



Second Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS  
(Hansard)**

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Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 20, 1996

The House met at 1:30 p.m.

## PRAYERS

## ROUTINE PROCEEDINGS

## PRESENTING PETITIONS

## Manitoba Telephone System

**Mr. Steve Ashton (Thompson):** Madam Speaker, I beg to present the petition of Gordon Sim, Rob Holland and Bob Rodgers requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System.

**Ms. Rosann Wowchuk (Swan River):** Madam Speaker, I beg to present the petition of Roy Minish, Edith Minish, Leo Spitzke and others requesting the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

**Mr. Conrad Santos (Broadway):** Madam Speaker, I beg to present the petition of Mickey Obrodovich, E.R. Klann, Peter Klym and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

**Ms. Diane McGifford (Osborne):** Madam Speaker, I beg to present the petition of Tom Moody, Joy Winchell, Peter Whitworth and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

**Mr. Clif Evans (Interlake):** Madam Speaker, I beg to present the petition of Sara Hiebert, Dianne Wiebe, Norma Sanders and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

**Mr. Doug Martindale (Burrows):** Madam Speaker, I beg to present the petition of Dmytro Kinal, Les Bargenda, Jean Bargenda and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

## READING AND RECEIVING PETITIONS

## Manitoba Telephone System

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

**An Honourable Member:** Dispense.

**Madam Speaker:** Dispense.

*THAT the Manitoba Telephone System has served this province well for over 80 years providing province-wide service, some of the lowest local rates in North America, 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 and headquartered in Manitoba 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 Broadway (Mr. Santos). It complies with the rules and practices of this House. Is it the will of the House to have the petition read?

**Some Honourable Members:** 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 and headquartered in Manitoba 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.*

### **Manitoba Telephone System**

**Madam Speaker:** I have reviewed the petition of the honourable member for Thompson (Mr. Ashton). 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.

**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 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 and headquartered in Manitoba 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.*

\* (1335)

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

**An Honourable Member:** No.

**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 the 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 and headquartered in Manitoba 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 Swan River (Ms. Wowchuk). 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 and headquartered in Manitoba 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.*

#### **NDP Youth Crime Action Plan**

**Madam Speaker:** I have reviewed the petition of the honourable member for St. Johns (Mr. Mackintosh). 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.

**Mr. Clerk:** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the increase in violent crimes in Manitoba since 1990 has been more than three times as much as the Canadian average; and

THAT crime can only be effectively dealt with through both prevention and suppression; and

THAT the tough talk of the Manitoba Justice minister has not been matched with action; and

THAT Manitobans want a positive, comprehensive response to crime and gang crime that provides alternatives for youth; and

THAT the New Democratic Party has put forward an 18-point plan to deal with gang crime; and

THAT this plan is divided into elements focused on both the justice system and families, schools and communities; and

THAT this costed plan has been subject to widespread consultation and has been praised as a detailed plan to fight youth crime that is well thought through and constructive.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Justice (Mrs. Vodrey) to consider using this action plan as a basis for provincial policy on organized criminal gangs.

#### **TABLING OF REPORTS**

**Hon. Darren Praznik (Minister of Energy and Mines):** I would like to table the quarterly report for the six months ended September 30, 1996, of the Manitoba Hydro-Electric Board.

\* (1340)

#### **Introduction of Guests**

**Madam Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery, where we have this afternoon twenty-five Grades 10 to 12 students from Maples Collegiate under the direction of Mr. Chuck Duboff. This school is located in the constituency of the honourable member for The Maples (Mr. Kowalski).

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

## ORAL QUESTION PERIOD

### Manitoba Telephone System Privatization—CRTC Hearing

**Mr. Gary Doer (Leader of the Opposition):** My question is to the First Minister. Mr. Ross Nugent has acted for years for different Crown corporations, the Manitoba Telephone System, Manitoba Hydro. He has acted through different political parties, and he is a person who has a very, very honest reputation in terms of his presentations on behalf of the bodies that he represents. Unfortunately, he has joined now the group of people on the Premier's hit list of being wrong about the Manitoba Telephone System. He has joined the seniors of Manitoba, he has joined the municipalities of Manitoba, he has in fact joined the majority of Manitobans, in the opinion of the Premier, as a person who is wrong.

I would like to ask the Premier to confirm that Mr. Nugent, in his verbal presentation to the CRTC, the testimony of which we tabled yesterday, was accompanied by MTS regulatory staff at the Ottawa hearings.

**Hon. Gary Filmon (Premier):** I am informed that the process before the CRTC was the presentation of a written document to the CRTC and that Mr. Nugent, as is confirmed by the transcript that we have, in his capacity as a representative of the Manitoba Telephone System with respect to the rate application of the Stentor group of companies, decided to add some verbal presentation, shall we say extemporaneously, to the written document, and he made that presentation.

In that presentation, for whatever reason, some of the comments he made were regrettably inaccurate, and I have to believe it was simply because he was not in possession of all the facts on these issues.

**Mr. Doer:** He is not in possession of all the facts. Perhaps the Premier someday would let all Manitobans get all the facts on the Manitoba Telephone System. When you have legal counsel, respected legal counsel, arguing before a quasi-judicial body for an exemption to raise the rates beyond the cap, surely he would be entitled to all the facts, as would all Manitobans, as the Premier unilaterally breaks his election promise and sells a Crown

corporation that he has no democratic mandate to proceed with.

I would like to ask the Premier, in light of the fact that Mr. Nugent's testimony was provided to the CRTC on November 13 and MTS regulatory officials were in attendance, can the Premier table today the amended statement that he would have had to table on November 13 or 14 to the quasi-judicial body, or are we just into major damage control because the Premier has been caught with a contradiction with the legal counsel, Mr. Nugent?

**Mr. Filmon:** I have the utmost respect for Ross Nugent. In fact, I count Ross Nugent as a personal friend of many, many years. Several of Ross Nugent's daughters babysat my children. Ross Nugent has often proudly said that I am the first politician for whom he put a sign on his lawn, so I have absolutely the utmost respect for Ross Nugent, but clearly in his role in this particular case on behalf of Manitoba Telephone System, he was adding extemporaneously many things to the record that regrettably were not accurate, and they were because he has represented many different Crown corporations, and many different circumstances within those Crown corporations are not necessarily applicable in these circumstances.

I would say, for instance, one of the points that he makes in this off-the-cuff comment is MTS has never been allowed by statute to earn a profit. There is nothing in MTS's statute that says it cannot earn a profit. There is not, for instance, the same reference that is there for the Manitoba Hydro that says they must provide service at cost. That is not there in MTS. He is not aware of that unfortunately, and that goes as part and parcel of the presentation.

He said that MTS, quote, has been in the development of a rate stabilization reserve over the years. They have never had a rate stabilization reserve over the years. That has not been something that MTS has done. MPIC has and so has Manitoba Hydro, both of whom Mr. Nugent has represented at rate hearings before the Public Utilities Board. The one area that I am surprised the member does not recognize as being clearly inaccurate is, he says, further in his presentation, approximately two years ago, as a matter of government policy, MTS was required to establish a program called Service for the Future.

The member opposite, the Leader of the Opposition, constantly reminds us that Service for the Future was his program that he conceived in 1987. It was brought in and the written presentation that was put before CRTC clearly puts on the record that Service for the Future was announced in 1988, and the investments began in 1989. Yet he says it was only two years ago that it was. So I can go through this, chapter and verse, and clearly there are a number of inaccuracies. That is because it is done off the cuff, and he was not clearly in possession of the facts.

\* (1345)

**Mr. Doer:** Madam Speaker, perhaps the Premier would do as we have challenged him to do all along and table all the facts in this Legislature, all the information in this Legislature, not just the brokers information and the Bay Street people that the minister and the Finance minister are following in their broken election promise.

Madam Speaker, I asked the Premier to table the amended presentation to the CRTC. This is a quasi-judicial body. The Premier obviously has not got one since November 13, and now they are into full damage control because Mr. Nugent clearly states that privatization will raise costs for the Manitoba Telephone System.

Madam Speaker, I would like to ask—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please.

**An Honourable Member:** Read it.

**Mr. Doer:** I obviously read it before the Premier, judging from his answers yesterday.

In light of the fact—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please. The honourable Leader of the Opposition, to pose a question.

**Mr. Doer:** Both the Manitoba Telephone System in its submission and Mr. Nugent in his summary to the CRTC

body are requesting an increase be on the cap for Manitoba Telephone System. The Premier can solve this problem today and keep his word and recommend to the Manitoba Telephone System that they withdraw the request to exceed the cap; then the argument about Mr. Nugent's testimony and the MTS's testimony will not be a point because the Premier will withdraw the request to raise rates beyond the cap, and all of us can be assured that we can go on to debate on MTS with all the facts before us.

**Mr. Filmon:** Madam Speaker, if the member opposite will be honest and direct about it, and read two things, one being the presentation in writing that MTS made to the CRTC, and two being the comments that Mr. Nugent has made, Mr. Nugent's reference to rate shock and the request for more flexibility by MTS both referred to two things and two things only: Service for the Future, the requirement to recover their investment, that \$630 million invested in Service for the Future is one way in which they say that they want to have some flexibility because of the impact on rates of attempting to recover those investments; secondly, as CRTC's own policy of rate rebalancing which they enunciated and embarked upon approximately a year ago.

Those are the two factors that they refer to, and neither of those factors are impacted by whether it is privately or publicly owned. That is in both the comments of Mr. Nugent, and it is in the Manitoba Telephone System's written response and written presentation. Those are the reasons why they asked for flexibility, and they are reasons clearly that would prevail, whether it was publicly or privately owned, Madam Speaker.

### **Manitoba Telephone System Privatization—CRTC Hearing**

**Mr. Steve Ashton (Thompson):** We on this side of the House and all Manitobans have gotten used to the Premier trying to attack the personal credibility of those that dare to disagree with him, but the most pathetic example of this is when he launches an attack on the credibility of a respected counsel who made not off-the-cuff comments but an oral presentation to the CRTC on November 13.

I would like to table a copy of the written submission, and I realize the Premier may want to attack this as well,

because this was filed November 13, 1996. Mr. Nugent, in his oral presentation, stated: When that happens, MTS with privatization will face costs it has never faced before.

I am wondering if the Premier can then explain why the written submission states that this legislation, Bill 67, will affect MTS and will result in cost changes to MTS and then outlines the same two elements that Mr. Nugent outlined in his oral presentation.

\* (1350)

**Hon. Gary Filmon (Premier):** Madam Speaker, I repeat again that, for instance, in the oral comments, among other things, the counsel said that various rulings would be anticipated by the federal government with respect to taxes and other matters will be made known, he said.

Well, the fact of the matter is, as I have said before, more than 10 days ago in this House, that that ruling has already been obtained with respect to the transference of pension funds into the Manitoba Telephone System on a privatized basis. That transference of over \$325 million would result in a cushion that would see the telephone system not having to pay taxes for a considerable period of time.

The second thing, of course, is with respect to the borrowing rates. I have indicated that there are two factors there. Firstly is that, in some cases, borrowings, bonds would be replaced by equity and that the rate for it being paid as a return on equity clearly has been established by CRTC as being less than the rates of interest being paid, so there would be a saving there.

The second thing is the analysis which has been received by the telephone system with respect to its borrowing rate. They make a point, for instance—the brokerage firms which would have to borrow money make the point that MTS currently pays a 50 basis points, which is a half of 1 percent interest rate fee to the government of Manitoba for the guarantee that they give, and MTS on a private basis is expected to have at least as good a credit rating as the government of Manitoba currently does. Their analysis is that, on borrowing, MTS would pay 40 basis points less than they currently pay for their money.

So, on both those points, there is adequate assurance and there is adequate information. Members opposite may not want to believe that, it may not fit with the scare tactics that they put forward, but that is fact, Madam Speaker.

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

**Mr. Ashton:** Madam Speaker, now if the Premier is saying that talking about these issues is a scare tactic, I wonder if he also considers the June 10 MTS CRTC submission which also outlines that there will be changes due to privatization, including the tax status and segment cost of capital, is he now attacking both the CRTC submission of MTS on November 13 and also the June 10 MTS submission? Is he the only one in Manitoba who knows the truth? Is the MTS wrong, too?

**Mr. Filmon:** Madam Speaker, clearly, in June those factors had not yet been totally decided because the application to the federal government for the tax ruling with respect to the pension funds was not yet received, and they made that as an unknown. I said to the member opposite, that has been received, and it has been received in the favour of the Manitoba Telephone System, so clearly it is a positive response to that situation and that unknown. Similarly, with respect to the borrowing rates, again, that analysis has been made. I have put the facts on the table. MTS will borrow at a better rate than they do today.

**Mr. Ashton:** Madam Speaker, I would appreciate the Premier tabling any information on MTS, something he only does—

**Madam Speaker:** Order, please.

**Mr. Ashton:** I want to ask as a supplementary, Madam Speaker, a final supplementary on this question, how the Premier expects anyone to believe that now what he is saying essentially is that MTS was wrong on November 13 for the filing of this application, and if he is saying they are wrong, when are they going to withdraw the application? He cannot have it both ways.

**Mr. Filmon:** Madam Speaker, we have indicated in the past that MTS's privatization, and I believe that the counsel for the members opposite has stated in his



presentation that there may well be efficiencies that will be as a result of MTS privatization, those are circumstances that may work in its favour. We have already established that in terms of their borrowing costs, their costs of financing. There are several factors, one being the replacement of equity for debt and the more favourable borrowing rates that will be in their favour. Those are facts, and they speak for themselves.

\* (1355)

**Mr. Ashton:** I know, once again, the Premier—

**Madam Speaker:** With a new question.

**Mr. Ashton:** On a new question, Madam Speaker—refuses to answer some very key questions, including my final question on the last series of questions.

I have a further question, though, Madam Speaker, and this is also in regard to the CRTC written submission, which I am sure the Premier may wish to attack as well, which points out what we on this side of the House have always said, and it states very clearly that Manitoba has been the leader under public ownership because of the public mandate in providing service to rural and northern Manitobans. It is documented in this submission. It also asks under the rate-capping regime that is going to be imposed by the CRTC, that those costs be part of the exceptions they are seeking to the rate cap, in fact, that they be passed on to Manitobans.

I would like to ask the Premier if he can now confirm that Mr. Nugent did not even deal with the possibilities that Manitobans will be paying significantly higher rates, especially rural and northern Manitobans, because of those service enhancements which are the result of a public company.

**Mr. Filmon:** No, as a matter of fact, it is totally the contrary. Mr. Nugent did refer to this Service for the Future investment of \$630 million as a reason why the company wanted more elbow room.

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

**Mr. Ashton:** Will the Premier be honest with Manitobans and indicate, in this case, the flexibility that MTS is applying to the CRTC for is in terms of phasing in what will be very dramatic rate increases to rural Manitoba? Will he define what elbow room really means, and that is that rural Manitobans and Manitoba generally will be paying a lot more under this private company?

\* (1400)

**Mr. Filmon:** Madam Speaker, the only person being dishonest to Manitobans is the member for Thompson.

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please.

#### Point of Order

**Mr. Ashton:** A point of order, Madam Speaker, I did not lie to the people of Manitoba in the election about selling off MTS. I demand you have the—

**Madam Speaker:** Order, please. On the point of order raised by the honourable member for Thompson, I am ruling that he does not have a point of order because he used very unparliamentary language in posing the point of order.

#### Point of Order

**Mr. Ashton:** On a point of order, Madam Speaker, if I used unparliamentary language, I withdraw it, but I would point to Beauchesne Citation 489 which indicates that “dishonest” is unparliamentary and there are at least a dozen times in which that has been ruled to be the case. If I react to the Premier's comments, I apologize, but I demand that you as our Speaker ask the Premier to follow our rules as well and do the appropriate thing—withdraw the comments about dishonest.

**Madam Speaker:** On the point of order now raised by the honourable member for Thompson, he did address a point of order. He indicated that the honourable First Minister had used unparliamentary language, but he did not do that in his first point of order.

On the point of order now raised by the honourable member for Thompson, indeed he—on the same point of order, the honourable First Minister.

**Mr. Filmon:** Madam Speaker, on the same point of order, I would ask that if the word “dishonest” is not to be used in this Chamber, then the member opposite cannot say that the Premier is not being honest with people. He cannot use it—well, he cannot have it both ways. If he wants it not to be used, he ought not to use it.

**Madam Speaker:** The honourable government House leader, on the same point of order.

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, the use of the word “dishonest” appears, as the member for Thompson indicated, under Beuchesne Citation 489 as a prohibited word under parliamentary language, but it also appears under Beuchesne Citation 490 which says it is parliamentary, so I see it has been used on both sides from time to time, and it depends on the context alone as to whether it is unparliamentary or not.

**Madam Speaker:** On the point of order raised by the honourable member for Thompson, spoken to by the honourable First Minister and the honourable government House leader, I would like to remind all honourable members that indeed it is very much the tone in which the word is used as to whether it is determined to be parliamentary or unparliamentary. The government House leader is accurate that it does appear and has appeared on both; however, I want to remind all honourable members and particularly people posing questions that I have allowed an awful lot of latitude.

When I look back on previous rulings by Speaker Rocan, Speaker Walding, even the words “to tell the truth” have been ruled unparliamentary. Of recent, regrettably, I have exercised an awful lot of latitude in allowing those words to be used.

**Mr. Ashton:** Madam Speaker, I am just wondering if your ruling is whether the Premier (Mr. Filmon) was parliamentary or unparliamentary. I am not sure I caught that.

**Madam Speaker:** Order, please. The honourable First Minister used the words explicitly in reference to a

member. Indeed, in that context, I would deem it to be unparliamentary, and I would ask the honourable minister to withdraw his comment.

**Mr. Filmon:** I will withdraw that comment, Madam Speaker.

**Madam Speaker:** I thank the honourable First Minister, and I would like to remind all honourable members once again to exercise extreme caution in the choice of your words.

\* \* \*

**Madam Speaker:** The honourable First Minister, to complete his response.

**Mr. Filmon:** I repeat that both in the context of the written presentation and the oral comments that were added by the MTS legal counsel; they asked for flexibility with respect to the rates of Manitoba Telephone System, which would apply whether it was publicly or privately owned, for two things. One is for the ability to recover the investment being made in Service for the Future, some \$630 million, and, secondly, with respect to CRTC's policy of rate rebalancing. In both those areas, they are making that appeal for flexibility with respect to rates in future based on the fact that those things are in existence whether or not it is publicly or privately owned.

**Mr. Ashton:** It is a final supplementary. I would like to ask the Premier, if he is now saying that they do not need this application, why the application specifically is to deal with the factors including the, quote, costs of privatization.

Will the Premier confirm that in fact what MTS has been doing with the CRTC is making sure it has the ability to raise its rates to deal with potential costs of privatization which were outlined by Mr. Nugent and by MTS, both in November and June?

**Mr. Filmon:** Again the member is wrong. I am not arguing that they do not need this application. I am saying that this application is required whether they are publicly or privately owned because the two major factors that they are asking for consideration on are the ability to recover their investment in Service for the Future, some \$630 million, and their concern about the rapid

rebalancing that the CRTC is mandating. On both those counts they are asking for flexibility whether it is publicly or privately owned.

**Madam Speaker:** Order, please. I would remind all honourable members this is not a time for debate; this is Question Period.

### **Manitoba Telephone System Privatization—Public Hearings**

**Mr. Leonard Evans (Brandon East):** Madam Speaker, on February 21 of 1996, the mayor of Brandon sent a letter to the Minister for MTS outlining the serious concerns the City Council had with respect to the potential negative effect of a privatized MTS on the city of Brandon and on the province.

The letter concludes: On behalf of the Council of the City of Brandon, I urge the government of Manitoba to hold public hearings so that the shareholders of the Manitoba Telephone System have an opportunity to make their concerns known. Signed by Mayor Rick Borotsik.

The minister replied, in his letter of March 1, no decisions have been made or will be made about the privatization of MTS without public discussion, clearly implying that there would be public hearings.

My question to the minister is, will he now live up to his written word and put Bill 67 on hold and conduct a series of public hearings throughout Manitoba?

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Madam Speaker, I think the member, if he checks the record, will find that over 50 hours of public presentations have just been held very recently in the province of Manitoba on this bill.

**Madam Speaker:** The honourable member for Brandon East, with a supplementary question.

\* (1410)

**Mr. Leonard Evans:** Madam Speaker, how can the minister give this reply since the City of Brandon in its letter had specifically asked for a series of public hearings and would understand from the minister's written

response that he implied such hearings would occur before a decision on privatization?

**Mr. Findlay:** Madam Speaker, I just reminded the member, every bill goes to public presentations, and it was held on this bill. In addition, this cabinet and caucus had discussions with many people in groups across rural Manitoba the last number of months, including some 48 meetings held by MTS senior officials on request from a variety of different councils and councillors all over rural Manitoba.

**Mr. Leonard Evans:** Madam Speaker, how does this minister expect the City Council of Brandon and the citizens of Manitoba to have any respect for the minister and his government when he clearly implied in his letter that public hearings would be held before a decision was to be made on privatization?

**Mr. Findlay:** Madam Speaker, as I have already stated, an awful lot of hours have been spent on the public hearing process hearing people's input. Amendments have been made because of that process, but that does not change the fact that the telephone system with the government as a Crown corporation owner faces serious problems in terms of competition, current debt and the need for new capital. Those issues must be addressed and the process of what we are doing does address them responsibly for all citizens of Manitoba for today and on into the future.

### **Premier's Opinion Closure**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, I would like to make reference to a newspaper article back on June 4, 1991, where the editorial was actually expressing an opinion. It goes like this and I quote: Gary Filmon was appalled that the NDP, which said it stands for democracy, would try to cut off people's right to speak. Closure has been used by governments to cut off lengthy debate, he said, but the NDP was using it for a cheap political thrill. It was the most ignorant thing he had ever seen.

Madam Speaker, my question to the Premier: Has anything changed in the sense that does he still believe closure is not the way to go in dealing with the affairs of the province of Manitoba?

**Hon. Gary Filmon (Premier):** My answer is the same as it was the last time the member asked that, and I would suggest that he hire a better research staff if he has to keep repeating the same questions every day.

I have indicated that my preference is not to use closure.

### **Bill 67 Closure**

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

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, maybe if the minister or the Premier would answer the question, we would not have to repeat some of them.

**Madam Speaker:** Order, please. The honourable member was recognized for a supplementary question that he knows requires no postamble or preamble.

**Mr. Lamoureux:** Madam Speaker, is the Premier prepared to permit debate for as long as this House is prepared to sit with respect to Bill 67?

**Hon. Gary Filmon (Premier):** Madam Speaker, we have rules in this House rules that were unanimously agreed to, rules that were worked out in an all-party consultation, rules that have been referred to, I think, rather eloquently by the member for The Maples (Mr. Kowalski) when he said that people's words are their bond and that trust is an important factor in this House. I expect that this House operates on the basis of rules, trust and understandings that are in a time-honoured tradition of the British parliamentary system.

**Mr. Lamoureux:** Madam Speaker, given the Premier's response, I take it then the Premier is prepared to bring in closure on Bill 67.

**Mr. Filmon:** Madam Speaker, you know the Liberals have used closure in Ottawa on numerous occasions. The New Democrats used closure when they were in office in this province, but I have said that is not my preference. The rules do provide for closure; I acknowledge that. I have said that is not my preference.

### **Correctional Facilities Treatment Programs**

**Mr. Gord Mackintosh (St. Johns):** Madam Speaker, my question is for the Minister of Justice.

Would the minister assure Manitobans that the counselling or treatment programs that she has in place in the youth and adult correctional facilities in Manitoba, such as anger management, substance abuse, sexual abuse, family violence, impaired drivers program, can be effective in dealing with the causes of crime and preparing inmates to return to the community as law-abiding citizens?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, there are programs in our institutions across the province. They are programs delivered to both turn around behaviour and attitude and, as always, however, they are dependent upon the individual who goes through that program also having a willingness to fully participate. As the member knows, that has been our concern about long-term offenders for some time, and one of the reasons why we put the CNAC process in place in Manitoba is that there are sometimes individuals who finish their sentence, who come to the legal end of their sentence and in fact there is still concern about public safety, and so our government acted where the federal government would not act in the interests of public safety.

### **Headingley Correctional Institution Treatment Programs—Cancellation**

**Mr. Gord Mackintosh (St. Johns):** In light of that answer, Madam Speaker, would the minister then explain why, except for the Family Violence Program which only started up again about six weeks ago, all the counselling or treatment programs at Headingley for going on seven months now have been scrapped?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, programming across the province has had to be adjusted according to which inmates are in which institutions, whether in fact there are inmates in institutions as well and whether or not the institutions were in fact in lockdown. The member is aware that in Headingley we were in a lockdown situation for some significant amount of time.

However, there is now the beginning again of some of the programming, as much as is possible to deliver, with inmates moving through the institution, but the first issue is the issue of public safety, the safety of our correctional officers, the safety of the institution. There are, however, programs available within our community corrections to these individuals.

**Mr. Mackintosh:** Would the minister admit that this warehousing, this dangerous warehousing of inmates who are just let loose on the community without any positive intervention or efforts to change their behaviour is a threat to our community?

**Mrs. Vodrey:** Madam Speaker, what is a threat to the people of Manitoba is the behaviour of the member for St. Johns from the very day of the Headingley riot and onward, as well as comments that he has made previously that fully indicate that he often does not support incarceration, that he would prefer to see people within the community, and that his behaviour on the day of the Headingley Institution—was so inflammatory, it was only with the benefit of professional correctional officers, professional police services that we did not have deaths or escape on that day.

#### **Headingley Correctional Institution Domestic Abuse Program**

**Ms. Diane McGifford (Osborne):** Madam Speaker, one of the real dangers in Manitoba is to Manitoba women. During 1996 and to date, 12 Manitoba women have been murdered in domestic situations, and we hear today from the member for St. Johns (Mr. Mackintosh) that all programs at Headingley have been cancelled for seven months, although the domestic abuse program was recently reinstated. Since clearly this flies in the face of safety for Manitoba women, I want to ask the minister how many domestic abusers were released without taking a program in domestic abuse, and how many were released early.

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, as the member knows, we also have programs that deal with people who have been convicted of domestic violence cases available through our community corrections, so I believe that she is well aware. I have gone through those issues with members opposite over the course of Estimates for at

least three years. So I think that if the member is in any way questioning this government's commitment to dealing with domestic violence, I think she can clearly look at our record and the total lack of record from members opposite. It was this government that set up the domestic violence course; it was this government that developed the programs. Across this country, our province has been recognized as leaders in the area of domestic violence cases.

**Ms. McGifford:** Madam Speaker, 12 dead women are questioning this government's—

**Madam Speaker:** Order, please. The honourable member for Osborne, to pose her question now.

**Ms. McGifford:** Since recidivism is particularly an issue among domestic abusers, I want to ask the minister to tell us what steps she has taken to protect women whose partners were released without taking the appropriate programs in domestic abuse.

**Mrs. Vodrey:** Madam Speaker, as I said, there is also programming in the area of domestic violence available within the community. That has been available across the province, and we continue to work. One of the most important things that we have done in the area of dealing with offenders who reach the legal end of their term, whether or not they have taken a program—because people do reach the end of their term; that is not dependent on the taking of a program—is to recognize and apply a risk assessment instrument to that individual to recognize that they may in fact be a long-term offender, that there may in fact be recidivism. That is why we have asked the federal government to be absolutely vigilant in setting up a national tracking system and that is why this province, in the total void of the federal government's action, set up the CNAC process, the community notification process to deal with the safety of women and children in this province.

\* (1420)

#### **Manitoba Telephone System Privatization—Tax Deductions**

**Mr. Tim Sale (Crescentwood):** Madam Speaker, earlier in Question Period the Premier (Mr. Filmon) indicated that the MTS had received a favourable tax

ruling in regard to the \$325 million in the pension fund contributed by the employers over the last few years. Could the Premier clarify for the House whether this means that the new company will have carry-forward tax deductions equivalent to approximately this amount that it can use to offset any profits which it might be generating during that time?

**Hon. Eric Stefanson (Minister of Finance):** Madam Speaker, the issue is that Manitoba Telephone System will get a one-time deduction for the employer contribution to the pension plan depending on what that does to the overall profitability of the company. With that magnitude of a deduction, it will put the company into a loss position which for tax purposes can be carried forward for up to seven years.

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

**Mr. Sale:** Are the Finance minister and the First Minister saying to Manitobans then that we have paid for the contributions to the pension plan through our rates, \$325-million worth, now we are going to pay again because they are going to be allowed to avoid taxes by claiming something we have already paid for as a deduction in the future?

**Mr. Stefanson:** I find this twist really interesting from the member for Crescentwood. On the one hand they are expressing concern about what will happen to rates and the whole issue of paying taxes and so on and the company becoming profitable and as a result of that rates going up, in terms of their estimation. On the other hand they are being told now that the company will get a tax deduction for the pension contributions, and it will be able to be a method of maintaining that rates do not increase. So I am not sure where the member for Crescentwood is really coming from on this issue.

**Madam Speaker:** The honourable member for Crescentwood has time for one very short supplementary question.

**Mr. Sale:** Is the Finance minister then effectively confirming that Manitobans had a choice—they could either pay sharply higher rates for their telephone system or they could pay through the loss of tax revenues from a

private company? It does not much matter, does it? Manitobans are paying one way or the other.

**Mr. Stefanson:** What the member for Crescentwood seems to fail to understand is that Manitoba Telephone System today does not pay any corporate income taxes; it does not pay any dividends back to the government of Manitoba or the taxpayers of Manitoba. Through this deduction it will be able to not pay taxes for a period of time, but ultimately Manitoba Telephone System will become taxable and will provide a return to the taxpayers of Manitoba.

**Madam Speaker:** The time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### Adjournment Agreement

**Mr. Mervin Tweed (Turtle Mountain):** Madam Speaker, members opposite have been rising in the House day after day since they broke the agreement concerning the date the House shall rise, and all of this apparently in the name of democracy.

In the name of democracy, they have broken a signed agreement despite the member for Wellington's (Ms. Barrett) eloquent words that a contract is a form of trust. In the name of democracy, they have kept the Legislature past the agreed-upon date. In the name of democracy, members opposite denied leave of the House to be able to continue debate on Bill 67. In the name of democracy, the people of Manitoba paid over \$10,000 per day because members opposite refused to debate Bill 67. In the name of democracy, the member for Thompson (Mr. Ashton) stood and put on the record that the New Democratic Party is committed to ensuring that MTS will be brought back under public ownership, a notion that is reminiscent of Fidel Castro's rise to power some years back. In the name of democracy, members opposite called for referendums ad nauseam, something their own record while in government fails to support in any manner, and I refer to 22 tax increases in five years without referendum. How soon they forget.

In the name of democracy, members opposite perpetuate erroneous and misleading information both in the House and in the public. In the name of democracy,

a great deal has been done by members opposite; however, I believe that members opposite have not done this in the name of democracy but in the name of political grandstanding. To this, I say, shame.

### Smoke-Free Members' Lounge

**Ms. MaryAnn Mihychuk (St. James):** Smoking and secondary smoke is a health hazard. For those reasons many and most public buildings are nonsmoking facilities. It is a common sight to see smokers in designated spaces or outside partaking their habits. Schools, daycares, hospitals and offices are mostly smoke free.

Madam Speaker, I urge the Assembly to make the second floor members' lounge a smoke-free space for the following reasons. Secondary smoke is dangerous. Health and Welfare Canada 1991: Involuntary smoking is the third largest cause of lung cancer death after direct smoking and radon, estimated to cause 300 deaths annually in Canada from lung cancer alone.

As a responsible mother-to-be, I try to avoid any conditions that would be harmful. (1) cigarette smoke alters the heart rate, blood pressure and oxygen supply of the unborn infant; (2) avoidance of the smoking area is very difficult given that primary second floor washrooms are accessible only through the members' lounge or better known as the smoking room; (3) my fundamental right to use the members' lounge is compromised because of the unsuitable dangerous air quality in the room. Second-hand smoke contains 4,000 chemicals, including tars, nicotine, formaldehyde, carbon monoxide, ammonia and other known cancer-causing agents. In an enclosed space cigarette smoke harms not only the smoker but also the other occupants.

As leaders we should be role models. Many of our public buildings are smoke free, including offices, hospitals and schools. The smoking room concept available to elected members of the Legislature but not normally available to workers and the rest of the public sector is an example of elected officials having special standards for themselves. Smokers have access to other areas for smoking, including the cafeteria or outside. I would urge all members to join me.

\* (1430)

### Manitoba Pork Advantage

**Mr. Frank Pitura (Morris):** Last night many of my colleagues and I had the great pleasure of attending the launch of Manitoba Pork Advantage. Everyone in attendance had a wonderful evening. Even the member for Swan River (Ms. Wowchuk) could not contain her enthusiasm during the Premier's (Mr. Filmon) speech. Her spirited applause echoed throughout the room. It is wonderful to see that at least one member opposite recognizes what this government has done to promote the growth of Manitoba's pork industry, despite her initial opposition.

Madam Speaker, the Manitoba Pork Advantage is an innovative partnership between Manitoba Agriculture and the pork industry for the purpose of positioning this important sector for growth to meet the opportunities of the 21st Century. The objective of the Manitoba Pork Advantage is to highlight the economic efficiencies of producing pork in Manitoba based on the recognized expertise of production in our province, the established quality of the product and supportive infrastructure that is present in the Manitoba pork industry.

Manitoba is one of the most dynamic sites in Canada for pork production. In the past decade, our province's hog production has nearly doubled. The growth of this industry has been spurred on by a tremendous growth in export sales. More than 80 percent of Manitoba pork is sold to customers outside the province with one-quarter of these exports bound for markets beyond the Canadian border.

Manitoba is profiting from record sales of our pork around the world. Our rate of export continues to increase at a phenomenal rate. As a result, jobs in pork production and processing are also increasing. Today, there are about two thousand hog operations in Manitoba. The pork industry generates 12 percent of all farm income and more than one billion for the provincial economy. More than 12,000 Manitobans are employed in the production, processing, transportation and distribution of pork products.

I would like to thank all the organizers of last night's event. I would especially like to acknowledge the Minister of Agriculture (Mr. Enns) for his leadership and commitment to ensuring the growth of the pork industry.

### Short-Line Railways

**Mr. Gerard Jennissen (Flin Flon):** Madam Speaker, I would like to put a few words on record under the heading Tories' priorities. The Tory government showed where its priorities lie when it passed over the bid by Gateway North transportation system and went with a company that has a reputation of turning a fast profit on short-line railways. Unfortunately, it also revealed its shortsightedness in failing to see that jobs and local spending were also at stake. By choosing an American buyer, the Manitoba government has in all likelihood sent 121 jobs and all the profit of the northern rail lines south of the border. This is despite a proposal by the Gateway coalition to co-operate with the workers to negotiate contracts. However, without experience running a short-line railway and a shaky financial foundation, the coalition was too risky a proposal.

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please. I am experiencing great difficulty hearing the honourable member for Flin Flon.

**Mr. Jennissen:** After it signed the paper to transfer the ownership of three northern rail lines Friday, OmniTRAX refused to talk about the future of the 121 jobs that go with the Flin Flon, Churchill and Sherridon line. It was a safer decision. Going with a more secure company better ensures the future of the rail line and the jobs of hundreds of miners in Leaf Rapids. Hudson Bay Mining and Smelting also stands to benefit from a dependable service. The company is also pursuing ownership of the Port of Churchill which shows its commitment to the new venture.

The deal illustrates that Canadians cannot compete with money-hungry American business operators even on its own soil. It is sad to see our provincial government turn its back on local business, but it should not come as a surprise. With the emphasis on balanced budgets and privatization of public corporations, the government is interested in making a profit first. The proposed privatization of MTS and changes in the contract negotiation strategies with its public sector workers are only signs of more to come. It should not be long before Manitobans are dealing with private agencies to insure their cars. If privatization is so good for competition, why are our neighbours in Ontario, Alberta and British

Columbia paying more than twice the cost to put their vehicles on the road?

Madam Speaker, this is a verbatim statement from the Flin Flon Reminder, Monday, November 18, 1996. Thank you.

### CRTC Hearing MTS Legal Counsel—Comments

**Ms. Jean Friesen (Wolseley):** Madam Speaker, I want to respond to the Premier's (Mr. Filmon) comments today in Question Period, where he argued that Mr. Nugent was speaking off the cuff and that he did not have the facts at his disposal. I have read the comments of Mr. Nugent to the commission on November 13, and there are several elements which become very clear from that speech. I urge all honourable members to read it. First of all, Mr. Nugent is absolutely clear that he is speaking for the record. He says, whatever happens here, of course, gets translated very quickly to the Manitoba Legislature: there is no question about that, he says, end of quote. He continues: In any event, he says, we are very conscious of the politics of these proceedings—meaning the CRTC hearings—here and at home. We are very anxious to see things done that will make it easier for the people of Manitoba to accept the inevitable.

What is very clear from the reading of Mr. Nugent's comments is that he is aware that he speaks for the Manitoba Telephone service. He is aware of the importance of what he is saying for debate in this House. He is very clearly aware of the unease of Manitobans at the sale of their corporation, and he argues in fact that the purpose, in part, of his presentation is to ease those concerns and to make the increase in their rates more palatable.

Thank you, Madam Speaker.

### ORDERS OF THE DAY

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, would you call report stage on Bill 67.

### REPORT STAGE

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

**Madam Speaker:** The Manitoba Telephone System Reorganization and Consequential Amendments Act (Loi



concernant la réorganisation de la Société de téléphone du Manitoba et apportant des modifications corrélatives), standing in the name of the honourable member for Swan River who has 19 minutes remaining.

**Ms. Rosann Wowchuk (Swan River):** Madam Speaker, I am pleased to rise on this amendment and share with you the concerns that we have with respect to the definition of lands in this bill. This is an important issue because subsection 5(3) and subsection 5(4)—land transfers include Crown lands to new corporations which will have beneficial ownership.

Madam Speaker, the issue of land has been raised by many people, and I think the government, had they listened to us and listened to the people and gone out to rural and northern Manitoba, they would have heard that many people, thousands of people who have telephone lines and have given easements on their land to the Manitoba telephone corporation, are now very concerned about what the impact of these easements will be now that the land will be transferred—if Bill 67 passes, these easements will be transferred over to a private company. These people signed these easements with the understanding that it was a Crown corporation that was going to bring services to them. They are now giving their land onto—will have these easements transferred over to a private company, and what these farmers and landowners want to know is since they are giving something to a private company, are they going to have an opportunity to share in the profits. I think that is a very important issue, and I do not believe that the government should be prepared to sign over these easements that quickly to a private company.

\* (1440)

We have also heard about the concerns that the First Nations people have, and it is extremely disheartening to see a government go forward and draft a piece of legislation that will impact on First Nations and on their lands without having consulted. So it is a great disappointment that this government should be so arrogant that they should think that they can move forward and turn over all of these cable—and lines that are on these lands without having properly consulted. It is very disappointing.

We have to wonder why the government would recognize that there was a need to narrow the definition

of land slightly by removing the mineral rights in their own amendment at committee but chose to leave in the definition of paths and passages, ways and watercourses, water rights, water powers, water privileges, air rights, licensings, liabilities, privileges and easements in the legislation. You have to wonder why a private company, a phone company, would need rights over waterways and water rights and air rights and timber rights.

Madam Speaker, rural Manitobans and northern Manitobans are very concerned with what this government is doing, and they are even more concerned after the last few days when we hear what Mr. Nugent has been saying on behalf of Manitoba Telephone at the hearings, and I want to say that—I want to quote part of what Mr. Nugent said.

He said: In order that you may have a better appreciation for where MTS stands, I would like to give you a somewhat broader perspective of the company itself, where it has been, where it is going and where it is at the moment. We are part, of course, of a Stentor submission, and so we adopt and support the remarks that have been made by their legal counsel this morning in that regard. We find ourselves not at odds but somewhat different from their submission in two respects only. The first is that, given our size and for a number of other factors mentioned in our written argument, we want a lower X-factor productivity offset on account of our smallness and our geography, et cetera. There are a couple of areas where we have sort of been caught in the middle of programs and undertakings where we think we need to have costs treated in a somewhat similar manner, in fact, as going to be dealt with.

I would like to tell you what these things are very briefly. First of all, I recognize that Manitoba Telephone has brought telephones to Manitoba. The telephone company has been a Crown corporation since the beginning of time. At the turn of the century, when it was incorporated for the purpose of bringing telephones throughout Manitoba, its mandate has been not only to bring them to every home in Manitoba, to make it available throughout a very large sparsely settled territory but, as well, to do so in a very reasonably cost way.

Manitoba Telephone has never been allowed by statute to earn a profit. Its owner, the government of Manitoba, has never received dividends so that we have not truly

operated at cost. The only element where one might consider a profit to exist has been in the development of rate subsidization reserve over the years, which has been achieved from time to time and been depleted from time to time as a result of various events and the rate of inflation. As well, because MTS's mandate has been to bring telephones to everybody in Manitoba at affordable rates, as a matter of public policy the government has required that there be cross-subsidization of the various consumers in Manitoba by those that are in more densely populated areas.

We have in the past, of course, as has everyone, had long distance subsidizing the domestic rates. We have had the urban rates at almost cost, but the rural rates, the residential rates, have been below cost in terms of recovery. We have never seen anything wrong with that. As I say, as a matter of public policy, that has been the mandate of the corporation. Now all of that is changing for the reasons that are well known to you. We have been controlled through the years by the Manitoba Public Utilities Board, which is the provincial-appointed group who are currently aware of government policy and at the same time are aware of the needs for maintaining the viability of the Manitoba Telephone System.

As well, the Crown Corporations Council, which is a provincially incorporated and appointed review board, has continuously reviewed the mandate and performance and the health and the viability of all Crown corporations, including the Manitoba Telephone System.

Manitoba Telephone, as have other Crown corporations, has also been required annually to appear before the Manitoba Legislature to indicate what it has been doing, how it has been doing and expose itself to all kinds of questions before the standing committee. On the whole, this has worked well over the years.

Approximately two years ago, as a matter of government policy, MTS was required to establish a program called Service for the Future. It is one of the concerns that we have in this proceeding. The purpose of that was to extend digital technology and individual line services to the province, to extend community calling areas. The various parts of that program are outlined in our argument.

It cost more than \$600 million. It was a very extensive undertaking and the debt of the corporation was increased to pay for it. Shortly after that, the government of Manitoba became very concerned with the level of the provincial debt and decided that in the interest of solvency of the province it was essential that the province take strong steps to reduce its debt and also to proceed to the request of the Crown Corporations to do the same. Both MTS and Manitoba Hydro represented a major part of the provincial debt, so we became in the province of Manitoba one of the first governments in Canada to do something about the seriousness of the problem that was approaching.

As a result of these initiatives of the Manitoba government, MTS was ordered to cut back dramatically on its staff. Statutory days off without pay were mandated for all of its employees. Review of the efficiency and the productivity were undertaken, not only by the management under orders of the Manitoba government but also under the scrutiny of the Crown Corporations Council. We were ordered to do better at less cost with fewer people. With the order from the owners of the Crown corporation, all of this was done and with very good results. It resulted in an increase in productivity, and it was really a Gargantuan effort. It was not one that can be continued and maintained. It would be impossible to do so.

So the efficiencies that we have achieved are going to be with us for a long time, but it would be unreasonable to expect the rate of growth of those efficiencies to continue in a meaningful way. So for that reason among others outlined in our written argument, we think it is very necessary for the commission to recognize the smallness of the corporation, the fact that these steps have been taken to date and to introduce what we have, for want of better terms, call the small business offset adjustment to the X-factor proposed by the centre owners.

We want the commission to recognize these are facts, to recognize that the target that you will set will be one that we can reasonably hope to achieve. We do not realistically think we can achieve that which is proposed by centre or by even higher X-factor that is put forward by some of the other participants. We think that if it is set at 1.5, it is possible to achieve it. It will be a challenge for the corporation to do so, but we would have to change. If we go above that we think the X-factor that

you will set for us will be unreasonable to the point where there will be really no incentive to try to achieve the impossible.

MTS will shortly be privatized under Bill 67. Bill 67 is before the Manitoba Legislature at the moment. It is being bitterly opposed by the NDP party. As well, one of the consumer associates, the Manitoba Seniors, who are one of the participants in the proceedings, have taken the matter before the Manitoba courts trying to set aside the privatization bill on the grounds that it is unconstitutional. John Todd [phonetic], who has given evidence in the proceedings for the Manitoba Seniors, is, in fact, opposed to the bill. Whatever happens here in the course—

#### Point of Order

**Hon. Darren Praznik (Deputy Government House Leader):** Point of order, Madam Speaker.

**Madam Speaker:** Order, please. The honourable deputy House leader, on a point of order.

**Mr. Praznik:** I have no trouble with the member reading that statement into the record of the House because I think it demonstrates truly how badly her party has misrepresented the case, but that is not the matter before the House. The matter before the House is a very specific amendment with respect to a definition of land. I would be very interested to hear the words of the member for Swan River on the particular matter at hand, which is the subject of this debate as opposed to other general matters which she will have an opportunity to address in third reading.

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

**Mr. Steve Ashton (Opposition House Leader):** On the same point of order, Madam Speaker, I realize that the deputy government House leader is somewhat sensitive about the reading of this onto the record. I know in his comments, I would suggest, it sounds as if it was not intended really so much to be a point of order as an attempt to debate Mr. Nugent, as his Leader did earlier.

I would suggest that the speaker, the member for Swan River (Ms. Wowchuk), had been very clear, made a

number of references to the specific amendment, had made reference to the definition of land numerous times. I would suggest that she was in order, and, in fact, the deputy government House leader was out of order for attempting to debate Mr. Nugent's comments. I would suggest if he wants to debate them we can give leave. In fact, I think it would be appropriate because we would love to see Mr. Nugent's comments on the record and once again see how shocking it is that this government attacks the legal counsel for MTS.

\* (1450)

**Madam Speaker:** Order, please. On the point of order raised by the honourable deputy House leader, indeed the honourable deputy House leader does have a point of order. I have reminded the members previously that our rules are very explicit. Debate is to be relevant to the amendment that has been proposed.

I will read for the benefit of the members that the amendment that is being currently debated is that Bill 67 be amended in the definition of "land" in subsection 1(1) by striking out everything after "rights-of-way." General debate is reserved for third reading of the bill.

\* \* \*

**Ms. Wowchuk:** Madam Speaker, I am indeed concerned with the amendment, and my comments relate to the fact that with this change in definition, with the definition that the government has there it is very broad. Rural Manitobans, northern Manitobans, are very concerned with the implications of this government's decision not only on the lack of consultation that they have brought forward with people as to how they will deal with easements that are on aboriginal lands, but also they are very concerned what the impact is of this change as this government moves forward to change Manitoba Telephone System to a private company and what the implications are going to be on rural and northern people, rural and northern people who gave of their land, who allowed a Crown corporation to go on their land in order that there be the ability that services be provided to rural Manitobans.

Now, although rural Manitobans and northern Manitobans, people within the city, co-operated with a Crown corporation, rural and northern Manitobans are

going to face tremendous hike rates. In fact, Mr. Nugent in his comments said that there is going to be a real shock and rural residential rates in Manitoba are certain to go up more than others. It is disgraceful that a government would not go out—if they had faith in their policies here, they would go out and speak to rural Manitobans and they would discuss the issue of the easements on their land. They would meet with aboriginal people and talk about their concerns that they have with respect to how the deal is going to work. Aboriginal First Nations people have signed agreements with Crown corporations, from Crown to Crown, and this government has showed its arrogance by not even taking the time to meet with the bands and consider having a discussion with them to hear what their feelings are on this.

The Minister of Northern Affairs (Mr. Praznik) interrupted my comments earlier, but he should have been one of the people who should have insisted before this legislation was drafted, or once it was drafted, that they go out and meet with the aboriginal people and hold meetings to see whether they had any concerns. That is his responsibility and this government should not have been afraid to go out and listen to rural people and address those concerns, because they are serious concerns that people have with respect to the fact that they have signed easements to allow the Crown corporation onto their lands. So, Madam Speaker, there are very serious concerns, and the concerns of Manitobans have been put on the record by a very credible person in Mr. Nugent when he went before the CRTC. He has stated clearly that we are going to see a dramatic increase in residential rates, that it is going to be rural Manitobans.

There is a concern that there will be a rate shock. That means that ratepayers have to have time to adjust their budget. People are not wealthy and that is what this government does not recognize. This government does not recognize that there are many people in rural and northern Manitoba who will not be able to absorb the tremendous increase in rates that we are going to face because of their decision to privatize Manitoba Telephone. So at least they should have the decency to adjust this legislation and put in place the necessary amendments. I hope that this government will support this amendment and that they will also go out and listen to people and explain if they do not believe that there is a concern for aboriginal people and rural people that they

would go out and have the decency to meet with these people. Thank you.

**Mr. Tim Sale (Crescentwood):** Madam Speaker, I welcome the opportunity to rise on the issue of the amendment to strike out everything after rights-of-way. We raised this question in the original clause-by-clause hearings in committee, and there was some significant interest on the government's part because they realized that their initial act, as drafted, went somewhat beyond what is contained in other bills in terms of the definition of land. As a result, after some consultation with their own counsel, they removed the last three issues that are in the draft act, mines, minerals and quarries, to conform with the definition of land that is in other acts that are currently in force.

Madam Speaker, we went on to ask the same question that my honourable colleagues have asked in debate about this amendment, and that is, what does a telephone company need, why does a telephone company need to have rights to water courses or waters or water rights or water powers or water privileges? This is not Hydro. This may be the definition for Hydro, and the government wants to privatize it, but it seems a strange definition to have for a telecommunications company that is interested presumably in satellite, microwave, land line transmission, and it is not particularly into the harvesting of timber, for example.

We asked the minister at the time, could the minister tell the committee just how much land we are talking about here? Does the phone company have significant reserves of land in the North, for example, as future rights of way? Does the company happen to own as a matter of historic anachronism, anomaly, some significant timber rights somewhere? That is not an unusual thing to have happen over a 90-year honourable history of a Crown corporation? Does the telephone company have interests in some streams or rivers in terms of particular areas of them that are sensitive from a point of view of perhaps potential co-generation or sensitive environmental issues?

Madam Speaker, perhaps not so curiously, but we thought it curious at the time, the minister did not know. He was unable to table with the committee any information about the extent of MTS's landholdings or interests in regard to, particularly, the issues that we are

seeking to delete from this amendment or this section as amended by the clause-by-clause hearings.

Madam Speaker, I do not think that it would be very easy to make a case that MTS ought to have the rights to trees and timber. The province has basically given all that away to L-P and Repap and Pine Falls. Most of the timber in this province that has any usefulness has already been given away to private corporations. It does not seem to me to be required in the definition of land that MTS should have timber rights.

If there are sufficient trees to be cut that they consist of timber, then presumably they ought to adhere to the Crown and not to a private company. So just on the face of the amendment, on the actual face and detail of the amendment, I think it is reasonable to ask that government support this amendment as they did our first amendment and restrict the definition of land somewhat.

\* (1500)

I have had some opportunity to be involved with property development in the city and to a much more limited extent in the rural areas, but particularly in the city, and the issue of air rights is a fascinating one, a fascinating legal concept that you own the air above you. Nobody can encroach into that air space with anything in the way of a structure or a building, so companies go around trading air rights. It sounds like a kind of advanced BB gun principle. The question of air rights is a very sensitive one. I can give the House an example of a particularly silly expression of the air rights issue.

In the building of a shelter for people living with AIDS, the shelter was actually being built on the third and fourth floor of a building. In other words, it did not have a basement. It did not actually attach to the ground, so our title to that shelter was to a physical structure in the air, and so in order to describe the land on which the shelter was going to be based, we had to describe the actual air in which it was going to be located, although I can assure everybody that it is supported by a physical structure. It is not actually hanging out there in the air, but the title to the shelter is an air rights title.

We had to arrange this—this was really pretty bizarre; the surveyors had a wonderful time with this—for the surveyors to survey the air rights parcel in which this was

going to be built a year or two before the building was actually constructed. CMHC required this survey. It cost us quite an amount of money to put it in place. We had this lovely document that said we owned some air.

Then we built the building, and CMHC came back and said, well, now, is the building actually built in the air that you own? Well, we said, I do not know, go out and look. It kind of looks like it is built where we meant to build it; it is sort of sitting there on the land that we built it on; I think it is probably in the air that we thought we had leased. They said, no, that is not good enough; you have to go back and survey the actual building and find out if it is really in the air that is described on your lease.

So air rights in the definition of land are a very significant issue because, as we found out, we were actually out by half an inch. The honourable Minister of Family Services (Mrs. Mitchelson) is amused by this. We were amused by the concept of being out by half an inch in the air. The member for St. Vital (Mrs. Render), who is a pilot, knows that half an inch does not make a whole lot difference when you are flying, but when you are building a building, it does make quite a difference, apparently. At least, Madam Speaker, I can tell you it made an \$8,000 difference in the cost of our building, because we had to have it surveyed again and had to have the survey document changed to conform to the fact that the building was actually half an inch closer to the lot line than it had been drawn, and so our air rights lease had to be changed.

Madam Speaker, I will give you another example of the tremendous value of air rights leases. The Anglican cathedral in downtown Vancouver is an historic building and designated as an historic property. It was able to undertake tremendous redevelopment of its ministries in the inner city of Vancouver by leasing the air rights above its building. The Bentall corporation built a very large and very prestigious office building encroaching on the air rights of the Anglican Church of Canada, in the particular case of the cathedral in Vancouver.

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

Now, I think it is therefore very plain, Mr. Deputy Speaker, that the issues of air rights and water power rentals and licences, liberties, et cetera, et cetera, that are

being transferred to this company may have nothing at all to do with telecommunications and the needs of a telecommunication company but might indeed have very significant value. That is the next issue that I want to address in this amendment that we have proposed and are hoping to have support from opposite to pass.

Our aboriginal sisters and brothers and aboriginal people virtually all over the world understand land as a trust. They understand land as something that is a gift, not a gift to be taken and consumed but a gift to be held in trusteeship for all generations to come. So the notion of land as a commodity is a notion that is foreign to most First Nations people around the earth. It is foreign, in fact, even to some parts of our own Anglo-Saxon heritage in which one of the issues of early Anglo-Saxon life and life in village England and indeed life in the 13 colonies, many of which were called commonwealths, was the idea of the commons. The commons were those lands held in common. They were the common wealths for the enjoyment of all people.

Mr. Deputy Speaker, when we see land as part of the common wealth, then the notion of transferring that land from a Crown corporation which has the duty of guarding the commons and ensuring public access to the commons—I am sure that my honourable friend from Riel would be able to tell us about the notions of encroaching on rights-of-way, for example, and blocking off access to the commons. Indeed, he will know the history, as others in this House will, of the ways in which settlers, Scottish crofters and Irish crofters, were forced off the land by blocking access to the commons so they could not pasture their sheep in the common wealth.

So the notion of land as part of the common trust, the common wealth, is part of our history as Anglo-Saxon peoples. It is part of the history of First Nations and aboriginal peoples, and it is one we ought not to lightly just gloss over and say, well, it does not matter in this case. When we transfer part of our common wealth to a private corporation, the whole nature of the reality changes because no longer do we have then something to which we as citizens have some commitment and in which we as citizens have a stake; we now have a privatized heritage.

That may seem to many opposite who figure themselves business people an irrelevant concept, but I

want to assure members opposite that First Nations people do not think it is irrelevant, farmers do not think it is irrelevant, and people who have believed in their Crown corporation, their Manitoba Telephone System, do not think it is irrelevant that the easement they granted is not an easement that is going to be part of the common wealth any more, part of that public trusteeship that the Crown has towards us all but indeed is going to benefit a private corporation with its small number of shareholders and not the public good.

The public good will only be served by that private corporation insofar as a profit can be made. That is indeed as it should be in a private sector corporation. There is no sense pretending otherwise. The corporation has a duty to its shareholders. If that duty allows it to serve its customers well, so be it. But, if ultimately that duty is incompatible with service to some class of customers, then that duty will overwhelm the service to the unprofitable customer. That is the reality of any private corporation.

So, Mr. Deputy Speaker, I think this is a very important amendment. As with the first several of our amendments, it is an amendment in principle because it challenges members opposite to think about what it is we are conveying as a benefit to this new corporation. It seems to me there is a principle in law that I am sure that my honourable friend from Kildonan and from Riel could tell me in more eloquent terms than I can express it, but it is a principle that you do not do more than you need to do to convey something. There is actually a theological principle there, too, that my honourable friend from Burrows would be able to talk with me about, but it is a kind of minimalist principle, that in the process of accomplishing something, you do not do more than is needed to accomplish that thing.

You do not, in the process of giving the phone company the rights to run its lines and dig its cable in and locate its buildings, give to them more than is necessary to accomplish that right. So you do not need to give them mines, minerals and quarries, for example. The government saw the wisdom of that concern that we raised in committee and deleted that part of the amendment.

I would ask whether members opposite, particularly those with legal training, could explain to us why it is necessary to include in the definition of land all of these

other issues regarding water, water rights, water powers, water privileges and air rights in particular, in the kind of environment in which cities find themselves increasingly. Why should we convey air rights to a private corporation when there are many, many examples in Canada of very valuable air rights leases having been entered into, or even sale of air rights having been entered into, for the benefit of some developer or other?

\* (1510)

I also want to speak about the issue of conveying to a private corporation all these rights and privileges that we are asking to be deleted from this amendment and remind people of the history of limited liability and of corporations. The concept of limited liability was seen originally by those who were in charge of England and the United States at the time it was arising as a very dangerous principle because essentially it offered to individuals the possibility of combining and limiting their liability for actions that they might take corporately as an organization, that if they, in effect, defrauded or abused their trust, their creditors could no longer seize their personal assets; they could only seize the assets of the limited corporation.

There was extreme, extreme reluctance on the part of American states to give limited liability to companies, and the first charters were very carefully drawn with very careful duties being imposed on the companies so chartered, so that this limitation of liability which was seen as a great privilege, which was seen as an extension of a tremendous amount of immunity from risk—so that this privilege would not be abused.

Now today, unfortunately, we have been moved to the place where we take limited liability as a right as opposed to as a privilege, and this comes into this question of what we transfer then to a company with limited liability. Essentially, a limited liability company has the ability to reduce its assets to zero, to impoverish its creditors, to waste its assets, to provide poor service and ultimately to go bankrupt, and its assets then go to its creditors.

So why would we want to put ourselves in the position of transferring anything to this company that we do not need to transfer, and the principle of what we need to transfer is, what do you need to bury your cable in; what

do you need to dig your poles in and run your cable overhead; where do you need to locate your buildings; what do you need in terms of transmission facilities? Those are the questions we ought to be asking when we define what it is we are transferring to these companies.

Finally, Mr. Deputy Speaker, I would like to refer to one of the issues that arose when the honourable member for The Maples' (Mr. Kowalski) father came to the hearings. Mr. Kowalski came to the hearings, and he raised a very important symbolic question. I know that the member for Lac du Bonnet, the Minister of Northern Affairs (Mr. Praznik), says, you know, if you were a lawyer, you would understand. Well, in some ways, I guess either most Manitobans are unfortunate that they are not lawyers, or we are fortunate that there are not a whole lot more lawyers. I should not make lawyer jokes. [interjection] We could just be grateful that, yes, in general that there are not as many as there might be.

Mr. Kowalski raised a very important question. Mr. Kowalski said, I have a box in my backyard that is MTS's box in my neighbourhood, and I signed, when I bought my property, a deed that said that there was an easement for this to be there, and I did not mind that. I thought that was okay, because this was my telephone company. I had a stake in it, and, as Mr. Nugent said before the CRTC, the telephone company returned to Mr. Kowalski and to all of us dividends in the form of low rates, high-quality service, and excellent, superior equipment, superior products, as it says in its mission statement.

Now, Mr. Deputy Speaker, Mr. Kowalski asks the basic question. He said, no problems with my committing myself to my Crown corporation that I have a stake in. Have an easement, I agree with that. Put your box in my backyard. That is okay with me. But why should I agree to this if this company is no longer mine, and I have no stake in it, and it is not delivering to me its profits. It is delivering them to somebody else.

So the whole issue here is fundamentally changed when it becomes a private corporation because we are no longer doing it for the common wealth or for the common good; we are doing it for the limited good and the limited wealth of a limited liability company that has forgotten its own history, I would suspect, very quickly, and that is that the privilege of limited liability was seen as a

precious thing, something to be honoured and something to be carefully guarded and not simply as a right to take with it rapaciously whatever it can get its hands on.

So I urge members opposite to support this amendment, and I thank the Deputy Speaker for the opportunity to address it.

**Mr. Oscar Lathlin (The Pas):** Mr. Deputy Speaker, I wanted to get up, as well, to put some of my remarks on record in regard to Bill 67, and my remarks will have to do with how Bill 67 is impacting on First Nations people and their lands as those lands are described in treaty and also in the Indian Act.

Let me first say, Mr. Deputy Speaker, that there are 61 First Nations in Manitoba, and each of those 61 First Nations has land on their own, and those 61 First Nations have different agreements with different government agencies. Some have agreements with Hydro. Some have agreements with the Department of Highways. Some have agreements with Natural Resources, and some have agreements—and all of them have some sort of an agreement with Manitoba Telephone System. Now, there are two kinds of agreements. One can be in permit form, and the second one can be as a lease form. OCN, for example, where I come from, we have land that is about 15,000 acres, and with treaty land entitlement will probably get an additional 60,000 acres. It used to be called The Pas Indian Band until about five years ago when they changed the band name to Opaskwayak Cree Nation.

Anyway The Pas Band, according to the Indian Act is numbered 315, and it is a signatory to Treaty 5 signed in 1875. Now, in those treaty provisions, I am not going to mention all of them; I just want to mention a few of them. For example, in Treaty 5 there is a provision there for farm implements. Did not get very many farm implements, but I hear tell that we used to get the plow and the one horse and I do not know what else we got. In fishing they gave us nets and a couple of ice chisels, maybe, for the winter; hunting, they gave us shells, some bullets. It was a very, very good deal.

\* (1520)

Now, when we talk about that piece of land that is sitting at OCN, when you look at the ownership of that

land, it is very important for people to understand what the ownership is all about. First of all, I am going to say that there are two ways you can alienate Indian land. I will say, there is the old way and then there is the new way. The old way, of course, was, we know about, the government took land away from Indians and after they had taken land, our land—stole our land—they decided then to give us little parcels of land called reserve land, but even that parcel of land was not owned by Indian people. It was technically and it still is today technically owned by the federal government even though as long as we stay on that land, it is ours and we can use it for our own benefit.

Now, the old way, land was just stolen, okay, and then as we moved along to the early 1900s, the federal government Indian Affairs started to have land dealings on our behalf with other non-aboriginal people. So that is one way, the old way and the new way.

The new way, there are two ways. One, you can have a permit or land lease or, secondly, you can expropriate, the federal government can expropriate the reserve land using the Indian Act provision.

Now, the land that is there is commonly owned by all members of that band. I do not own one piece of land. I do not, although I can enter into an agreement with the band to lease land for myself, but I am not allowed to outright have title to the land. It is held in common by all of us that belong to the band.

So, Mr. Deputy Speaker, that is why when we alienate Indian land today, it takes a long, long time. At least for me anyway, it is a long, complicated process. Sometimes I thought it was too long when I was chief, especially when I was trying to get things done, you know, for our economic development projects. At times I thought it was too long but, now when I look at it, maybe it is a good thing that that process took a long time, that is, to alienate Indian land, because in a way it was a protection for us.

You see, today, if you were to go to The Pas Band and you had a company and you wanted to lease land, you would enter into negotiations with the band and you would come to a preliminary agreement. Now, the band then has to go to the membership of the whole band and say, look, we have an agreement here in principle. This



company wants to do this, and we think it is a good project. We want to go ahead with it but, according to the rules and regulations, of course, the chief and council has to have public meetings with the band membership. They must describe and explain to them in detail, as long as it takes for the band members to understand what the project is all about, explain to them what the land deal is all about, and then they leave it.

Then usually a month, two months, three months, four months, depending on how much in a hurry you are to get the land deal done, you will keep coming back to the people, and then eventually you have a referendum where 51 percent of the electorate of the membership have to vote in favour of your land deal that you have with the non-Indian interest.

So, Mr. Deputy Speaker, I wanted to say that because it is a little different today than, say, in the 1800s when our land was first stolen from us. Today, you just cannot go to the reserve, to the territory and say, I want that land for MTS, I want that land for the Department of Highways. Now you have to sit down face to face with the community leadership, the chief and council, and then, even after that has happened, they in turn have to go and approach their people for a vote on a project. So I think that is a good way to do it.

Of course, the referendum that is held can be accepted, voted in favour of, or else it can be rejected, and I have witnessed on our reserve where people have said, no, it is not a good idea, you are putting our land at risk, therefore their proposal was voted down. So it can go either way.

But I wanted to come back to the MTS deal, Mr. Deputy Speaker. You see today when this government the other day got up and said, no problem, we can enter into agreements, the entity is the same, it will be transferred and so on. Well, it is not as easy at that, because as I tried to explain to the minister when I was asking questions, it is not like you are dealing with a municipality. It is not like you are dealing with a private landowner having title to the land. It is not like you are dealing with another government agency or department. You are dealing with, No. 1, land whose title is with Her Majesty the Queen, the land that had been set aside for the use and benefit of Indians, so you are dealing with the federal government, the Minister of Indian Affairs, and you are dealing with the band council.

So that is why I advised the minister that he had better get his facts straight, because if this government were to go ahead and just push this deal through without having any consultation with aboriginal people, I think this government will have breached not only the lease agreement, the permit agreements, but it will also be clashing with other federal statutes, namely the Indian Act. So, therefore, I once again say to this government and to the minister that if they were to go ahead and push through Bill 67 without having consulted with First Nations people, whose lands have been alienated by way of permits and leases to accommodate a Crown—a government agency, not a private industry agency but a government agency, I think they had better think twice because, in my estimation, they could perhaps find themselves in a lot of difficulty. They could find themselves meeting face to face with First Nations people and being in a position of having to come to them for consultation after the fact which, of course, is no good to anybody.

I just want to close here by reading Section 90 of the Indian Act, and this has to do with land alienation. In Section 90 it says, under restrictions on transfer, which this would be if MTS went ahead with the sale: The lease agreement is with the chief and council, Minister of Indian Affairs.

\* (1530)

In order for MTS or this government to be able to get a new agreement with the band, here is what it says here: Restrictions on transfer, Part 2 of Clause 90 of the Indian Act: Every transaction purporting to pass title to any property that is by this section deemed to be situated on a reserve or any interest in such property is void unless the transaction is entered into with the consent of the minister or is entered into between members of a band or between the band and the band members thereof.

It goes on to say: For every person who enters into any transaction that is void by virtue of the section I just read is guilty of an offence, and every person who is without the written consent of the minister destroys personal property that is by this section deemed to be situated on a reserve is guilty of an offence.

I just want to read one more piece of correspondence, Mr. Deputy Speaker, and that is, at OCN we have, like I

said, two kinds of agreements. One is a permit, and one is a lease. The permit allows MTS or gives MTS a blanket coverage, if you will, to come into the reserve and distribute individual lines to the homes. In the old days, before MTS convinced the bands to change their permit system, in the old days, it used to be that if MTS were to hook up a telephone to a house on a reserve, they would have to have an individual agreement with the chief and council for that one house. Now, if you have 300 homes on a reserve and they all wanted telephones, that meant that you would have to have 300 individual permits that were administered by the band council.

Then, as time went on, the Manitoba Telephone System, of course, went to the band and asked or requested that they be given a blanket permit, so they received it with the understanding that a service was provided on the understanding that MTS is a Crown agency, not private, but a Crown agency, so it was with that understanding that OCN gave a blanket permit to MTS to install individual distribution lines on the reserve.

The other way is what you call a standard commercial lease. There everything is negotiated, and if you want to alter the terms and conditions of the lease, you again have to come to the chief and council and get their consent in writing. Even in some cases, where bands are not into fully administering and managing their reserve lands, the minister has to do it.

So with those words, Mr. Deputy Speaker, I again would caution the government not to be so arrogant, you know, like, arrogance blinds people, but to maybe have a second look at this, study it and then have meetings with the Assembly of Manitoba Chiefs, Swampy Cree Tribal Council, MKO and see if they can get agreement from those First Nations in regard to transferring of the lease to another entity because, otherwise, I think we would be running into all kinds of unnecessary problems if that were not to take place.

So, with those words, I thank you for listening to me.

**Mr. Dave Chomiak (Kildonan):** Mr. Deputy Speaker, I, too, rise in order to hopefully discuss with the government the positive aspects of the amendment that we are proposing to Bill 67. I would like to commence by talking about a situation that occurred several years

ago in the province of Saskatchewan. At that time, the provincial government set up a planning authority called the Mewasin Valley Authority. The Mewasin Valley Authority was an agency somewhat similar to our Forks authority that was developing the riverbank in Saskatoon and beyond and outside of the city of Saskatoon.

At that time, for purposes of planning, the Mewasin Valley Authority obtained legislative authority to place caveats on all the properties within the basin of the Saskatchewan River. It was strictly proforma. The caveats were put on just for legal purposes, and the agency went through all the legal loopholes. We are told by all the lawyers, and I spoke with them, that this was strictly normal procedure; it was appropriate, and from a planning standpoint, sure, the caveats were put in place just to ensure that if at some future point someone would want to come in and develop, say, a waterslide in that area, it would be prohibited by virtue of the planning design.

Well, when the public received information that caveats were being placed on their properties by a Crown agency, a political firestorm commenced in Saskatchewan. I can remember being there at the time and discussing it with people responsible for the agency and trying to explain to them how property rights were sacrosanct in our society and how people view them very, very fundamentally in terms of our law making and in terms of our society.

It was very difficult to make them understand and to move them off the strict legal arguments that we hear in this Chamber when we are talking about rights of property, that this is only a legal right and do not worry about it. Do not worry about the implications for aboriginal people and their treaty rights and their various rights of ownership. Do not worry about that. This is only a legal transcript. Do not worry about the legal property that MTS now has on individuals' private property; we have the legal right to transfer the authority.

That is correct, Mr. Deputy Speaker. We do have the legal right to transfer the authority, but that is not the end of the argument. The fact is that we are amending The Real Property Act of Manitoba. If you look through the legal journals and if you look through the laws, one of the most fundamental laws in the province of Manitoba is The Real Property Act. It is the most convoluted and the

most complex law. It prevails over almost all legislation, because property rights and the right of property are so fundamental to the nature of our society, and governments at their peril tread on those particular rights.

In this case, we are asking, in fact, that The Real Property Act be amended. We are amending sections of The Real Property Act to substitute Crown corporation, Manitoba Telephone System for Crown corporation, Manitoba Telecom, the private company. That is a fundamental change. That is a fundamental shift. If you look through those sections of The Real Property Act that we are amending through the consequential amendments as a result of Bill 67, you will see that we are changing the whole flow and tenor of the rights that we are providing to the company.

There are no private companies that are given or named rights under those particular subsections, but there now will be one. There will be a private, profit-making company established by this government that will accede all of the rights, the property rights and the related rights that were formerly ascribed to MTS as a Crown corporation, and, worse, they will have the right to assign those rights, and it says so in The Real Property Act.

We have amended The Real Property Act to allow MTS Telecom to not only acquire those rights but to assign those rights under The Real Property Act, and that is fundamentally a difficulty. That is something fundamentally the government did not think about when it went to its legal authorities and said, give us the right to assign the property and the related matters to the new corporation. You are giving this new corporation, a private entity, and I will get to that shortly, but you are giving this new corporation the power to not only have those rights but to assign those rights, taking away fundamental rights of ownership and fundamental rights of property and assign them.

\* (1540)

Fundamentally, that causes difficulty, particularly when you consider, as the member for The Pas (Mr. Lathlin) has very eloquently stated, these matters and these issues have not been discussed, have not even been broached with the aboriginal people. Those rights were fundamental to the establishment and to the—those rights were transferred, those ownership rights, those rights of

power were transferred from aboriginal people in many cases to the Crown. They were not transferred to the Crown to be assigned to a private company, to be assigned to whomever they want to assign it to. That is a fundamental difference.

Mr. Deputy Speaker, that is another reason why this bill is so wrong because the people whose rights are being taken away from them or assigned or transferred have not had a say in this.

Secondly, there is the issue of a private company versus a nonprofit Crown corporation. Now members opposite could argue that nothing changes. If nothing changes, why are you privatizing the Crown corporation? You are taking a public Crown corporation and you are making it into a private for-profit corporation; ergo, the competition principle applies and the principle of profit applies. Therefore, if people like Mr. Kowalski or my constituents that have phoned and said, MTS now has property on my land; I have given them that right, and they are now making money off that land, why do I not have the opportunity, in spirit with what the government is doing, to make money off MTS, who are making money off me? What is good for the goose is good for the gander.

If you are taking MTS and you are allowing brokers to make millions of dollars, you are going to allow shareholders to flip and make millions of dollars on this public corporation, citizens are quite rightly asking, and I tell you to forget aside the legal arguments about, oh, the easement rights can be assigned, forget that, the question is, Joan Q. Citizen out there says, has given and assigned the right to MTS, a Crown corporation, a public corporation, who works in the best interests of us all, and the government is taking that corporation, privatizing it, making it a profit-making corporation, and then Joan Q. Citizen is supposed to say, oh, yeah, and you can still use my property and still use my right. There is something fundamentally wrong with that, and that is not something that we dreamed up. In fact, that is something that came out of the process of—[interjection] The members say, we do not understand it, but you can talk to the constituents that have phoned us and asked for that because you have virtually talked to no one on this, save the brokers.

Mr. Deputy Speaker, that is a fundamental shift. You are taking it and you are saying, we are now making money off your property, off your rights, and therefore

you do not get any remuneration. If you are consistent with your principle of profit making, then surely you would revisit this issue and say, on the revisit to this issue, well, if you are assigning to this property right, if you are giving me this right, then surely I have to pay you in kind, because that would be the logical, consistent conclusion of your argument. But, no, you are saying, the new private company is going to enjoy all the benefits the Crown formerly enjoyed and the citizens will have to accept it. I, again, return to our review of The Real Property Act where you change the authority of MTS to be MTS Telecom and give them all the rights. It is very specific in that section. It says, the Crown, Manitoba Hydro, Public Utilities. It does not say, private companies making profit.

So you are changing the very nature of the assignment of those rights in the first instance. I suggest to you that you have to revisit this problem, and that is a very real concern that has been brought forward by constituents who have very valid concerns as to whether or not the right they gave to a Crown entity should now be assigned to a private company. If it should be assigned to a private company to make money, why could they not benefit from that?

Now the argument might be, well, you benefit from this service existing, pre-existing service. That is true. Well, then, perhaps they will get a rate reduction by virtue of having something on their property. The point is, the new private company will be making money as a result of the acquiescence or the deliverance of that property right to that new company, and consequently in return something ought to be offered if your thinking is logical and consistent, in return something ought to be offered to those individuals who are giving up that right.

That does not even begin to deal with the issue of how you are going to deal with aboriginal rights, First Nations rights, with respect to the land and with respect to the property, Mr. Deputy Speaker.

This bill in its definition of land, Mr. Deputy Speaker, which is the amendment we are dealing with specifically, goes well beyond a right or an ability to have access to specific land, and speakers before me have made reference to the water, water rights, water powers, water privileges, et cetera. Thank heavens that our committee members were vigilant at committee and had the

government remove the reference to mines, minerals and quarries, but we must go further than that. There is no justifiable reason for us as owners of this land to cede those rights to a private company that is going competing out in the real world and making money. If it is going to be doing that, it should be doing it like any other private company, and it should have to compete like any other private company and not necessarily acquire those specific rights.

So I certainly urge members to reconsider, and I would like to go back, return to my opening statement that there is a common wisdom out there amongst the populace, and there is a general common wisdom and common sense, Mr. Deputy Speaker. It is ringing through loud and clear on the issue of controlling land. I think the government neglects to listen to that common sense at its own peril. Thank you.

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** The amendment that is proposed here is to significantly change the definition of land that is in the bill, Bill 67, by striking out nearly half of the description of land.

I guess the members would not be surprised if I said we would not be accepting their amendment, and we would be prepared to vote against it, and the reasons that we have the definition as currently in there and as amended with the removal of mineral rights is because this is the definition that is currently in the MTS act. It is the definition that is currently in The Real Property Act, therefore, the definition should continue through this bill, and the members have given arguments on a lot of other issues associated with land as opposed to just the definition.

So, Mr. Deputy Speaker, our position is that the definition as amended—and the reason for the amendment of taking out mines and minerals is because when we sell land as government, say, for instance, through MACC farmland, the mineral rights are kept by the Crown, so the same should apply in this particular case. That is why the amendment was put in place, but the transfer of land that is here is a legal process. It is the same for any member of Manitoba society regarding the transfer of land; therefore, I recommend that we reject this amendment.

**Mr. Deputy Speaker:** Is the House ready for the question? The question before the House is the motion moved by the honourable member for Thompson (Mr. Ashton):

THAT Bill 67 be amended in the definition "land" in subsection 1(1) by striking out everything after "rights-of-way".

Is it the will of the House to adopt the motion? No?

#### Voice Vote

**Mr. Deputy Speaker:** All those in favour of the motion, please say yea.

**Some Honourable Members:** Yea.

**Mr. Deputy Speaker:** All those opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Deputy Speaker:** In my opinion, the Nays have it.

#### Formal Vote

**Mr. Doug Martindale (Burrows):** A recorded vote, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** A recorded vote having been requested, call in the members.

(Madam Speaker in the Chair)

#### Division

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

#### Yeas

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

#### Nays

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

**Mr. Clerk (William Remnant):** Yeas 24, Nays 29.

**Madam Speaker:** The amendment is accordingly defeated.

\* (1640)

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, I wonder if there is leave to waive private members' hour today.

**Madam Speaker:** Is there leave to waive private members' hour?

**Some Honourable Members:** No.

**Madam Speaker:** No, leave has been denied.

**Mr. Ernst:** Madam Speaker, I wonder if there might be leave to not see the clock and sit past 6 p.m. to discuss the questions of MTS.

**Madam Speaker:** Is there leave for the Speaker not to see the clock and sit till 6 p.m.?

**Some Honourable Members:** No.

**Madam Speaker:** No, leave has been denied.

#### PRIVATE MEMBERS' BUSINESS

**Madam Speaker:** The hour being 4:30, time for Private Members' Business.

#### PROPOSED RESOLUTIONS

##### Res. 25—Rural Physicians

**Mr. Clif Evans (Interlake):** Madam Speaker, I move, seconded by the member for Kildonan (Mr. Chomiak),

WHEREAS many communities in rural and northern Manitoba have lost their doctors and are now faced with a situation where they have no physician practising in the community; and

WHEREAS medicare cuts and the lure of American jobs are making the situation even worse, causing some experts to call the shortage of rural doctors a looming crisis; and

WHEREAS hospitals in some communities are being forced to not only cut back hours but also close emergency services on weekends because they have no doctor; and

WHEREAS the listing of vacancies from the Standing Committee on Medical Manpower lists several urgent or very urgent physician vacancy situations; and

WHEREAS smaller communities often have a difficult time attracting physicians because they do not have the financial resources; and

WHEREAS some communities are finding that their recruitment efforts have been hampered due to recent changes in licensing requirements and the fact that local Manitoba graduates are not encouraged or required to seek employment in rural communities as part of their training; and

WHEREAS the loss of physicians in rural areas has a serious negative impact on the provision of quality health services to all Manitobans regardless of where they live; and

WHEREAS the Physician Resource Committee has drafted a discussion paper and held public community meetings to assist in developing a comprehensive Physician Resource Plan.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Minister of Health to consider dealing seriously with the recommendations made by the Physician Resource Committee and bring together physicians, representatives of municipal governments and rural hospital administrators to discuss reasonable measures to attract and retain physicians in rural and northern communities; and

BE IT FURTHER RESOLVED that this Assembly urge the minister to consider taking immediate action to deal with the crisis facing rural and northern communities which have lost their doctors.

**Motion presented.**

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

**Mr. Clif Evans:** It is a pleasure to rise again with the resolution on rural physicians, rural and northern physicians.

Mr. Deputy Speaker, I had the opportunity a year ago in October to rise on the same issue and bring out points about the very serious situations that we do have in a lot of our rural and northern communities when it comes to shortages of physicians.

Mr. Deputy Speaker, as some people have said, the situation in the last two or three years has grown much more serious than it has in the past previous five years, even 10 years. The situation in rural areas has grown to the point that rural hospitals, good facilities, have had to, in fact, cut back their hours in their emergency room, cut back the availability of service through emergency wards, cut the hours back because of the shortage of doctors in certain areas and because of the burnout that these doctors are going through, the ones who are in the communities, in the communities where they should have and have been dealing with up to four to six doctors, where that number unfortunately and for whatever reasons has been cut back almost 50 percent in a lot of areas.

In some areas for some periods of time, there have been no doctors to provide the service in a small local community hospital. Up until not long ago the community of Eriksdale was without any physician whatsoever to attend to the people, a small hospital with a personal care home attached to it, no doctor. They were able to find a physician who was willing to come out to the small community of Eriksdale and provide that service. That is one doctor. For that community, there is a requirement of at least two, maybe even three.

North of Eriksdale, we have seen also a situation in the past year and a half where Ashern has also lost a doctor

and has not, through every effort possible by them, by the community, by the local district board, got another doctor in Ashern. Ashern hospital services thousands, not hundreds but thousands, of people. Many communities rely on the Ashern hospital, rely on the doctors there. The Ashern doctors have had situations where they have been totally unable to attend to situations at the hospital where people have come in an emergency situation, have been unable, they are burned out.

Now what can we do? What should we do? The Minister of Health (Mr. McCrae) in October '95 jumped, literally jumped at me for making a comment through my resolution that emergency rooms, emergency wards were closing. He twisted it to a point where he said, the member is indicating to me, to this House, that hospitals are closing. We do not want to see that. We do not want to see that in our small rural communities and northern communities.

We have situations in The Pas. We have situations in Arborg. We have a situation in Hodgson, even though that being a federal hospital, they are still having problems getting doctors out there. These small community hospitals in some areas and in mine, and I will make points about my area.

Ashern alone services five First Nations communities, services four other communities in the area, has upgraded its facility and has been unable to provide that service because the two doctors that are left there cannot handle the case work, cannot handle the situations and provide the service on a regular basis and then try to do it on an emergency basis 24 hours a day. The Ashern Hospital services all these communities. We have to do something. This government has to assist in doing something, and we will get all kinds of support from members on this side of the House to do something to recruit, to do something to get doctors out to rural communities.

\* (1650)

We see the situation has now been somewhat over two years that Arborg, the community of Arborg which services a large, vast area has upgraded its facilities some four or five years ago. These doctors are in the same situation, emergency wards, and they have had to make postings in the paper, at the hospital, saying the

emergency ward this weekend will be closed from such and such a time to such and such a time. Any emergency situation that you may have, please, you will either have to go to Gimli or you have to go to Hodgson, the nearest hospital. That is unfair. It is unfair to the people that need the service.

But can we blame doctors? I do not know if we can blame doctors, but I think what we should be doing is making and trying to make, through the communities themselves, through the recruitment, through the provisions that are provided through the medical association and through the government, that we should be able to try and do something that we can get doctors to go to rural areas and practise, and stay. That is also probably a key, staying in rural areas and northern communities, not coming in for a couple of years and moving on because of the requirements that are necessary or whatever reason that is needed for those areas and those doctors must come and must stay and provide the service. We see doctors in rural areas, in some communities and some areas, have been around for over 10 years, some 20 years. Why are they staying? The community, the family, we have to make that attractive. Doctors themselves who have been in communities who are short of doctors and physicians are playing a big part in working with their local boards to recruit doctors by being on a committee and by saying it is a great community to live in, schools, et cetera, et cetera, et cetera.

But we need some action. We need some support and that is what this resolution is basically asking, for support, not bashing but support. We cannot have the situation prolong itself to the point where doctors that are still in the smaller rural and northern communities are going to be burned out to the point that they are going to leave. We do not want to see that.

We do not want to see a situation where we have gone from six doctors to four doctors to three doctors to two doctors to one doctor because that would not work. That would be a disaster in any community. Now, we know that there have been some studies, there have been some co-operation from physicians, from local hospital boards. There has been co-operation to try and find the right solution to a) make the doctors available, b) recruit them, c) keep them there.

Now the fear—perhaps fear is not the right word. The situation that we are now seeing with regional health boards, now I say to the government of the day, I say to members here, the opportunity to deal with this issue has been long standing. It has been a long-standing issue. I know it has been an issue since I was first elected in 1990, where it started to snowball. The government of the day, the then-minister, Mr. Orchard, the now-minister, Mr. McCrae, have had the opportunity, along with their colleagues and us and the physicians of Manitoba, to do something to be able to get doctors out to rural Manitoba and keep them there.

In October of '95, the minister made comment about a conditional register, but, Mr. Deputy Speaker, we do not know how that has worked, we do not know if it is working. From everything that we have heard from all the communities that two, three years ago, four years ago, five years ago said, we are having a doctor shortage problem, they are still having that problem. What we are also seeing, and it is very, very scary, is you do not have to go too far out in rural Manitoba and away from the city of Winnipeg. All you have to do is go to Stonewall and see that the situation there has become, in the minds of the residents, in the minds of the people and the doctors there, a situation that could develop into a crisis. The existing doctors are quoted as saying, and I will quote: Since September 20, the emergency ward at the hospital has been closed between 9 p.m. and 9 a.m. The three full-time physicians cite too heavy a workload to continue service by themselves.

Now that is Stonewall. That is small community just outside of Winnipeg, not far from Winnipeg, a growing community that needs physicians, has a wonderful facility as far as a hospital goes, just like all the other communities in northern and rural Manitoba. So now we are seeing a situation close to Winnipeg.

What are some of the solutions? Mr. Deputy Speaker, the minister has been quoted as saying, and we have been quoted as saying, let us look at how we can make it attractive, through wages, through group practices, through professional training and development, to go out in the communities back and forth so that doctors can upgrade themselves and still be able to service communities and, of course, to be able to provide some incentive as far as families go because that is also very important. A good doctor, who not only has colleagues

that he can work along with and provide the service, is a happy doctor, and he or she needs the resources made available to them, whether it be the financial, whether it be the living, whether it be the community itself to support them to come out is very important.

But I look at the solutions, and I wonder. With Bill 49 and the regional boards, I wonder whether the government and the minister have not reacted as quickly as maybe some would like them to have reacted because knowing that they are going to bring in Bill 49 and the regional boards, now we are seeing that this government is going to put the onus on getting doctors out to the communities through the regional boards.

Well, that may put even a tougher situation on a lot of areas. Are doctors going to be made available, and how are they going to be made available? How are the regional boards going to be able to deal with getting doctors out? Is the government going to assist? Is the minister going to provide the necessary resources to be able to recruit the doctors? We do not know, but we need the doctors in rural Manitoba. We need them there. We need them in Arborg. We need them in Ashern. We need them in The Pas. We need them in Flin Flon. We need them in Eriksdale.

We need doctors, and we need to do whatever possible, this Assembly, this government and members on this side of the House, to do something to work to get these physicians out to rural Manitoba, Mr. Deputy Speaker. I look for support, and I offer our support to be able to do something prior to the regional boards being able to handle that. Let us get the recruitment in place. Let us get the doctors available. Let us get them out to rural Manitoba. Let us keep them in rural Manitoba. Thank you.

\* (1700)

**Hon. James McCrae (Minister of Health):** Mr. Deputy Speaker, I am pleased this afternoon to join in the debate on the resolution brought to us today by the honourable member for Interlake who has identified an important problem we have in Canada and in Manitoba. It certainly is not a new phenomenon in our country that in underserved areas, such as remote and rural areas, physician recruitment and retention remains a problem into the '90s. In spite of efforts made by communities, by



hospital authorities, by governments over many years, we continue to have a challenge which in one neighbourhood gets resolved and seems to pop up in another one. There seems to be no single solution to the problem, but the problem seems best addressed through a multifaceted approach which has been taken in Manitoba. We continue to look for new options, new ideas, new incentives to assist communities in Manitoba to make sure their physician requirements are met.

In my travels throughout Manitoba, I have learned first-hand from affected communities of the difficulties that can be created. Now you, Sir, and others in this House who reside on an ordinary basis in the big city may not feel the urgency on a daily basis of physician shortages that our counterparts in smaller and under-serviced communities might feel. There is a tendency on the part of professionals, whether it is a medical professional or an engineer or a lawyer or an architect or whatever kind of professional it might be, there is a tendency to gather in the more populated, more densely populated areas of any jurisdiction. This is a natural tendency.

The honourable member, for example, did not bring in a resolution related to a shortage of architects in Gimli or a shortage of engineers in Souris or such like because it does not create the same kind of circumstance when architects or engineers gather in places like Winnipeg or Toronto or Vancouver.

If you live in a community which ordinarily is served by three physicians and one physician is lured away by pay packets and benefits equalling three times the kind of package that might be available in Manitoba, you create an immediate crisis, to use the word found in the resolution of the honourable member for Interlake. Now, honourable members opposite tend to use the word "crisis" to describe every kind of situation that ever comes along but, when we are talking about one physician out of three leaving a smaller, rural community, you have a crisis, because what you have immediately are two remaining doctors who are overworked, simply overworked.

So some people's idea is, well, find another doctor. Well, of course, that is an option that you need to look at, and in a moment I will go through a number of initiatives

that we have brought forward over the years and more recently, as well, to do just that, but is there not a more chronic situation here that ought to be looked at? I am always standing on my feet here pleading for support for the things that I hope to address, some of the concerns that arise. For example, would it not be good if we could get communities to share services, especially when we have difficulty attracting and retaining physician services?

One of the things among other things that physicians need and like is collegiality, which is pretty hard to get sometimes in a sparsely populated rural or remote area, collegiality with other physicians. So if you have communities in reasonably close proximity, you might hope to see physicians from all two or three or four communities working together to serve a larger population. That is what regionalization is all about, and we expect regionalization will help us address this problem, as well as many other ones, and it is in this area that I keep pleading for support because I think that it is generally recognized everywhere that regionalization will indeed assist us in our physician recruitment problems. But that alone, too, will not be the panacea. There is no one panacea, I suggest, or there is no one initiative that could be used as a panacea to solve all of our problems.

So that is why Manitoba Health continues to administer a variety of incentive-based measures developed by others over the years but additionally by the Standing Committee on Medical Manpower to improve the recruitment of physicians to underserved areas and, in a moment, I will run through a list of incentives that have been used and continue to be used.

Some suggest you have to force doctors to go and live in a community where they do not want to go and live. I have looked at that from a variety of angles, and I simply have trouble with it. The honourable member for Interlake (Mr. Clif Evans), I do not know if he is suggesting that; I do not think he is. I think he is talking about incentives probably, as opposed to force marching people to go and live and work somewhere they do not want to live and work, but it has been suggested that, you know, you have to find ways to force doctors into certain communities, and what you do when you take that approach is you force them to other jurisdictions like B.C. or the United States. That is the experience.

Physicians go to a lot of trouble—of course, the taxpayers help to educate them, but beyond that, physicians go to a lot of trouble to get educated. It is not easy to be a physician. It is not easy to learn the skills that are required to practise medicine, so a lot of effort goes into it, and we have what are called return-of-service arrangements where you can help a physician with the cost of his or her education by having them serve in a community for a given period of time.

It sounds good until the United States recruiters come along and say, well, how much do you owe? We will take care of that for you. Just come on down to Atlanta and help us out down here. We will pay you three times what you are getting now, and we will give you a car, we will give you a membership to a golf course and that sort of thing. It makes it a little bit hard to compete, and I do not suppose anyone here is seriously suggesting we can offer that same package to every doctor practising in the province of Manitoba.

So we have to opt, after a due consideration of the matter, to what they call the carrot rather than the stick, and, again, I want to talk about things like forgivable loans, things like using brochures and posters to promote careers in rural medicine, keeping in mind that quality of life for physicians is an issue that is similar to quality of life for everybody else. They like a nice, safe place to raise their children. They like to have a place where their children can go to school and get a quality education, hopefully a community that welcomes them with open arms and includes them in community activities. So you need to have things to promote communities.

We as a department, Manitoba Health, sponsor an annual health pro show. This event brings together students in various health disciplines with community leaders and health care providers of participating communities. We have financial support for the provision of a community medicine rotation for fourth year medical students to take a six- to eight-week primary care clerkship.

Manitoba Health funds positions for rural doctors taking post-graduate training courses from one to six months in specific specialties which will broaden their skills for rural and northern practice. We have funding arrangements with the department of Family Medicine at the University of Manitoba to provide for the Family

Medicine Rural Residency training program, and that is in Dauphin. In addition, funding is provided from the Health Services Innovation fund for a community-based residency program at Morden-Winkler. Manitoba Health funds the short-term anesthesia training program. This program is designed to provide primary care physicians serving in the northern and rural communities with the skills and judgment required to provide basic anesthetic services.

\* (1710)

You know, Mr. Deputy Speaker, there are some who say, well, you know, I know a doctor from outside Canada or some other doctor who cannot practise because of the rules. Those who complain in that way ought to remember that physicians ought to be properly skilled and trained and educated before we allow them to provide medical services in our province. It is not good enough for me to provide second class or a service that does not meet the standards of the College of Physicians and Surgeons to communities in—[interjection]

The honourable member for Inkster (Mr. Lamoureux) suggests that rules ought not to be used as a systemic roadblock to non-Canadian physicians who would like an opportunity to practise, and obviously, why would I want to do that? There are people in Manitoba who need physician services, so you would have to be a fool to want to keep a properly trained and educated physician out simply because they are not educated in Canada. That would be very foolish, and the very suggestion of it is a little surprising, frankly, in any event, especially coming from a member of the Legislature who comes from the city of Winnipeg where the circumstances are quite different. I hope the honourable member for Inkster is not suggesting that Winnipeggers should be entitled to physicians who have appropriate education and training, but Manitobans outside the city of Winnipeg are entitled to something less. I hope the member for Inkster would not be suggesting that.

But then the whole issue about—the word has been used—exodus. Now, I did not look it up in my dictionary what exodus means, but I think it involves more than one person, Mr. Deputy Speaker. We hear about this exodus of physicians. Well, last year, we had an exodus of one physician from the province of Manitoba. [interjection] Well, the honourable member for Burrows (Mr.

Martindale), I appreciate his offering the suggestion that that might be a myth because when you take the number of physicians coming in last year and the number of physicians going out and you subtract one from the other, what you end up with is a net minus of one physician in the province of Manitoba. We have physicians leaving our province and coming into our province on an annual basis.

The problem that we are identifying here with this resolution, indeed and surely, is a problem in underserved areas. Usually, underserved areas end up being rural and northern Manitoba, although at times there are specialty shortages in the cities, as well. For example, last summer, in the city of Brandon—there is a chest surgeon in the city of Brandon, and there is only one chest surgeon, who announced, I think it was on the front pages of the newspaper, how he is fed up and he is going to go off to Atlanta, Georgia, and practice medicine there. There was no report on whether he was going to get three times the income or the benefits. I do not know what that was all about, but the fact is—[interjection]

The honourable member offers a suggestion. Well, if the honourable member's suggestion is correct, I would be interested in knowing what the present status is of the physician that I am referring to because that physician—I recently saw in the Brandon newspaper, we have moved to a location on Princess Avenue in Brandon. So I am trying to figure out what is going on there, but when that comes out, and it is a front-page issue, and he is the only chest surgeon in the region, it causes a fair amount of consternation on the part of the people in the area, and I would not mind knowing myself.

But, in addition, Mr. Deputy Speaker, it should be noted that the head of the cardiac program for Manitoba, Dr. Bill Lindsay, is a Canadian doctor who left for the United States and returned recently to head up our heart program. The head of our mammography program for Manitoba is a Brandon radiologist who at one point took a time away and went to the United States, and he too has returned and we are glad. We are glad that Canadian doctors are returning. So not all the news is bad; not all the news is good. We continue to be challenged, and as a department we continue to stay on top of the issue and to work very hard with the communities to ensure that they can indeed carry out their responsibility which is to

attract and retain physician resources for the populations that they serve. Thank you.

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Deputy Speaker, I, too, would like to put a few comments on the record in regard to the resolution brought forward. I think it is a very serious resolution that the member for Interlake (Mr. Clif Evans) has brought forward, and I would think that some discussion on this should take place and inevitably will over the period of time.

I, too, I guess, coming from a small community in rural Manitoba, we certainly know the value and the effects that a good medical system in our community means, and not just to the community that they serve but to the surrounding areas. It takes in a lot of people when you talk about rural Manitoba and the communities that they serve. I know, certainly with traffic coming through and forth, one of the things that you always tend to look for as you are entering into a town, or I know it is a very big priority, in my former life as an employer, one of the more important things that was always asked in the communities—and I have lived in a community where there were no doctors and no hospital, and I understand there are several of them, as the honourable minister has mentioned, in Saskatchewan.

The thing was that the question always came up was, you know, did we have a hospital in our community? Unfortunately, we did not. We were not large enough to support a hospital, but fortunately we were very fortunate to have communities surrounding us that did have hospitals and did have good doctors that worked there and good people that worked inside the hospitals. I think that it became a selling feature for us in the sense of recruitment of people to work for us was the fact that people coming to move into our community, under our employment, were offered the opportunity of going several directions to receive their medical services and to visit with doctors.

I would say that is a very strong plus when the communities that surround us—and I certainly, as much as we would all like to see it, I do not think that we can ever say that there are going to be enough doctors or enough hospitals or enough medical services. I think, if we ever get to that day I would hate to think that it would be in my lifetime, or I would not hate to think that, but I would suggest that it will not happen. We were very fortunate

that the communities around us—and we supported those communities strongly in the sense of their attempts to recruit doctors.

I have certainly been with communities when we have come to the Manitoba Health sponsored pro shows in Winnipeg trying to recruit doctors to our communities, and we tried to not only offer them the financial package, but to try and show them the real values and the real benefits of living in rural Manitoba. I think there are so many. Quite often, whether through just our inability to sell or a doctor's determination to stay in a large centre, it became hard, and it became very competitive. But in rural Manitoba we certainly offer, I would say, as fine a facility that you will find anywhere in the province.

I know in one of the communities—and again a community that has had trouble recruiting doctors—my constituents have continued to move ahead in their community with the idea that the more we do in our community, the ability to recruit doctors is going to improve. In certain areas it has. In this particular community I know that it will in the future, because they are the type of people, and I think rural Manitobans can probably be portrayed this way, in the sense that they will never give up the battle to provide the care for the people that live in their communities and, as stated, nor should they. Regardless of the length of time that this issue has been before governments, not only in Manitoba but in Canada, I think that is an important thing to understand too, that this is not the only jurisdiction in Canada that is struggling with rural recruitment of physicians.

It is all over Canada. [interjection] Yes, I guess the western world. It strikes me that in the resolution itself the member for Interlake (Mr. Clif Evans) talks about the doctors that are leaving Manitoba. I would suggest that they are not only leaving Manitoba but all the provinces in Canada, but it also tells you that not only are we recruiting, but, obviously, our neighbours to the south are recruiting. I would like to just—a friend of mine, a doctor friend of mine actually who had worked in rural Manitoba for several years was wooed to the States to practise his profession. Through our families we have stayed in touch, and he has been there, I believe, about two and a half years. I know that the last time in conversation with him one of the things that he said that really struck me was that he cannot wait to get back to Manitoba. That made me feel somewhat reassured that

not everything that we hear and read about what is going on to the south of us is as, maybe, as good as it should be or as good as they would suggest.

\* (1720)

I think that Manitoba Health has certainly done a lot to help rural communities in their recruitment, and the struggle is hard. I do not think anyone can deny that, but I think there have been certain things that have been done to enhance and encourage the recruitment process. I also, I guess, would like to—I have a friend of my family, again, who is involved in the recruitment of doctors, and she has a very successful record at it. I often try and pick her brain when we are sitting down to find out what she is doing with communities competing for doctors and the recruitment of doctors. Sometimes they are reluctant to give out the trade secrets because she seems to have the ability to lure them to her communities. Some of them have been temporary, and some of them have been long term, but I would suggest that they are one of the few hospitals in Manitoba that perhaps have maintained their doctor numbers just based on this one person's ability.

I often admire her for her tenacity, and I have attended these pro shows with her to encourage physicians to come to our rural communities. She is very good at what she does, and I will probably try and get her moved up the ladder so that she can recruit for all of Manitoba because I do acknowledge her ability.

I think that some of the other things that Manitoba Health is continuing to do, to offer the incentives that they are now presenting to young physicians. I understand that there is a forgivable loan to third- and fourth-year medical students, and, again, I do not think anyone can deny the costs of getting into the health care profession, not only the costs in terms of financial dollars but also in the costs of the time commitment that is out there. I think that by offering these incentives to those third- and fourth-year students, it certainly should and hopefully will provide an incentive. The loans are \$15,000 in value, and it is a per-year basis, and in return for that, these students are required to provide one year return of service.

There has been lots of discussion out there as far as, do you entice or encourage, or do you use the stick, I guess, is the approach, the stick with the carrot approach? As a

person who has had to recruit people to come into our place of work, I have always found that the carrot approach is the best way. You certainly have to sell your community, the services that you provide and make these people aware of everything, not just in the medical side, that your community has to offer them, but also I really believe that they have to understand and have first-hand experience with the quality of life that we offer to people in rural Manitoba and in northern Manitoba.

I had the opportunity in my lifetime to spend some time in northern Manitoba, and I found it to be probably as nice of an experience in my short life as there was. I was fortunate to work up in the Thompson area, and I found the people extremely friendly at that particular time as a young adult. I would suggest that health care was not perhaps No. 1 on my agenda, but I did have the opportunity to utilize the services that were provided at that particular time, and I found them to be excellent, not only in the care that they gave, but the consideration that they gave.

**Mr. Kevin Lamoureux (Inkster):** What was your No. 1 priority at that time?

**Mr. Tweed:** The honourable member for Inkster (Mr. Lamoureux), I think we would probably have to discuss that in the loge.

When we talk about the exodus of doctors—and I hesitate to use that word—because, again, I think, when you are dealing with small numbers in communities and as the honourable minister has said, when you have a community where you have two or three physicians, to lose one, not to the Americans or to another province but just to somewhere in the same province of Manitoba, it takes a big chunk out of your community. I think that when you use the percentage factors on two, it is 50 percent, and I think those numbers can sometimes suggest to people that it is a greater number than it is, but I still think that the concern should be there and is there on behalf of the government.

I also just would like to put on the record a few of the people whom I have met who have worked in rural Manitoba, and the doctors in the communities that I have served. They have been tremendous community people. They have served in so many ways, and I think, when we are recruiting people, these are the kinds of examples that we have to hold out to these people, to get involved in the community, to become a part of the community and not

only to serve in the medical profession of the community but also outside that profession—[interjection] In the social fabric of the community. Those are the exact words I was looking for.

I know that the community I now reside in, the doctor that is still working there, I think more now at his age probably because of his commitment to the people that he is serving, has served as the mayor of the community. He has served on the town council. He has served on the school board and has been a tremendous asset to the community, not just in the medical profession that he brings but also in the strength of our community that offers us a better opportunity when we are recruiting that this can happen, and this we hope will happen and should happen.

I think the situation with some of the doctors who are leaving, I do not think there is a way that we can restrain them. I hate to use that word because I think that everybody should be entitled to practise in a profession that they have worked so hard at and have invested so much of their time and money that it would be foolish, I guess is the word I would use, to try and retain them based on restrictions as opposed to incentive. I certainly like that aspect of it far more than the stick approach.

Actually, who I was talking about was Dr. George Dow. He is still actually serving on our school board in our community. I know he is at the retirement age. It is something that at that age it seems like you just have so much respect for a person like that who has done so much, I think, in the medical profession as a professional but also in our community as a person.

I know, when I made my decision to enter into the political world, Dr. Dow was one of the first people that I consulted about taking this step. I know with his commitment and time that he has put into public life, he was certainly far more encouraging and helped me along my way. He was one of the first people that I did business with when I entered the community, too.

With that, Mr. Deputy Speaker, I will take a pass and just thank you for your time.

**Mr. Peter Dyck (Pembina):** I, too, want to take this opportunity to put a few comments on the record, just to talk about the importance of health care within the rural area, the importance that it is to us.

**Mr. Deputy Speaker:** Order, please. When this matter is again before the House, the honourable member for Pembina will have 14 minutes remaining.

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 20, 1996

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