



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

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, November 25, 1996

The House met at 7 p.m.

ORDERS OF THE DAY

(Continued)

REPORT STAGE

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

Madam Speaker: Order, please. As previously agreed, the hour being 7 p.m., the honourable member for Thompson has 31 minutes remaining.

Mr. Steve Ashton (Thompson): Thank you, Madam Speaker. In fact, before the break I was referencing the fact that this amendment deals with rural and northern service, a very significant—and also accessibility for others. It is not strictly a rural and northern issue, because there are many low-income Manitobans, many people on fixed incomes who are obviously concerned about accessibility.

I want to read onto the record, because this may come as I think interesting news to those on the other side, what we have come to call the sort of the flat-earth society, those who still do not think that it makes any difference whether you have a publicly owned or privately owned phone company.

I want to read into the record some of the presentation that was made. By the way, this was not made by Mr. Nugent. He made the verbal presentation. I am quoting from the written document filed with the CRTC which has not been withdrawn as it was supposed to have been if it was going to be last Friday—and I understand there are now some more politically correct terms being used now. But this document still stands.

An Honourable Member: Weasel words.

Mr. Ashton: Weasel words is the suggestion. I think it is save-face-for-the-Premier (Mr. Filmon) words, but this is from November 13, 1996. I want to read this, and I hope rural members will listen to this:

Service for the Future, No. 34. MTS also proposes that the outstanding costs of the Service for the Future program should be treated in a manner similar to an exogenous factor to permit continued rationalization to occur in a more gradual manner following the implementation of price caps. MTS believes that this would minimize rate impacts to its rural customers and allow for reasonable opportunity for such costs to be recovered.

Basically they are concerned about this rate shock that Mr. Nugent was talking about and suggesting that whatever should happen should be phased in, the costs for Service for the Future.

I want to deal with this here because this is the operative part. Service for the Future was a program of service improvements initiated by the government of Manitoba in 1988, part of a major provincial public policy initiative to provide, amongst other things, improved rural service in Manitoba. These initiatives included:

- (1) upgrading all exchanges in Manitoba to digital technology;
- (2) providing universal individual line service;
- (3) introducing Community Calling service involving the elimination of long distance charges by enlarging and amalgamating extended and local calling areas to adjacent exchanges by reducing 160 toll free calling areas to about 60 toll free calling areas;
- (4) introducing optional toll calling programs allowing residents in communities surrounding Brandon and Winnipeg low-price calling to such centres through an optional flat-rate calling program.

Now No. 36—this is when it gets really interesting—MTS asserts that these initiatives were a matter of public policy and therefore were deemed to be in the public interest. The fact that these initiatives were undertaken as a matter of public policy has not been questioned by any party in this proceeding.

You may be asking the question, well, surely all these private phone companies that the government said operate like Manitoba Telephone System must have done the same thing, right? They must have upgraded their service, right? We even had MTS put out that answers document and say we live in the world of, you know, we do not have crank phones anymore and we do not have party lines. Well, do you know what MTS said—this is before the CRTC. This is factual, this is not the verbal comment. These are not off-the-cuff comments, these are in the brief. I have got a copy of it here for anybody who cares to look at it. It says similar initiatives to various degrees have recently been implemented by other Stentor companies. No Stentor company has implemented such initiatives to the degree, within the short time frame, or used the rate structure similar to that of MTS for such services. Translated, that means no other phone company in Canada, and particularly the privately owned phone companies, has extended those improvements to their rural and northern residents. Only MTS has done that.

It goes on. If you want further of this, look at Section 38. I quote: The uniqueness to Manitoba of these initiatives therefore resides in a combination of the following factors: (1) the initiatives were instituted as a result of specific public policy mandate. I mean, it is right in your CRTC document, right in the document that the reason we have improved rural and northern service is because of a public mandate. Now, are you going to question that? It is the kind of thing you do not get in a private company. It is right in there.

Number two, the magnitude of the program, \$620 million, is very large in relation to the small size of MTS, \$1 billion of net assets, and any surprise to anyone? Number three, the time frame in which such initiatives were executed is very short, essentially over five years, most of which was done within the first several years of the program which commenced in 1989. People in rural Manitoba expressed concern about the toll-calling areas. What does it say in the document about toll-calling areas? The size of the toll-free calling areas is large, i.e., toll-free calling both in size and price and benefit rural customers. Then 5, the manner in which such initiatives were funded is different, and these initiatives are very heavily cross-subsidized.

Madam Speaker, it is all here. It is all here in black and white what MTS submitted to CRTC, but what does

it prove? It proves exactly what we have been saying since February of this year across rural and northern Manitoba; it says in the words of MTS itself in front of CRTC; and it disproves absolutely everything the minister has said when he suggested there is no difference between a public and a private company. MTS has gone before the CRTC and saying what? It is saying there is a difference. It is the public policy mandate: we improve rural and northern service, and we want to make sure the private company in the future can get back some of those costs through the rate structure. That is what the CRTC application said. Anybody who says anything different is not telling the truth to Manitobans.

When the minister says there is no difference, he is saying now—and I know what they have done all throughout this debate. They criticize. He had the nerve, the minister had the nerve, to put a so-called report from the Legislature attacking the opposition for spreading misinformation about MTS. Well, whom is he going to attack now, MTS itself? I mean, who is left? You destroyed the counsel for MTS last week. You humiliated him in public.

An Honourable Member: He did not.

Mr. Ashton: Well, the Premier (Mr. Filmon) did, not the Minister responsible for MTS (Mr. Findlay). The Premier said this is a guy who used to babysit my—

An Honourable Member: Good thing David Filmon did not present the case. I used to change his diapers, but he is wrong.

Mr. Ashton: Yes. It sounded like the Checkers speech, you know, Richard Nixon from the 1950s. All we needed was a Republican cloth coat and a dog named Checkers. But here it is, it is MTS's own words to the CRTC, and I say to the minister: Has this been withdrawn from the CRTC?

No, it has not, and he knows. It is there in black and white, and what this amendment does is try and get back in—and we will do it in others aspects too—other ways of ensuring that there is a public policy mandate for the new private company because anybody who thinks that you can sell off MTS and not lose the commitment to rural and northern service is an absolute—I just say to the minister, anybody on the government side who thinks

there is going to be no difference in a private company is an absolute fool because even the CRTC document from MTS itself, signed and sealed and delivered to the CRTC, says the same.

I realize it may not be a concern for the member for River Heights (Mr. Radcliffe), but it better be or the member for Morris (Mr. Pitura) or the member for La Verendrye (Mr. Sveinson) or it better be for the member for Pembina (Mr. Dyck) because what this document says is that we have what we have today because of public ownership, a public mandate, and what it says and it proves in words in here which are exactly what we said that no other private company has the same commitment to rural and northern service.

You know, what amazed me is the degree, the kind of fraudulent claims we have seen from the Premier. I hope when he gets into comparing rates, for example; I mean, I have done checking with rates. What is interesting is that, if you phoned B.C., you might actually get some cheaper rates than Manitoba Telephone System in rural areas. You know why? Because they still have party lines. They have party lines in greater Vancouver. They have party lines all over the interior of B.C. Hey, if you do not believe me about B.C., drive to Ontario. Check what their phone service is like in rural and remote Ontario. Guess what, Madam Speaker? They have party lines. Why do we not have party lines in this province? Because of public ownership and that is what is in this document.

I want to see any member on the opposite side say now—I mean, it is about all that is left itself. They are running around. In fact, I would like to see the CEO of MTS, the various CEOs that they have hired, I want to see how they put a spin on this one. Even Barb Biggar cannot spin this one any other way. You can spin until you are blue in the face on this. The CRTC document proves what the New Democratic Party has said all along, there is a difference under public ownership and the major difference you see is in rural and northern areas. Now common sense, rural Manitoba says the same thing. We are getting this everywhere we go in rural Manitoba and, yes, we are getting it from New Democrats, but we are getting it from Tories, too. We do not get too much from Liberals because there are not too many Liberals. I can see I am not offending anybody in the House right now by saying that, but—

An Honourable Member: Not in my riding, I can tell you that.

* (1910)

Mr. Ashton: Well, the Minister of Natural Resources (Mr. Driedger) says not in mine. But everywhere we have gone, every public meeting we have had, we are the only ones holding public meetings. We have had people from all political persuasions, and the first thing that people say is it just makes common sense. You get a private company in, they are more concerned about the shareholders than they are about the people of Manitoba.

An Honourable Member: Fearmongering.

Mr. Ashton: It is interesting the member for River Heights (Mr. Radcliffe), he may not have to worry about service in River Heights, but to the member for River Heights I can say, are you accusing MTS of fear-mongering when they go before the CRTC? I find it absolutely despicable that a member from a constituency like River Heights would accuse me of fearmongering when I am quoting the MTS on the record, proving the fact that public ownership makes a difference in my community.

I say to that member, the member for River Heights, come and visit York Landing, come and visit Thicket Portage, Pikwitonei, and Ilford, four communities in my constituency. They may never have had phones if it were not for MTS. They certainly would not have access to digital phones like they have now, and they certainly would not have individual line service if it were not for MTS. I can say there may not have been too many party lines in the constituency of River Heights but there were all over rural Manitoba.

Irony of ironies is when the Minister responsible for MTS (Mr. Findlay) gets up, as he does, and it is kind of like the two faces of the Minister responsible for MTS. When there is an announcement to be made, like rural 911 service, you know when there is an announcement they are putting in the final touches on eliminating party lines, it is like, oh, I am the Minister responsible for MTS today; boy, what a good job MTS is doing. What a good job. Then when it comes to the privatization hat, bang, he puts that on, he says, wow, we have tough times here. Then he has to flip it on again when the annual

report comes out, it is like, oh, happy days are here again. I mean you could not get a more glowing report. You could not get a more glowing report than the report that was brought in to the committee before. Then he puts on the other hat and says, oh, well, we are doing a great job here, a fantastic job, but actually things are really bad. Black is white; white is black. I mean, this is like Alice in Wonderland.

I think I know what the real issue is here, because the person who gave it away was one Tom Stefanson. Mr. Stefanson, okay? The other Mr. Stefanson—

An Honourable Member: How many are there in that family?

Mr. Ashton: Eric's brother. I did not raise that. I want to tell you on the record what he said. He said, here is his idea of the way things are going to work under privatization. This is directly relevant to what we are talking about. Number one, he says, well, we will not have to worry about preparing for Question Period. I mean until the last few weeks, months, there have been a few questions about MTS. So I challenged him. What was the problem in having to be accountable to the people of Manitoba? Well, I will tell you privately. I said, no, you said it on the record, put it on the record. You know what he referenced? He referenced questions that were asked in 1991. Really onerous for a multimillion dollar—but then he said, under private ownership you do not have to worry about that. You just have to worry about your board of directors, and once a year you might have to worry about the shareholders, and the rest of the time you can do what you want.

It is interesting because he also suggested, and I find this interesting, because whenever the government talks about MTX, one thing Mr. Stefanson wants the new MTS to be able to do is get involved in foreign deals. Oh boy, I bet you I can think of the consultant for that. Don Orchard would make an excellent consultant for that. He has probably got all the old business plans he can dust off. But you know what was interesting? Think about it. He said, and this is Mr. Stefanson—and, by the way, I think it is unethical for Mr. Stefanson and some of the other senior officials at MTS to be getting involved in this kind of debate, taking an active partisan role in this when they work for the people of Manitoba. They do not work for the Conservative Party, Madam Speaker. What

I find absolutely amazing, Mr. Stefanson gave away the whole idea. You know, this new private company is not going to have to worry about going before Question Period. They will not have to go a Legislative committee, they will not have to go to anyone except the shareholders once a year, and the only questions they are going to have to answer are what? How much money did you make? Probably the next question is, you did not make enough money. And the next question is, what kind of service are you going to cut? Not, what are you going to add, what are you going to cut to do that?

Madam Speaker, you do not have to be an expert on the situation to understand, the new company's loyalty is going to be to whom? The people of Manitoba? No, it is going to be the shareholders. I will tell you, there may be some members of this Legislature who will be listened to. It will not be any of our caucus because we will not be buying shares, that is absolutely unethical, if the government members cannot figure that out.

But I wonder, how much money is the Premier going to pocket out of this deal or the Minister responsible for MTS (Mr. Findlay), although now I think he said that he was going to buy and then he is not going to. That is the question. I say to members opposite, people are going to ask. If you are going to buy shares and you are setting the price of the shares, the conditions and the issuance of the shares, how much are you going to make at the expense of the people of Manitoba? Interesting, because they may get listened to.

I say to members opposite, it is obvious to anyone with any sense of what is happening, you do not have to read the CRTC document from MTS. Everybody knows that when you have a private company, what is the concern going to be? The bottom line.

An Honourable Member: Service.

Mr. Ashton: Well, the member for River Heights talks about service. Listen—

An Honourable Member: That is what it was when I was in private industry.

Mr. Ashton: Well, he says, when he was in private industry. Yes, I mean, service as a lawyer, there is a service element to the legal profession. But I am sure

that the member did not reflect when he made that comment on the fact that MTS has the best record in Canada of service to rural and northern Manitoba because it is publicly owned.

The bottom line here, Madam Speaker, is, I do not know how the government has the nerve to do the kind of thing it has been doing, the kind of report from the Legislature issued under the signature of the Minister responsible for MTS accusing us of fearmongering. The member for River Heights talking about fearmongering, what is fearmongering, saying that things are different just like MTS says itself? What is fearmongering, saying that rural and northern areas will suffer? What is fearmongering, saying that if you have increases in rates like we have seen in Alberta, the model—they have carbon copied it? We had a member bring in the Tellus report. He has read it in detail. It is interesting.

Do you want to see what a private company looks like? It is right here, and he has—

An Honourable Member: It is my speech, do not steal my notes.

Mr. Ashton: I am not going to steal all your notes here, by the way, but look at it. Here it is. I mean, you took this investor fact book here. It is interesting, because you start running through, you see what a private company operates like.

Anybody who thinks that the private company is going to have a mission to serve Manitoba beyond basic customer service—I mean, Kathy Funk will still be there and others on those commercials will still be there. There will probably be fewer of them. I know they got paid to say that, but either way they are long-term MTS employees, but there will be fewer of them. Service—and you played that game with your \$400,000 advertising campaign. They played this game of saying, well, you are still going to be able to phone MTS and there will be a customer service rep somewhere who will come and service your phone. But what is interesting and, if you check what people are saying out there, they say, when it comes to the question of whether rural and northern Manitoba will have the same kind of commitment to service under a private company, service as in the kind of phone lines you have, the capital investment, everybody in the province knows that you are absolutely not telling

the truth when you say there will not be any difference. Everybody knows it.

I do not know who you think you are fooling out there, but common sense says it. It is nothing to do with the NDP or Ross Nugent or MTS. The private company has to make a dollar. Where is it going to make the dollar? It is going to make it from its bottom line or it will work hard, it will probably cut back on staff. It will probably rationalize and re-engineer. Oh, but by the way, the member for River Heights (Mr. Radcliffe), if you also read the same document from MTS, what is interesting is, MTS has already said on the record it sees limited ability, less ability than in other provinces to reduce rates through efficiency gains.

Well, the member for River Heights makes my case. Their argument before the CRTC is that their argument is, we have reduced the workforce by a certain amount; we cannot pick it up. So think about it. Private companies could re-engineer. MTS is saying, we do not have that ability. Where are the increases going to come from? They are going to come from two things; it is going to come from two areas. One is rates and the second one is by not having the same kind of commitment to capital enhancement of rural and northern service. That is the bottom line with this government's agenda.

There is a reason why 78 percent of rural Manitobans oppose the sale of MTS. It amazes me, because I think it should be a real testament to the common sense of rural Manitobans if you look at it—\$400,000 worth of advertising, a lot of which is targeted towards rural Manitoba. You know, I mean, they did not hold public meetings, but they had the Premier go out on CKLQ to put his Teflon armour up, to try and defend this, the indefensible, and he got clobbered.

* (1920)

I have been out in rural Manitoba in every part of the province. You know what? Madam Speaker, 78 percent of the people, you bet they oppose the sale of MTS, and anybody in this House who thinks otherwise is a fool. You do not have to run a poll, you have a public meeting, something they have not done. Anybody who believes that fewer than 78 percent I am sure also think that Elvis is still alive and that the Earth is really flat. You are in about the same category, do-not-confuse-me-with-the-facts school of politics.

Be honest with yourself. Do not kid yourself. Talk to people. Run a poll. I would say run a vote, that is the best way of finding out. But the people out there in rural Manitoba do not believe you, they do not trust you, and the more you sit here—I will tell you, read that article. I say to the member for Morris (Mr. Pitura) they do not believe you. I say to the member for Morris—by the way, you did a good job of chairing, but I am afraid you did not do a very good job of listening in the committee. I do not know how you could make a statement saying that—I think after going through the committee hearings I am probably as convinced as I ever was that the direction we are going is the right direction.

Madam Speaker, 182 people were against it. The UMM was against it. Even the Tory members, when the UMM gave its presentation, their jaws dropped, they looked stony faced. They know that this was pretty significant. Do not take my words for it here. Bill Toews—all right, I sort of take exception to rural MLAs saying the majority of constituents support what they are doing, and rural Manitobans have a very real sense of control of the rural utilities.

Crow Wing Warrior, Morris, Manitoba, not from the Thompson Citizen, not the MLA for Thompson or the MLA for Swan River, this is from people out in rural Manitoba. Do not tell me or anybody else on the record, I challenge anybody to stand on the record and say that rural Manitobans support the sale of MTS and then afterwards explain to me why the Earth is flat and Elvis Presley is still alive.

I am really starting to worry now about members opposite if they would go that far. I mean, you deny, deny, deny. In the end you are only fooling yourselves. If you believe that, why do you not put it to a vote to the people of Manitoba. [interjection] Oh, you do not have to says the member for River Heights (Mr. Radcliffe). He sits back in his chair, he sits back comfortably and he says we do not have to put it to a vote. I know. You fooled the people in '95 on the Jets and MTS, so you can sit back for the next four years, and once you have bought your shares you can just clip your coupons.

Talk about arrogance. I say when you break your word as you did to the people of Manitoba in 1995 you have no other choice morally and ethically and politically in the long run to put it to the people of Manitoba. I say to each

and every member, particularly rural members, I want you to put on the record right now, I want to see all the rural members of the Tory caucus stand up and dare to say that the people of rural Manitoba support the sale of MTS, because I guarantee, you say that, and people will laugh you out because they are 22 percent in favour, 78 percent against.

Point of Order

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, the member for Thompson challenged me and said if any rural member had the guts to stand up and say—

Madam Speaker: On a point of order?

Mr. Driedger: No, I am speaking. Oh, well, so let us make it on a point of order then, on a point of order, because the member challenged any rural member to stand up and say, you know, put on the record that our people were not supporting what we are doing. My people are supporting what we are doing.

Madam Speaker: The honourable Minister of Natural Resources does not have a point of order.

* * *

Mr. Ashton: I never questioned the fact that their people were supporting it. I know Mr. Vandewater, members of the Conservative board, Tom Stefanson, all of them, their people support it. But, do you know what, to the Minister of Natural Resources, if you think that your constituents in a vote would go and support the sale of MTS, organize that vote. I will come to your constituency, and we will put it to a vote because there is not one corner of rural Manitoba where you can say honestly on the record, and you are an honest person, that the people of Manitoba support it.

An Honourable Member: Do you want to debate him in Steinbach?

Mr. Ashton: I will debate anywhere, any time, and I notice, Madam Speaker, not one single member of the opposite side has ever dared to take us up on the offer, including the minister in his own constituency.

An Honourable Member: We will walk down Main Street in Steinbach hand in hand, and we will find out.

Mr. Ashton: We will walk down Main Street in Steinbach here. I mean, I have walked down the main street in Morden. I walked down the main street in Virden. I walked down the main street in Neepawa. I walked down main streets all throughout rural Manitoba, and do you know what? They do not believe you. They did not believe your advertising. They are opposed to the sale. The reason you have not had a single public meeting is because you know that. The reason you will not put it to a vote is because you know that, and it is easy to stand in this Chamber—and I notice there is really big audience up there watching, but, you know what, put it on the record. That is fine. Put on the record that you believe you are voting for what your constituents support.

Put that on the record, and I guarantee you, and I say this to the Minister of Natural Resources (Mr. Driedger)—and I say this, in particular I would say this to the member for Pembina (Mr. Dyck) directly if I could—when we were in Morden, do you know what they said? They talked about yellow dogs. Right. Remember the yellow dogs, that species, and they talked about the days when you could run a yellow dog under the Tory label in southern Manitoba and they would get elected. But do you know what they were talking about? The extinct yellow dogs. Remember the federal Conservatives, because do you remember what they did on GST? Oh, they were brave. I bet you they stood up in the House of Commons and said, my people support this. You can take a walk down the street in Steinbach and I will support this. I mean, there is not a single Conservative member federally in western Canada. There is not one even in Ontario. I mean, they were brave then—GST.

Madam Speaker, you know, it is easy to stand in this House and be brave and say all these great things, and the ultimate is the member for Turtle Mountain (Mr. Tweed) who has probably spoken at least three or four times in a two-minute time slot as put aside for members' statements. That is a brave thing to do. Has he had a public meeting in Boissevain or Killarney? No. I mean, that is a little bit too close to those people out there. You know, you do not fool anyone. If you were that concerned about the people of Manitoba, you would have had—[interjection] Well, the member says that we do not

have an issue; 78 percent of people, the UMM, MAUM, rural Manitobans have spoken with a strong voice, the Pool, everybody is opposed, the vast majority.

I say, to conclude here, that I want to see members opposite put on the record. It is one thing to get up and say—and I respect this, there are some people who said they think they are doing the right thing. I think it is the right-wing thing, but they do. No one on that side is acting on behalf of the stated views of their constituents in rural Manitoba on the sale. There is not an area of this province—and I say to the Minister of Natural Resources (Mr. Driedger), come and spend some time in Morden and Winkler, your adjoining constituencies, and talk to people in those communities. I have had people—I mean, this is serious, let us face it. There are people who do not normally talk to New Democrats. They have never seen New Democrat MLAs in some of those areas—you know, like you did not use to want to be identified that way. They are coming out now. We had a rally in front of the building. It was one of the best attended. The best was in Dauphin. Okay. The second best, Morden, Manitoba, hot bed of socialism, to quote the deputy leader.

I want to conclude on that because the point is here, if you do not support the package in here in terms of—and I think you can support this one, I say to the Minister responsible for MTS (Mr. Findlay). This one you can support. I believe you can. I think there are other ones in here too. We have got some very substantive amendments on rural offices, and we have got substantive elements in here preventing contracting out and other areas which could hurt, erode the rural job base that is going to be potentially affected, what we are fighting for in this case. Why are we debating these amendments? I would rather not see MTS sold off, but I want to make sure that when Tom Stefanson, you know, on the record he said, oh, we are not going to get rid of rural jobs or anything like that, I guarantee you. Since I heard that, I am just waiting for those “trust me” words that the Premier likes to use.

If that is to be believed, let us put some of this in the bill. If you do not like the wording of this, put in your own wording. I mean, we have been losing a few amendments because they are being considered out of order. You can move them through a bill, you have a lot more leeway than we do to move those amendments. Let

us start with this. There are several other amendments that deal with substantive rural issues.

* (1930)

I say to members opposite, do not, in your haste to bring in this ideological decision to sell off MTS sacrifice the interests of rural and northern Manitoba. The prime beneficiaries of the public policy commitment to phones in this province, we have benefited the most, and I recognize that, and I say that as a northerner, and I say, that is not only in our best interest in rural and northern Manitoba, it is the best interest of the province as well because, as long as you have a commitment to rural and northern Manitoba, you have a one-million-strong province.

This is not one capital city and outer areas. This is not the days of Perimeteritis, I hope. I say to the government, you have rural members on your side just like we have on our side, rural and northern members. Let us put a commitment into this and, even if you do not listen to us in the sale of MTS, make sure you do not sacrifice rural and northern Manitoba in the process.

Mr. Gary Doer (Leader of the Opposition): I am pleased to join in the debate on the amendment. There are probably three decisions that we would like the government to make, three decisions our constituents would like them to make in this Legislature.

One, keep your election promise, do not sell the Manitoba Telephone System, withdraw this bill. That is one decision they would like you to make. We can talk about my people and your people, somebody else's people, but the people of this province give certain political parties a legitimacy to proceed on decisions. They gave the government certain legitimacies in terms of the promises they made. They did not give you the authority, the 31 people, to speak to the member for River Heights, they did not give you the authority, you do not have the democratic mandate to sell this phone system.

Schreyer had the democratic mandate to proceed with public auto insurance because he campaigned on it in 1969. We had stated in 1986 that we were going to sell the Flyer bus company. We had a democratic mandate to proceed with the decisions to do that. In 1988, we were

reviewing the privatization of Manfor, and the Premier at that point and the then-leader of the opposition at that point said that they would also review the privatization of Manfor. We had certain conditions which I do not believe the government could have carried on, but there was a democratic mandate. People knew what we were going to do and what we were looking at and they knew what you were going to do. I do not think the Liberals had a position.

So, Madam Speaker, you do not have a democratic mandate and so the first thing that people would like you to do is keep your election promise. Do not proceed to sell it without a mandate. That is why we suggested a second option for the government opposite.

A second option for members opposite is to get legitimacy, and the only way possible short of calling an election is to have a referendum, a vote of all the constituents. If you did not promise to sell the phone system and if you, in fact, promised the opposite—we know from all-party debates that you did not promise to do it, in fact, you promised the opposite—then you have a responsibility to get a democratic mandate to sell the phone system with a referendum.

Why should Manitobans as public shareholders have less rights than you would have if you were a private shareholder? If a company was going to be sold and you were a private shareholder and your shares were going to be sold to another company or another set of private shareholders, you would have a vote. So the second decision we would like members opposite to make is to give people a say and give constituents the right to make this decision legitimate, because it is an illegitimate decision because it has no democratic mandate to it. You cannot as 31 people replace the judgment of 1,100,000 Manitobans. You have no right to do that. I feel very strongly about that.

The third decision you could make—and maybe I will address some of the issues in that biased piece of paper that the minister tabled. Let me just give you one example of how this debate must take—first of all, I trust the people of Manitoba. That editorial writer can have their vote, another editorial writer can have another vote. You know, their brains are no better or worse than anybody else's. They have written editorials that have been negative about the government; they have written

editorials that have been positive about the government. They have written editorials about us. They have written editorials that said—what was the one on the festival that we have in the summer?—that Folklorama would not be a good idea; it was a silly idea. They predicted—when Juba and Schreyer proceeded with Folklorama they had all these editorials that members opposite wave around.

An Honourable Member: They only wave around the occasional one.

Mr. Doer: Yes, they do not wave around the schoolyard bully ones and other decisions. But let me just take an example. They mention property taxes; there are grants in lieu of taxes and therefore that would save the company \$20 million. Hello, Mr. Editorial Writer. You think you are not going to pay property taxes under a new private company? You think you will not have to pay property taxes all across this province? You think it is going to be the same as \$20 million, which is in the annual report in terms of property taxes? Come on. You know, I do not mind bias; I deal with bias every day and we all have our own biases. But I certainly like all biases to be based a little bit on facts, not on just strictly the bias.

So you can wave those around all you want, I do not care. I absolutely do not care, because I know that people that write those things are just as mortal as I am. They will make just as many mistakes as I will, and I do not worry about it, Madam Speaker. I could cite chapter and verse where the same editorial writer made predictions about the hockey team, for one, and other predictions that unfortunately have not come to be true.

But the third set of decisions, the third decision that the people of Manitoba want you to make, and this is a chance to vote for your constituents, is at least, at minimum, provide the same kind of economic and social objectives in Manitoba in terms of equitable services and decent services across this province that exist as part of the mandate in the Manitoba Telephone System today. If you really believe in what you say there will be no reduction in services or no massive increase in rates which will affect the accessibility of people for their Manitoba Telephone System, then you will have absolutely no difficulty, and dare I say this will be a political advantage to you to vote for this amendment. This will be a political advantage for you, because you

can say that the objectives of the Manitoba Telephone System that were there up to the point in time of privatization and the objectives for rural equitable services and decent equitable rates for rural and northern communities will exist into the future company. They will be a legal requirement for the new investors along with the tried and true objective of a private corporation which is to return money on investment.

If you want to balance out the objective of rate of return for the investor in the form of dividends with the economic and social objectives of Manitoba, you will have absolutely no difficulty passing this resolution, this amendment. If you vote against this resolution, then you have no intent except to satisfy the investors and the brokers and the bond dealers. You will be acting in a way that we have said all along that you only care about what they say on Bay Street, and Main Street, Manitoba, has no motive for you at all anymore, that only the bottom line and the bottom line of the dividends will be the requirement for you as a decision.

So this amendment should be easy for you, because it really says that this company will have a number of objectives. It will have the objectives of a dividend for private investors, as it will naturally have in a private corporation, and it will have the other objectives of rural and northern services and rates that are equitable across the province. It will mean that this telephone system, unlike some of the other private firms—and the member for Burrows (Mr. Martindale) mentioned the Telus operation—will have the ability to have broader objectives than just the narrow dividends.

Madam Speaker, the Minister of Telephones (Mr. Findlay) knows that in the CRTC presentation, both the Nugent presentation and the written presentation and the amended presentation that was filed with the CRTC on Friday evening all state the same thing, that Manitoba Telephone System has proceeded in digital switching, in call areas, in elimination of party lines and a number of investments of rural and northern Manitoba beyond other Stentor corporations.

* (1940)

The only other example of that is in Saskatchewan. The Grant Devine government started this in Saskatchewan. I know that we were frustrated when, as

the minister mentions, I think I was sworn in in late December of '86 into the telephone system and had a chance to look at this in 1987.

I was frustrated because when I went to the telephone system they would say it is the PUB's fault. Then I would go to the PUB and they said it is the telephone system's fault. And then I would go to cabinet and they would say they did not know whose fault it was. So we had 17 regional meetings and the Minister of Telephones, who was then the member for Virden, came to one of them. The member for Roblin-Russell came to one of them. We had 17 meetings where we put a number of options before the public to identify all the options and how much it would cost—17 meetings. They were well attended by both sides of the House because we all recognized, as the board of directors, all 57 members of us in this Legislature, that the telephone system had to go beyond its narrow mandate to provide rural telephone services as an economic and social objective for Manitoba.

You look at the history of Manitoba Telephone System compared to, say, BC Tel, and the Premier quotes rates from B.C. We know that some of the rates he is quoting are party lines and that maybe—he is not fooling anybody by it, because all you have to do is look at the provincial budget, but we know that you can cherry-pick rates, but if you compare a party line to a single line in Manitoba, we know what you are doing. He knows what he is doing. Just do not try to fool the public on what you are doing on these proposals.

Madam Speaker, I am pleased that the government, when the change of government took place in '88, took the plans we had and took a look at them, because I know again as minister approving cellular telephones in the morning, the question I had for the telephone system and people that had some experience in telecommunications on this issue is, well, if we are putting in cellular telephones and it is going to cost us all this money to put wire into every farm gate, is there any way of marrying these two concepts? We were told that cellular telephones would be much more expensive for at least the next 15, up to 20 years than the individual wire lines, and so far, 11 years later, those predictions have so far been correct.

Madam Speaker, the minister knows to his credit he carried on with the plan. I am sure he made some minor

adjustments but he did evaluate them for a year, which he should have done, because he should ask the same questions we asked or I asked and then we asked and then he proceeded with the service. So this was something that was started by all of us. All of us took part in this. Whether we were in opposition or government, all of us took part in it. We took part in it because it was the only way we could do it, and I am happy that in the CRTC presentation that was quoted by the member for Thompson (Mr. Ashton) that he goes on through the record of what we have done.

I also should say that in the same presentation made by Mr. Nugent at the CRTC decisions, the Premier picked a slight error in what Mr. Nugent said. He pointed out that Hydro was different than Telephones in terms of the dividend, but he also pointed out that the Manitoba Telephone System does not pay a dividend. He said it is prohibited from it. It is not actually but the same general case he was making is true. Manitoba Telephone System does not pay a dividend, and Mr. Nugent correctly said that the dividend in Manitoba Telephone System is (1) affordable services right across the province, and (2) ensuring that all Manitobans have accessibility to telecommunication services.

That is the dividend, and look at the results. We, like Saskatchewan, are way ahead of the other Stentor corporations that have been owned by private companies on the elimination of party lines. Why is that an advantage? Well, number one, it is a tremendous health care advantage because some people in rural Manitoba now are hooked up to the sixth floor of the Victoria Hospital on emergency communication devices because party lines were eliminated. You could not have a rural Manitoban that would have equal health care rights to an urban Manitoban if they did not have accessibility to those emergency services.

Number two, all rural Manitobans are hooked up to the Internet—Internet, by the way, that is hooked up in the telephone line. The minister makes the point about increased competition. That is a valid point, but there is also massive increase and utilization of our phone lines. In fact, the projections for the next five years in the Financial Post last week were that telecommunication companies (a) would have more competition across North America, and (b) the revenues would go up every year because we have Internet, we have faxes, we have all

kinds of communication systems that go on the wire that goes to your home in your telephone system.

So, yes, you have both competition and you have massive layering of utilization of a phone system. Faxes 15 years ago, and Internet 15 years ago, would not be on the telephone system; it is now. Of course, Manitoba also has, and it is not in the Nugent or the CRTC report, the highest amount of fibre optics in Canada. I remember announcing the second fibre optics line through rural Manitoba. I mean, I think that public ownership has meant that we have gone further on social and economic objectives than private companies, a point that has been articulated by the member for Thompson (Mr. Ashton). I know the minister agrees. I mean, I know he has to—you know, the Premier is going to sell this phone system. I know he has to come out here—I actually believe that he appreciates what we have done. I know that they have had to go back to the caucus and say—[interjection] No, I mean what we collectively, 57 people, over 80 years have done and what we will do in the future. No, I am not talking about us personally. I am talking about all 57 members now. All the way through my comments, it has been 57 of us, because that is where it has come from. It has come from the people of Manitoba through our constituencies.

Madam Speaker, there is the question—I have heard some of the members opposite say, well, who wants to own \$800-million worth of wire? Well—[interjection] Yes, it is in the ground, but you look at all the telecommunications studies, how expensive it is to go up into a satellite and back down to Earth again. It is still much more expensive to have cellular telephones than it is to use your wire telephone. In fact, the cellular phones still come back onto the wire telephone system. We have already paid for a wire to go to every home in Manitoba, that also hooks up to fibre optics lines; that includes Internet and faxes and telephones. We never should have given away cable because the biggest threat on cable, and you and I disagree on this, of course, or the biggest threat for competition is through the cable television system, but you look at the studies lately, and they predict that cable television will make inroads, yes, on the Internet systems, but they also predict that telecommunication companies and the wire telephone system, with its Internet and faxing capacities, will continue to get revenues well into the next 10 years.

Madam Speaker, this amendment really should be accepted by the government, that really should be accepted by the government. In other privatizations, the government has accepted social objectives. I thought the CN privatization should include a lot more amendments. I thought that northern Manitoba and remote lines should have been protected in the legislation, and we would have had a stronger bargaining power with Mr. Taillieu and Canadian National, but the Liberals, I thought, totally denied us that opportunity. I also believe that if they can put the headquarters of Montreal in the legislation in the federal Parliament, we can put into legislation the objectives of having equitable, fair, reasonable rates for our telephone system and our telecommunication system.

These are very reasonable amendments. They put into life and into words the sentiments expressed in the CRTC presentation. They give meaning to the fears of the Manitoba Union of Municipalities, the worries about the cost-recovery, rate-rebalancing system that could take place with a private company which is only interested in dividends in the future. It gives full meaning to the position taken by Manitoba Pool and other organizations that have gone from regional meetings to stop the privatization. It deals with some of the legitimate concerns in rural and northern Manitoba.

I suggest to members opposite, to vote against this amendment is to vote against reasonable services, affordable services, and it is to vote against rural and northern communities. You cannot do that. You have to accept this amendment, and I expect support from members opposite and all members to ensure that our legacy includes both the social objectives, the economic objectives, along with just the objectives of return to investor. There is more to Manitoba than just the investors, and let us do it with this amendment as proposed by the member for Thompson. Thank you very much.

* (1950)

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I also had the opportunity to meet with many, many rural Manitobans across the province to talk to them about this piece of legislation, and people across rural Manitoba are concerned. They are concerned because they are concerned about having higher telephone

rates; they are concerned about being left behind with technological services under a private company.

This government, if they believe that those are false fears, then they should accept this amendment that will ensure that the corporation should allow for the continued affordability and accessibility of high quality telephone services to residents of the province, regardless of their geographic location, and at an equitable rate throughout the province and at such terms and conditions as may be approved from time to time by the regulator. So there are real concerns in rural Manitoba with respect to what will happen to the telephone service under a private company.

Now I have to say that MTS has been very good to rural Manitobans, and our Leader just spoke about the 17 public meetings that they held when they were in government and went out and listened to the people. What a novel idea. Would it not have been fantastic if this government would have taken up the same approach and went out to rural Manitoba and told the people about their plan and listened to them? If the government is so sure that this is going to be okay, give the public the assurances. Do not be afraid. Do not get stuck within a building and not go out there to listen to the people.

I have to say that under MTS, services have been improved tremendously. I grew up at a time where we had no telephones. The only telephone we had in our community was at the post office, and it was a little cubicle. When you got your phone call there, whoever was sitting next to the pay phone cubicle could hear everything that happened. In fact the only time you got a phone call was if there was company coming or if there was a funeral. If you knew you got a phone call, it was something very, very important, and everybody in town knew about it as well.

We then went to the point where we had a switchboard. The people within the community got the telephones. There was a switchboard within the store, and that was open from eight in the morning till 10 at night. Again, many times, your neighbours knew about a message that you were getting, and that happened to us when one of our children was born. People along the party line in town knew about our child being born before the grandparents knew about it. I worked very hard in our community to get the telephones extended to the farms. I can remember when we first got those telephones, and

it was a great accomplishment. But a greater accomplishment was Manitoba Telephone took the initiative to bring services and private lines to all of rural Manitoba. They did make an investment, and I know it cost a lot of money. Because of our business, we had to put a private line into our home before all the other private lines went in, and that cost us about \$800. Other people who would have needed them for their private businesses would have had to do the same. But many did not. They waited until MTS did it, and it was much more affordable.

But, Madam Speaker, this government says that they have listened to rural Manitobans, and their constituents have told them that this is what they want. Well, I want to just read into the record a letter from a constituent of one of the government members, and he says, and I quote: I have been recently made aware of your government's intention to sell Manitoba Telephone to a private company this fall with the passage of Bill 67. Please inform me of what rights you have to sell the public service. I am not conversant with the laws of a dictatorship. To have the privilege of a telephone at my age of 71 when communications with hospitals will become of the utmost importance to me, your government's self-centred attitude on Bill 67 will effectively deny me the use of a telephone service. For what? For 53 percent increase in your tax revenues? I shall not be able to afford the basic cost plus tax of a private company, \$486.46 per year. Double that to current telephone costs. Do your math, it is not hard, this cost plus incremental rate increases, which are a habit of business. How can you be so insensitive to the people's needs, people who are unemployed, people on minimum wage, young people who are students of the future, people on low income who might need medical attention at the moment? How can you account for your greed? Please tell me what kind of people have been voted into office? Are you Americanized Canadians with a grab-all dollar mentality?

This is what people in rural Manitoba are saying, and there are others. Madam Speaker, another response is to the ad campaign put forward by this government, this government who spent \$400,000 of taxpayers' money to put out their ad campaign, and this is what they say, if the Minister of Industry, Trade and Tourism (Mr. Downey) wants to know what it is based on: This one, I quote, says: I find the letter by Mr. Fraser on MTS questions frankly disturbing. In the first place, Manitobans who

own and are served by MTS have not been consulted in the process. It seems to me that those with most to gain or lose should have been at least given a token hearing. The support that I as well as other Manitobans have given MTS, in spite of deep discounts and heavy advertising by competitors, should be a clue that we are not in favour of selling off our assets to private interests. MTS has served us well since 1900.

So there is another example and that, again, is a constituency that this government represents. Another constituency that the government represents, and this is an urban one, so it is not only rural people. This is from Fort Garry: Most people I talked to are opposed to the sale, including myself. Why not have a referendum and let Manitobans decide?

But this one is very interesting because it comes from the constituency of Turtle Mountain, and it has been the member for Turtle Mountain (Mr. Tweed) who has been so adamant in his support for this venture by the government.

This constituent from Turtle Mountain says: I wish to add my name to those requesting a moratorium on the privatization of Manitoba Telephone until such a time as the general public has had the opportunity to study the matter fully. My concerns are identical to those which have already received wide publicity. There is no case for private companies offering better results and being more competitive. The list of failures and troubled companies is staggering. Also, one cannot see how a new owner could operate without generating profit margins to satisfy the shareholders. The present government, by virtue of accepting office, has accepted the responsibility for our telephone system and should continue to do so until it receives other directions from the people either by informal talks or by facing the next election. That is what people are telling you.

So, Madam Speaker, I think that the government, if they believe that there is not going to be any problem for rural Manitobans and rural Manitobans are going to have adequate service and will not have higher telephone rates, they should put it into the bill. This is the opportunity for the Minister responsible for MTS (Mr. Findlay) and a rural member to give the people of rural Manitoba assurances and accept this amendment, that we will have some guarantees that we will continue to have affordable

service and equal accessibility to the people throughout the province.

There is real concern with the statement that Mr. Nugent has made to the CRTC, in that he has said that there will be a dramatic increase in the rates—and I am pleased to see that the Minister of Industry, Trade and Tourism (Mr. Downey) is so environmentally conscious and continues to waste paper photocopying. I am sure that there are many pictures that we could photocopy and pass across to him but. If that is the best thing he has to do with his time, well, we will accept that. But certainly there are concerns out in the community and the government has had many. Instead of pushing forward with this legislation, there are many things that they could have done and they could have, as the previous government has done, and that is, go to the people and listen to them. Since the government has not chosen to do that and has not chosen to hold a referendum, I believe that if they are going to proceed with this sale as they have said they intend to do, and they have the majority, they can, at least accept the amendments that we are putting forward and ensure that we have equitable service across the province.

You hear and we know that there is strong opposition to this. It is very interesting that the Minister of Natural Resources (Mr. Driedger) earlier said that there is no opposition. Well, I am not sure who he is talking to because, when we go out there and talk, there are a lot of people who are very concerned and are worried. They are worried about whether or not they will be able to have the services that they have now, whether the calling areas are going to shrink and there are going to be more long distance rates to pay. Those are the kinds of concerns.

* (2000)

It is too bad that the government chose not to go out to rural Manitoba and hear those things, but you cannot put on your blinkers and stay inside this room and inside this building and make decisions that will affect all of the people of Manitoba. You should go out there to hear them because, in my constituency, there are a lot of people who are concerned and there are people who we hear across the way, are you going to buy shares? People cannot afford to buy shares. To think that people want to buy shares, I will have to tell you, the main thing I hear from people with respect to shares, they say, why should

I buy shares? We own this company. It is ours. Why should I now make investments in it when all the investments have been made by the province up to this time? It does not make any sense, so I can tell you that there is not the interest. I have not had people saying to me yes, we are going to buy shares or even calling to enquire on how to buy shares. That is not the interest that is out there. The concern is are we going to have a good service or is rural and northern Manitoba going to fall behind, and I think that is a legitimate concern. I do not believe that a private company, unless they are told that they have to, will make the investment and give the assurances that their rates will be affordable or make the investment for advanced technology to be spread right across the province.

That is the responsibility you have as a government. You have to ensure that all parts of the province are treated equally, not that the people within the city have better services and the people outside the city have less of an opportunity, less of an opportunity for business, less of an opportunity for education and less opportunity to communicate with their families, because it is the rural families that are separated because of jobs, because of education, and those are the responsibilities that you have, so I urge you as a government to recognize the importance of this amendment and support it to strengthen the bill that you have decided to put forward to privatize Manitoba Telephone System.

Ms. Becky Barrett (Wellington): I too am pleased to speak this evening on this very reasonable amendment that I hope the government will agree with when it comes to a vote. There is a quote, and I am not quoting it accurately, I know, and I cannot remember who said it, but someone said— [interjection]—but it will sound good. Someone said those who do not read history are doomed to repeat history, or words to that effect, and the Deputy Premier (Mr. Downey) asked the member for Swan River (Ms. Wowchuk) where the information was coming from when she read a letter from a concerned constituent about rate hikes and service cuts.

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

I would like to say that it appears that the government members in this ill-informed, ill-thought-out, ill-conceived piece of legislation have not read their history

and are therefore doomed to repeat it, and the history of telephone rates and telephone services in North America is a very clear one. We have mentioned in this House time and again the fact that the Alberta privatization route is the route of choice. It is the route that the government here is following in their production of a presentation of Bill 67, but we do not just need Alberta. We can go to all of the other phone companies in the country when it comes to party lines. There is certainly no other Stentor or private company that has eliminated party lines the way Manitoba Telephone System has done.

The Manitoba Telephone System eliminated the party lines not because it was a good business decision but as a result, as Ross Nugent and everyone knows, of a social policy decision, a governmental policy decision that said it is a good thing for the people of Manitoba, rural and northern Manitobans in particular, to have private lines, to eliminate party lines, to allow access to private lines. Had this been a private company, history shows it would not have happened. If it had happened, it would have happened more slowly, it would have happened at a far greater cost to the people for whom the service was being presented.

The services in the United States have decreased, rates have risen as the AT&T was deregulated. The people who were supportive of the maintenance of what in the States was called a natural monopoly of AT&T at the time warned that this would happen, that there would be rate increases and service cuts. The Congress did not listen and the federal trade commission, or whatever it was in the States, made the determination that AT&T should be deregulated, that it was not to be a natural monopoly anymore and that competition would provide better service and lower rates.

Well, anyone who has travelled into the States or anyone who has seen the ubiquitous television ads for Sprint and MCI and LDI and a number of other ones, including AT&T, knows that enormous amounts of money that could be spent on providing jobs, that could be spent on providing service, that could be spent on reducing rates are being spent on advertising and all of the accompanying public relations that go into a private company that is in competition with others. So I would suggest that the Deputy Premier (Mr. Downey) pays

attention to history because it is about to repeat itself, unfortunately, to the people of Manitoba.

That is what the people of Manitoba are saying. They know, they talk to people in other provinces. They know what has happened in the United States. They know that Manitoba, under a public corporation, has virtually the lowest rates in North America and the best service. They know that a public telephone system as a Crown corporation, as an engine for public policy has taken the geography and the demographics of this province, which are challenging at best, and have made the best possible use of those challenges. They have faced those challenges and have provided service to all Manitobans at affordable rates, because they see the telephone system and telephone provision as a public right not as a matter of a bottom line.

It was very interesting when I read Mr. Nugent's comments to the CRTC, I said, I have heard this before and, yes, it had been brought out. These concerns, particularly about the difference between a for-profit corporation and a public corporation, were mentioned many times in the public hearings on MTS. I would just like to comment none of these people had access to the CRTC documentation. As a matter of fact, I do not think it had even been made then. The presentation by Mr. Nugent had not even been made, but five or six people in one two-hour period all made the same point from different perspectives that a telephone is an essential services.

In a private system, it is profit first and service second. The private company will syphon off the most profitable services at the expense of services that are less profitable. The maximization of profit does not ensure equal access to services. The member for Swan River (Ms. Wowchuk), the member for Thompson (Mr. Ashton), the member for Flin Flon (Mr. Jennissen), the member for Dauphin (Mr. Struthers), the member for Interlake (Mr. Clif Evans), all of our rural and northern members have made that statement time and time again in Question Period, in the committee hearings and in speeches on this. Private profit motive does not allow for good service in a situation like telephone provision in a province like the province of Manitoba.

The private sector, another presenter said, does not have the mandate to watch out for the public good that government does, and Manitobans, since 1908, have legitimately seen the provision of telephone services as a public good. This is what has led to this enormous outpouring of concern about Bill 67 and about the provision of service is that in a private company the provision of public good will be subservient to the maximization of profit and people say, that is not right. We have had, since 1908, a public corporation that has done the public good, and what they are seeing now is a private company coming in and they are seeing history repeating itself. There is virtually no example of a private telephone system that has provided service that is accessible and affordable the way the public Manitoba Telephone System has.

Another young person who is a marketing student said that one of the basic marketing principles that she learned is that the only consumers marketing cares about are those with the ability to pay, and that is exactly what is going to happen when you put the marketing process and when you put the profit component into the service of the provision of telephone service. Only those with the ability to pay \$800, as the member for Swan River (Ms. Wowchuk) said, to hook up their own private line will be able to do that.

Now, granted, luckily for rural and northern Manitobans, that did not happen. They were allowed to complete the switch from party line to private lines before the privatization came about, or potentially is coming about, but what else is on the line ahead of us? We are talking in this amendment not only about the geographical support of services, which is a vital component, but also services that currently are offered to individuals and groups when they need it as a social good, as a social policy. Anyone who knows anything about the services that are provided to people on welfare, the telephone services that are provided to people on welfare who are also victims of violence and have concerns about their own safety and the safety of their children, currently Manitoba Telephone System, in connection with the Department of Family Services, provides phones for these, largely women, single heads of families.

I am very concerned about what a private Manitoba Telephone System will do in that regard. They will say,

well, yes, that might very well be nice to be able to do it, but, boy, the cost recovery in Flin Flon is going to be \$48 a month. Well, we just look at the bottom line here, and we cannot afford that because our first priority is to provide dividends for our shareholders, which is a private company's legitimate first priority. One of the ways that you provide good dividends for your shareholders as a private corporation is to provide service, but it is to provide services, as the member for River Heights (Mr. Radcliffe) has said, that are cost effective and lead to higher profits as well as customer satisfaction. Well, providing phone service for women who live in fear in Flin Flon is not going to be a priority for a privatized Manitoba Telephone System, so this is why people are concerned, this is why people are terrified that their services are going to be cut, that they are not going to have access to the kind of publicly supported essential service that they have come to expect and legitimately see as a right. We are going to move from the telephone as being more or less seen as a right that everyone has to a privilege that only the few will be able to afford. If you live outside the city of Winnipeg, it will be even fewer than the few who will be able to afford it.

With those few words, I just want to say that this amendment is an excellent one. It will ensure it will give a framework for the private Manitoba Telephone System to operate within, that will tell them that they not only have the bottom line to be concerned about but they have a public good to be concerned about as well. So I hope that if the members opposite support this amendment, some of the fears, some of the very legitimate fears of the people of Manitoba will be partially assuaged. Thank you.

Mr. Stan Struthers (Dauphin): Mr. Deputy Speaker, I am pleased to be able to rise and support the amendment put forth by my colleague the member for Thompson (Mr. Ashton), because I think it is an amendment that will improve substantially what I think is a very bad bill. The amendment should really come to a lot of interest to the rural members across the way who claim—and I use the word “claim” kind of loosely here—that they are speaking here on behalf of the best interests of rural Manitobans. That is something that I find absolutely hard to believe, but, in good New Democratic Party fashion, we are always willing to give the other side the benefit of the doubt. We are always willing to give the Tories a chance to put their money

where their mouths are, and that is what is going to happen when the vote on this amendment comes up, whenever it happens to come up. Then we will see just how committed they are to reasonable rates in rural Manitoba, affordable rates, and how committed they are to making telephones accessible to all the people of the province, especially those in rural and northern Manitoba, who stand to lose the most in this misguided, ill-advised move that the government is pulling off here this fall in the Legislature.

Mr. Deputy Speaker, the amendment has some key words in it that I have circled here. First of all, it says: “The corporation or an affiliate of the corporation shall continue. . . .” Now, “continue” is a very important word because that recognizes the fine job that the Manitoba Telephone System has done since 1908 in this province. There is a reasonable belief in this Chamber with all the members that the MTS has served this province well, that certain things would not have happened in Manitoba had we continued with the mixed-up, purely market-driven situation that we had pre-1908, before Rodmond Roblin, a Conservative Premier, had the good sense to create the Manitoba Telephone System.

In rural Manitoba we can point directly to the subsidization of our rates, which has meant that telephones have become affordable to rural Manitobans. We can point to, as many members have indicated previous to me speaking tonight, that party lines in all likelihood would still be in existence in this province as they are in other provinces where public telephone systems have never existed. One just has to look at other jurisdictions such as British Columbia and Ontario and others to look to see that there are still party lines in existence. I can tell you, Mr. Deputy Speaker, a friend of mine in Rorketon, Manitoba, was very glad earlier this fall when they finally got rid of their party line in the big city of Rorketon. It was something that they had looked forward to for a long time in that community, something that they would still be looking forward to if it had not been for the commitment of a publicly owned telephone system in this province.

The next word that I wanted to draw attention to members across the way is the word “affordable.” The corporation shall continue to provide affordable rates. What is going to happen if we move to a private system where you have to show on the bottom line to your

shareholders, the few Manitobans and mostly foreign interests who will have bought up shares in this company—are you going to tell those people, no, we do not have any profits to share this year because we had to keep rates affordable for Manitobans, we had to keep rates down? No, you are not going to say that. You are going to want to produce for your shareholders profits. You are not going to want those investors to put a bunch of money into buying these shares if they cannot turn into even a bigger bunch of money at some point down the road.

The next word, Mr. Deputy Speaker, I would like to draw the people's attention to is accessible. If we move to a private telephone system like they have done in Alberta and like my colleague from Burrows has pointed out earlier today, the rates have gone up, not just the rates but other fees that are provided to Manitobans now through a publicly owned system have gone up as well. Does that make phones accessible for every Manitoban? No, it decreases the accessibility. Why the members across the way cannot see this is beyond me, but I think they do see it, I do not think it bothers them though. I think they figure they have got telephones, they are all right, Jack, it does not matter about the rest. Accessibility is something that we as legislators should be very concerned about.

* (2020)

High quality telephone service—high quality. The Manitoba Telephone System, as a publicly owned system, already provides high quality telephone service and there is no reason to believe and there is no reason to accept what the members across the way have been saying about the high quality of telephone service being there when we move to a private system. It does not necessarily flow that you are not going to have high quality service from a publicly owned telephone system and that somehow it has to be the private system that can only make that accessible.

Mr. Deputy Speaker, the other term that I want to draw the people's attention to in that amendment is the term equitable rates. Now surely every member of this Legislature, all 57 of us, are concerned about being equitable. We are concerned that we are not going to put one part of our province at a disadvantage to others. The business community in my community of Dauphin does

not want to be put behind the eight ball when it comes to competing out there in the marketplace. If you do not ensure somehow equitable rates in every geographic location of this province, then you are disadvantaging one part of the province to another, and that just is not fair.

In the 1995 election, the Conservative government who won the majority at that time did so at least partially on the basis of telling folks that they were not going to sell the Manitoba Telephone System. Now a lot of people say that they did not say anything on it, it never came up. Well, I know different. I know that in Dauphin, Manitoba, in the election, the fellow who represented the Conservative Party there, he did not say nothing about MTS, he went a little bit further. At least on two occasions in public debates where I said the Tory party if elected would privatize Manitoba Telephone System, he says, oh, no, they will not; we are not going to do that; vote for me, we are not going to privatize MTS. I wonder if he had told the truth, if he had said, oh, yes, when we get in, we are going to privatize MTS because it has a big debt load, because we have got to stay with the times, because we have to change with the times, it is a changing world—and all these clichés that the Premier (Mr. Filmon) likes to throw around. I would submit to you that your Tory candidate would have got rejected even sounder by the people of Dauphin.

I would also like to know, this candidate who said that the PC Party would never sell off MTS, I wonder if he was speaking on his own or was that Conservative Party election platform that he was spouting off at those candidate debates? I wonder. He never retracted anything. He is fairly silent on this issue these days.

The other thing I wonder, after thinking about what the Tory candidate in the Dauphin constituency said during the election, is, since this was the last Tory in town, the last Tory around to talk about these kind of things—

Mr. Deputy Speaker: Order, please. I would like to remind the honourable member I am enjoying hearing the past history about the candidate who ran against him, but at this time there is an amendment before the House, and I would appreciate if the honourable member was relevant towards the amendment that he is speaking to at this time.

The honourable member for Dauphin, to continue.

Mr. Struthers: Mr. Deputy Speaker, the candidate in this election was talking about not selling the Manitoba Telephone System. Seeing as he has been the last one around to publicly say anything, I wonder if he would support having rural hearings to talk about accessibility and affordability? I wonder if he would come. I wonder if he would be around Dauphin talking about accessibility to telephones and what is going to happen to rates when we privatize MTS. How high are they going to go? He is not saying much these days either, but that is not a big problem with that candidate because nobody else in this Tory caucus who did get elected has been out to talk about that in Dauphin either.

They were not in Grandview on Thursday night when I said I was going to be there. I can remember a while ago challenging somebody from across the way to come to Grandview. I was there Thursday night. I talked to people from Grandview. Did they tell me, oh, it is a good thing to do to sell off MTS? No, they were not.

Fearmongering, now there is a good word. That was part of the Tory election platform a year and a half ago. That did take up a big part of their time.

The town of Grandview put forward a resolution saying, we want public hearings and we want a vote of the shareholders. If you are going to do something that is going to affect the rates of our telephone system and make them more inaccessible, then we want you to come out, look us in the face and tell us so.

The R.M. of Ochre River did the same thing. They wanted to talk to you people. They wanted to talk to somebody from the government who was going to have courage enough to explain to them what is going to happen with MTS and what is going to happen to their phone rates and to the job situation in our area once you sell off the company. Nobody from the opposite side had courage enough to come out and talk to anybody in Ochre River or Grandview.

An Honourable Member: Give us their addresses and we will send them materials.

Mr. Struthers: Give us their addresses we will send them more half-truths, we will send them more propaganda, we will get the President or the CEO of MTS to send out another piece of Tory propaganda that

should have been paid by the provincial Conservative Party.

Mr. Deputy Speaker, one of the presentations that was given to the hearings in Winnipeg was by the Manitoba Chamber of Commerce, and that presentation contained a statement that they had the unanimous support of their chambers to say that they wanted MTS sold. Well, it was not unanimous. The Dauphin Chamber of Commerce has said, if our business rates are going up, if you are going to make it harder for us to compete, then we want you to come out and we want you to have rural hearings, we want you to have a vote on MTS and, most of all, the Dauphin Chamber of Commerce opposes your move to privatize MTS. So, let us not think that the Manitoba Chamber of Commerce is at all united or all unanimous when it comes and gives the government advice, because it is not.

The folks in Grandview last Thursday night whom I talked with at the meeting were not surprised that this government did not have the courage to come out and talk with them before they decided to sell this company. Even though the people of Grandview are amongst those who will suffer the most when it comes to having affordable telephones and having accessible telephones for their business and for their residences, even though they stand to lose the most, they were not surprised that this government is acting in the way it is. That was Thursday night. That was after this government used the cowardly move that it did to invoke closure through the Speaker. They were not surprised about that either, Mr. Deputy Speaker. They were not surprised because this government has failed time after time after time to represent rural Manitobans on this issue.

Now, one of the things that has been suggested over and over and over again to this government is to have a vote of the shareholders. It has been suggested that no other firm, no other private corporation, would make such a drastic decision without having its shareholders have a say in it. Of course, Mr. Deputy Speaker, the shareholders in this case just happen to be the people of Manitoba. The problem that this government has, I guess I can understand their problem, they know that 78 percent of the people in rural Manitoba would vote against what they are doing. They know that over 80 percent want a vote, though. I mean, it is a tough decision, and this is a government who prides itself in making the tough

decisions. You have to choose. Over 80 percent want to vote, but you know that 78 percent of them are not going to vote with you, so you are chickening out, you are backing off. You are giving little speeches here in the Legislature, little members' statements; you are not facing the people of Manitoba on this. You ducked them in the election. You have ducked them in the hearings. You would not go out to see them with rural hearings. You are ignoring the ones who came into Winnipeg to present to you, and now you are just going to go ahead, have the Speaker invoke closure, and say it is all said and done with and somehow pretend that you have done your job.

* (2030)

The other part of your situation that is tough, I realize, is that if you were going to go out and try to switch the minds of those 78 percent that oppose what you are doing, you have got nothing to go on. You have got a bunch of clichés and a bunch of rhetoric, and that is it. We have produced an analysis by an Ontario economist who says your rates are going to go up. What have you produced? Nothing. MTS has a lawyer. While the Premier (Mr. Filmon) is shooting off his mouth here in the Legislature about rates staying down, based on nothing, the MTS lawyer is in Ottawa arguing that the ceiling has to be lifted, arguing to the CRTC saying that the ceiling has to be lifted because the rates are going to go up. The term he used was rate shock for rural Manitobans.

An Honourable Member: The deputy leader got out of that debate.

Mr. Struthers: Maybe the Minister of Industry, Trade and Tourism (Mr. Downey) does not care whether rate shock occurs within his constituency or not, but he should at least listen to the facts. The MTS lawyer has said this.

Can the Conservative government point to any model that says that we are wrong? Can it point to anything that says differently than what is in Alberta, an example that has been used quite often by both sides of the House, an example where rates have gone up? Rates have gone up. Service has gone down. More fees have been introduced for people to pay, and what has happened to employment? It has gone down as well. Look at the American model. Look at the British model. The line continues. Nothing this government has—absolutely zip—to take out to rural Manitobans and convince them

that their rates will not go up. This government has nothing to say to rural Manitobans that phones are going to be more accessible. There is nothing in here that can guarantee rural Manitobans that they are going to lose a lot as this government moves towards the selling off of this company.

Mr. Deputy Speaker, common sense tells us that when you are paying \$15 a month for a basic rate in Dauphin right now for a telephone and the real cost is \$43 and you are moving to a private company, somewhere that difference has to be made up, or those people that you are getting to invest in this company are not going to be very happy shareholders with you. How are you going to make up that difference? How are you going to keep the shareholders happy and still keep your promises that rates are going to be low and there will not be additional fees, and that service will be maintained at least where it is now, and that jobs will not only be maintained where they are now but increase as members across the way have been prone to say?

This government should take the opportunity to get out to rural Manitoba and look people in the eyes and tell them exactly the truth on this issue. Thank you, Mr. Deputy Speaker.

Mr. Gregory Dewar (Selkirk): Mr. Deputy Speaker, I rise tonight to speak to this amendment put forward—

Mr. Deputy Speaker: Order, please. Could I ask those two honourable members that are trying to carry on this conversation to do so in the loge? At this time, the honourable member for Selkirk has the floor, and I am sure we want to hear every word he has to say.

The honourable member for Selkirk, to continue.

Mr. Dewar: Thank you, Mr. Deputy Speaker, for calling those two members to order. Thank you very much. I certainly do appreciate that because I am certain that they want to hear what I have to say on this very important amendment brought forward by my colleague the member for Thompson (Mr. Ashton), an amendment that I know all members of this House will support. It talks about affordable and accessible and high quality telephone service to all residents of this province, regardless of their geographical location and at equitable rates throughout the province.

As has been mentioned before, this government, they have no mandate to break its election promise to sell this telephone system. The members opposite like to hold up, you know, editorials or cartoons that seem to be the basis of their research, but I also have a headline from the *Interlake Spectator*, and it says, Tories will pay political price if MTS sold. There is some advice offered by the *Interlake* newspapers regarding the political fortunes of the members opposite if they proceed along with this ill-conceived plan to sell off the Manitoba Telephone System.

Recently the member for Dauphin (Mr. Struthers) and myself, along with several of my colleagues, were touring rural Manitoba, and we met recently in Gimli and we were in Teulon. I just want to report to the House and to the members opposite that in fact Gimli and Teulon, and I was in Morden, all individuals who approached us at those meetings all of them were opposed to the sale. In fact as has been mentioned—

Mr. Deputy Speaker: Order, please. We might as well start this off at the right track. Before the House at this time is an amendment brought forward by the honourable member for Thompson (Mr. Ashton). I would like to ask the honourable member if he has a copy of that amendment there? I think it is important that we deal with the amendment. That is what we are dealing with tonight.

The honourable member for Selkirk, to continue.

Mr. Dewar: Thank you very much, Mr. Deputy Speaker, for showing the error of my ways there, but when I was at those meetings at Gimli and in Teulon, they talked about the telephone system. They talked about the need to keep the telephone system affordable and accessible, and they talked about the high quality of telephone service that they have in rural Manitoba. They also mentioned that they were opposed to the sale, as do 78 percent of all rural and northern Manitobans. It is no surprise because rural and northern Manitobans benefited the most from a publicly owned telephone system and, unfortunately, also stand to lose the most if this government proceeds along with this ill-conceived sale.

The resolution addresses a number of very important issues, of course. I want to speak a little bit about the high quality telephone service that rural and northern

Manitobans received because of the fact that the telephone system is publicly owned, that there is a system, a telecom here in the province—and the history is well known, since 1908—that was here to benefit rural and northern Manitobans. I am disappointed with the members opposite, in particular, the rural members, who will not stand up and debate this particular amendment, but I am convinced that, once they have a chance to read it and they understand what this will provide to their rate payers, the telephone rate payers in their particular constituencies, they will support it.

We urge the rural members to stand up to the Premier, stand up to Jules Benson, stand up for their constituents. They should stand up for rural Manitoba, and when it comes to a vote on this particular amendment, they should support it because it is in the best interests of rural and northern Manitobans to continue to have affordable, accessible, high quality telephone service.

It has been mentioned before that Manitoba, Saskatchewan and Alberta have eliminated party lines. We now have individual line service, and this allows rural Manitobans access to such things as fax machines, 911—we know that is coming to a number of communities. You see the press releases coming out. A number of rural communities are hooking up to the 911 system to provide that service to their customers and, of course, the Internet. Fax machines, 911 service, the Internet, all this is provided to rural Manitobans because of individual line service.

We also recall the expansion of the community calling zones, and I recall that announcement that was made, I believe, in the early '90s, and I know individuals at that time received—there were individuals in this province, even though they welcomed the concept of expanded calling zones, they were concerned about the rate shock at that time. It was because of pressure from this side of the House that we were able to convince the government to spread that rate increase over more years to try to lessen the rate increase per year.

* (2040)

Also, the Urban Unlimited program benefited individuals who live adjacent to calling zones, calling exchanges of Winnipeg and Brandon and, of course, residents of Lockport, and residents of the Stonewall

exchange. They now have access to the Winnipeg exchange for a monthly fee, but they no longer have to pay long distance charges. Of course, they did not extend it far enough, as far as I am concerned. They did not expand it out to Selkirk, and I am convinced that, under a privately owned and operated system, that expansion will never occur, that those of us who live in Selkirk will always have to pay a long distance charge to get access to the Winnipeg exchange.

Not only that, we are also concerned that you may see a shrinkage of those calling zones. In years to come, we may in Selkirk have to pay a long distance charge to call Stonewall or Beausejour or Dugald. Currently, there is no long distance charge to call those areas. What is going to happen in the future? We know that under a private system the telephone system will have to generate additional revenues, and one way to do it is to eliminate or to shrink some of those calling zones, thereby increasing long distance revenues, long distance revenues that up to this point in the history of Manitoba have been used to subsidize subscriber rates, residential rates.

We know in Selkirk, for example, a customer would pay on average \$12.36 a month for a subscriber rate. The actual cost of providing that service to subscribers in Selkirk is \$43.04. So that rate is cost-subsidized by long distance revenues to keep rates in rural and northern Manitoba lower. There will be pressure in a private system to increase those rates. It has been proven time and time again that that is going to occur. We are going to see a rate increase in areas outside the city of Winnipeg.

Mr. Deputy Speaker, I mentioned Dugald and the fact that members on this side of the House have visited communities across this province and met with individuals who are concerned about this issue in a number of different venues, but I was at a shareholders' meeting in Dugald just last week. We invited the Minister responsible for MTS, in fact, the member for Springfield, the member for that particular community, to drive out and meet with the residents of that area at that particular meeting. All he had to do was drive out on a nice new road that he paved; he paved the shoulders on that road. We have roads in this province that people cannot even drive on, and here he is paving the shoulders out to Dugald. But I know many members took that trip out and area residents met there, well over a hundred

people in the Dugald Community Centre, and there was one person missing from that particular meeting.

An Honourable Member: Who was that?

Mr. Dewar: That was the member for Springfield (Mr. Findlay). People went there to meet with him, to hear what he had to say, to hear him defend why his government is privatizing the Manitoba Telephone System, but he did not show up. He did not even show up in his own backyard to talk to the people. I was there with some of my colleagues, the Leader of the Opposition (Mr. Doer) was there, and we did something that this government, this Premier, this minister did not do, and that is to get out into rural Manitoba and to listen to rural Manitobans, consult and listen to the people of this province.

We had a vote at this particular meeting at the end. There were a number of concerns raised by individuals related to rates, related to the share offering and some of the obvious conflicts of interest that are going along with this privatization. I want to report back again to the government that there was not a soul at this particular meeting who supported the privatization. They considered themselves to be shareholders, which they were, which they are, owners of this publicly owned telephone system, and they voted at this meeting in Dugald. They voted in favour of maintaining the Manitoba Telephone System as a publicly owned utility.

So once again we urge the rural members opposite to stand up to the Premier, stand up to some of those colleagues, stand up to some of the members opposite, vote for your constituents on this issue. Mr. Deputy Speaker, 78 percent of rural Manitobans oppose the sale, not only in NDP-held constituencies, it is throughout this province.

The members opposite say, well, you know, this is right, we have to do this. All our constituents support us.

Well, why do you not get out there? We were in Dugald. There was no one who supported the privatization. So we urge the members to stand up to Premier (Mr. Filmon), stand up to Jules Benson, explain to the people why you broke this election promise, explain to them why you campaigned during the election, saying that you would not privatize. My friend from

Dauphin mentioned that the candidate in Dauphin, during the past election, promised that his government would not sell, or his party, if elected, would not sell off the Telephone System. They have no mandate from the people. We urge them to keep their election promise and not sell MTS. We urge them to hold the shareholders' vote, similar to the one that was held in Dugald, a meeting that was held in Dugald which members opposite ducked. No members from the government side came to the meeting to hear the views of rural Manitobans.

Mr. Deputy Speaker, the amendment is a good amendment put forward by a responsible opposition. We know when the members opposite have a chance to look at the amendment and read the amendment and really consider what this means to their own community and to their constituents, that they would vote in favour of this resolution.

We are also concerned about jobs in rural Manitoba. We know that in Selkirk, for example, the regional office is headquartered in the community. A number of jobs, unfortunately less than there were—we know that the government, since coming to power, has laid off 1,100 MTS workers. We hear that there are plans to reduce that workforce even more. We know that a lot of those jobs will be lost throughout rural and northern Manitoba, where MTS has headquarters in regional offices. Many of those are well-paying jobs in our communities. They are well-paying jobs; they provide a good livelihood for those individuals who work for the Telephone System. We all know them: they are friends; they are family; they are neighbours.

Amendments that we are bringing forward today would ensure affordable, accessible and high quality telephone service to all Manitobans, and we urge the members opposite—I know that they are listening very carefully, that they will follow the advice of this side of the House, and they will support this amendment. Thank you very much.

Hon. Brian Pallister (Minister of Government Services): Mr. Deputy Speaker, I just wanted to take the opportunity to put a few comments on the record regarding this amendment. They are comments of a general nature, granted, but I think they are relevant to this amendment and certainly to the bill. One of the

things that has become, perhaps, most apparent as a result of the debate on this particular bill has been the leadership void of the opposition party. There is no question that the party opposite is in a state of confusion, in a state of total disarray; and, in the best interests of Manitobans, I think it is important to address that issue today and my comments on this amendment.

* (2050)

The reality is that I have consulted. I have consulted extensively, and I have consulted not only in specific terms on this bill, but in a general sense as well, on concerns that people have apart from this bill. Manitobans have many concerns, a wide array of concerns. They are varied, and I think it is important to preface my comments by acknowledging the fact that opinions are varied and that this is, of course, not a polarized debate as is all too often portrayed, perhaps by all of us at times. In any event, Mr. Deputy Speaker, I want to say that I believe that it is critical that we share information with one another when we have consulted in a genuine and honest way, as I certainly have, so I would like to do that, given my opportunity to speak today, and say that the people I consulted with were virtually unanimous in agreeing that it was critical that the New Democratic Party in this province have a qualified successor for the current Leader, and that that person be someone who is capable of addressing issues much better than is currently the case.

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

Point of Order

Mr. Gord Mackintosh (St. Johns): Thank you, Mr. Deputy Speaker. As you are well aware, there are strict rules of relevancy, particularly regarding amendments to the bills at report stage, and the member for Portage la Prairie, the minister, is engaging in some general discussions about the New Democratic Party structure or leadership. I ask, Mr. Deputy Speaker, that you call him to order and require that he be relevant and his remarks be germane to the amendment before the House.

Mr. Deputy Chairperson: I thank the honourable member for St. Johns for the point of order. I was not

listening at the time. I apologize to the House for that. I was in another discussion. So I will listen very carefully. I would ask the honourable minister, though, if he could keep his comments relevant to the amendment before the House at this time.

The honourable minister, to continue.

* * *

Mr. Pallister: I would like to continue my remarks. I think that the member for St. Johns knows that considerable latitude has been given, certainly, to members on all sides of the House in discussion of an issue of this importance.

(Madam Speaker in the Chair)

I want to assure him that in good faith I am sharing information with him that has been shared with me by Manitobans of all political parties, a cross-section of Manitobans. I am not going to be focusing on the negatives either. I want to start by saying that basically it became obvious in discussion that there were several members in the New Democratic Party caucus that kind of rose out of the mass and deserve to be considered as successor leaders, and I do not wish to specific—now the member need not—

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

Point of Order

Mr. Mackintosh: Madam Speaker, on the same point of order. There is a very specific rule in our rule book, where a member continues in irrelevancy in debate, that member shall be called to order and shall be required to correct the behaviour. This member is continuing to go on and talk about matters that are completely irrelevant to the amendment that is before the House, a very important amendment, particularly to the constituents of the honourable minister.

Madam Speaker: I would remind the honourable Minister of Government Services that his comments should be relevant to the amendment that was moved by the honourable member for Thompson (Mr. Ashton),

seconded by the honourable member for Swan River (Ms. Wowchuk).

* * *

Mr. Pallister: Well, I assure the member for St. Johns that I consider leadership to be an important part of the amendment that is before us. I think the leadership of the corporation is critical in achieving the goals that have been outlined in this amendment, and so I think it is entirely relevant to speak to the potential leadership of an organization such as the New Democratic Party which, although it has not in recent months or years or decades, in fact, been in a position of power or influence in this province, may at some future point possibly be.

So I want to first of all mention the member for Radisson (Ms. Cerilli), whose name came up repeatedly, and say that I believe she is quite—

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

Point of Order

Mr. Mackintosh: Madam Speaker, I remind you that there was a motion moved regarding your competence on Thursday, serious questions raised about your competence again today. This is a time, I would think, for the Chair to be particularly vigilant about the enforcement of rules of this House. The member is continuing to go on in violation of the rules of this House, well-established practice. These are amendments that are particularly important to the people of Portage la Prairie, and I ask you, Madam Speaker, to call that member to order. Do your duty, Madam Speaker.

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

Hon. Jim Ernst (Government House Leader): Madam Speaker, I have been here since seven o'clock, and I have listened to debate from a number of the honourable members opposite, most, if not all of which, has been completely broadly based, shall we say, and significantly off the topic of this particular amendment. Now, when we heard the member for Dauphin (Mr. Struthers) talk about some candidate that ran in an election at some point, I did not see the member for St.

Johns (Mr. Mackintosh) jumping up and calling him, on a point of order, to be relevant. The member for Thompson (Mr. Ashton), the Leader of the Opposition (Mr. Doer), a number of people on the opposite side, this is a very broad-based amendment dealing with a rather wide scope, and they are dealing with a number of different issues.

Great latitude has been allowed to all of the members opposite when they have spoken this evening, of which there have been five or six. So for the member for St. Johns now to be jumping up and down like a jack-in-the-box out of his seat on the question of relevancy here is totally out of context with what has happened previously this evening in terms of the very broad base of this amendment.

Madam Speaker: Order, please. On the point of order raised by the honourable member for St. Johns, regrettably, I will take the matter under advisement and review Hansard because I was not present in the Chamber when the first part of the debate ensued, nor was I present when the other two points of order were raised.

* * *

Madam Speaker: The honourable Minister of Government Services, to continue to debate the amendment.

Mr. Pallister: I just want to continue my comments by saying to you, Madam Speaker, that I have not interrupted members opposite when they have spoken on frivolous points of order, and I would appreciate it if they would allow me to put my comments on the record.

Certainly, one of the charges frequently made, including the member for Dauphin (Mr. Struthers) who made it just tonight, was that we do not consult, and here I am trying to share consultation results with the members opposite, and they try to shout me down. I find that a little bit of a contradiction. Only in the New Democratic Party would the question of leadership be totally irrelevant.

The member for Radisson (Ms. Cerilli) was said by a number of the people I consulted with to have an

excellent family heritage and someone who speaks from principle on issues, and that is important when we are dealing with amendments such as these because they should be based on principle, and I believe the member for Radisson speaks from principle on a number of issues, and that is certainly what the people I consulted with told me about that member. They said she comes from a proud family heritage of labour, that her father, I understand, was an advocate in the labour movement, a very strong one and very respected, and certainly his leadership and hers are considered to be—

* (2100)

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

Point of Order

Mr. Mackintosh: Madam Speaker, you are making a mockery of this institution again. You have been asked repeatedly to call the member to order, so that he can speak to the matter before this Chamber. The matter before this Chamber is in regard to Section 4 of the bill. It is regarding the accessibility and the service and the rates throughout the province, regardless of geographic location. That is the point, and if the honourable government House leader was concerned about debate earlier on, he had every right to rise on a point of order, which he failed to do.

Madam Speaker, you said you would take the matter under advisement and look at Hansard. Since that time, he has continued in debate. I ask that you enforce the rules.

Madam Speaker: I would remind the honourable Minister of Government Services (Mr. Pallister) that our Rule 35 states, "Speeches shall be direct to the question under consideration or to a motion or amendment that the Member speaking intends to move," Does the honourable Minister of Government Services have a copy of the amendment? I would ask for the honourable Minister of Government Services' co-operation in speaking to the amendment.

* * *

Mr. Pallister: Madam Speaker, I will continue to speak to the amendment, as I have been endeavouring to do, despite the interruptions and interjections of the member for St. Johns (Mr. Mackintosh). I think it is only fair to comment that consultation is raised in a broad way by every member who spoke, I believe without exception this evening. I would like to talk about the consultation I have done in regard to this particular bill, and this amendment specifically, by saying that I think it is appropriate to raise this, that the consultation that I have done has not been with a closed mind, but rather I have consulted with my constituents and Manitobans in an effort to determine what their views honestly were. I have not presupposed what their attitudes were. Certainly I believe that is all too often the case with people who say they consult, and I believe that I am not inaccurate in portraying the so-called consultation certain members opposite as being in that sort of frame.

I think it was revealed particularly clearly tonight by the increasing interruptions and points of order levied by the member for St. Johns. You see, Madam Speaker, the first technique that people use when they meet with someone who they do not agree with is to try to get them to shut up, and that is certainly what the member for St. Johns has done tonight repeatedly with me. That is not consultation, that is simply agitation. That is precisely what the member has done with me tonight, and I believe it is indicative of the nature of the so-called consultation that the members opposite say they do. It is not at all consultation.

Further to my comments on the likely leadership successor to the member for Concordia (Mr. Doer), I believe that the member for Radisson (Ms. Cerilli) has a number of attributes. I have commented on those in a broad way but I also think in terms of achieving the specific objectives of the amendment. As far as the amendment is concerned, Madam Speaker—

Madam Speaker: Order, please. The member for St. Johns, on a point of order.

Point of Order

Mr. Mackintosh: I know the honourable minister wants to put matters on the record, and it is too bad that they asked to limit debate which will inhibit his ability to do so perhaps at third reading, but the minister has done

something I think is very unusual in this Chamber, and that is entirely disregarded your authority. I would cite Rule 45 which will now show just how serious the transgression is of the minister. I quote: "The Speaker or the Chairperson of any Committee, after having called the attention of the House, or of the Committee, to the conduct of a Member who persists in irrelevance or repetition, may direct the Member to discontinue speaking; and if the Member still continues to speak, if in the House, the Speaker shall name the Member, and, if in a Committee, the Chairperson shall report the matter to the House."

Madam Speaker, I ask that you name the minister.

Madam Speaker: Order, please. Rule 45 that the member for St. Johns (Mr. Mackintosh) motioned obviously has a different interpretation of the rule than I or the table officers do. I would, however, ask the honourable Minister of Government Services (Mr. Pallister) to speak with relevance to the amendment, or I will have no other option but to direct the member to cease speaking.

* * *

Mr. Pallister: This amendment is rooted in fear. It is rooted in a fear that is promulgated by members opposite in their so-called consultation. When the member for Thompson (Mr. Ashton), who is a fervent debater and a man who uses words excessively without meaning or significance, a man who can cram less into a five-and-a-half-hour speech than any other human being I have ever met, when that man talks about consultation, it is more than fearmongering, no, it is fearmongering I think. It is nothing more than that. [interjection] I believe that the member for Radisson (Ms. Cerilli), whom I complimented earlier, ought not to interject, or I may retract those earlier praising statements. The member for Thompson, his character is in these amendments, and his character is linked to them inextricably, and the member for Thompson takes this issue very personally, and I respect that in the member for Thompson.

* (2110)

But the member for Thompson does something, when he talks about consultation, that he should not do in my estimation, Madam Speaker; that is, he focuses on

negatives almost constantly. He talks about consultation, and my experience with his consultation in Portage la Prairie is that he attempted to organize three meetings, to his credit, but there are other ways to consult and organize public meetings. I certainly have done that in my riding. I can tell you that those three meetings were an excellent illustration of the Chicken Little effect. I have a six-month-old daughter, and I can tell you that the Chicken Little effect works something like this. The first time you say "boo" to a young person, you might scare them. It might work for a while, but after a couple of times, they start to laugh, and they laugh for quite a while. After a while, they are just bored.

The reality is that that is the way Manitobans have reacted to the fearmongering of the member for Thompson (Mr. Ashton) and the members opposite. Initially, it might have frightened some of them. Certainly, that is what you saw with the CBC survey that was released. People are frightened, frightened of change. This amendment tries to speak to those fears. It tries to speak to fears that can be induced in any human being—

Madam Speaker: Order, please. The honourable minister's time has expired.

Is the House ready for the question?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Thank you, Madam Speaker, I will not be very long. I will make a few comments. The members opposite proposed an amendment to Section 4(1), and I will read it, Madam Speaker. The corporation or an affiliate of the corporation shall continue to provide access to telephone service to residents of the province on such terms and conditions as may be approved from time to time by a regulator of competent jurisdiction.

We all know we are talking about the CRTC, Madam Speaker, and the members speak to such words in their proposed amendment about affordability and accessibility. We all know the CRTC has a significant mandate to address those two particular issues, and I want to read for the record of the members of the House today a press release of November 15, 1996, that CRTC put out. Probably you would say, how did he get this to

happen? But it is fortuitous that they put this out. This is addressing all Canadians, not just Manitobans, and the press release is headed: Maintaining affordable telephone service. Telco is to introduce new bill-management options for consumers and implement affordability monitoring plan.

Madam Speaker, I will just pick out of the press release the relevant items for this evening. The commission instructed the telephone companies to implement a monitoring plan that will ensure local service remains affordable to all Canadians—and it goes on to talk about new bill-management options, but more particularly, about monitoring affordability.

Ms. Bertrand, chairperson of CRTC, said, and I quote: The commission wants to ensure the telephone service continues to be affordable to all Canadians. This is why we have asked the telephone companies to implement a monitoring program that will help detect early on the existence of any affordability problems. The commission has established a number of variables to be monitored and supplemented where appropriate by independent research. These variables include quarterly and annual telephone penetration rates broken down by regions and income groups, disconnection statistics and socio-demographic variables that have an impact on the telephone penetration rates, such as household characteristics, mobility and income.

Following the guidelines specified in today's decision, the commission has asked the telephone companies to file details of a proposed monitoring program by April 30, 1997. Among other things, this initial submission will set out for public comment the methodology and specific survey questions to provide the appropriate information necessary to effectively monitor the future of affordable local service.

Then they addressed the service to remote communities, which I am sure the members opposite will be very interested in. The commission notes that the matter of ensuring reliable and affordable telecommunication services to high-cost serving areas deserves special consideration in light of forthcoming competition and local markets. This includes the extension of service to unserved areas and upgrading of existing service to underserved areas.

Madam Speaker, they speak very specifically, as a competent regulator, to the issues raised by the members opposite. This regulator serves Canadians, not just Manitobans. It has done a good job of serving Manitobans and Canadians to this point, and I have exceptional confidence that they will continue to, because they address exactly the questions raised by the members opposite. When the Leader of the Opposition (Mr. Doer) was speaking earlier this evening, I did wave this, and he said he would address the issues in here, but he chose not to.

So I think it is appropriate, given that a lot of rhetoric has been put on the record tonight that did not respect the facts of what CRTC has done, is doing and has always indicated that they will do. Again, in this editorial certain comments were brought up by the editorial writers and first and foremost is that Mr. Doer argues telephone rates, particularly in rural Manitoba, will increase. Mr. Doer is wrong. Further he goes on to say higher borrowing costs and new tax bills will happen. Mr. Doer thinks this is a smoking gun. Again, Mr. Doer is wrong.

An Honourable Member: Can this be the Free Press?

Mr. Findlay: Well, this is objective journalism, I say.

MTS will be required to pay taxes. Again, Mr. Doer is wrong. The conclusion to be drawn from all of this is that, contrary to the assertions of Mr. Doer and his colleagues in the NDP, privatization will not drive up rates. Rather than acknowledge the truth about the issue, however, Mr. Doer continues to argue against privatization of MTS, suggesting that somehow rural telephone rates could be kept low if MTS is maintained as a Crown corporation. The truth, Mr. Doer is wrong about that too—the sad part of all this, and he knows it. Again, I conclude with that comment.

They raised an issue today about accessibility and affordability. They know the CRTC is the regulator who has that as their mandate. They know that, and yet they bring misinformation to the House. Again, Madam Speaker, this amendment need not be voted on other than to say, no, it is not necessary; the existing bill covers the issue.

Mr. Mackintosh: I was scared to get up, Madam Speaker, because they kept showing these editorials blown up. I do not know how they have a Xerox machine

that can blow something up that large. It was so frightening; I think we are really scared over here now to put our case on the record.

Imagine that. All they have got to put their case forward is the opinion of one person, I believe, that is on the editorial board of the Winnipeg Free Press, and that is all they can rally to the cause. But I have just heard the minister say, and I think it is a fair paraphrase, that he has full confidence in the CRTC in keeping a handle on rates. So why in heaven's name, he says, would you put an amendment in the bill to require the accessibility and service regardless of geographic location and equitable rates throughout the province. He says you do not have to do that because I can count on the CRTC. Well, then what is he afraid of? He has nothing to lose then; is that what he is saying? Why would he not agree to this amendment? I mean I look at this bill that they put forward and this section that says the corporation shall continue to provide access to telephone service to residents of the province—like what an assurance that is. The government is prepared to commit to continue to provide access to telephone service. Well, is that not a brave, brave government?

* (2120)

Madam Speaker, there are usually two rationale for doing something in political life: one is because you have a belief, it is principled, you are doing what is right; the second is you are doing what is popular. I want to apply those two rationales to this bill and particularly to this section, Section 4.

What is right? We have in this province a telephone system that is publicly owned and for the main reason being an austere instead of commitment No. 1 to the shareholder, as required by law; in fact, self-evident that when there is a private corporation, the first and foremost consideration is an obligation to the shareholder. Public ownership means the first obligation is to the electorate, to the people of Manitoba. Telephone rates in Manitoba have been equalized as a result of public ownership of our Telephone System. Regardless of where one lives in the province, one enjoys a relatively similar telephone service cost. It is understood that telephone service is an essential infrastructure, and I think, Madam Speaker, that the case can be made as strongly now and perhaps even more strongly than in 1908 that such an infrastructure is essential for this province to develop, to develop further

and to achieve potential of excellence in providing Manitobans, regardless of where they live, the ability to become educated fully, whether that is through on-line service, through Internet services, to be involved in the economy, to be productive Manitobans, also to receive a service which is essential. It is not a luxury to access telecommunications.

I think the issue of what is right and why MTS exists is expressed no better than the grand Pooh-Bah himself, Tom Stefanson of MTS, in the Annual Report of 1995, where he says: We recognize our obligations as a provincial Crown corporation. We are the caretaker of a major provincial asset, its telecommunications infrastructure—and here is what I want to stress—which is strategic to the economic and social development of all Manitobans.

MTS recognizes, Madam Speaker, that social development is one of the objectives of the Manitoba Telephone System. Now, since when are shareholders going to put social development as their No. 1 concern? The No. 1 concern of shareholders is a return on their investment, so on the first test, the first rationale, what is right, a publicly held Telephone System, the maintenance of MTS, is the answer.

Now, second of all, the other argument, the other consideration by politicians, is what is popular. Now, here is a real doozie. Outside of the city of Winnipeg in rural and northern Manitoba, 78 percent of Manitobans do not want the privatization of Manitoba Telephones—78 percent. There is a margin of error in that of four percent, so it could be as high as 82 percent, but, Madam Speaker, constituency by constituency, there will be big variations. There will be variations in some of the constituencies represented by members opposite perhaps as high as nearing 100 percent. I do not know for sure, but when the average of all of the rural and northern respondents to the survey total 78 percent, you can see just how enormous, overwhelming, the support for a public telephone system is, and it is our view that one of the main concerns, and not the only one, is a concern about rates. People outside of the main urban areas of Manitoba, particularly outside of Winnipeg, are concerned that they will be denied access to affordable rates that Winnipeggers, in particular, enjoy.

Now, if the government was at least concerned about what is popular, they would be listening, and they would

be concerned about the concern about rates outside of Winnipeg. They can do something to deal with that challenge. They can agree to this amendment. If the minister is so sure about CRTC being fair to people outside of Winnipeg, then why would the minister and the government not agree to include a commitment to service and rates regardless of geographic location and equitable rates throughout the province? Why not? Why can there not be a constitution for MTS, the private MTS? Here you go, shareholders, take it and run, but there is a big condition here. You have to maintain equitable rates and service throughout the province. It makes good common sense. Not only would it be right, but it would be popular. It would meet both of the concerns the politicians have to take into consideration.

If this amendment is not supported, and it appears it will not be, then we have no doubt about what the government's concerns are; they are the shareholders, the return on investment. By the government not adopting this report stage amendment, the government is saying to rural and northern subscribers to telephone service, we do not care about you, we do not care about your rates. Thank you.

Madam Speaker: Is the House ready for the question? The question before the House is the amendment moved by the honourable member for Thompson (Mr. Ashton), seconded by the honourable member for Swan River (Ms. Wowchuk),

THAT Bill 67 be amended by striking out subsection 4(1) and substituting the following—

An Honourable Member: Dispense.

Services of corporation

4(1) *The corporation or an affiliate of the corporation shall continue to provide affordable, accessible and high quality telephone service to all residents of the province regardless of their geographic location, and at equitable rates throughout the province, on such terms and conditions as may be approved from time to time by a regulator of competent jurisdiction.*

[French version]

Il est proposé d'amender le projet de loi 67 par substitution, au paragraphe 4(1), de ce qui suit:

Mission de la Société

4(1) *La Société est tenue, elle-même ou par l'entremise d'une personne morale de son groupe, de continuer à offrir des services téléphoniques à prix abordable, accessibles et de grande qualité à tous les résidents de la province, indépendamment de l'endroit où ils se trouvent, et à des taux équitables partout dans la province, selon les modalités qui sont approuvées par un organisme de réglementation compétent.*

Voice Vote

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

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Doug Martindale (Burrows): Yeas and Nays, Madam Speaker.

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

The question before the House is the amendment to Bill 67, moved by the honourable member for Thompson (Mr. Ashton).

Division

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

Yeas

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

Nays

Cummings, 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 22, Nays 30.

Madam Speaker: The amendment is accordingly defeated.

* * *

Mr. Ashton: Madam Speaker, I moved, seconded by the member for Concordia (Mr. Doer),

THAT Bill 67 be amended by adding the following as subsection 6(1.1):

Maintenance of special share in perpetuity

6(1.1) The Crown shall maintain the special share in perpetuity.

[French version]

Il est proposé d'amender le projet de loi 67 par adjonction, à titre de paragraphe 6(1.1), de ce qui suit:

Maintien à perpétuité de l'action spéciale

6(1.1) *La Couronne maintient à perpétuité l'action spéciale.*

Motion presented.

Madam Speaker: The amendment is in order.

* (2150)

Mr. Ashton: Madam Speaker, I am batting .500 today, so that is not bad. I am glad to be able to debate this because I want to explain why we moved this particular amendment. I think the position the government took on the previous amendment is a good indication of why.

This government is now saying—well, they are not saying “trust us” anymore, in this case the collective Conservative Party. They are saying, trust the CRTC. We will not see any changes. Trust the investors; do not worry, the cheque is in the mail; I am from the government, I am here to help, you do not have to worry. Then in Section 6 of this bill, what they have is this little time bomb that is built in, Madam Speaker. This is something that is in place, this government share, only until such time as the debt is paid by the company.

I want to explain that because this is something that I do not think even all members on the government side are aware of because unless they were in the committee, and this was on that fateful November 7, they would not have heard the explanation that was given at the time. What I found most entertaining was the fact that up until that point in time, Mr. Jules Benson had essentially been whispering the answers into the ear of Mr. Stefanson—

An Honourable Member: Which Stefanson?

Mr. Ashton: Well, actually Tom Stefanson, or Eric Stefanson, depending on which committee it was, but it was quite embarrassing actually at the standing committee where I actually asked the minister to introduce his staff. When it went around and got to Jules Benson, there was this kind of pause and hesitation. I think it was everyone in there knew who it was. They all knew it was Jules Benson. It was very interesting to see how he was being described because Mr. Jules Benson has probably spent more time working on MTS the last—well, we can discuss how long, than a lot of the people working at MTS. I mean, we know he has been around the building, probably with a clipboard, checking all the assets on behalf of the sale and the investors, but what was interesting was, we finally saw the reality of the special share of the government and the loans of the government, the continuation.

I found it interesting because, when I have had people ask me how I would explain the sale, I have said, well—and this is interesting. We got another development on this today. Think of it, you are a homeowner, and a lot of people here are homeowners. I am. I have a house; I have a mortgage. My house is worth more than the mortgage. That is good, and if I meet the payments every month, that is good, too. [interjection] Well, I hope so.

Here is basically what would happen. I want to use this as a direct analogy to what the government is doing.

It would have been as if I phoned up many of my friends who are real estate agents and offered to pay them to make a recommendation on whether I should sell my house. [interjection] Well, you know, \$300,000 is what they pay to their brokers; think of the equivalent, paying the brokers. Now, of course, I am sure—and I have enough brokers that I am sure would probably argue that they should do it for nothing because they do get commissions on sales. But just imagine that they agree. So then what happens is—and I look to the member for Elmwood (Mr. Maloway) here because there may be some who might not recommend the sale—they recommend the sale.

Now, we found out today that, using this analogy again, it will be like if I did not have any agreement with the real estate agent as to what I was actually going to pay them if they sold the house for me, but it was going to be industry range. Well, in the industry, it can range from what? It can range up to 7 percent, I think, for the multiple listing, et cetera, but that does not even end there. Now they recommended, in this case, to me as the homeowner. I should sell my house, but they are not going to tell me what price. There is only one catch as well. Have they got a deal for me, and this is how you explain it to people. You say, you know, you already agreed to sell your house; they recommended it. You do not know what the price is, but they turn around, and they say, look, slight problem here, you have to keep half the mortgage, but if you are really good, we will arrange that you can rent back your house at a reasonable price to be set by the new owners.

I mean, think about what you have done with MTS. You know, you called in the real estate brokers, in this case, the investment brokers. You paid \$300,000 to recommend—surprise, surprise—sell it. Then what you do is you contract with them as the lead brokers for what is their industry average. What you do is on November—well, you look at it now, November 21, you are still debating how much you are going to pay these agents. At the same time, what you are doing is you have committed to keep more than 50 percent of the debt of MTS in public hands. Well, let us explain this—[interjection] The mortgage, yes, quite the deal. Now, no homeowner would fall for the same sucker line that you have fallen

for here. It is pretty disconcerting when you do not even know how much you are going to be paying the brokers. I mean, we have this comic opera today of the Minister responsible for MTS (Mr. Findlay), the Premier (Mr. Filmon) and the Finance minister (Mr. Stefanson), none of whom knew how much they are paying the brokers. One was still negotiating. The other one says, well, we sort of know, but we do not have the information here. The Premier had no idea. He was trying to answer other questions.

We have heard this before, you know, the Minister of Natural Resources (Mr. Driedger) talked about, well, you know, his people. What is a few million dollars in commission on the sale of MTS between friends like Mr. Vandewater and others? Let us get serious here. You would not sell a corner store this way. You would not sell your house this way, but you are expecting us to support the sale of the Manitoba Telephone System, a billion and a half dollars worth of assets, when you do not even have those basic details. Well, let us deal with this mortgage that has been entered into. If you have not got the information, get the Hansard when it comes out from the committee on Thursday. This is on the 7th. This, by the way, was the day that the Premier anyway expected the bill magically to disappear out of committee and be passed by the Legislature and took great offence when it was not.

What is interesting is that the question was asked by the member for Crescentwood (Mr. Sale), the minimum time period. Guess what the minimum time period is for paying off the debt which then deletes the special share of the government. What is the maximum time this government can hang in, assuming they do not run into any unfortunate circumstances, like somebody perhaps voting with their conscience against this bill? Two of them would do that. [interjection] Well, okay, I am assuming they have consciences, but anyway, I want to deal with that. [interjection] Three and a half years, right? Guess how long the payment schedule is. Four years, not three, not three years and a month, not two, four years—[interjection] Well, the Minister of Labour (Mr. Toews) says it is five, but the Minister of Finance (Mr. Stefanson) says it is four. I do not want to get into that. It is four years.

I think, actually, Jules Benson put it on. If Jules Benson says it, that probably means it is true. You

know, Jules Benson, the most powerful, I was going to say, nonelected figure in Manitoba. I do not think we would even need that description. We know who runs that government. It is interesting because I have had discussions with government members who, for years, have been saying the same thing, too. They are being just about as charitable as I have been towards Mr. Benson's power. Anyway, you have got it four years.

Did anybody tell you this? Did anybody in the—oh, sorry, I forgot. You did not get this. This never went to caucus. They never said this. They did not trust their own backbenchers to run through that information. Well, let us run through this further. Madam Speaker, this mortgage we have, the question was asked again—and I look to the member for Crescentwood (Mr. Sale) because I was there at the time—I think it was Mr. Benson who asked us directly on the record, and Mr. Eric Stefanson, current Minister of Finance—

An Honourable Member: Not Tom.

* (2200)

Mr. Ashton: Not Tom, no. He said that the other option is for the company basically to assume the debt for the length of the debt. That could run as late as the year 2010, so this is a great deal for the company. It is interesting because they have four years, minimum, it gets just right past the election. I would be very surprised if this company has any finances whatsoever, I guarantee you they will pay it off as quickly as possible. And I will tell you why. It is because if they pay it off as quickly as possible, guess what disappears? The government special share and any of the so-called protections and guarantees that we have in place, the result from that. If you did not think there was any protection in place, you would not put the government share in, would you, limited as that protection may be?

The great thing is here if this company does not make money, they just sit back and they assume the debt over a much longer period, much longer period. I mention about the house—that is the other thing that would be part of the analogy, too. You have agreed to carry a mortgage still but it could be however long the other person wants to pay it off, no fixed term. That was on the record. I do not know if that was raised in the Conservative caucus. Did they raise that? Are you aware

of that? I mean, did no one question this? Did no one question why?

Well, you know, here is the interesting thing. This is what I find interesting. This is the government that says—you know you cut through all their arguments, we know they cannot make arguments on the issue of rates, they cannot do it on rural and northern service, you know, they are contradicted time and time again by Mr. Nugent, by the CRTC applications. They cannot argue any of that and that is proven on a daily basis.

What is interesting though is when it boils down, they have one thing and they talk about fearmongering. They talk about fearmongering. They turn around and say, well, there is that debt. Like I said before, I have a house. Guess what? I am in debt. I have a mortgage. I would not own the house, if I did not have the mortgage. I am not independently wealthy, and believe you me, that is a reality. I think most members in this House at some time or another have had a mortgage. Okay? That is a reality. But do you know what? It is interesting. They talk about fearmongering. They go around the province saying there is this terrible debt at MTS, and we are going to get rid of the debt here. We are just going to match it.

Now what is interesting, Madam Speaker, is how many times have the taxpayers—and I say this on the record for one Mr. Peter Warren who is the best echo of the government. It is amazing, you know. They say it in the House one day and 8:30 the next day Peter Warren reflects on it. I knew MTS was really an issue when Peter Warren started attacking some of us for speaking out on MTS. You know you are getting through to the public when the little hot line has to go on. I respect Peter Warren on some issues but not—on MTS it is the debt. Now, when was the last time that the government of Manitoba ever paid on the debt? Last year? The last 10 years? The last 20 years? I mean, did anyone in the caucus ever ask the question when MTS ever had to turn to the government to pay the debt?

I look to the Minister responsible for MTS (Mr. Findlay). He knows the answer. He knows that the finances of MTS, the operations of MTS, have paid for the investments that are shown in the debts for MTS. Madam Speaker, what is interesting about 1988 through to 1996 is that—and I want to reference the Service for the

Future, the rural commitment, \$620 million—Manitoba Telephone System during that period kept some of the lowest rates. Do not kid yourself, they are amongst the lowest rates; I mean, I am amazed that the Premier (Mr. Filmon) now is trying to say they are not. Objectively, the information is clear. MTS's own information proves it. They kept rates low. They made more than \$100 million in profits. The minister himself acknowledged that today.

What is interesting—well, I mention this because I say this to Peter Warren, I say this to the Conservative government, during that period, what happened? The debt. They actually, within the revenue base, did what with the debt? Paid it down. The minister comes in and says the debt-equity ratio is down to 79 percent, 78 percent, and the minister, if he was to be fair on this whole issue, would point to the fact that prior to 1992 the debt-equity question is probably a moot question the same way that it is with Autopac or Hydro. When you are in a situation where you are a public utility and you are publicly owned or you are dealing with a situation where you do not face any significant uncertainty, you do not need, particularly in a publicly owned public utility, the same degree of equity in the company as you do in perhaps a more competitive environment. I am just using the argument that has been used by the minister responsible for Autopac (Mr. Cummings). You do not need that. [interjection] Well, I am just using your arguments.

Okay, the member for Ste. Rose (Mr. Cummings) is suspicious now that I am agreeing with him but, you know, I liked your arguments about the reasons to keep Autopac publicly owned and by the way, please keep on giving those arguments. We are counting on you. Well, now, he is looking at the Minister responsible for MTS. I am getting really concerned here. Do not look at the Minister responsible for MTS any signals, okay?

But 1992, when you are dealing with the deregulation that took place, what is interesting is, I think, people can accept that you have to look at the debt-equity factor more significantly because if there is any increased uncertainty, then you have to deal with it. But what is interesting? By your own rhetoric, by your own information, by everything that you have indicated, we have met the challenge, and we are meeting the challenge. So what you then do, though, is that you create this big

scare, the fearmongering. You talk about the fearmongering, you say this debt, this terrible debt here, we have to get rid of this terrible debt. What is interesting is what you do not tell people, what you have not told anyone out there, even your own supporters, is that essentially the government of Manitoba is going to assume the private company's portion of the debt, a significant part of it, potentially for the next could be 15 years.

Well, it is interesting to the member for Emerson (Mr. Penner) because he has not heard this. Other members in the committee who were not in the committee have not heard this. You know, what I find offensive is the biggest fearmongers in Manitoba are the Conservative Party who say that Manitobans, through their publicly owned phone system, cannot do what they have done since 1908, what they have been doing even these last several years with Service for the Future, and that is, finance the operations of the Manitoba Telephone System using investment which does use investment creatively.

So, Madam Speaker, this is another thing that was not outlined to the Conservative members across the way, and I can understand why. I mean, do you want to be going to your own people out there, I mean if you phoned up Peter Warren and said, do you know, by the way, just before you get too much into this debt thing, you have to understand that we are still going to own a significant portion of the debt, the majority of the debt will remain with the province of Manitoba the day after MTS is privatized. Are you aware of that? That is a real good deal. [interjection]

Exactly, well, what is interesting—exactly. As the member for Brandon East (Mr. Leonard Evans) points out, currently what you are having right now is essentially under the current situation the real risk that is met is—you know, through the ratepayers supporting it, the ratepayers basically are the ones paying the mortgage in this case. They assume the risk. What is going to be happening now with the sale is that you will be assuming as a government of Manitoba—the taxpayers will be the most directly impacted by the assumption of debt after the privatization. You will no longer have the rate base supporting that debt. What you will have in this case is half that debt, more than half the debt will be held by the taxpayers of Manitoba. They do not tell that to the people of Manitoba. They do not announce that on Peter

Warren, the fact that during the next period of time, we, Madam Speaker, will be paying.

Madam Speaker, it is interesting because they do not say this out there, and they do not point to that assumption of the debt for between four years and up to the year 2010. [interjection]

* (2210)

Madam Speaker, the member for Emerson (Mr. Penner), I know he would like me to sit down and be quiet. He would like all of us to have sat down and been quiet right from the day—they did not want us going out there holding public meetings in rural Manitoba since February, but they are never going to silence me or the members of the New Democratic Party. We will continue to speak out, to tell Manitobans the truth about MTS, even if the government does not have the credibility, the integrity to do that.

Well, it is interesting, Madam Speaker—

An Honourable Member: . . . tell the truth. He has been lying

Mr. Ashton: Madam Speaker, I take some offence to the member for Emerson's comments because he made some reference to lying to the people, and I hope he is not accusing something which I had to withdraw as unparliamentary. I mean if he is accusing the Premier (Mr. Filmon) of lying to the people of Manitoba, we might have some agreement with that, but it is unparliamentary.

Point of Order

Mr. Jack Penner (Emerson): Madam Speaker, on a point order, I just want to remind the honourable member for Thompson (Mr. Ashton) that he is the one that has been walking on the edge of honesty throughout this whole—

Some Honourable Members: Oh, oh.

Mr. Penner: Nobody else around here. All we have heard so far from the Winnipeg Free Press editorial is that Doer is wrong, his people are wrong, and I say to

you, Madam Speaker, that the honourable member for Thompson is wrong, dead wrong.

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

* * *

Mr. Ashton: Madam Speaker, I find it interesting that the member for Emerson did not say on his feet what he said from his seat, and I take some great offence, and I tell you it gets pretty desperate when the Conservatives can only count on one editorial writer with the Free Press. What about the rest of Manitoba, the two-thirds of Manitobans and the 78 percent of rural Manitobans that oppose the sale?

I would say to the member for Emerson (Mr. Penner), if you are so concerned about getting the truth out to Manitoba, call the public meetings that are demanded. Call the public meetings.

Madam Speaker, this is the most cowardly government I have ever seen. They have brought about procedural matters in this House which are cowardly, and they do not even have the courage to go out to Manitobans and face them publicly. Instead, we have this member—I say to the member for Emerson, you do not have the nerve to put on the record what you said from your seat. When I made comments about the Premier (Mr. Filmon) the other day, I put them on the table. You want to put it on the record, put it on the record.

Madam Speaker: Order, please.

Mr. Ashton: I would suggest the member for Emerson, whom I have known for a number of years, would perhaps—and it is interesting, Madam Speaker, this was the same member for Emerson who in the committee talked about our side of the House when he was chairing. I would suggest that he needs to get a little bit more of his objectivity back. If he wants to make comments from his seat, I would suggest he put them on the record. When I make comments, and I made some comments about the Premier (Mr. Filmon) the other day that I put on the record, and not only that, if I make comments, on occasion I have, where I am beyond the rules in terms of language, I have withdrawn them, Madam Speaker.

I say to the government members, you want to talk about the truth, the truth is the special shares for the government which this amendment deals with disappear when? What is the truth? When do those special shares disappear? They disappear the day the loan, the debts are paid off. It is interesting, there is silence because they are probably the last ones in Manitoba, Madam Speaker, on the Conservative side, to know the reality of what is going on. Have you not read the bill? I want to know what the problem is with the member for Emerson and other members because—[interjection] Madam Speaker, I am the only one having public meetings, no wonder I am the only one communicating with people in rural Manitoba. Our caucus are the only ones.

The special share disappears with the payment of the final installment on the debt which is assumed by the government. The minister knows that is the truth. The member for Emerson, well, it is interesting. Now he starts making various gestures. I know he does not want to hear this. Look at your minister responsible for MTS (Mr. Findlay). He knows that is the truth. He acknowledges that that is the truth.

An Honourable Member: So?

Mr. Ashton: Well, so. I do not want to confuse the member for Emerson with the truth here, but you know, he goes around saying, oh, you are not being honest. I am just saying this is the reality of the capital share, the government's capital share. Talk to your minister responsible for MTS. He will confirm it. He just confirmed it. It is eliminated when the debt is paid off. That is our point, Madam Speaker. Between four years and probably approximately 15 years, by the year 2010, this share will be paid. Then what happens to the government's special share in the protections in the bill? Gone, disappeared, poof. [interjection] Well, the minister says life will carry on, and I am sure by that time life will carry on for many of the Conservative members of the House current—not as MLAs, probably in private life.

The point is life will carry on for those individual members, but do not try and persuade people that there is going to be anything in the way of protection in this act the moment after the government's special share is paid off. Any substantive protection, the government will not have the voice on MTS the moment the debt is paid off. I am telling the member for Emerson, I do not know what

part of this you do not understand, and I say what is interesting is because if you look at it, if you look at the situation with this amendment, what are we doing with this amendment, Madam Speaker? What we are doing is we are saying if you believe in this concept of a special share, it should not only be there for the payment of the debt. We believe, if you believe in this concept of protecting Manitobans through the special share, which I believe is the context of why you moved this section, then why not leave it in perpetuity? The company can still operate. It will still have the share structure that you have determined.

We would have preferred to see, Madam Speaker, the amendment, where it was ruled out of order, the special share for all Manitobans. I think all Manitobans should have had and should have a voting share, but you still have the share structure, the common shares. You will have those in place. You will have the other part of the share structure. You have set up the share structure involving the subsidiaries of MTS. Nothing will stop that. Nothing will stop the payment of dividends, the shares; but the class of shares, the special share for the Crown, would still remain in place.

Now, I just want to deal with this for a moment because the government acknowledges that the committee has done then, you know done today, the reason the government share is in there is to provide some form of protection. We are somewhat cynical that that may only go four years just conveniently after the next election, but that is in place, Madam Speaker. So I want to say if you really believe that, why would you limit it only for the time that the debt is paid? Does that not acknowledge the case we have been making?

What is our concern? That when you moved it in the private sector totally, and you have to be concerned about shareholders, Madam Speaker, what happens, what happens then? I looked at the Minister of Labour (Mr. Toews) who I know is frustrated because it appears that this promise that they were going to debate us one for one on these amendments is not—you know, we are back to the original strategy of the session which is not to debate, and I say, your logic is, we need the special share to protect Manitobans.

It is interesting, that special share can be in place between four and about 15 years, depending on how long

the debt is paid off, so why can you not accept this amendment? [interjection] Four years to 15. Four years is the minimum. The maximum is over the life of the debt, which the province assumes, up to 2010.

I want to say to members opposite, at times we had strong disagreements. All the information is based on information put on the record in the committee by the minister, by the Finance minister (Mr. Stefanson) and by Mr. Benson. So I am not questioning that. What I am saying is, the special share is in place, Madam Speaker, for between four and 14, 15 years. Okay? [interjection]

Four years. The member for Turtle Mountain (Mr. Tweed), four years is the minimum. Maximum is as long as the debt is in place. Okay? The debt, some of the debt is financed over that period. You know, I really appreciate this, and I am prepared to come to the Conservative caucus and explain it even further. It is obvious you did not get much of a briefing in the Conservative caucus. I wish I had some flip charts here. I would write on the one side four years minimum, and maximum is the length of time of the loans. That is up to about 2010, and that is 14 years, 15 years.

It is interesting because I feel we are fulfilling another function, not just debate about public education, but anyway, let us deal with that because between four to 15 years—let us take it for—1996, the debt will be paid off between the years 2000 and 2010, according to the minister. So that share will expire at that point in time. My point is, if you want to deal with it this way, if it is that important to protect Manitobans, and it is going to be in place between the year 2000 up to about the year 2010, why would you not agree to have it in place in perpetuity? What is onerous about the government's special share? What is so onerous? What would it do that would create a problem for the private company?

* (2220)

Now, I am trying to think what the government might say to the company that might cause problems. Now, let us think of a list here. Number one, let us not raise rates too much. We have to keep them affordable, accessible, all those things that they voted against in a previous amendment. Would that be a problem for the private company? I mean, according to the minister, they all act the same way anyway. So what difference would it

make? You know, according to this kind of fantasy view of the world that the government has, we sit around the board of governors—[interjection] No, I am supporting your argument here. Listen, listen, you are missing—I am using you to make my argument. Okay, just think about it. Right? You say that all these people sit around the board room, and nothing has changed. This is the year 2000. The government comes in and the government says, well, we should not raise rates too much. Right? So what does the minister say will happen? They will all say, oh, yes, you are right. We have to be responsible. Let us forget about the bottom line this year. We cannot raise rates too much. That is his version.

Now, this is what you said. I just want to ask, what difference would it make? The board is not going to do anything any different anyway. You have the government there, so what happens? The same thing happens. Right? Okay.

So let us go one step further. I am just trying to think what else might happen with a private company. Oh, wait a sec. Rural and northern service, now you have always said there that nothing will change, right? Okay. Oh and listen, so I am just saying, you are sitting around the board room, this is the year 2000, whatever, the debt has been paid off, and I am just saying, what happens if you have these government people there representing the government's special share, representing the people of Manitoba on the board? You already said that they are not going to do anything different, right?

Okay, now, what else might this company do that we have talked about? Oh, we could deal with laying off employees, right, laying off more workers. Now, you said, no, nothing is going to change, so you have this board sitting there, and we are saying here, keep the government's special share, and they go there and what happens? They say, you know, it would be really irresponsible to lay off people across the province. Why do we not just tell our shareholders, like, sorry, we are going to have to have a slightly lower rate of return this year, but we have to keep our employees. We are responsible corporate citizens.

Now, you are saying nothing is going to change, right? So, Madam Speaker, I want you to think of this for a moment, and I want members to think about this because

the government, when it is convenient, says nothing will change. Do not worry. This private company is going to behave just like the public company. So what difference does it make if you have the government's special share or not? I really want the minister responsible for MTS (Mr. Findlay)—I am looking forward to his comments—to explain that to me.

I do not believe that there is no difference. I am just trying to use your argument. I will use any arguments to get you to think of this and to think of the absurdity of your own positions in a way. How can you argue that there is no difference but then argue against this amendment? Think about it. If it makes no difference, why would you oppose this amendment? You see, it is interesting because if you have faith in your position, you will support this amendment. Think about it.

It is going to require a leap of faith here for the government because I suspect here—I just say this here. Madam Speaker, I think if the government votes against this amendment, they may not have as much faith in what they have been saying to us as they would like to think. If they vote against this amendment, they may just be conceding that a private company might just behave differently from a publicly owned company. They may even go one step further—and I am just thinking about this—they may even say, you know those private shareholders and the board of directors may not like this government's special share. It may be because they do not want to be hampered by the kind of things that a government speaking out by the people of Manitoba would do.

Is it not interesting, because this could be a litmus test for the government on their entire position? I find it interesting that when the member for Emerson (Mr. Penner) was so agitated before that—it is interesting because you know what I find the most offensive of this is we have all been accused, I have been accused the last year and a half of everything from being the only person talking about the privatization of MTS. I have been accused of destroying the company by—I mean, you know, that is why they had to spend \$400,000. Our caucus has been accused of fearmongering. [interjection] Oh, socialists, yes, that was quite something when they accused me and the NDP caucus of being socialists and 78 percent of rural Manitobans.

But you know what is interesting is they keep switching their targets as to who they blame. They criticize you one minute for saying one thing for another, but a lot of what they are doing is based on faith, belief—I would say it is blind faith. I do not know how many of them across the way really have stopped to think about what is going on here, because in a lot of cases they would know if they do not have the full information, and they did not have the full information when key decisions were made. The reason they did not have that information is it did not exist. We saw it today. They do not even know what they are paying the brokers. You have to have a lot of faith. I tell you one thing, if I have any respect for the Conservative caucus out of this, this is blind faith. This is leap of faith. This is a huge thing.

I mentioned earlier the Conservative caucus federally on the GST. I am trying to think of other examples of this. I remember when people said Kim Campbell—who was it, the former Conservative minister said that the Conservatives were drinking the kool-aid when they supported Kim Campbell. I remember most of the Conservative MLAs in here they were running around and saying, oh, we are going to get re-elected. I can still remember the Deputy Premier, the Minister of Northern Affairs supported Jean Charest.

But you know what? I realized earlier today, and I am starting to see it here, this is blind faith. I think they are having a competition on that side on who can be the blindest, and I do look to the member for Turtle Mountain's (Mr. Tweed) member's statements when I reference that, because he is certainly winning. I hope the member for Morris (Mr. Pitura) did not take any offence to my comments earlier because I do believe he did a good job in chairing, but when I read his article in the Crow Wing Warrior, I really thought he is trying to compete with the member for Turtle Mountain. They are right next to each other. It is the blind faith competition.

I was amazed earlier today when they were all ready to stand up and suggest that their constituents actually really supported this. I mean, that is the ultimate blind faith, although I notice the Minister of Natural Resources (Mr. Driedger) said, "my people." Well, interesting, "my people," yes, sure, well actually not even the Conservative voters support them. The majority are against the sale, but there might be some in the Conservative Party. I bet you Mr. Vandewater and Barb

Biggar and Jules Benson might support this, "our people."

But, Madam Speaker, think about it—this leap of faith here—you know, into the great unknown. Well, it is interesting to the member for Turtle Mountain (Mr. Tweed). He likes to snipe from his seat, but I say to him, if he was as concerned about MTS as he professes to be in this House, I would like to see him take his act of faith—you know, we could have a great thing here. This could be like a revival meeting. They could go on the road here. They could try and whip each other up.

I am just trying to imagine them in any coffee shop in rural Manitoba just saying, trust me, I believe in this, because that is the bottom line with their position. It is like, trust me, I believe, but just think about it for a sec here. Think about this analogy here, because would you want to trust them? I said this in my speech in committee, the six-hour speech, and I want to run through this again because I have appealed—I have used everything possible to appeal to members opposite. We only need two of them to vote the other way, that is why I keep working.

Madam Speaker, I am going to try again, because right now in the year 1996, what are they saying? It is a matter of faith, trust us. Do not worry about it. We may not have told you what was going to happen in the election; we said we were not going to sell, but believe us anyway. What was interesting—I liked the comments from the member for River Heights (Mr. Radcliffe) when we said it should be put to a vote. He said, well, we do not have to put it to a vote. Well, exactly. That is what they are counting on. They are counting on people to forget what they have done. Do not kid yourself. That is what they want to do.

But you know what is interesting. I want you to think about this, and I said this to members opposite. What are you going to say in the next election? I will tell you the "trust us" part will not work. What? Believe in us? Have faith? Have we ever lied to you before? No, that will not work. I have got to run through this here. I am trying to think what they could run on. You know, trust us, we are going to protect you on Hydro and Autopac. They can say the same things. We are not going to sell it. I mean, we will not privatize home care. Well, that will

not work either. I am just trying to think what they are going to say.

This is the point, Madam Speaker. You cannot make this decision on faith alone, ideological faith or whatever kind of faith it may be, and I do not think it is because there is a competition as to who is going to end up in the cabinet. I mean, if there is a competition in the back bench on who is going to end up in cabinet, it is like people competing to try and be on the crew on the Titanic, because I would say if you want to jump on the ship as it is going down, that is your problem.

* (2230)

I urge you though to recognize that if you vote against this particular bill, you are actually voting against yourselves. Think about that, Madam Speaker, and I want to conclude on this matter because if the government votes against this amendment, they are voting against everything they have said in the House for the last 10 months. They are voting against saying that there is no difference between a private and a public company; they are voting against saying that there are good reasons for having the government shares in place to protect Manitobans. They are voting against themselves.

Madam Speaker—I am in a strange position here, urging the government not to vote against themselves. What I am saying, to conclude, is this amendment makes sense. It is doing what the government itself is saying that we should have in place in the act, so why not make this another one of the amendments that has been approved by all members of the Legislature? It will do nothing if the government is so—does believe in its case. It will do nothing to harm future MTS, and it will do everything possible to help future generations of Manitobans to have the kind of phone service that we have, very well serviced between 1908 and 1996. Thank you, Madam Speaker.

Mr. Penner: Madam Speaker, I was listening quite intently to the honourable member for Thompson, and having listened to him at least a dozen times before, whether it was in committee or whether it was in this Chamber and yes, indeed, even outside of the Chamber—I listened intently, and quite frankly it is very obvious that

his speech has not changed from the first speech I heard him deliver. I want to remind the honourable member for Thompson (Mr. Ashton) that there are others listening to his party. I, quite frankly, believe that the rhetoric and the amendments that the honourable member for Thompson is putting forward are largely the product of an imagination that has gone amok, and his theories are largely imaginative.

I think Peter Warren put it in relative terms—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Point of Order

Mr. Leonard Evans (Brandon East): On a point of order, Madam Speaker, you have admonished us in the past to be relevant to the amendment under consideration, and I have not heard one word yet from the honourable member with regard to the particular amendment before us.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Brandon East does have a point of order. I would remind the honourable member for Emerson that debate should be relevant to the amendment that has been proposed.

* * *

Mr. Penner: Madam Speaker, I certainly intend to abide by the rules and by the direction that you have set out clearly, and I believe you have done an absolutely marvellous job in maintaining some semblance of decorum in this House and directing this House in a very, very difficult situation, a difficult, difficult situation that has been driven largely by an unorganized, ununited opposition.

I want, in reference to the amendment put forward by the honourable member for Thompson, maintenance of special shares in perpetuity, to indicate to you that there are others entering this debate, and others are bringing perspectives into this debate, I think, that are relative that need to be put on the record.

I want to indicate to you that Peter Warren, on a program not too long ago, indicated that the New Democratic Party generally and Gary Doer specifically, and I would suggest that Steve Ashton, the member for Thompson, more specifically, are displaying a dismal ignorance about the way the world waggles these days. They have embarked upon an irresponsible, immature, dangerous journey in which political game playing is heading into provincial paranoia. Certainly it could be the socialists are mired back in the 1950s in their thinking.

I want to indicate to you that the resolution or the amendment being proposed is a product of their, or a figment of the honourable member for Thompson's, imagination and therefore needs to be considered in that light. I want to read an excerpt from a book that was written by Professor Michael Porter, and it is called the Comparative Advantage of Nations. It says, the reason so few firms sustain their position is that change is extraordinarily painful and difficult for any successful organization. Complacency is much more natural. The past strategy becomes ingrained in organizational routines. Information that would modify or challenge is not sought or filtered out, and a past strategy takes on an aura of invincibility and becomes rooted in company culture.

Now I would suggest to you, Madam Speaker, by the definition of the resolution or the amendment to the resolution, the opposition members have ingrained their thinking back in the 1950s, and they have taken on an aura and taken on the position that change or no change at all should be the status we maintain in MTS. Had we done that, had we taken their position, we would not have single line service in rural Manitoba today. They could not agree to invest the amount of money in rural Manitoba that would put rural Manitoba in today's technological age.

They would have kept rural Manitoba in the dark, and there is no greater power in government than controlling the communications system. There is no greater power than maintaining total control of the communications system. Other governments have proved this, and we need only to look at Russia. We need to look at—what is this island that some people go on holidays, especially that think in that light? [interjection] Oh, Cuba. Oh, yes, Cuba. I think another—when they control the press, when

they control the communications technology, they maintain power. I truly believe that the opposition is in fear of losing that power, because they see themselves at some point in time going back into government, if they can control the power, but this of course will take that away from it.

The book by Michael Porter goes on to suggest that successful companies often seek predictability and stability. They become preoccupied with defending what they have, and any change is tempered by concern that there is much to lose, supplanting or superseding old advantages to create new ones is not considered until the old advantages are long gone, and I think that is clearly the mentality of the member for Thompson (Mr. Ashton). The past strategy becomes ossified, and structural change in the industry then leads to shifting market leaderships. Smaller firms or those new to the industry, not bound by history and past investment, become the innovators and the new leaders. That is the kind of competition we are facing today, and that is why this amendment is absolutely irrelevant to change that we need in the industry today, and we need some ability to make changes quickly.

* (2240)

I want to read another quote from Brian Cole. I think he is a writer for the Winnipeg Free Press. Brian Cole says the most recent polls show the New Democrats have done a masterful job of convincing a sizeable number of people that privatizing Manitoba Telephone System is a bad idea. That is what Brian Cole says. Then he goes on to say—and this is what I was trying to point out to the honourable member for Thompson (Mr. Ashton) and these are not my words, these are his—and I quote, too bad their success is based on a line of argument that has little to do with the truth, unquote.

Then he goes on a little while later and he says, the approach was manipulative and dishonest. Those are not my words; I am quoting from Brian Cole's article. He uses the word "dishonest." Then a little while later he says, selling MTS because of a newfound, right-wing neoconservative, or neoliberal if you prefer, ideology that simply does not ring true. Then he goes on to say that Tories have never argued that the state should compete with the private sector, particularly in the high volatile area of economy such as telecommunications sector. I think we have been honest about that. I think we have

always said that the private sector has a better knowledge as a business community than politicians or bureaucrats do, and therefore we have always argued that the private sector should own the business in this province.

Brian Cole goes on to say that the fact is that Tories are selling MTS because the nature and circumstances of a Crown corporation within the telecommunications industry have changed, and that is something that the honourable members opposite simply do not understand. They are stuck in what Professor Michael Porter in his book, the Comparative Advantage of Nations suggests are old think. They are stuck in their absolute thinking that you have to keep things as they are and do not let them change whatever the circumstances, no matter what the cost.

You see, Madam Speaker, I truly believe that that is why MTS lost money for so many years prior to us taking government and taking charge of the corporation. I think our minister has done an absolutely fabulous job in redirecting the affairs of the corporation to become a profitable entity, and they now are saying do not sell it because it makes money, do not sell it. Well, when do you sell an equity? When it has a bunch of value to it, or do you wait till you elect an NDP government and they can sink it into the ground and give it away? Is that what you do? Well, that is really what the member for Thompson (Mr. Ashton) has been telling people of Manitoba, and that is why Mr. Cole is suggesting that they have been dishonest in telling the people of Manitoba what they have told them.

I would suggest to you, Madam Speaker, that I agree with one thing that the honourable members have said. The honourable members have said this, that rates are going to go up. There is no question about that, they will. The CRTC has already told us what they are going to be for the next two years, so how can you argue that they will? But let me say this to you, rural Manitobans, especially those who are dependent on doing business in rural Manitoba, have seen nothing but a decrease in their telephone bills, because the competitive rates of long distance, which I and my neighbours pay every time we call somebody to do business with, have gone down. They are down by 50 percent than the last five years, and the honourable member for Thompson has been running around rural Manitoba saying you are going to pay more,

you are going to pay more. You know what people are telling me in my constituency? If we are going to pay more, then how come our rates have come down so much in the last five years? How come my telephone bill is less than it was five years ago? Is it because somebody knows how to run a business, and could it be that the honourable members opposite when they were in government did not have a clue as to how to run a business? I say maybe it is. As a matter of fact, I know it is.

I want to go and finish the paragraph that Professor Michael Porter in his book calls competitive advantage of nations. The ability to modify—

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

Point of Order

Mr. Leonard Evans: On a point of order.

I enjoy the remarks of the honourable member. I may not agree with them. He is entertaining and so on, but surely you did call him to order. He did not once even mention the term "special share" in his speech, and obviously he was not following the rules of this House. He wants to make the kind of speech he did, that should be reserved for third reading, and we will be glad to hear him at that time. But surely, he should obey the laws, the rules that have been laid down.

Hon. Darren Praznik (Deputy Government House Leader): Madam Speaker, on the same point of order.

Madam Speaker, we on this side, I know, have been very much wanting to ensure that the specific amendments are addressed in the debate and that the debate of any member of this House on those amendments is not off the topic. We appreciate the difficult situation which you, as Speaker, must often be in, in bringing members to order. On this particular amendment, its very nature is one that deals with the general principles of the bill. In listening to the member for Thompson (Mr. Ashton) speak, he got into a very wide-ranging discussion of the issue, given the nature of the amendment on the special share which has ramifications beyond a specific item.

We did not raise a point of order at that time, Madam Speaker, because we recognized that the debate would be somewhat more wide ranging on that matter than on others. I would ask that the member for Emerson have the same indulgence and the same position as we have respected on the other side on this particular matter.

Madam Speaker: The honourable member for Brandon East, in my opinion, does have a point of order, but he is not the only one that strays continuously on relevancy on debate, particularly as it relates to the amendment.

I would ask the honourable member, in his three remaining minutes, to speak with relevancy to the amendment.

* * *

* (2250)

Mr. Penner: Thank you very much, Madam Speaker, and I concur that probably I did stray, but I am coming to the point. I want to make sure that the point is made at the end of those three minutes that you have given me.

I want to indicate that in this article I was referring to, it continues in saying that in large firms, sheer scale also makes altering the strategy difficult. The process of modifying strategy frequently involves a sacrifice in financial performance and unsettling, sometimes wrenching, organizational adjustments. Firms without the legacy of a past strategy and past investments may well face lower costs of adopting a new strategy, and I think that is exactly what I want to refer to, a new strategy. This government is bringing a new strategy and a new investment strategy.

The member for Concordia (Mr. Doer) said not too long ago that we should retain a vast portion of MTS and sell it to Saskatchewan. That is not a new strategy, that is old think. I say that is why this amendment that we are dealing with is so irrelevant and that is why we should not pay much heed to that amendment. I say it is not easy to cross the great divide between past experience and an entirely new challenge of the future but for sustainability and economic growth, it must be done. Therefore, I think this amendment that is being proposed by the honourable member for Thompson is absolutely,

totally irrelevant. I would suggest that we might even call it out of order. Thank you, Madam Speaker.

Mr. Tim Sale (Crescentwood): I rise to support this amendment and I rise in some sympathy for the minister, Madam Speaker, because this amendment really I think squarely puts the problem that the government has got itself into with its confused and confusing privatization plan.

We have this kind of strange, on the one hand, nothing will change, right? We have Mr. Stefanson—one of the Mr. Stefansons—at the committee saying, the mandate will stay the same; everything will stay the same; there will be no change. Well, that is one version. Then we have the minister and his friends saying, oh, my goodness, 70 percent of what we do is open to competition. The debt is crushing, we have to make significant changes.

Then we have the drafters of the legislation saying, we are going to keep a government's special share in here, and that special share will ensure four board of director members for at least the length of time that the debt is still outstanding. Now, what is that going to achieve? Is that going to achieve scenario A, there will be no changes because the mandate will stay the same, everything will be just the same, or is that supposed to achieve agenda B, in which case we have got to change a whole lot of things really fast because this company is in deep trouble? So I am just not clear about this special share business.

The special share, Madam Speaker, is linked to some other really interesting things. One of them is the promise that the head office will stay here forever. Well, I think our aboriginal brothers and sisters know what forever means in terms of governments like this. It really means until it is convenient to move it somewhere else.

I think of companies like the Hudson's Bay Company that had its head office, so called, here. Everybody knew the head office was in Toronto but it was really legally in Winnipeg. All the important jobs were in Toronto, but the head office was in Winnipeg.

Now, there are other protections here. There are protections about ownership of shares. We are going to keep the government share here for at least four years while we keep the lid on this company's change, so the

minister says in order to make it credible to Manitobans we will limit the number of shares any one Manitoban can own to just 10 percent. Well, it is not a lot, Madam Speaker, I guess 10 percent, it is 60—no, actually \$80 million. I guess there are a couple of us can maybe come up with \$80 million and take up our 10 percent but—maybe actually not that many on this side, maybe more over there. So we will look forward with interest to see who comes forward out of this wonderful marketing scheme to put up their millions in order to take their minority shareholder position.

Then we have this special share that is going to protect the board of directors. The board of directors, of course, is now going to be all ordinarily resident in Manitoba, that is, when they are not ordinarily resident in Texas or Palm Springs or Geneva or wherever else they have a dacha.

So we are really convinced that this special share is going to do wonderful things. It is going to protect the head office and the board of directors and the shareholder; it is going to make sure all sorts of good things happen for Manitobans. As my honourable friend from Thompson (Mr. Ashton) said, well then, if those things are all going to be maintained, why is it we are selling this company? If those are all the things that we are now so happy about, why is it we are selling this company? Maybe it is because these protections are not actually meant to be real protections, they are meant to be shams. And that is why, after about four years or so, they all just are kind of like the tooth fairy, and they go poof in the night after leaving a quarter under your pillow and not much else.

So, Madam Speaker, I am pleased to support this amendment if only for the expression of sympathy we make for the minister who really finds himself like the proverbial rider who mounts his horse and rides off quickly in all directions at once. We will protect Manitobans, we will make it private, we will make a profit, we will have better competition, but nothing will change.

This whole bill is a sham. Everything will change. It will be a profit-driven company, and all the king's horses and all the king's men are not going to be able to put a

very high quality public sector telco back together again, not after this government is finished with it.

Mr. Leonard Evans: I will go tomorrow. I would defer to the member for St. Norbert.

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, I am really proud to stand today on this bill that we are speaking to today. The amendment that the honourable members from the NDP bring forward draws the very line between where we are and where they are. I am proud to be where we are, because with this amendment it would be like when I paid off my mortgage. The bank would still have shares in my house. Well, I am sorry, that is not the way it works in the real world.

We as government have decided that we will not be in MTS. The private sector is taking over the telecommunication industry. No longer can governments control the technologies within this system. This amendment is no longer valid. For us to say that we would maintain shares in perpetuity would be saying that we are going to hold the mortgage. Even though you have paid off your debt, we are still going to maintain what you are doing. It makes absolutely no sense. I know that is what the honourable member for Thompson brought forward, so maybe I could have the mortgage on the member for Thompson's house. Even though he has probably paid 90 percent of it off, I would like to still retain that mortgage on his House. So I think it truly does draw the line and shows what the difference is between our side of the House and their side of the House.

I want to say, I am proud I am on this side of the House and not that side of the House, so thank you, Madam Speaker.

Mr. Leonard Evans: Madam Speaker, I have a few words to say on this matter, and I am pleased to begin this evening and hopefully continue tomorrow as we carry on with the debate on the amendments. I am amused at the statements made by my friends across the way who continually refer to this as a huge privatization scheme, that we are privatizing MTS. Of course, we are against privatizing MTS, but if they would consider for a moment the observations made by The Globe and Mail,

which is not necessarily considered a socialist or a left-wing newspaper and which believes in privatization—and they are criticizing this legislation for not truly privatizing the MTS. They point out, and this is very interesting, that there is going to be inevitable quarrelling between the government members and the elected members and that that situation could be worse than a purely publicly owned Manitoba Telephone System.

So what The Globe and Mail is saying is that this legislation is weak, this legislation is halfhearted, according to the MTS, and therefore is setting up a situation that is going to lead to a lot of difficulty, a lot of trouble down the line. I know we are running out of time, and I want to talk about the influence of the special share. The special share has a bearing on the fact that this is not

a pure privatization matter, and for you people to think that all of a sudden you are making a great stride, you are putting the MTS in the private sector, maybe you are deluding yourselves and that really we have a hybrid here and that maybe there is some truth in The Globe and Mail—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Brandon East will have 18 minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, November 25, 1996

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