have worse working conditions and they will be ~~terminated~~. This will be run as a skeleton—it will be a skeleton staff running this phone company once it is privatized.

Now once the shares are sold—you recall a few years ago in B.C. they had a system there where they set up Brick Resources, I believe it was, and everybody in the province got a share. What happened there was that in short order people who got their shares sold them to somebody further up the line, and before you knew it, the shares were all in the hands of very few people.

Well that, Mr. Deputy Speaker, is precisely what will happen here. I do not care what restrictions you put on the shares, whether you lower it to 1 percent or 0.1 percent that a person can buy, the fact of the matter is that once these shares are out there and dissipated out there, what they will do is they will be concentrated, as they are traded over time, in fewer and fewer hands. In fact, AT&T just registered a corporate name in the last week here in Manitoba, and they are planning to get heavily involved in here.

I predict that within a very few short years, three or four maybe, these shares will be bought up, gobbled up by a big operator like AT&T, and this will become just a little outpost. Manitoba will be a little trunk line, be a little outpost of a big company internationally. Wages will drop. People will be working here for \$8 a hour, and these will basically be McDonald's-style jobs. By then the government will be on to Hydro and other conquests if they are not stopped by the voters.

It seems to me that the head office question was mentioned, that it will go elsewhere. [interjection] No, the member for Kildonan (Mr. Chomiak) knows and I have examples, too, of companies who nominally have a head office somewhere but in reality the office does not exist. It is just a name on a sign and a few employees are put there, but the real control, the real head office is somewhere else.

(Madam Speaker in the Chair)

So as the member for Crescentwood (Mr. Sale) pointed out earlier today, these rules are a real sham. Do not believe—or the public should not believe that the promises of this group opposite that they have built in all these safeguards, all these restrictions that are going to provide for a mass-based ownership of this company and the security of the board staying in Manitoba and the head office being in Manitoba. That will not happen. That is not on. This corporation will be totally owned by outside interests in very short order.

Now, you know, we dealt last week with this government on a series of amendments, and we were able to force the government to bring in amendments that would leave the 6,000 pensioners of MTS in a much enhanced position over what they would have been had we not intervened. This is the result of our House leader being attentive enough at three in the morning to sense what this group opposite was up to, being one step ahead of them, as he has demonstrated day after day after day, that they are two steps behind, and was able to force the government to come up with amendments that will make the situation much, much better for pensioners if and when this bill were to pass.

Thank you, Madam Speaker.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I wish to grieve. We have been listening to people talking today about MTS, and I just know, from the quality of the last speaker's speech, that he is certainly not one that is in the race for the NDP leadership as perhaps the first two speakers on that side might be. We know they are in disarray over there, and it has been quite obvious to all of us. We are aware of their internal battling on this issue.

Madam Speaker, on the issue of MTS, I am fascinated, absolutely fascinated, by total reversals in position of members opposite, and I think it speaks very clearly to their integrity, to their willingness to manipulate—as the Free Press says, manipulative and dishonest, in reference to the NDP. Even on the question of referendum, the member for Wolseley (Ms. Friesen), who is the opposition critic for Education, has stood in the House and sat in committee endlessly berating with righteous indignation the fact that we even published a document

that even raised the question, should taxpayers have the right to a referendum to decide if they want their taxes to go up to pay teachers' wages. That was just a question. It was one question of many posed as to a variety of things that taxpayers had asked us to discuss.

So taxpayers having asked us to discuss that as a possibility sent the member for Wolseley into apoplexy where occasion after occasion after occasion—and Hansard is filled with her statements of indignation of horror about the disgusting thought of even considering a referendum—she went into great length at various points to explain why referenda were so terrible, so bad, so awful. Now she stands in the House and screams for a referendum. Unless she is out of line with her party and wishes to acknowledge that (a) she should withdraw the statements she made earlier in terms of referendum requested by the taxpayers as a point to consider, she should withdraw those, or she should withdraw her current statements right now that she supports a referendum on MTS, or she should come clean and honestly acknowledge that sometimes people, for various circumstances, will change their point of view.

The member for Wolseley (Ms. Friesen) is very nervously right now pretending to read the newspaper so that she will not have to look at me and acknowledge what I am saying, and I understand and appreciate her embarrassment and her nervousness and her agitation. Madam Speaker, this member has to use a bit of logic here. First she says referenda are the doorway and the gateway to hell. Then she stands up and says referenda are extremely—I am paraphrasing—what she really said was that referenda were expensive, that people would not understand the issues if put to referenda, that referenda were a terrible way to solve something, and the people who should govern should govern and have the guts to govern and not resort to referenda. That is what she said. Now, she made that really clear. Then she turned around within the month and said referenda was good and must be used. Why? Because she changed her opinion due to circumstances. She thinks that is all right for her to be able to change her opinion due to circumstances, but she does not think it is all right for the Premier (Mr. Filmon) and people on this side to change their opinion due to circumstances.

I thereby point out the hypocrisy of members opposite, their ignorance, their dishonesty, their manipulateness.

They can change their mind on the subject of referendum because circumstances dictate it; we cannot change our position here because circumstances dictate it. Again, as so often with them, one rule for them, the holy and righteous, and the other rule for us, the low and dastardly.

Madam Speaker, the member for Burrows (Mr. Martindale) says, he knows rates will go up. In his question today to the Minister of Family Services (Mrs. Mitchelson), he said, we know rates will go up.

* (1600)

An Honourable Member: I did not say that.

Mrs. McIntosh: Yes, you did. Read Hansard. He said it. Read Hansard. He said, we know.

Now, Madam Speaker, I do not know where his line—that his line connects him straight up to Heaven, I suppose; but we know on this side that rates are decided and allowed by CRTC for both private and public companies and that only CRTC can grant any ability to adjust rates, just as PUB does here. Members opposite, especially the previous speaker who is always in his glory demanding that everything on Earth be sent to the Public Utilities Board. Why does he not want things to be sent to CRTC? I guess the thing is that as of a very short period of time from now, only Saskatchewan will have a public telephone company, and if you compare its rates to the rates of the other provinces, I think the member for Burrows will have to acknowledge that his knowledge that rates will go up because something is private do not jibe with the facts across the country.

The people opposite, I know if we did not have electricity and electricity were invented today, the members opposite would rail against electricity coming in because it would put all the candle makers out of business. I know that the members opposite, if we were having the car invented today, would rail against that because all the buggy makers would be put out of business. Madam Speaker, they live in yesterday, and we cannot live in yesterday when tomorrow is upon us.

We are facing technological changes that are so rapid that they are changing as we speak. Changes in technology are occurring at a rapid pace unforeseen even by those who prophesied there would be rapid changes,

never foresaw the rate at which change would be occurring. Madam Speaker, 70 percent of telecommunications is already in competition. They know that over there. They also know—here is a prime example, and I would ask them to consider this because this is real and this is what the people out there do know and they do know it—if a new technological invention in telecommunications comes on the market this minute and all the competitors are out there—and they are out there in great abundance—MTS is not a monopoly the way it was when it was first devised, but—[interjection]

Madam Speaker, I wonder, I am having difficulty speaking above the yells from across the way, and I wonder if I could just get a few minutes of discreet quiet so that I could not have to raise my voice so loud.

Madam Speaker: Order, please.

Mrs. McIntosh: Thank you very much.

When a new technological innovation comes on stream, Madam Speaker, the competitors, of which 70 percent of the marketplace is, can immediately react to that, can immediately say, let us take advantage of this new technological change and put it in place immediately.

Manitoba Telephone System, seeing the same change, has to do the following: It has to, first of all, persuade the powers that be at the board. If it is approved there, then maybe it has to go to the minister. If it is approved there, maybe it has to go to cabinet. If it is approved there, maybe it has to go to the Legislature.

This whole process can take anywhere from eight to nine months, and you see from—[interjection] Well, Madam Speaker, this is true, and you can see just from the example of what is happening here how darned hard it is to get changes at MTS, just by this perfect example that they are displaying, members opposite.

They have had this before them since May and June. They have had this written bill since June. June, July, August, September, October, November, six months, Madam Speaker, six months to get a change on MTS even to this stage, even to the stage where we are allowed to proceed, and they think that MTS, having to go through this kind of procedure when there are decisions to be made on changes to it, can make the rapid response

to the marketplace that is absolutely required in this day and age.

Madam Speaker, a government-run Crown corporation cannot respond with the same rapid motion that a private industry can when there is high competition. The members opposite are now saying that we are going to privatize, they are starting to name all the Crown corporations. This government has always said from Day One, from Day One we have said there are things government should be in and there are things government should not be in. The things that government does well the government should continue to do. The things that government does not do well the government should divest themselves of.

Government does a good job of Manitoba Hydro. Government does a good job with the Liquor Commission. Government does a good job of a number of Crown corporations. Other ones, like Telephones, which are in a new area of high-tech, rapid marketplace response demand are better done by private industry because we cannot keep up with the speed with which they can make decisions out there.

In order to protect the investment and ensure that Manitoba Telephone System can remain strong and viable, it is important to give it the ability to respond rapidly to marketplace needs, and the members opposite know that, Madam Speaker.

We are willing to divest where it is necessary and retain where we should. They will just nationalize everything—everything, Madam Speaker, everything, and they are the ones who are ideologically hidebound. They know because they have also heard from the people we have heard from, and they know that this is the right decision. They are grandstanding. They have an internal quarrel. Their Leader would prefer to deal with this matter. They have two very strong members who would prefer not to, and they are having internal battles, and this is the result and the people of Manitoba are the ones who are suffering from that extremism and that division within their caucus.

We are united. We know it is the right thing to do. Madam Speaker, we see members across the way stalling for time, refusing to allow the business of the House to go on, resorting to having the Clerk speak until he is

ready to faint rather than deal with the issue because they are cowards, cowards afraid to debate the issue, prefer to stall the time of the House. They have taken cabinet ministers away from their official duties. More importantly, they have broken their faith with the parliamentary tradition and in doing so have completely lost all integrity in the eyes of the members of this side of the House.

They know, those who are long-time members of this House know, the terrible thing that they did in working for years to get new rules and then breaking the rules, and when trust is broken in the parliamentary tradition, this is a terrible, terrible affront to the House, a terrible affront to the House, worse than anything you could do, worse than ignoring the Speaker, worse than anything. Breaking faith with the integrity of the rules of the House which you helped develop is the most terrible thing you can do in terms of the structure and democracy and parliamentary tradition.

When your word can no longer be trusted by a grievance you enter into for the rules of the House, when your integrity can no longer be trusted and your word can no longer be accepted, you have destroyed something extremely important in parliamentary tradition. You know it. You are ashamed of it in your hearts, and you know that your word cannot be trusted on this side. Your House leader's word can never again be believed on this side of the House, and to your eternal shame, to your eternal shame you have not only done great harm with your fearmongering and manipulation and slandering on the MTS, you have irrevocably damaged the trust regarding the rules in the House. For that, you shall never be forgiven by the people of Manitoba. That decision, to break faith with the integrity of the rules of the House, will haunt you for the rest of this term and then will haunt you as you go back to your lives in the common market, because you will not be here anymore.

* (1610)

The new people here do not understand why keeping the rules and keeping your word on the rules is important, but you will find out. You will find out why keeping your word on the rules of the House is central and integral to the smooth functioning of the parliamentary tradition in Canada. It is a rule in every parliament, in every Legislature across this nation that government

House leaders entering into agreements with each other need to be able to be trusted. You broke your agreement, and you can no longer be trusted, a terrible, terrible thing that you have done.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Gregory Dewar (Selkirk): Madam Speaker, it is this government opposite that broke their word on MTS. We do not need any lectures. We do not need any lectures from the Minister of Education. Earlier on she talked about leadership. Well, she is not fit to be a leader. She is not fit to be Minister of Education.

Madam Speaker, as members have mentioned on this side, this government has no mandate to break their election promise not to sell off the Manitoba Telephone System. As we have heard on this side of the House as members on this side of the House have travelled throughout the province to different communities in this province, and we have spoken to Manitobans about this issue, we raised this issue in one-on-one meetings and going door to door and in public meetings. The comments from our own constituents and from Manitobans is that they do not want to see the MTS sold off. The government opposite is scared to leave this building and to hold public hearings in northern and rural Manitoba.

They sit over there; they spout off a bunch of rhetoric about the privatization and the so-called benefits of that privatization, but if they actually believe in what they say, why do they not simply leave this building, go out to Gimli, go out to Dauphin, go out to Grandview, go out to Dugald? They could come out to Dugald next Tuesday night and debate this issue, and we challenge anyone opposite to attend to present their position on this issue. It is in the Minister responsible for Telephones' backyard. It is probably right next to his home, so he does not have very far to travel. We all know that he paved the road out, he paved the shoulder on the road from Winnipeg to Dugald a couple of years ago, so he knows he has a very good road to travel on as he comes out to this meeting.

Madam Speaker, in 1908, a politician, a Premier at that time, said whatever profits there are in the operation from this time on will belong to the people of Manitoba rather

than to a private company. Now, do you know who that individuals was? He was not a socialist like the member for Arthur-Virden (Mr. Downey) claims that are out there fighting this. He was not the Premier or the current minister or any member of this House. He was a Conservative Premier, Rodmond Roblin. He, at that time, saw the chaos that existed in the telecommunication, telephone industry, brought order to that chaos by forming this public utility, our Manitoba Telephone System, in 1908, and he said that the profits from that would belong to the people of Manitoba from that time on, until this moment. It is very ironic to those of us who attended the hearings in the committee room that, if you noticed on the wall right above us at that time, there was his portrait. As he stared down upon the proceedings, I am certain he was very much disappointed in the actions of the government opposite.

We in Selkirk, there was a committee formed, Save our System committee formed in the summer. We had a public meeting; I am very pleased to say that some of my colleagues attended that meeting. We passed around the hat and were able to raise \$157 at that particular meeting, and we took that \$157 and spent it on a campaign to fight the privatization of MTS. We bought some stamps, we bought some balloons, and we put a float in the Selkirk parade. The government was so intimidated by this campaign and campaigns like that throughout this province that they had to go and spend \$400,000 of taxpayers' money to fight that campaign. You know that \$400,000 should not be paid for by MTS. It should not be paid for by the taxpayers. It should be paid for by the Progressive Conservative Party of Manitoba and the members opposite. We know that they should be using that money, that they should be paying for that campaign out of their own political funds and not use the taxpayers' money.

The interesting thing, of course, is that it is not working. They are spending the \$400,000 trying to tell us that privatization is good for us, privatization of our publicly owned telephone system is good for us, but the people are not buying it. You have failed. You should have saved that money. I recommended during the public hearings that that money, the \$400,000—and I raised this with several of the presenters—should have been taken and spent to hold public hearings in rural and northern Manitoba, which, I think, is a better idea than trying to buy us with this ill-conceived propaganda.

Madam Speaker, the only individuals that were consulted on the sale was the Bay Street investment bankers, which has been referenced here several times. We know that the cost of that was \$300,000. Again, another huge expenditure from an administration that claims that they are broke. Again, they claim they have no resources to fund any of the important programs that Manitobans require, and it was produced for—what we received for this \$300,000 was a seven-page document, and I think, with a calculator, it was \$45,000 a page, I believe. These investment bankers recommended that MTS be sold. Well, naturally, they will realize a very handsome profit from this. Again, this has been pointed out. Now what is completely unethical on behalf of the government is that they do not see this as a conflict of interest; they see this as a normal functioning.

I had the opportunity, and it was a pleasant opportunity, to spend some time in the committee hearings listening to several of the presenters, and I believe the member for Emerson (Mr. Penner) said, oh, these presenters are just all union members, they are all just union members. Well, there was one union; that was the Union of Manitoba Municipalities. The Union of Manitoba Municipalities, they were pretty clear in their position on this particular sale. The Manitoba Society of Seniors, the Manitoba Pool, and, in fact, 182 out of the 185 presenters opposed, and we heard that list yesterday read off here in the Chamber. Only three presenters were in favour of the sale, Madam Speaker.

* (1620)

It was referenced earlier that in terms of public opinion on this issue and it was raised, I know, several times, but I think it is worth repeating, of course, and that is the results of the poll that was held recently, this past weekend, where in fact 78 percent of rural Manitobans opposed the sale and 67 percent of all Manitobans opposed the sale. I would suggest in my community that that percentage is even higher. I have not encountered anyone yet who supports the privatization. I was involved with a sign campaign, putting up some signs in the Selkirk area. I walked on some very unfamiliar lawns, I might say, lawns that I have never put a sign up before, a political sign or any type of sign, and I have done a lot of campaigning in Selkirk. I know who my supporters are, politically, I know who my supporters are not, and I put up several signs in supporters of that

political party opposite. They have no support. I would suggest they are losing support, as was pointed out by the member for Elmwood (Mr. Maloway), that they are losing support from their own party members on this issue.

The members talk about the debt and we know that the debt is a significant issue, but that debt has brought those of us who live in rural Manitoba individual lines and because of those individual lines we are now able to access fax machines, 911 service is now being brought to certain communities. There are only three provinces in Canada that have individual line service, and that is Saskatchewan, Manitoba and Alberta. These three provinces have something in common. They have or recently had publicly owned telephone systems. Not only did we receive individualized service for that money, we also saw an expansion of the community calling zones—I now can call Stonewall and Beausejour without paying a long distance charge—also a program called an Urban Unlimited Program.

So, Madam Speaker, we benefited significantly from this capital outlay, and I just want to again point out to the members that in the 1995 Annual Report of MTS, if you go back over the years, in the last five years the Telephone System, the same telephone system that they say is in such dire straits, has spent over \$840 million in capital and construction investments. In 1995 we spent \$156 million alone in capital investments. We challenge members opposite to leave this building, to go into areas like Grandview, to come out to Selkirk, to go to Dugald, next week to a public meeting and to debate members on this side on the issue. If they are so convinced that their course is the right one, all we have to do is leave the Chamber, leave this building, and go out to rural Manitoba.

Now, the Minister of Education (Mrs. McIntosh) was going on about proceedings in the House and the continuing of the debate. Well, as was pointed out, all this government has to do is to adjourn the House now, if they are so interested in that, and take this issue to a vote of the shareholders in this province, Madam Speaker, the shareholders of this public utility, that is, the people of Manitoba. Put it to a vote of the shareholders. We held a shareholders' meeting in Selkirk. It was well attended. We put the vote to the individuals in the room, and I can convey to you that there was absolutely no

desire at all of those shareholders to sell off their publicly owned utility.

Madam Speaker, I would suggest to you that would be the same answer that the government would encounter if they left this building and went to their home communities. I am disappointed in particular with the rural members opposite, because representing a rural area, realizing the benefits that we receive from owning a publicly owned utility, that they will not stand up on this issue. I was in Gimli, I was in Morden and I was in Teulon recently meeting with people, and they are very disappointed in the government's plan to privatize it, but they are also very disappointed in the actions of their current member. They told me that they have conveyed that message to them, and they expect their member to act on their behalf when it comes to voting on this particular bill.

Madam Speaker, I just want to conclude by once again offering up to the members opposite a challenge to go out to rural Manitoba, to northern Manitoba, to speak to individuals there, and, finally, to put this to a vote of the shareholders of MTS—that is, the people of this province. Thank you very much.

Hon. Glen Cummings (Minister of Environment): Madam Speaker, I have a few brief moments to put some thoughts on the record as part of my grievance this afternoon. I am concerned, and the reason I stand to grieve, is that I am disappointed to see the direction that debate around the opportunity for selling shares within the Manitoba Telephone corporation has taken, because my real concern is that we are seeing a great deal of fear and loathing being generated without a whole lot of facts to support it by my colleagues, if I can use that term, across the way, because, frankly—[interjection] Well, their biggest argument is, it seems, that they want the Crown corporation to act more like a Crown corporation and exercise its monopoly and therefore we will have the best phone system in the country, but they fail or in fact they ignore or perhaps they do not want to listen to some comparisons of what is happening across the country, because the real decision about the future of telecommunications virtually, my House leader says, around the world is based on decisions such as occurred a few years ago when the CRTC took the responsibility for regulating costs of telecommunications across this country.

That was really when the bridge was crossed. There is one jurisdiction which is now following the CRTC after having completed the viewing to the end of the opportunity to come in and that is Saskatchewan. They have now come under that regulatory authority as well, and if the proposition of the members across the way and particularly the member for Dauphin (Mr. Struthers) is that more Crown, more MTS would in fact do a whole lot to protect and substantiate the competitiveness, that it would enhance the opportunities for people to be competitive with Manitoba being a base and using telecommunications as a window onto the world, the facts simply do not support that.

I invite the members opposite, if they want to put fear and loathing out there, that is fine, but when they talk about wanting a debate, the member for Dauphin challenges me about the capability of our local hockey team versus the team from Dauphin; Dauphin may be up on the hockey match right now in terms of the home and home series. I went to the hockey game on the weekend, and I literally had to troll the crowd to see if anybody wanted to talk about MTS. I walked up to people and said, have you got a problem? I asked spectators. I asked people I did not know. Nobody had a problem. The most obvious reaction, which pretty near floored me, is, get on with it. What are you fooling around about? I mean, the time has come.

So, frankly, they can indicate all they want about polls. There is one question that needs to be asked—[interjection] Madam Speaker, the member for Thompson (Mr. Ashton) does not have the floor. There is only one question that needs to be asked. How much money do you want to put into this Crown corporation that is now facing a highly competitive field?

How much more tax dollars do you want to put behind it to provide the opportunity for them to borrow, to reinvest, to re-establish themselves? How much more from the tax base do you want to put to exposure behind that corporation, or do you want to encourage them to continue and to get on with the opportunity and the viability that they have in terms of competing in the real world?

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

Point of Order

Mr. Sale: Madam Speaker, the honourable minister has a responsibility to put factual information on the record and not to distort reality. Can the honourable minister please indicate to this House when a single Manitoba taxpayer dollar has been used to fund the Manitoba Telephone System? Every single expenditure of that system has been met from rates and not from—

Madam Speaker: Order, please. The honourable member for Crescentwood does not have a point of order. It is a dispute over the facts.

* * *

Mr. Cummings: Madam Speaker, the member chooses not to recognize that the debt backed by this province puts the tax dollar at risk.

* (1630)

Madam Speaker, he wants facts on the record. He should know that for a small exchange, countrywide comparison, Manitoba and Saskatchewan do not even come close to leading the pack. They are not leading in low cost to the ratepayers. That is why I say, they are putting enormous misinformation and scaring particularly the elderly in this province by telling them that their rates are going to go through the roof. All they have to do is phone their neighbours. Ask them what they are paying in Saskatchewan; ask them what they are paying in Ontario; ask them what they are paying in New Brunswick. They are all lower than Manitoba. Do not go out there and unnecessarily raise the fear and loathing of particularly the seniors in this province who like to believe their politicians are telling them the truth.

They want to believe that when the member for Crescentwood (Mr. Sale) stands up and says that the cost of a personal touch-tone phone is going to go through the roof he has the facts behind him. Let me tell you what the facts are. In White Fox, Saskatchewan, and in Erickson, Manitoba, they are sixth and seventh in a rate comparison for similar-sized exchanges across this country.

It is absolutely despicable in my mind that we have the member for Dauphin (Mr. Struthers) who says that he

would like to and be anxious to talk to the people in Neepawa. The last time he came to Neepawa, if he was part of the group that came through, I am not too sure if they got out of the car. But at least they waved when they went by because there certainly was not any reaction in my community from the issue that was raised about whether or not they felt this was an inappropriate move in terms of handling the future of Manitoba Telephone System.

All of the lower touch-tone household services in this comparison are going to be listed with the private ownership. That does not mean anything that the members I am sure cannot understand except that it proves that the CRTC—it does not matter whether it is regulating public or whether it is regulating privately owned telecom—that it will do it based on the information that is put in front of it and based on the best interests of the consumers and the subscribers.

So do not let the opposition stand up and say that the only way to provide efficient cost-effective services to the public of this province is by maintaining a Crown monopoly. We have discussed ad infinitum the changes that are occurring in telecommunications, but if you want to get down to the hard facts, compare the rates. Go out there and tell the public that you are so proud to communicate with what the real comparison is on the rates. Phone the people in these other jurisdictions; ask them what they are paying.

We can go on and on in here debating philosophy, but if you do not take the truth out to the people in Manitoba about the real costs and comparisons that are occurring across this country, then you are simply doing a disservice to the democratic process.

The member for Dauphin (Mr. Struthers), he and I have a little local rivalry, and we enjoy back and forth comparison, but let us also look at medium-sized exchanges for the same costs that I referenced earlier for a private system. Again, the two Crowns are not the lower-cost services in the country. They are regulated by the CRTC, and they are regulated appropriately for the cost of providing service in those jurisdictions. [interjection]

Well, the member for Dauphin says, that is not right. Pick up the phone and call New Brunswick, and if you

want to call into New Brunswick, let us see, call into the Minto exchange and find out if that is in fact cheaper than it is in Beulah, Manitoba, in the Beulah exchange. Just pick up the phone and call them. I mean a while ago he was challenging me about wanting to talk to the people in Bacon Ridge or in Crane River or in Kinosota, the very parts of my constituency where long distance is a way of life.

You will find that as we have seen deregulation in this province, their way of life in fact has become much more palatable, that their long distance costs under the competitive regime that has now come into place is in fact enabling them to do business, to talk to their regulators, to talk to those who are regulated under the fish marketing schemes and those activities. Even the ranchers who want to phone for parts are finding the rate charges are virtually cut in half, that the service that is being provided to them is extremely good under the competitive regime.

You can reference that back if you wish as to whether or not the Manitoba Telephone System has done a good job of moving forward with the times. The fact is, they have recently moved dramatically with the competitive aspects that have been unleashed on them. No one would question that. What we need to do is position them so that they can compete in a way that will be in the best interests of the public of this province, not in the best interests of government, not in the best interests of opposition, in the best interests of providing service and providing ongoing competitive rates and the very latest of service to the people of this province.

When you look at wireless technology and the changes that are occurring there, there is significant opportunity for improvement of the investment and the decisions made around investments by the telephone company, and that, frankly, is not based on a philosophical argument so much as it is based on the real technological argument about the competitiveness. For those who say that rates in some remote areas may somehow be under pressure, you think people are going to walk away from the investment that they make in their lines? They will make profit by having more calls going down those lines. They are not going to go out and rip up the lines.

The problem is, however, the lines might become obsolete. Wireless service might replace those lines, so

why would you bunker down? Why would you bury your head in the sand and not want to discuss those sorts of occurrences in the advancement of technology? I understand, I think as well as anyone in this House, perhaps the member for Rupertsland (Mr. Robinson) more so than I because of his experiences, but I understand remoteness, I believe, as well as anyone, and wireless communication will be the future that will provide people with service in remote areas beyond any expectations five years ago and, I believe, firmly beyond any expectations that we have today about what might be available. Why insist that the only way that can be delivered is through a monopoly. It can very easily be handled by competitiveness.

I will give you an example of a change that brings it home to me in a way that I have never imagined before. I have a company that operates in my constituency that in the early stages of cellular phone service paid \$1,700 to get themselves onto a cell system so their company could send a truck on the road equipped with a cell. They recently, a couple of weeks ago, purchased a phone for one of their offspring, and the agreement that they signed is that they put down 70 bucks, I believe it was, for the phone, but do you know what happens? If they continue that service long enough, they get the 70 bucks rebated. They are getting the darn phone for free and what they are paying on the per-minute cost on the phone is so low that it is almost lower than what they are paying on their hard line costs on their residence.

That is the kind of changes in technology that is pressuring every company, I do not care if it is Manitoba Telephone System, but every company that is involved in telecommunications. The transfer of information is so critical to the civilization that we live in today, the larger community that we live in, not just in Manitoba but in North America, and virtually around the world, that telecommunications capability at a reasonable cost is what will keep our industry, our people, our consultants even, for that matter, competitive and able to operate on a day-to-day basis using a technology to an extent that they would never have dreamed of using.

There are enough of us in this building who have told stories about walking a mile over to the neighbour's to get a phone, and during the committee process, we heard people talking about that was where maybe we are going to end up again, that there would only be one phone in a

remote community. Well, believe me, that is not going to happen. It is not going to happen under MTS monopoly. It is not going to happen under a first rate, competitive system. That is the last thing that is going to happen because every investment that is made in a wireless communication, every investment that is made in a hard-line communication, the more volume that goes through it is what is going to pay for it. People are not going to go out and shut the switch off or applying for rates, either way, that would make it somehow prohibitive for people to use it. That is just plain wrong.

* (1640)

I guess the last and the most telling part of my concerns about the way the debate is going on this issue is one that we debate ad nauseam in this House, but I am going to put it back on the record again anyway. Every time the opposition disagrees with a bill that is going through committee, there are howls of protest about how committee is handled in this House. We all know the answer and the deans of the Legislature on both sides have talked about the fact that we are the only Legislature in the country that has this format, this open format. The fact is 20 years ago, when I was one of the presenters coming to the committee, I presented at four o'clock in the morning. The member for Thompson (Mr. Ashton) had to follow me out to the parking lot to try and convince me I was wrong. They passed the bills then at four and five o'clock in the morning, hypocritical situation.

Mr. Stan Struthers (Dauphin): Madam Speaker, today in the Legislature, I am quite saddened to have to stand and grieve on behalf of the people of Dauphin, the people of Dauphin who were told by this government that they were not going to sell the Manitoba Telephone System.

The speaker previous to me, the Minister of Environment (Mr. Cummings), made quite an interesting speech and in between the heckling that I did, I found it very interesting to hear some of the words that he was saying. One of the things that I agree with the member for Ste. Rose on is that we do have a little bit of a rivalry happening between our hockey teams, and I want to point out to the Minister of Environment before he leaves that the Dauphin Kings hockey team has outscored his Neepawa Natives at a rate of two to one, which also is

the same rate that Manitobans have said that they support the Manitoba Telephone System, two to one.

My sense is I was never a strong student of math in junior high. I remember struggling through many, many courses having to learn fractions and decimals and percentages and all that, but it seems to me that 78 percent of the constituents in both Dauphin and the Ste. Rose area, 78 percent is a high percentage. It is a very good, high percentage. It was never hardly a percentage that I ever attained in mathematics. I would have loved to obtain that percentage, but, Madam Speaker, take my word for it, 78 percent is an extraordinarily high percentage of rural Manitobans who say to this government, do not sell the MTS. These are the 78 percent of the people who said, you did not tell us during the election what you were going to do, why are you selling it now?

As a matter of fact, Madam Speaker, the only thing that really worries me about that is that this government did not say nothing during the election. They actually told us, do not worry, we are not going to sell MTS. You NDPers, you are a bunch of fearmongerers running around saying that we are going to sell MTS. That is what the government was saying. They were saying we were the ones who were running around scaring old people about what is going to happen if this government gets elected.

I heard candidates from the Tory party, from the Filmon team, with the little wee teeny-weeny tiny Progressive Conservative logo underneath, I heard what they said, and they said, we are not going to sell MTS. It may be the Minister of Environment (Mr. Cummings) across who just spoke, who is kind of laughing about it now, who may have said that to his constituents.

I wonder, if the members across the way had not said what they did about the MTS, how many of them would be sitting over there today. I wonder if the Minister of Labour (Mr. Toews) would be sitting there today. I wonder how many would be left if they had actually told the truth before the vote took place. It is not just the MTS. There is the Winnipeg Jets, their spending on health care, their spending on education, broken promises one after the next, one after the other. How dare this government stand in this House today and question our integrity and our willingness to debate?

Madam Speaker, a while ago, I thought about, what does a government base its decision making on, any government? First of all, one of the things that they could base what they are talking about on is economics, and there may be a case to be made that it makes economic sense to do something or not to do something. Do the economics in this case stand up for scrutiny? Is the government being forthright with the economics argument that they put forth to the people of Manitoba, from within this Legislature, I might add? They are only putting their facts forward here. They do not have the courage to go out and face rural Manitobans and tell them what they are going to do, but does it make economic sense to sell the Manitoba Telephone System? Does it make sense, if you are selling your house, to invite three real estate brokers over and say, should I sell my house? What are those real estate agents going to do? What are they going to tell you? What advice are they going to give you about selling your house? Are they going to say, oh, no, no, do not do it. I do not think so.

Those three real estate agents are going to look you in the face and say, yes, you should sell your house. Not only should you sell your house, but you are not going to sell your house for enough money to even cover the amount of money that you owe on your house. So you are going to lose your house when you sell it, and you are still going to have half your mortgage to pay for. That is what you are asking people to swallow when you are telling them you are going to sell the MTS. Does that make economic sense? It leads me to ask the question, why would you do it?

It seems to me that you are asking these real estate agents whether you are going to sell your house or not, and you are going to pay them a commission to do it, just as you have done with the MTS. You have asked these brokers, three of them, whether they should sell MTS or not. They have said, sure, go ahead. Now you are turning around and you are saying to these brokers from Bay Street, we are going to sell MTS, and we are going to pay you a commission to do it for us. You do not think there is a conflict of interest there?

I think the people of Manitoba disagree with you. I think they can see through your phony little scheme. What is another reason why a government might decide it is going to take a decision one way or another? There is a good argument to be made that a government will do

something because the people want them to do it. Certainly, many politicians have made decisions based on the fact that their constituents want them to do something.

Madam Speaker, what are the constituents telling this government today about the sale of MTS? What is this government listening to? First of all, they do not have a mandate to sell this. They told the people, these same people whom they now claim to represent, that they would not sell MTS in the 1995 election. Now they are turning around, and they are doing it. Sixty-seven percent of Manitobans believe that the Manitoba Telephone System should remain in the public sector. Sixty-seven percent of the people are telling you that you should not sell this company. Seventy-eight percent of Manitobans living in rural Manitoba are telling you, rural members, not to sell their company. Now, do you actually believe that people out in the province believe you when you say it is no issue? Somehow your little constituency, wherever that happens to be in Manitoba, is not part of the 78 percent that appeared in that CBC poll. Somehow the CBC missed out on your part of the world. They never polled anybody. They never talked to a single person in your riding. Are you telling me that is the line you are going to give to your constituents? Are you telling me you do not believe the poll? Are you telling me you do not want to represent your constituents back home?

Madam Speaker, 182 of the 185 presentations that were made to this Legislature in the Legislature, not anything outside of the Legislature—182 of them said, do not sell MTS. Three of them said that you should. One was the Manitoba Chamber of Commerce, who said they were unanimous in what they said. That is nonsense. The Dauphin Chamber of Commerce passed a resolution saying, do not sell MTS. Is the Dauphin Chamber of Commerce no longer a member of the Manitoba Chamber?

An Honourable Member: What about Gilbert Plains?

Mr. Struthers: What about Gilbert Plains? What about Grandview? What about Gimli? When I was there and I talked to people in Gimli who said, why is my member of the Legislature not standing up against the Premier (Mr. Filmon) who told us he would not sell MTS? Where is my MLA, they were saying to us. He is simply falling lock step into the instructions that his Premier has

given to him, and he refuses to represent his constituents in the town of Gimli, or in the town of Teulon, where we also were. I just do not want to pick on the one member over there. We were in Morden, too, and they told us the same thing—one of our little whistle stops that the Minister of Environment (Mr. Cummings) talked about, that we made through Neepawa. I have been in Neepawa countless times. Not once did I find anyone to say to me that I was wrong. Not even once.

* (1650)

I was in the town of Carman, in Morris, at the same time as green and black signs were all over the town of Carman in support of the home care people. At the same time, they were talking about MTS then. I even brought it up with them. I said that Tory government is going to sell off your telephone company. They were alarmed. I cannot say as they were surprised, though, because they got kind of used to this government breaking its word.

Madam Speaker, I challenged anybody from across the way to meet me in Grandview because it was the town of Grandview that put forward a resolution saying that they wanted rural hearings and they wanted a vote of the shareholders. This is not something unreasonable that the town of Grandview is asking for. They were told one thing before they voted, and they were given something else after. Mind you, you did not fool many people in Grandview because you did not win a single poll in the town and you are probably going to win less come next time after you have baffled them with this MTS stuff. They are asking you to come out and include them in the process, and you will not do it. The town of Grandview and its citizens are saying they want to vote in this matter. Now is that such an unreasonable request in a freely elected democracy? Do the people of the province not count at all in this whole process? What the people of Grandview are asking for is nothing different than any other shareholder in any other company where a major decision is made. You owe it to the people of Manitoba to come out and look them in the face and explain yourselves. You owe it to the shareholders of this province not to sell off a perfectly good company that has been with us since 1908 just because five or six guys in the cabinet, in the Tory backrooms decide they are going to sell it off.

Madam Speaker, nothing points from this government, nothing is there for this government to point to which

says this is a good idea. There is absolutely no reason for any of the 31 Tories in this House to vote in favour of selling MTS, absolutely nothing.

Everything you have put forward has been refuted not only by us but by groups across the province of Manitoba. I wonder why you are so intransigent. I wonder why you are so stubbornly sticking to the misguided notion that you need to vote in favour of selling MTS. I think it is pride. You have the people of Manitoba against you. You have nothing economically saying that it is a viable alternative, this alternative that you are going for. You have nothing other than your own pride that is keeping you from doing the right thing. You have dug in your heels. You have made a commitment and you are too ashamed to turn around now and do what is right on behalf of the people of Manitoba.

That signals to me that this government could not care less about the democratic system in which we live. That tells me that you have your blinkers on, you have dug in your heels and there is no amount of reason, no amount of logic, no amount of persuasion that is going to change your minds, but it just takes two of you.

Madam Speaker, my suggestion to the members opposite is to treat Manitobans like we are intelligent people and include us in the decision. My constituents in Dauphin deserve a lot better explanation from this government. My constituents in Dauphin deserve an apology from this government for the way it was treated during the election and for the decisions that this government is making now. Do not, because of your own macho pride, let a perfectly good Manitoba company be sold off for a song just because you may be embarrassed to change your mind, just because you may be embarrassed to change your mind, just because you do not have the personal conviction and the courage to do the right thing. After all the facts are placed on the table, it is absolutely clear that doing the right thing would mean killing this bill. Thank you.

Mr. Frank Pitura (Morris): Madam Speaker, I would just like to put a few comments on the record in respect to the grievance today. I am not sure if it is grievance or just plain simple grief and maybe when one has grief one can shed a few tears, I am not sure. At any rate, I would like to put a few comments on the record.

First off, I would like to spend a bit of time talking about the process that we go through in this House, and I would have to admit that coming into this Legislative Assembly last May and going through the Assembly proceedings for 1995, I was probably somewhat cynical about the process, because I just could not imagine how the legislative process could work the way it does. But having gone through the process this year, I have taken almost a 180-degree turn on my attitude, because I had the pleasure of sitting on several committees this fall with regard to bills before those committees. I would say that through that process that indeed the democratic process in this province does work because those people that came to make presentations before those committees, they were listened to, they were listened to very closely and they were listened to intently.

When I sat on the Law Amendments committee, I believe that the act that was in front of that committee at that time was The Municipal Act, and the presentations that came before that committee resulted in that particular piece of legislation being removed for a short period of time, reworked and then brought back. So people who make presentations before these committees do indeed have an impact as to impending legislation. I also had sat on another committee where the honourable member for Selkirk (Mr. Dewar) raised an amendment, and it was accepted by the Minister of Environment (Mr. Cummings) as part of the legislation. So not only does this process accept opinions from people coming before the committee in regard to the legislation, if there are some difficulties with the legislation, but as well even opposition members who bring in amendments can change the legislation if it makes the legislation better. So there is always a willingness to try and have the best possible legislation brought before the people of Manitoba to affect their lives, and that is fundamental to the whole system, that nobody wants bad legislation. We want good legislation to come before this House.

I guess the other thing too about the process—and it has been reiterated before, and I would like to say it again—is that the standing committees that we have in this province and its ability to hear public presentations is the only jurisdiction in this country that goes through that process. That process, as we saw in some of the legislation this fall, can certainly be a long enduring process if there are a large number of presenters, but the process works. It does work. In fact many amendments

that are brought into the legislation in this House are a result of that process.

* (1700)

I was taking note of some of the comments made by the member for Dauphin (Mr. Struthers), that he said when he was in school that math was not his strong element, and I guess I would challenge him that when he looks at the balance sheet for the Manitoba Telephone System to also take a look at the math that is involved there and see if he can figure out that maybe his position should not be as firm as it is on the other side.

I would like to spend a little bit of time talking about the Manitoba Telephone System, and I think some of the options that were spelled out before committee, if I could go over them. There were a number of people who said, well, why cannot you sell MTS bonds to provide capital for MTS? A number of people said, well, we want to maintain public ownership? That is the only way to go with MTS is public ownership; all Manitobans own MTS. All Manitobans should have a say; therefore, all the Manitobans should continue to own it. Of course, the bill before the committee was the bill with respect to the privatization of MTS. So let us take a look at some of these options, Madam Speaker. If we take a look at the Manitoba Telephone System today, it has an outstanding debt of about \$830 million. If you take roughly the population in Manitoba, that would come out for every man, woman and child in this province having a bill and guaranteeing that bill for \$830, approximately.

If we were to take what I call option A, and that is public ownership, and say, well, okay, we can keep Manitoba Telephone System as a public entity. So then you say, well, okay if we want to keep it as a public Crown corporation, No. 1, the level of equity in MTS right now is such that we are going to have to take a look at its present debt. We are going to have to adjust that present debt so that its equity position is elevated. How do you do that? You cannot pay it back. You cannot go out into the private markets and get money and pay that debt back so the taxpayer of Manitoba would have to more or less forgive that \$400 million to MTS in order for it to have sufficient equity in the system to then go out into the marketplace and borrow money or indeed come back to government for more guarantees on loans.

If we take that scenario, Madam Speaker, and we say we will write off the \$400 million, okay, now everybody in Manitoba owes \$830 of debt, plus now they have this \$400 million written off. Then they would have to come back and guarantee probably in the neighbourhood of between \$400 million and \$500 million more for MTS to remain competitive in the future, in the near future. So that all of a sudden shifts that bill for every man, woman and child in this province up to approximately \$1,300. So you have that as public ownership and that is what the taxpayer of this province is going to guarantee under that public ownership, that much debt per person.

If we take a look at option B which would be selling MTS bonds, we did it with Hydro, why can you not do it with MTS? Well, that is fine. You can go out there and sell \$400 million to \$500-million worth of MTS bonds, but who guarantees the bonds? The taxpayer. The taxpayer has to guarantee those bonds to the holder. If MTS were not able to cope with the adjustments in technology and keep up competitively or make some error in judgment in terms of what they are going to do in the future, then the taxpayer is going to have to come up with the money. So that is option B with the bonds.

If you take a look at option C, Madam Speaker, and I say that option C is the one that you have to give serious thought to because there, in terms of getting enough capital into the system for MTS to function, we sell private shares, sell shares to the public and to Manitobans. Manitobans can invest in the Manitoba Telephone System and by virtue of raising that capital, and if the press is right with the numbers of shares and the values of the shares and some \$800 million would be raised through the sale of these shares, that would give Manitoba Telephone System two things. Number one, it gives it the sufficient equity level to be able to compete in the marketplace, and, No. 2, it pays back almost half of its liability to the Manitoba taxpayer. So the Manitoba taxpayer is at a lower risk now and as well, the Manitoba Telephone System has an equity level that they can function in the marketplace and remain competitive.

The other area, Madam Speaker, that I would like to talk about is the fact that we said, well, if MTS was kept under public ownership, *certainly* the system that we have whereby the board of directors for Manitoba Telephone System reporting to the minister, reporting to the cabinet and then reporting to the Legislature would not impede

Manitoba Telephone System from making some changes and being able to complete in the future. I point out to you, the process that we are going through right now in this House taking some 10 to 12 days on an issue to get resolved, this kind of time Manitoba Telephone System cannot put up with in terms of being able to adjust to modern day. It has to be set free to be able to compete in that very ugly—well, I should not say ugly marketplace, but it is a marketplace out there that if you are not on the cutting edge of technology, you are going to be shut out.

I think, as the honourable member for Ste. Rose (Mr. Cummings) indicated, was that Manitoba Telephone System has claimed \$1.2-billion worth of assets, in that neighbourhood. Most of those assets are under the ground in the form of cable or in the form of fibre optics. Now what happens in the future in the next decade—and it could be within the next decade because we already have it in the northern part of the country—is being able to communicate by satellite. We now have a demonstrated ability for just two small antennas on top of a television set to be able to pick up a signal, and that is operated by Sky Cable out of Brandon. Therefore, it is not unforeseeable that that type of technology can apply to phones as well. So then you say, well, how much are those lines in the ground worth? How much are those fibre optic cables worth?

The community of Morris was just talking about using the fibre optics cable as a selling point for their community in regard to trying to attract some industries to come into Morris, particularly the trucking industries, because Highway 75 is a direct connect into the eastern market with a high population. But you also have to question and say, well, fibre optics are good today, but are they going to be good in 10 years from now because that may not be the best selling point you have of your community for a trucking industry to be here? You may want to use the other assets that you have in the community for arguing that a trucking system should be there.

Madam Speaker, what we are talking about when we were going through this discussion is that it is a philosophical debate. It has nothing to do with the actual reality of the day of whether a company can manage its own affairs in the future. The only way to do that—and I believe strongly in this—is that we have to go to the direction that we are going in in terms of privatization of

MTS. If it stays in public ownership, the amount of tax liability that taxpayers in this province would incur would be phenomenal. The bottom line to that is that that liability is incurred and was based on revenues and expenses balancing out in this province. Uundoubtedly, institutions, such as health care, education, social services, highways, would all be hurt as a result of keeping this as a publicly owned company. It can function by itself, and it can do a great job by itself if it is private. So why shoulder the taxpayer with that additional responsibility of guaranteeing that debt if they can function by themselves without that? I really feel strongly that they can do a great job, and it will be less of a burden to the Manitoba taxpayer. Thank you.

* (1710)

Mr. Martindale: Madam Speaker, it is a pleasure to rise and use my right of a grievance today to talk about MTS. I would like to do what I think is a little historical survey and ask ourselves, how did we get into this mess? I think this was part of the government's plan, and this plan goes back to a time before the last election. We know that governments before an election know which way they want to go and they lay it out internally in their own party and then they try to follow the plan, and it seems to be fairly obvious. For example, before the last election this government decided, as a party, that they were going to run on balanced budget legislation, and they did. They ran on balanced budget legislation.

Of course, they also promised to preserve health care. They would not touch Manitoban's health care. They also promised to keep the Winnipeg Jets in Winnipeg. In fact, they promised to only spend \$10 million to keep the Jets in Winnipeg, but after the election they said they would spend \$37 million to keep the Jets in Winnipeg—and I am looking forward to reading Jim Silver's book to find out the real story about what happened to the Winnipeg Jets. It is getting very good reviews. I heard him interviewed on CBC Radio this morning, and he pointed out, for example, that the Burns committee said there was not any money to be raised in the private sector, but that changed. Then the private sector said yes, well, we can raise some money. They also ran on an election promise of not privatizing MTS. I do not know what happened to that election promise; it evaporated, too. But it was on the basis of those promises that some people voted for that party.

Now after the election campaign the government kept their promise to introduce balanced budget legislation. They also did a very interesting thing about the rules, because before the election the government decided that they were not going to proceed with the new rules in the Legislature. I know about this because I was on an ad hoc committee of MLAs who spent five years writing new rules here. But a strange thing happened, after the election the government said let us get these discussions going again about rules. We agreed. Now I became rather suspicious during this session that there was probably a good reason for the government's renewed interest on the rules, and that was that having fixed dates would allow them to do what they wanted with their budget and with their legislative package, particularly in the second session of their mandate, because they knew it was part of their four-year plan before the election that they would have a lot of cuts in this year's budget, and they would bring in all their right-wing reactionary legislation.

Well, the member for Niakwa (Mr. Reimer) can laugh, but—well, I do not know whether he is in the inner circle or not, and I do not know whether this was shared with the entire caucus or just with cabinet or just—

An Honourable Member: Many are called, but few are chosen.

Mr. Martindale: Many are called, but few are chosen. It may have been decided by some political committee in cabinet. I do not know. I suspect that the entire caucus of people who were elected before 1995 were appraised of this plan and had a hand in deciding the plan that they would run on balanced budget legislation, that they would bring in new rules to have fixed dates. The second session they would bring in their right-wing legislation on labour unions and on teachers and on social allowances and that part of the legislative package would be to sell off the Manitoba Telephone System, and that in the third session, in the fourth session, and God forbid that there should be a fifth session, but you never know around this place, that there would be very few pieces of major legislation, that it would probably be minor amendments and that probably there would not be severe budget cuts. They would coast their way to the next election campaign, aided and abetted of course by the Fiscal Stabilization Fund.

Many people lobby us, and they say, well, why is this government cutting respites, just to use an example from the Minister of Family Services' department? Why are they cutting respite? I say, I do not know, you had better ask the honourable Minister of Family Services (Mrs. Mitchelson) and ask her why they are cutting respite services. Either they goofed in their budget projections because the budget was approved in Family Services, the Estimates process was finished, I believe in May, and then suddenly on July 29 hundreds of people who need respite services because they have children with special needs got this letter saying, your respite hours have been cut by up to 60 percent, I believe. Therefore, they had already used up many of their hours, and they have almost nothing left for the rest of the year.

I say to people, write to the Minister of Family Services and phone the Minister of Family Services and say, why are you cutting the budget for respite when you have \$215 million in the Fiscal Stabilization Fund? And people will say, what, there is \$215 million in the Fiscal Stabilization Fund. We never heard of that. They never told us that. All they talk about is the deficit. I hate to do this. I hate to remind people that there has not been a deficit for the last two years, but there has been a surplus that is put in the Fiscal Stabilization Fund, which we call the slush fund which is going to be used before the next election for an election promise for a tax cut.

Not only that, but there is going to be way more than \$215 million in the Fiscal Stabilization Fund, and the member for Niakwa (Mr. Reimer) agrees with me because they are going to put some of the proceeds of the sale of MTS in it. There is going to be over \$500 million, and what will this government do in the pre-election budget or on the election campaign? They will promise a tax cut to Manitobans. What kind of a tax cut will it be? Will it be a fair tax cut for low-income people? No. It will be across-the-board tax cuts. We will say to people, you paid for this tax cut. You paid for it through cuts to programs, and you paid for it by selling off assets, selling assets like MTS, and health care user fees, through all kinds of increased costs passed on to consumers by way of user fees and cuts to health services, cuts to education, cuts to social programs. Then they will try to buy people with their own money.

Will it be a fair tax cut? Will they say, we will help low-income people more than high-income people? No,

of course not. It will be across the board. It will be 10 percent for everybody. What does that mean? That means that if you pay \$1,000 a year in taxes, you save \$100, but if you pay \$10,000 a year, you will save \$1,000. Is that fair? [interjection]

The government House leader says that would be a fair tax cut. Well, we will let the voters of Manitoba decide before the next election, but they should at least be honest and up front about what they are going to do. I would commend the Minister of Finance (Mr. Stefanson). He admitted that one possibility for the Fiscal Stabilization Fund is a tax cut, and we can see it coming. You do not have to be very smart to see it coming.

These sorts of things were quite predictable. I remember people on Burrows NDP executive asking me what they thought the government was going to do. I said, I think there are going to be budget cuts. There are going to be program spending cuts, but they will also sell off assets because that is part of their campaign, that is part of their strategy, that is part of their four-year plan. I think that they made a mistake. I think this government mistakenly thought that it was easier to sell off assets than to cut program spending because when you cut program spending you hurt individuals. You might hurt individuals who are using the health care system; you might hurt individuals who are on social assistance; you might hurt teachers; you might hurt students in the education system. There are going to be layoffs in the health care system. There are going to be fewer teachers in the classroom, so you hurt individuals, individuals, I might add, that are part of groups, and those numbers in many cases are quite significant, because there are thousands of nurses and thousands of teachers. So what is an alternative?

An alternative to government is to sell assets, and it appears to be a lot easier to sell assets to raise money than to cut program spending. So I predicted that that is what they would do, but I think the big mistake the government made was that they thought it would be easy to sell off assets and now they are finding out that it is not. It is not easy to do through the legislative process, and it is not easy to bamboozle the public and convince them that it is a good thing to sell off something that they already own. That is why we have public-opinion surveys that show that 78 percent of people in rural

Manitoba are opposed to the sale of MTS, something that this government ignores at their peril.

Today in Question Period, Madam Speaker, I raised the matter of affordability of telephones, and the Minister of Family Services (Mrs. Mitchelson) and I both sat through all of the presentations on The Social Allowances Act. There were about 45 people that registered to make presentations, about 40 of them showed up. I think there was one that supported the government's initiative, and almost all of the presentations commented about the employment expectations and how important it is to have a telephone to find a job. Now, all of us here in our party support the people getting off social assistance and into paid employment, and I think there are a number of barriers that prevent people from getting paid employment and all of us would like to remove those barriers.

What are those barriers? Well, for many people, it is child care; for many people, it is the tax-back rate for the earnings that they make; another barrier is education and training. So if you give people affordable child care that enables especially women and especially single parents to enter the workforce, if you have a decent work incentive, you encourage people to get back into the paid workforce.

* (1720)

In fact, the Minister of Family Services doubled the work incentive from \$50 to \$100 a month, did not put out a press release, did not tell anybody about it. I was quite surprised that she would make a good improvement to the social allowances rules and not take any credit for it.

What are some other things? Well, education and training and this minister likes to talk ad nauseam about Taking Charge! For example, when I talk about the poverty rate in Manitoba, she talks about Taking Charge!. When I talk about the poverty rate, she talks about the Andrew Street Family Centre. She talks about everything except their budget cuts in the area of social allowances, but if people can get training through Taking Charge! or through any government program or initiative or a private-sector initiative, that is all to the good. We know that the more education people have, the more likely they are to get a job.

What did people say in their presentations? They said, we want to work, and the minister, I think, has even acknowledged on the record that most people want to work. Certainly, we keep telling her over and over again that the vast majority of people on social assistance genuinely want to work if they can overcome some of these barriers.

What was one of the barriers that was mentioned over and over again in the presentations on the social allowances amendments, Bill 36, in the committee stage was a telephone. They are saying that if you go to an employer and you are giving a prospective employer a resume and it does not have a phone number on it, that resume is going to go into the garbage, and you cannot blame employers. I mean, who of you here would hire a constituency assistant who did not have a telephone, so that you could not call them, either to phone them for an interview, or if you were to hire them in order to call them in because they needed to work extra hours that week? Why would any employer hire somebody who did not have a telephone? It just does not make sense.

What do we know about the privatization of phone companies and phone rates? Well, we know from the Alberta experience that it means higher phone costs, and now we have very interesting information from Edmonton from the Social Planning Council of Edmonton. Actually, they have just completed interviewing 5 percent of Edmontonians. There are 800,000 people in the city of Edmonton—much bigger than the city of Winnipeg. I would point out. That amounts to 40,000 people. They are going to have a press conference the first week in December and release the results, but they did tell me that since privatization of the city of Edmonton's phone system, the number of low-income people without phones has increased. Why? Due to the inability of people to pay for the increased phone service rates. Who are these people? Well, it is not just people on social assistance, but it is also the working poor. It is people on unemployment insurance as well as people on social assistance. The rate increases have had an impact on all low-income people. So here we have tremendous pressure on the part of governments, first of all, in Alberta and now in Manitoba, with regard to employment expectations.

In fact, the members opposite probably are not aware of the details of the bill that their government introduced, because there is probably no time in cabinet to look into

the details of these bills. So I will tell the members, in fact, it was not even in the bill. It was in an Order-in-Council passed in February whereby the regulations were changed so that people have to do 15 job searches a month. And if they do not, if they are offered a job or training or education and they turn it down, they may receive no social assistance whatsoever or they will receive \$50 a month less for up to six months or a hundred dollars less after that. The same is true if they quit a job or education or training.

There is actually a third alternative. If people do not want to look for 15 jobs a month, they can voluntarily waive their benefits in advance by signing a form. I know what is going to happen. People are going to forget they signed the form, and their cheque is going to be reduced or nonexistent. They will phone their worker and their worker will say, oh, come in and talk to me; and the worker will say, is this your signature on this form? The individual will say yes, and they will say, that is why you are getting \$50 a month less or a hundred dollars a month less. So we know that having a telephone is very important to people getting a job. The minister was told that over and over again.

We also have the issue of affordability. We know that in Alberta fewer people can afford a telephone because the rates have gone up by \$6 a month. Now, the Minister responsible for the Manitoba Telephone System (Mr. Findlay) will not assure Manitobans that their rates will not go up. We know that the CRTC is going to give increased rates, because the phone company is going to want a return on investment, and the rates are surely going to go up and that is going to have a terrible impact on low-income Manitobans. This government should be ashamed of themselves for putting pressure on people to get jobs and then raising the phone rates, so it is not affordable, so people cannot find a job. Thank you.

Mr. Peter Dyck (Pembina): Madam Speaker, I, too, would like to stand up on the privilege of putting a few comments on the record. After listening to the grievances as expressed by the members opposite this afternoon, I believe it is important that I also clarify a few of the comments that they made.

The member for Dauphin (Mr. Struthers) made mention of the fact that he had been in Morden, that he had

spoken to people, and that is absolutely correct. The concern that I have is one of integrity, one of giving the correct information and not giving out false information. The information that was given out was that there is a possibility of losing your phone, the possibility of the phone rates going up by \$30 to \$40 per month. That concerns me when information like that is given out. Yes, I had calls from several people but only a few. These were the ones who are the vulnerable, the ones who are alone at home and, yes, when they are called by members opposite or whomever they designate and ask the question, are you concerned with the fact of losing your phone? Of course, they are.

Madam Speaker, to me that is something that is deceitful, something that is very deceptive. I really question the tactics used when they are not up front. Yes, I believe that philosophically we all have our own views. We have differences of opinion, but I believe, though, that amongst that we need to have a spirit of honesty. When we confront those who do not have all the details in front of them and who are vulnerable and we confront them and we give them information that is incorrect, I have a real problem with that. The member for Emerson (Mr. Penner) used the phrase "walking on the edge of honesty." You know, we must be truthful and, yes, as politicians, people out there look at us and they listen to what we say and, yes, they are judgmental of us. But I think, on the other hand, though, we have to say the things that are true and right. Again, yes, I agree that philosophically we differ and always will, and that is fine, but I think, though, that when we give the information and we give that out to the public, we need to be honest in the information that we are giving out, and we need to give it out in a correct way.

So that is one big concern that I have and if members opposite want to come to the Pembina constituency and meet with the people, that certainly is their privilege. They may do that, but I want them to give the facts as they really are and then let the people make the decision that they want to make. That is the grave concern that I have with some of the allegations that have been made.

The other concern that I have, Madam Speaker, is the whole fact that MTS is a highly leveraged company. It is a highly leveraged corporation. When you have assets of \$1.1 billion and you have a debt of \$843 million, any

banker looking at that would have some real grave questions, and I would concur with that. I, too, would have questions about any business that is operating with that kind of a debt load, and that is a risk that we have as a province. So I think that we need to look at that, and we need to look at that very seriously. The \$60 million

that we pay a year in interest charges certainly is a concern to us—

Madam Speaker: Order, please. The hour being 5:30 p.m., this House is adjourned and stands adjourned until 1:30 p.m. Monday next.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 14, 1996

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