



Second Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**Standing Committee**

**on**

**Public Utilities**

**and**

**Natural Resources**

*Chairperson*  
*Mr. Frank Pitura*  
*Constituency of Morris*



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

**Members, Constituencies and Political Affiliation**

<b>Name</b>	<b>Constituency</b>	<b>Party</b>
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
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DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
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DOER, Gary	Concordia	N.D.P.
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DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
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EVANS, Leonard S.	Brandon East	N.D.P.
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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.
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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.
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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**

**THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES**

**Thursday, October 31, 1996**

**TIME – 6:30 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Frank Pitura (Morris)**

**VICE-CHAIRPERSON – Mr. Gerry McAlpine  
(Sturgeon Creek)**

**ATTENDANCE - 10 – QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Derkach, Findlay, Stefanson

Messrs. Ashton, Helwer, McAlpine, Pitura, Sale,  
Sveinson, Ms. Wowchuk

**APPEARING:**

Ms. Diane McGifford, MLA for Osborne

**WITNESSES:**

Ms. Shirley Lord, Private Citizen  
Mr. Jack McLachlan, Private Citizen  
Mr. George Marshall, Private Citizen  
Mr. Thomas Novak, Manitoba Oblate Justice and  
Peace Committee  
Mr. Bruce Campbell, Private Citizen  
Ms. Marilyn McGonigal, Private Citizen  
Mr. George Harris, Private Citizen  
Mr. Marc Beaudry, Private Citizen  
Mr. Peter Flynn, St. Matthew's Maryland  
Community Ministry  
Ms. Jeanette Block, Private Citizen  
Mr. Sam Block, Private Citizen  
Mr. Roy Dudgeon, Private Citizen  
Ms. Marlene Vieno, Manitoba Network for Mental  
Health  
Mr. Mark Golden, Private Citizen  
Ms. Jean Wilson, Private Citizen  
Ms. Betty McGregor, Private Citizen

Ms. Joan Johannson, for Glenn and Noreen Duncan  
Ms. Grace Venema, Private Citizen  
Ms. Catharine Johannson, Manitoba Young New  
Democrats  
Ms. Shannon Slater, Private Citizen  
Mr. Marc Beaudry, for William J. Hickerson  
Mr. Paul Graham, Private Citizen  
Ms. Jany Keenan, Private Citizen  
Ms. Joan Johannson, Private Citizen  
Mr. William R. Goddard, Private Citizen

**WRITTEN SUBMISSIONS:**

Mr. William R. Goddard, Private Citizen  
National Farmers Union Region 5

**MATTERS UNDER DISCUSSION:**

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

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**Mr. Chairperson:** Good evening. Will the Standing Committee on Public Utilities and Natural Resources please come to order. The business before the committee this evening is the consideration of Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act.

At this point I would like to inform the public of the other meetings that have been called to hear public presentations on and for the consideration of Bill 67. Following tonight, there is a meeting scheduled for Friday, November 1, at 9 a.m.; Saturday, November 2, at 9 a.m.; and, if necessary, Monday, November 4, at 9 a.m. All these meetings are to be in this room No. 254. The notice for these meetings is posted on the board outside the committee room and on the notice boards outside the Legislative Chamber.

This evening the committee will continue with hearing public presentations. The list of presenters should be

before all committee members, as well as posted at the back of the room. If there is anyone present this evening who wishes to appear before the committee and has not yet registered, you may register with the Chamber staff at the back of the room and your name will be added to the list.

The committee has received written submissions to Bill 67 from William Goddard, and from the National Farmers Union Region 5. The submissions have been distributed to all committee members. Does the committee wish to have them printed in the committee Hansard? [agreed]

**Mr. Tim Sale (Crescentwood):** Mr. Chairperson, as the member for Sturgeon Creek (Mr. McAlpine) just noted, at least the second page of mine is unreadable. I do not know whether there is a better original anywhere, but—

**An Honourable Member:** The second page is good on mine.

**Mr. Sale:** Is it? Would it be possible, Mr. Chairperson, for the clerk to assess whether we can get a readable copy or not, and if not, maybe we can contact Mr. Goddard? All we need is one good copy among us.

**Mr. Chairperson:** Confirmation is the clerk will agree to contact Mr. Goddard to try and obtain a good copy of the presentation for inclusion in Hansard. Is that agreeable? Is it agreed we will attempt to obtain a good copy from Mr. Goddard? [agreed]

\* (1840)

**Mr. Edward Helwer (Gimli):** Mr. Chairman, since there was some confusion on our listing of the committees today, I would like to move, with leave of the committee, that the honourable member for Kirkfield Park (Mr. Stefanson) replace the member for Turtle Mountain (Mr. Tweed) as a member of the Standing Committee on Public Utilities and Natural Resources effective October 31, at the 6:30 p.m. sitting, with the understanding that the same substitution be moved in the House properly for the official records of the House.

**Mr. Chairperson:** Is it agreed? [agreed]

Before we continue with the public presentations, I would just like to remind committee members and the public present that the committee did agree at a previous meeting to a 10-minute time limit on each presentations and a five-minute time limit on questions. The committee will still follow these.

As well, the committee agreed to hear from all out-of-town presenters first, and the committee will continue that practice tonight. There are currently persons registered to speak who are from out of town, and they are indicated as such by asterisks after their name on the list.

**Mr. Steve Ashton (Thompson):** As I was indicating to you before the resumption of the meeting, there is also one individual who has indicated she cannot come back at another hearing. In fact she is, I think, leaving out of town tomorrow and she had requested to be heard earlier. It is presenter No. 74.

**Mr. Chairperson:** Did you wish to agree with that prior to the first presenter being called? [agreed] Then I would call Shirley Lord to come forward, please. Do you have copies for distribution?

**Ms. Shirley Lord (Private Citizen):** No, I do not.

**Mr. Chairperson:** Please proceed.

**Ms. Lord:** I can hardly stand the excitement at this opportunity to participate in democracy. The government has made such a concerted effort to articulate how significant this opportunity is for Manitobans alone, and in the spring, in fact, they tabled this stack of bills. Now these are just the amendments to the bills, and I think it is just great that we get a chance to speak to everyone of these bills.

Of course, you have to really also have the bill to speak to the amendment, and you have to also be able to interpret what the amendment to the bill means and what the true agenda of the government is. But we do get this opportunity today and we come to speak to Bill 67, and people have come before to speak to other bills, and there will be further opportunities to speak to more bills.

Now, you also have to be available at short notice to come and speak. You have to be available to stay late at

night. For many people, they have stayed until two and three in the morning around a number of bills, and then you have to also be fool enough to believe the government is going to listen to people making presentations who are concerned about bills, particularly a bill like Bill 67 that so significantly changes the delivery of telephone service in this province, and with the privatization proposals of the telephone system, it changes the way a public service will ever be delivered, and not only that, under the terms of NAFTA, it almost ensures that we can never, ever get the system back in our control if they have made a mistake in their judgment about this; I mean, a significant bill that we would get an opportunity this week, if we can get here, to make those presentations. The government does not even have the guts to go out in their constituencies and hold public hearings across this province, and it is the people throughout the province in the North and in rural areas, I think, I believe, who will be most significantly impacted by this.

I guess, given what will happen under the terms of NAFTA once the system is gone, I want to know why there are no public hearings throughout the province. You know, I just cannot understand it. I guess the other thing I have some difficulty with is so many contradictions in all of these bills in terms of approaches. There are significant attacks on the labour movement. One of the big attacks is in terms of having to ratify their participation in any political activity under the bills in The Labour Relations Act, and yet I as a shareholder do not get the opportunity to speak about a blatantly political fire coming out from the Telephone System, and there is no challenge to Crown corporations or others not to do just the will of the government without the ratification by all of us shareholders.

\* (1850)

So I am really perplexed where this government is going. I have not prepared a written presentation, and I guess that is basically because I have been very busy over the last few months in helping people to at least get an analysis of the bills and get some understanding of the process and try to help facilitate participation in what many of us even challenged as a useless exercise because we do not feel we are being listened to.

But I think it is important to at least read into the record the conclusions in the document that was

circulated, I know, throughout the province by Choices, including to all the MLAs in this building, and I know that for a fact because I was part of the delivery service because folks involved with Choices do not have major amounts of money and rely on—well, in fact, this document was in many ways the work of a few individuals over the summer who contributed their volunteer time in doing an analysis of all of the bills including Bill 67.

For the record, I would just like to read that this vast legislative program before the provincial Legislature this fall including Bill 67 is part of an internal consistent strategy which reflects the priorities and values of the current Conservative government. It is a policy which will create two Manitobas, one for the rich and one for the poor. At the heart of this strategy is an approach to economic development that attempts to attract businesses from elsewhere by creating, quote, a good business climate. What the government means by that phrase is a climate of low wages and labour standards and weak labour unions, few government regulations and privatization leading to opportunities for private profit.

This can be seen in a variety of bills, the social assistance policies which reduce welfare rates thereby even driving wages down, labour law changes which make it harder for workers to organize and make it harder for organized workers to defend their living standards, changes to the education laws which weaken teachers' bargaining power, changes to The Construction Wages Act which reduce skilled workers' ability to protect their living standards, an Essential Services Act which unilaterally reduces workers' bargaining power.

These bills also undermine Manitoba's democratic rights and the rights of independent organizations that Manitobans have created. This can be seen in changes in the health laws to create unelected regional health boards, changes in social assistance laws which will make clear the way for the introduction of workfare, changes to labour law which make it more difficult for unions to speak out on public issues, changes in labour law which delay workers' access to workplace justice, changes in health laws which allow a government commissioner to determine which union a worker will belong to, changes in the universities and colleges law which will allow the government to take over internal decision making from the university senate, and selling off a publicly owned

telecommunication system at a time when public control over access to changing technology has never been more urgent, limiting public input into determining the approaches to be taken to environmental cleanup of polluted sites.

All of the above changes will contribute to the creation of two Manitobas, but they are not the only changes that heighten the divisions between rich and poor in our province. This can be seen in changes in welfare laws which reduce welfare payments when other family members have income, changes in health legislation—

**Mr. Chairperson:** Two minutes.

**Ms. Lord:** —which clear the way for requiring payment for some health services, changes to the education system which will provide more opportunities for students from wealthier school divisions, privatization legislation which will create private wealth at public expense and leave rural and low income Manitobans prey to large rate increases.

In conclusion, I guess, and particularly with this bill, I think it is absolutely incumbent on the members of the government to go out into the constituencies and hear from their members. Thank you.

**Mr. Chairperson:** Thank you very much for your presentation. Questions?

**Mr. Ashton:** As the presenter, I am sure is no doubt aware, we moved the motion early on to request hearings in rural and northern Manitoba. I am wondering if you would care to comment on the fact that this government did not run in the election on any mandate for the sale of MTS, in fact said they would not sell MTS. Do you therefore think it is legitimate at all for them to turn around now and suggest that they should have the right to sell off something we have owned since 1908?

**Ms. Lord:** I think it is absolutely abhorrent that in one sense in some bills they are pushing for everybody to have a say in certain decisions and that they in fact run on a platform saying they have no plans to sell the system, and then—and we knew—I mean many of us knew we could not trust that, but many people believe and want to believe their politicians, that they are going to protect their services, and I think it is abhorrent that they have made this decision.

**Mr. Ashton:** I am wondering therefore what your feeling is in terms of whether this is not the beginning of a move to sell off other Crown corporations such as Hydro and Autopac, particularly given the fact that the Premier (Mr. Filmon) is making statements that are eerily similar to the statements that were made about MTS only a year ago.

**Ms. Lord:** Well, I think there is no doubt that they have an agenda that will, by the end of their term, significantly dismantle any Crown corporation, and make it absolutely impossible under the terms of NAFTA ever to gain control of our own province again, and give it away to large American corporations.

\* (1900)

**Mr. Ashton:** You raise an important point too, because I know certainly there are many people, myself included, who feel that given the lack of a legitimate process, you know, that the issue of repurchasing MTS has to be on the table but as you point out, there are potentially some difficulties with NAFTA. I wonder if you would care to elaborate, because I know I got different legal opinions. Some people say, given the fact that MTS is not a monopoly anymore, that that overrides those provisions. There are other concerns about the compensation clause. I wonder if you could outline this to the committee because I know a lot of Manitobans that I have talked to are extremely frustrated about the fact that, not only is this going to be a decision, but that this might be a final decision, and there may not be the option to purchase it back. I think there should be that option but I am just wondering if you would care to comment on the NAFTA aspect.

**Ms. Lord:** Well, I am familiar in a general way with the FTA and NAFTA, but the expert that I have spoken to is Maude Barlow, and she has indicated very clearly that it will be almost impossible for us to ever regain control of the telephone system once it is sold off and that we have to leave the door open always to private American competition in terms of the agreement under the FTA and NAFTA.

**Mr. Ashton:** Thank you for clarifying that point. I am wondering, if it was not a difficulty with NAFTA, would you feel that it would be appropriate for a future government to reverse what is clearly an undemocratic and, in my mind, an illegitimate decision?

**Ms. Lord:** I do not think there is any doubt. In fact, I would not even be surprised that we might even look at challenges to NAFTA, if there is some question about that.

**Mr. Ashton:** I think you raised an important point, because I, for one, do not feel that this government has any right to sell off MTS and I do feel that the repurchase of MTS is something that everyone should be aware of, that this government will not be in government forever. They certainly will not be a government for much longer if they continue to ignore the people, and I appreciate the information you are putting on the record, that they are doing it in error in which they, through their previous Conservative federal counterparts, have made it much more difficult to make a public policy decision such as repurchase, and you may be right, it may have to be challenged.

I am just wondering, you mentioned about the overall agenda of the government, in particular the inconsistency between Bill 26 and advertising what they are doing, but I am wondering also if you would care to comment on what we have been hearing from presenters, that there seems to be a general move by the government to take away control from many Manitobans and move it into a much smaller group, either the cabinet through ministerial power or, in this case, to the corporate sector. As you know, the board of MTS will have government representatives only so long as this private company still owes the government money. I am wondering if you see this as part of the bigger picture.

**Ms. Lord:** Yes, and I think what really concerns me in the broader framework of some of these bills is that the challenges under the labour legislation in terms of disclosure, in terms of a number of issues, they do not say the same things in terms of the corporate friends. Every salary of a corporation is a tax write-off, so every private corporation's salary including those people who purchase the telephone system—and I hear that one of the rumours is that Disney World is looking at it, can we not just hardly wait—that every one of those salaries should be publicly disclosed.

We need legislation that provides balance in this province. It has been a history of balance. In terms of even previous Conservative governments, there has been no one that I have ever seen in my 25 years involved

around political issues and caring about an active caring role in my community that is in one session fundamentally changing how this province operates and significantly shifting the balance of power in favour of corporate interests and their own narrow interests.

**Mr. Chairperson:** Thank you, Ms. Lord. Time has expired. Thank you very much for your presentation.

I will now start calling out-of-town presenters.

Dave Tesarski. Dave Tesarski—this is the second call—not here, name will be dropped off the list. JoAnne Hamilton. JoAnne Hamilton, not here, name will be dropped off the list. B.E. George. B.E. George, not here, name will be dropped off the list.

Now I have National Farmers Union spokesperson. I understand that there is a submission, too. Okay, the name to be dropped off the list. Ian Robson. Ian Robson, not here, name to be dropped off the list. Jan Chaboyer. Jan Chaboyer, not here, name to be dropped off the list. Kim Fallis. Kim Fallis, not here, name to be dropped off the list. Susan Tjaden. Susan Tjaden, not here, name to be dropped off the list. Brenda Portree. Brenda Portree, not here, name to be dropped off the list. Jasper Robinson. Jasper Robinson, not here, name to be dropped off the list. Phil Oakes. Phil Oakes, not here, name to be dropped off the list. Rod Murphy. Rod Murphy, not here, name to be dropped off the list. Colleen Seymour. Colleen Seymour, not here, name to be dropped off the list. Garnet Boyd. Garnet Boyd, not here, name to be dropped off the list. Ray Cantelo. Ray Cantelo.

**Mr. Ashton:** I talked to Mr. Cantelo earlier. He indicated he was going to try and get in from Carberry on Friday. I assume he can get back on the list at that time. That is the standard practice.

**Floor Comment:** Reregister.

**Mr. Ashton:** I will communicate that to him. He is not here tonight though.

**Mr. Chairperson:** Ray Cantelo is not here, so the name will be dropped off the list. Susan Tait. Susan Tait, not here, name to be dropped off the list. Heather Emerson-Proven. Heather Emerson-Proven, not here, name to be

dropped off the list. Keith Proven. Keith Proven, not here, name to be dropped off the list. Lyle Ross. Lyle Ross, not here, name to be dropped off the list. Brad Mroz. Brad Mroz, not here, name to be dropped off the list. Antoine Desrosiers. Antoine Desrosiers, not here, name to be dropped off the list. John Whitaker. John Whitaker, not here, name to be dropped off the list. Bert Beal. Bert Beal, not here, name to be dropped off the list. Erwin Baummung. Erwin Baummung, not here, name to be dropped off the list. Anthony Riley. Anthony Riley, not here, name to be dropped off the list. Margaret Hayward. Margaret Hayward, not here, name to be dropped off the list. Bill Sloane. Bill Sloane, not here, name to be dropped off the list. Jean Dixon. Jean Dixon, not here, name to be dropped off the list. Fred Tait. Fred Tait, not here, name to be dropped off the list. Ken Sigurdson. Ken Sigurdson, not here, name to be dropped off the list. Chris Tait. Chris Tait, not here, name to be dropped off the list. Ken Rosentreter. Ken Rosentreter, not here, name to be dropped off the list. Sorry, could not read the graphics here. Ken Rosentreter's name has been dropped to the bottom of the list.

Henry Reske. Henry Reske, name is dropped to the bottom of the list. Isabella Proven. Isabella Proven, name is dropped to the bottom of the list. Larry Reske. Larry Reske, name is dropped to the bottom of the list. Stewart Hamilton. Stewart Hamilton, not here, name to be dropped to the bottom of the list. Raymond Froese. Raymond Froese, not here, name to be dropped to the bottom of the list. Ken Winters. Ken Winters, not here, name to be dropped to the bottom of the list. Wayne Sotas. Wayne Sotas, not here, name to be dropped to the bottom of the list. Brad McDonald. Brad McDonald, not here, name to be dropped to the bottom of the list. Andy Baker. Andy Baker, not here, name to be dropped to the bottom of the list. Elgin Tapp. Elgin Tapp, not here, name to be dropped to the bottom of the list. Anna and Irwen Folick, not here, dropped to the bottom of the list. Mel Christian. Mel Christian, not here, name to be dropped to the bottom of the list. Lydia Spitzke. Lydia Spitzke, not here, name to be dropped to the bottom of the list. Laura Henderson. Laura Henderson, not here, name to be dropped to the bottom of the list. Joan Scorgie. Joan Scorgie, 179, not here, name to be dropped to the bottom of the list. Wilfred and Louise Hudson.

**Mr. Sale:** I am not sure whether there may be an error, but I do not think that Wilf and Louise live out of town.

**An Honourable Member:** They do.

**Mr. Sale:** They have moved? Okay. They are a different Wilf and Louise Hudson then. Is there one in Fort Garry?

**Mr. Chairperson:** Now where was I—Leo Spitzke. Leo Spitzke.

**Mr. Gerry McAlpine (Sturgeon Creek):** Just for clarification, have these names not been called before, or are these ones that have just been added? These are new names? Okay.

**Mr. Chairperson:** They are not here; their name is dropped to the bottom of the list. Randy Proven. Randy Proven, not here, name is dropped to the bottom of the list. Jan Rogers. Jan Rogers, not here, name is dropped to the bottom of the list.

That comprises the out-of-town presenters that are so marked. I will then start from the presenters from the city. Now call Jenny Gerbasi, Jenny Gerbasi.

\* (1910)

**Mr. Sale:** Mr. Chairperson, I do not know if she will arrive. She was here today, this morning, with her child. She is a young mother of four children, I think it is, and I have a strong suspicion that Halloween would take precedence over MTS. It is difficult for people like her, because she works during the day and she had time off this morning. She thought she would get to speak because of her position on the list. I would just ask that the committee not put her at the end if she is here and able to speak. I know that child care and work are a problem. So I would just make that point that in this particular case she was here this morning until twelve o'clock and thought she was going to get to speak.

**Mr. Chairperson:** I would think if she comes to the committee meeting and requests special leave that the committee will consider it at that time. So at this point in time her name will drop to the bottom of the list.

Jack McLachlan, would you please come forward. Mr. McLachlan, do you have copies for distribution?

**Mr. Jack McLachlan (Private Citizen):** I just have notes.

**Mr. Chairperson:** Okay, please proceed.

**Mr. McLachlan:** Thank you, Mr. Chairman.

My name is Jack McLachlan, as a speaker speaking as a private citizen but also speaking from a Judeo-Christian background. So I want to mention that at the beginning here.

MTS, as we all know, is a publicly owned company, and I as a citizen own part of this company. It has provided a great service to Manitoba, both to the city and to the rural parts of Manitoba. Our assets as citizens are being sold off, and we are told that they will be more efficiently run in this process. So as I look at this, sort of from the outside, can the government guarantee that all citizens will receive phone service and phone service at a rate they can afford? Will that be true for Winnipeg and for the rural parts of Manitoba? Or, it is going through my mind, will it be like the railroad here in Manitoba where it has become privatized but the North is sort of left to its own devices. If that happens with the railroad, which is a very essential system, what will happen to MTS? Will the south have service, and will the North be abandoned?

I know the framework that comes as a bottom line sort of framework, and that bottom line says that we abandon that which does not pay. The bottom line says we can make real money for the shareholders if we cut the weaker parts adrift, and the bottom line says we will not share the cost of keeping the communities, such as Sarto or Sprague or Birch River or Manigotagan or Wabowden, we will not share the cost of keeping those alive and as part of our phone system. We do not care about the communities. We really only care about our profit.

Now I am saying you have misjudged us if you believe that we are, in the end, just a group of consumers. We, in Manitoba, are citizens. Now citizens want to look out for one another, and that is the difference between citizens and consumers. The consumer mentality says it is alright, turn the province into a market, and let market factors sway the day.

It is the same when I am asked to subscribe to Sprint telephone, as they phone me up and inquire whether I will switch from MTS to Sprint, and when I say that I will not, I am asked, sort of in a clincher argument, do you not want to save money? I reply, I want to save my

community. People in the city who work for MTS are part of my community. People throughout the province are also part of my community, those who work for it and those who receive services, also the future. People growing up to look for jobs are part of my community and part of my future community. As it has been documented, as I have listened here, in so many of these briefs, the work of MTS can be moved to other parts of the country and other parts of North America. So, is it just this bottom-line mentality that is going to take over and say that it is not the community that is a concern, it is just some consumers that had concern, and what will make the best profit for us as consumers?

I believe history will show us we have taken a tragic fork in the road, and we have shamefully sold a heritage of this province for pocket change to entrepreneurs. It is like that we have cut down the apple tree for the apples. I would not like my grandchildren to be studying our history and to ask, why, as a community, did you allow this to happen? What will be the legacy as leaders of this province when the record of history is examined in the future?

\* (1920)

Now, in conclusion, I would like to ask how did we get this way and how did we get into this kind of mindset. Well, part of my work is to study history. The ideas that I see floated here and I have heard all in this debate, they arose in the 17th Century. They arose with Hobbes and Voltaire and now it seems that they have come to full flower, not only in this province but in the globe.

It was Hobbes and Voltaire who said: I exist independent of anyone else. You may have heard the slogan: I exist, therefore, I am. All this says is that the goods of the world belong to the fittest and to the strongest. The fittest and the strongest are the ones that can acquire these; therefore, it should belong to them. It is the engine behind this American philosophy and global philosophy. So many of us are a part of that and we are unaware of where it comes from, what its implications are and where it is leading us. It is a form of social Darwinism. It is saying, in effect, humankind is like the animal kingdom and in the animal kingdom the strongest survive, and therefore, they should be let to have their way.

Now, as I mentioned, I come from—

**Mr. Chairperson:** Two minutes left.

**Mr. McLachlan:** Thank you, Mr. Chairman—I come from a Judeo-Christian background of which I am a part, and I believe that humankind is to care and to share with one another. Now you could say that that is a philosophy and a theology, but I think it is a very basic one to humanity. I believe that when humanity moves to this other way of thinking, eventually not only does it destroy the weak but eventually it destroys the strong. I believe that we are setting out on a road that is inherently dark and dangerous for the weak, but it is also dark and dangerous for the strong.

I would ask the members of government to rethink their position and to rethink this out of the heritage of which you have all grown, because you have grown out of this kind of soil, whether you realize it or not, and I believe this other methodology has taken over and has become, as it were, a fundamentalist's methodology and is accepted without any critical examination. Thank you, Mr. Chairman.

**Mr. Chairperson:** Thank you, Mr. McLachlan. Questions?

**Mr. Sale:** Thank you very much, Mr. McLachlan, for your presentation. I believe you spent some of your working life in rural areas in Manitoba. Could you outline why this is a particular concern of yours, perhaps reflecting on the time that you spent in rural pastorates in Manitoba?

**Mr. McLachlan:** Yes, I spent 30-some years in rural Manitoba, covering a good part of Manitoba, Steinbach, Carman, Dauphin, so I am well aware of the far reaches of the smaller communities and how essential it is that they be connected up and how essential it is that they be a part of any decision making. I am well aware also of their wisdom. I feel, like so many of them being called tonight and are not able to be here, whereas if a hearing was held in Swan River or in Brandon or in other parts, that many could be. I feel that these are the people, the ordinary people of the Earth that need to be heard, and it is essential that they be heard.

**Mr. Sale:** Many of the people of churches, including the ones that you have served, are vulnerable people, and my own experience I guess is that telephones are both a

defence and a means of social survival in not only rural areas but in urban areas where those who are mobility restricted or have other restrictions. Has this been your experience with people that you have served? You talked about a dark road for the weak, and essentially I want to ask a bit about that road, and then I want to ask about the dark road for the strong.

**Mr. McLachlan:** Yes, well, I can remember back to the time when in early '30s, I saw telephone wires hanging alongside the road and I asked my father what they were. He told me that is when we have telephones. In those times, if some of us were sick, we had no means of communication. My father would have to walk three miles to a telephone. I can see that coming in the future. People in remote farms, in remote areas, remote villages, also in northern communities, they had to communicate by means of crank phone. So they are left vulnerable in a medical emergency and other kinds of emergencies.

**Mr. Sale:** Mr. Chair, just my last question to the presenter. You talked about a dark road for the strong, and I think often we do not recognize that some of the decisions we take around power and around privilege can have dark consequences for the strong and not just for those who are immediately impacted. Can you reflect on that, as you said in your presentation? Why would that be the case?

**Mr. McLachlan:** Well, in my reading—I read Jeremy Rifkin's, just one person, there are many others—if I think back over the last three years, I think of at least 10 people who said like we were 10 years away from revolution. Rifkin is saying that people in the boardrooms are very uneasy that sales have flattened out and that Christmas sales are flat. They are beginning to recognize that they are firing their customers, and though the stock exchange has never been higher and everybody is saying we are making more money, but that is only 5 percent of the population, those who are the stockholders and those who own essentially the wealth of the country.

But below this is a great mass of people who are becoming very uneasy. I can sit down at a coffee shop and it is not long before it drifts around to the subject. Five years ago, that would never happen that people would talk openly about their hostility and their anger about what is happening, and a sense of foreboding. So, if we think that we are going into nirvana by going

upscale and by placating the very powerful, I think we have to remember that they stand on the shoulders of the weak and those shoulders are getting weaker and weaker.

**Mr. Chairperson:** Thank you very much for your presentation. Time has expired.

I would like to call Kim Milne. Kim Milne. I have also had a request for leave for the committee, speaker No. 191, Mr. George Marshall would like to present tonight. He was here for the previous three days and did not know he was on this morning and ended up at the bottom of the list. Is there leave for the committee to hear Mr. Marshall?

**Some Honourable Members:** Leave.

\* (1930)

**Mr. Chairperson:** Leave has been granted. Mr. Marshall, please. You do not have copies for distribution?

**Mr. George Marshall (Private Citizen):** No, Sir.

**Mr. Chairperson:** Please proceed.

**Mr. Marshall:** Mr. Chairman, Monsieur président, Mr. Minister, Monsieur ministre, other members of the committee, les autres membres.

My name is George Marshall. I am a native Manitoban and a native Winnipegger. I have from time to time stood in this place in support of government, but not tonight. My 36-year career was spent in communications with the Manitoba Telephone System. There is hardly a town in Manitoba that I have not either stayed in or driven through during that period. I have seen Thompson grow from a stretch of pre-Cambrian rock into the thriving capital of the North that it is today. I have seen the extraordinary co-operation between the two sister utilities, MTS and Hydro, in the late '60s and early '70s when the people of northern Manitoba brought power to the south and the people of southern Manitoba took communications into the North. I have seen the extraordinary growth in service in rural Manitoba at some cost, but on the fundamental premise that every Manitoban, wherever he or she may live, should have private access to the network. Imagine, private access to

the world in your own living room wherever you live in Manitoba. That is not a small achievement.

Mr. Chairman, communication since the beginning of civilization has been and is the essential human connection. To be involved in connecting people for some time is a somewhat noble endeavour and to be involved for 36 years in that endeavour brings to one a sense of mission. I could not possibly discuss, with my background, the merits or demerits of the sale of MTS. I will not even try. My academic background is in political science and economics. I hold a master's degree in political science. Not surprisingly, my argument will spring from my studies and not from my life's work.

I hold that this government, my government, does not have a mandate from the people to privatize MTS, and when I say that, I guess I had better explain it. At the last provincial election, that five-week window every four or five years when the people have power, one of the candidates for First Minister said, I have no plans to privatize MTS. Now two things spring from that. First of all, the people can reasonably conclude that MTS is not going to be privatized; secondly, other aspirants for government can reasonably conclude that the privatization of MTS is not on the agenda. Some weeks and several days past that date the people of Manitoba bestowed on this candidate their power, and he assumed power in the province. At some point later, as a third milestone, the Premier (Mr. Filmon) decided that he was going to privatize MTS.

Now let us be clear. We are not talking about something that occurred during the life of the government and something the government had to deal with as a government, not at all. The three milestones I am talking about are clearly this, and I do not think there is any dispute about this: First of all, that the minister as a candidate said he would not privatize MTS when the people had power; the people bestowed power on this candidate; and then this candidate decided that he was going to privatize MTS. Does anyone believe that this is appropriate political behaviour under our British parliamentary system? If anybody does, I would suggest a crash course in Political Science 101.

Mr. Chairman, the government does have two options. It can go to the people if it thinks the issue is strong enough, or it can shelve the issue and go to the people in

a general election with other issues that are important to the people of Manitoba. If the government proceeds, in my view, it is an offence of one of the fundamental principles of British parliamentary democracy. Secondly, in my view, they are an offence of the people of Manitoba we did not consult, we know, and strangely enough the government is even in offence of itself when it was a more considerate and more caring government in minority.

In my political studies, I developed two theories. Theory No. 1 goes like this: Temporary politicians and temporary governments, and all politicians are temporary and all governments are temporary, if they are temporary for too long, they become arrogant. Theory No. 2 states that there is a direct relationship between the arrogance of the government and the size of its political mandate.

With respect, Sir, if the government proceeds with the legislation, it will have fulfilled both my theories. In my view, the government is guilty of an abuse of power, and the government is suggesting to the people of Manitoba that this is a temporary government that has been around for too long. Thank you Mr. Chairman.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Ashton:** I want to thank the presenter for putting a very different view to this whole question. By the way, I raised a matter of privilege earlier today which goes I think to the heart of many of the things you were talking about, statements that were made during an election and statements and actions afterwards that contradicted that. To my mind, it is more important than the politics of the day. I believe there is a real decline in this province in the sense of the parliamentary system that you talked about. You referenced temporary governments. I remember one politician who subscribed to that was a former Conservative Leader, Sterling Lyon. He often used to lecture governments about being temporary custodians of the public will and it seems to me that somewhere along the line that has been lost.

I am wondering if you would care to comment on what you see is the essential balance yourself in this parliamentary system. We have had a tradition not only of the kind of tough partisan politics we have in elections but also that sense that even when you are in power that you do listen to people because you are only trustees. I am wondering if you would care to comment on that.

**Mr. Marshall:** Mr. Chairman, Churchill said, this is the worst form of government except for all the others. The minister, who sits across from me as the Minister of Transportation (Mr. Findlay), is putting a roadway in that I have been waiting for for 25 years, so I do not think I can generalize. I think I have to deal with this specific issue. I think this issue needs discussion and needs debate.

**Mr. Ashton:** In the province of Saskatchewan—I just want to contrast two different approaches dealing with the very same issue, Crown corporations. They have held public meetings throughout the province. They have had public discussions throughout Saskatchewan. Here in Manitoba, we have had no public meetings, no discussions. There certainly had not been any discussions around this during the election. I am wondering, if you think the least the government should have done is followed some sort of process of consultation, some sort of development of a consensus in the province since they obviously did not have a mandate from the people in the election.

**Mr. Marshall:** I think this process on this one issue is out of sync, and I would like to confine it to this one issue. Someone asked earlier whether this would be a model for future government behaviour. I do not know. It may well be but I doubt, I very much doubt. My political sense tells me that no further steps will be taken without an election.

**Mr. Ashton:** So you are suggesting that perhaps the public uproar that is following this process may be enough to, if not, stop the government on this specific issue, perhaps not lead to a generalized situation where they feel they can do it again? I guess you are suggesting, that by violating the parliamentary approach in this case, they may perhaps learn their lesson? Am I sensing some sense of optimism?

**Mr. Marshall:** Governments tend to march to their own drummer, and I think this government is marching to its drummer. I just think it is marching a bit too quickly.

**Ms. Rosann Wowchuk (Swan River):** Thank you for your presentation, Mr. Marshall. You talked about having seen the development and expansion of Manitoba Telephone across the province. Those developments, I saw lots of them, too. I grew up with no telephone and

went from where we had a switchboard operator at the store, to party, now to private lines. We are very fortunate to have the service that we do now. Do you believe that—[interjection] I beg your pardon, sir.

**Floor Comment:** One long and two short.

**Ms. Wowchuk:** That is exactly right. Our ring was one long and two short.

Do you believe that we would have seen this kind of expansion to all parts of rural Manitoba and most of northern Manitoba had it been a private company that was in charge of our telephone services in this province?

**Mr. Marshall:** I think history teaches us that it would not be the way it was, because in 1908 it became a public utility because the private sector could not put it together. It is very different now. It is together. I do not want to get into merit. I am talking about the people having an opportunity to comment through an election, and I thought that aspect of this bill is not appropriate. I would hope that the government would not go through with it for the reasons I stated.

**Mr. Chairperson:** Thank you very much, Mr. Marshall. Time has expired. Thank you for your presentation.

**Mr. Marshall:** Thank you for giving me leave.

\* (1940)

**Mr. Chairperson:** Call Thomas Novak. Thomas Novak, please come forward. Do you have copies for distribution?

**Mr. Thomas Novak (Manitoba Oblate Justice and Peace Committee):** Yes, I have 15 copies here.

**Mr. Chairperson:** Thank you. Just give them to the clerk right there beside you. You may proceed.

**Mr. Novak:** I will skip a few paragraphs, otherwise I will be over time.

In his recently published book, Angus Reid, the well-known Canadian pollster, has written: Pollsters have been struggling to express the sense of anger, pessimism and despair that has dominated the public mood.

In a recent interview on CBC's Morningside, he explained that he believes that the source of this anger is the deep insecurity that is gripping our nation. This insecurity is largely due to the corporate and governmental downsizing that has resulted in one-third of Canadians suffering from anxiety over the belief that their jobs are in jeopardy.

But, as he explained, another important source of this growing anger, pessimism and despair is the new and growing divide in political opinion in this country that is based on income. This division based on the gap between the haves and the have-nots, the haves whose preoccupation has been increasing privatization and reducing the debt, and the have-nots is relatively new in Canadian society. He said if you look at the essential characteristic of Canada as an inclusive society, as a civil society where historically we have tried very hard to include everyone who lives here, and at least some basic social programs and health programs, that is we move with this class divide, it is possible that some of the underlying civility of Canadian society is going to fall by the wayside.

In short, like an increasing number of Canadians, Angus Reid is concerned about the breakdown of the Canadian social contract, of the national consensus that has been developed over many generations about what constitutes the essential economic and social fabric of our society.

For the second time in a month, members of the Manitoba Oblate Justice and Peace Committee have felt compelled to come and speak to members of our government about our deep concerns about the direction the province is taking and how this new direction is deeply hurting the most vulnerable and defenceless in our communities.

The Manitoba Telephone System was organized, so we understand, 88 years ago by the same government which built this magnificent building. That government, it appears, had an exciting vision of what kind of society the province of Manitoba could become. It was determined that the most effective way of running the telephone system would be a monopoly. Now the government of Rodmond Roblin, by no means a foe of the business community, could have simply turned the whole thing over to the well-established private Bell

system, but they did not. They created a monopoly that would belong not to financial speculators who live thousands of miles away, not only to those who could afford to buy a substantial number of shares, but to all the people of Manitoba. In doing so, they gave expression to the widespread conviction that if the province was to grow and prosper, then the people of this isolated corner of God's creation would need to retain control over some of the essential elements of the economic infrastructure.

Since, the people of Manitoba have been remarkably loyal to and proud of their telephone company. Indeed, recently new private long-distance companies have publicly expressed their frustration that Manitobans seem to prefer to buy their long-distance services from the publicly owned telephone system rather than from their private- and foreign-owned systems, despite a bedazzling variety of enticements for them to switch.

Although the current publicly owned system appears to be as healthy as any private system in Canada, although phone rates are as low or lower than the rates of larger private companies in other parts of Canada, we insist on selling it off to those whose primary interests are not the needs of the people of Manitoba but the size of their profit margins.

In another government department, although the Manitoba system of home care for the elderly and disabled has been found to be the most efficient and cost effective in Canada, if not in the western world, we lay plans to replace it by companies whose fundamental concern is not the physical and psychological well-being of our sick and disabled neighbours but the well-being of those companies' personal and corporate bank accounts.

We cannot help but wonder what has happened to the vision of the government of Rodmond Roblin that erected this incredible edifice at the same time as they were establishing our public telephone system. In 1908, Manitoba was still a very small and inconsequential part of North America, yet our government realized that if Manitoba was to become strong as a society, we would need symbols and institutions we could trust as looking out for our best interests. We fear that if the spirit that animates the present government would have been haunting the government that built this edifice, the government of Rodmond Roblin would have decided that the people of Manitoba could not afford to own their own

government building, that the resources needed to house the seat of government would be better spent on the private sector, and that the Chamber which embodies the communal needs and spirit of the people of Manitoba would be best housed in a privately owned suburban shopping mall.

But what is happening in our province is far more serious than the erosion and dismantling of precious symbols and institutions. Like Angus Reid and others who reflect on what is happening in our cities and towns, we are deeply troubled. While we argue about who is to make profits on phone service or the delivery of medical services, our communities are collapsing around us. The anger of disenfranchised young people is burning up our inner city streets and the main roads of many isolated communities. Angus Reid says that our society is splitting in two along the yawning chasm of an economic fault line, but the greater tragedy is that many of our governments, who for several generations have seen their role as creating bridges or occasionally of even trying to eliminate that chasm, are now throwing dynamite into the fault so as to make the canyon even greater.

Social assistance rates are slashed over and over, and minimum wage rates fall below the poverty line. New regulations are brought in to make it almost impossible for workers to organize new unions. Tuition fees for universities are raised, programs designed to help the economically disadvantaged gain education are systematically dismantled. Progressive tax systems are replaced by reliance on raising revenue through VLTs and casinos, and a public utility is sold off despite the near certainty that the sale will result in a large segment of society no longer being able to afford a service they had once taken for granted.

In short, the government of Manitoba, like other governments across North America, appears to have bought into the current trend of governing for the interests of an ever-shrinking circle of a few of us who possess wealth and power. For the rest, well, if we can only build a bigger and a deeper chasm between us and them, if we just build higher electrified fences to keep them out or bigger prisons to keep them in, far away from the rest of us, then our own little neighbourhoods will be safe and all will be well with the world.

The gangs that are gradually taking over many neighbourhoods in the city of Winnipeg and the streets of

other Manitoba communities did not arise because suddenly a generation of young people has been born evil. Rather we believe that the rise of the street gangs is the almost inevitable result of this process of dividing the community into the haves and the have-nots, the powerful and the powerless. The children of the poor—

**Mr. Chairperson:** Two minutes.

**Mr. Novak:** —the disempowered and the excluded have come to feel they will never be able to share what the rest of us have on the other side of the divide. They have come to consider government and most of the other institutions of our community as no longer their own. So they have created their own institutions, their own economy, their own laws and their own government. That is what a street gang is.

So we have come before you today to plead with you to set aside this divisive strategy of separating the sheep from the goats, the chosen from the damned. We ask you to reconsider the direction in which our province is going, to try to regain a little of the sense of governing for the whole that has characterized so many previous Conservative governments in this province.

In the book of Deuteronomy, the sacred writers sought to give voice to the will of the Creator for the people of Israel. They stated, there shall be no poor among you. Our ancestors in the faith believe that the sign of society at rights with its Creator is that there be no chasms between us and them, no electrified fences to protect one segment of the society from the other.

As the Catholic bishops state in their recent pastoral letter on the elimination of poverty, it is God's intention that the good things of this earth be shared by all humankind. It falls to everyone to ensure that all are accorded here and now their just share. That is the challenge that we must face together. By collaborating with those who have been so sorely tested by poverty, Canadians can discover new, more equitable solutions.

So we ask you, as you listen to the statements today, that we try to find a new sense of the common good, a new social consensus.

**Mr. Chairperson:** Thank you for your presentation. Questions.

\* (1950)

**Mr. Sale:** I find it really interesting that tonight we have had three essentially moral and ethical presentations on what is probably seen by many as a narrow, technological and economic issue. Obviously, from my own background, I welcome the challenge that you are putting to us, and I hear echoes of Amos, Hosea, and Micah and all of the greater and the lesser prophets in what you say.

You speak on behalf of a Catholic order. Can you just describe a bit of what you see as the practical consequences of this decision? You have challenged us with some theological vision. Can you tell us what you see as some of the practical consequences that will be real for the people you know?

**Mr. Novak:** I have worked in northern Manitoba, and I have worked in the city especially, with aboriginal people in the inner city. Already, many of them have a hard time to afford a phone. If you are on social assistance, as you know, the social assistance does not consider a phone a necessity. If you are trying to get a job and you are on welfare, you are stuck because you can send in all the resumes you want but if you do not have a phone, no one is going to call you to tell you that there is a job waiting for you. If you have no phone and you have children in school and something happens, you have no way to know. I am very afraid for the people that I work with of phone rates going up as they have in other provinces where the telephone system has been privatized, and especially the fear in the North where people are even more isolated, more dependent on phones.

Another practical—maybe a less practical—consequence I think I am very concerned about, is that decisions like this are being made despite the fact that hundreds of people have come to say that we have deep concerns, and when the government says, well, we have made up our minds already, it does not matter how many people come to talk, the people I talk to become more and more discouraged with the political system, and they just decide it is no use. It does not belong to us. There is a lot of anger, and you can see it especially in the native community. This is white man's government; this is rich people's government; it does not belong to us. There is this incredible sense of frustration among people, and it is starting to boil into violence. Now a lot of the violence is not direct—people are not going out with picket signs,

and they are not marching, and they are not taking up guns and setting up barricades. What they are doing is they are making, as I have said, their own governments out in the streets, and they are knocking little old ladies over and they are breaking into people's houses, full of anger and doing home invasions.

To me, this is directly linked to the deep frustration that people are feeling, that they do not belong anymore, that our governments in Canada are run for someone else.

**Mr. Sale:** So then one of the things that you are saying, consistent with the previous two presenters, is that the price of this kind of unethical behaviour, that is, promising one thing and doing another, is not simply an economic price in terms of phone rates, but there is a social cost to the kind of consent that we all give to be governed, that ultimately people are withdrawing that consent, and at some point, it boils over.

**Mr. Novak:** I am active in elections sometimes like most of you are, and especially when I go in the inner city from door to door, people just say, well, it does not matter, it does not matter, they are going to do what they want. I just hate when I hear that. Every government is going to do what it wants to do. They are not going to listen to us. So we are having this breakdown. How can a democracy function if the people out there do not feel that it is worth voting and the only way they can be heard is to do something violent?

We are very lucky in Manitoba our predecessors have instituted these kinds of discussions. I think we are the only province of Canada where people can come and speak to every bill. It would be very sad if this kind of forum would cease to exist, but it is just as sad when the forum does exist and people say, well, it does not really matter if we go and speak or not, they have made up their mind already. What I hope that we can do when we come to this is that we sit down and try to find a consensus and take each other seriously, even those of us who feel we are not on the same side of the issue. Maybe there is some common ground. It distresses me deeply when we make up our minds even before the committee meets. It is like there is no common ground. Maybe there is. That is what I have always been working for all my life.

**Mr. Chairperson:** Mr. Ashton, for a quick question.

**Mr. Ashton:** I just want to follow up on that because I know representing a northern constituency, it is often a concern. What often bothers me the most is when I hear people say, it does not matter, they are going to do what they want. Even when I hear on this issue when I have talked to people, there are considerable number of people who say, what do you expect? I am wondering if you have any comment on whether you see any sort of similarity to what the previous presenter talked about a few minutes ago in terms of the parliamentary system, because my sense of the parliamentary system was always that it instilled a sense of duty amongst parliamentarians to do more than just simply get elected and then act in whatever way they felt was the appropriate course to go but to use their judgment which also included listening to their constituents.

We have a direct election system in Canada where like the British system you vote for somebody that represents you. I am wondering if you see some connection between this alienation and the decline in the parliamentary system that somebody referenced earlier?

**Mr. Novak:** I will try to be brief. I grew up very excited about politics and very active in politics when I was young and convinced that this was a wonderful system and enjoyed the game of it and enjoyed the repartee that we see in the House. But then, I have the privilege of living among aboriginal people for many years and realizing that maybe this is not the most healthy system where we argue at each other and throw barbs at each other all day. This would just be out of the question in an aboriginal community. People sit down, and they say there is a problem. They discuss, and they do not quit discussing until everyone in the room has agreed, and then they can go. That might take days, months, years. but we do not move until there is a consensus. I have been converted to that. That is how I function now when I am working in committees. My dream is that we would learn something from aboriginal people and be able to function more that way than the kind of adversarial system that just seems to be losing the interests of the people of our country.

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

I call Arni Arnason. Oh, Mr. Helwer with a committee change. Do you want to use that mike, Mr. Helwer?

**Mr. Helwer:** Mr. Chairman, I wonder if I might have leave to rescind the motion I made earlier because there was some mixup.

**Mr. Chairperson:** Is there leave for Mr. Helwer to make a committee change?

**Mr. Helwer:** It is not really a committee change. It is just rescinding the motion that I made earlier.

**Mr. Chairperson:** You are rescinding the motion that you made earlier? Okay. Is it agreed? [agreed]

The second call for Arni Arnason. Not here? Mr. Arnason's name will be dropped to the bottom of the list. Jean Altemeyer. Jean Altemeyer, not here, her name will be dropped to the bottom of the list. Bruce Campbell. Please come forward. You do not have copies for distribution?

**Mr. Bruce Campbell (Private Citizen):** No, I just have my notes.

**Mr. Chairperson:** Please proceed.

**Mr. Campbell:** First I would like to thank you for listening to me and for having this opportunity to make this presentation. I would like to begin by saying that I definitely am a capitalist, so I am not here because of a union affiliation or because of a socialist cause per se.

I believe in capitalism to the point where when I turned 18 during the Vietnam War, I emigrated to the United States and served two years in the American Army. While in the United States during that era, I realized some of the things that I did not like about capitalism. As an example, while stationed in Texas, there was a strike—not even a strike, it was the way that the labour laws read in Texas. When a contract was not signed by the expiration date, the contract was null and void, and the employer could hire anybody that they wanted, which was exactly what they did.

A week before Christmas, all the phone lines went down and nobody could make a phone call over the Christmas weekend. So when I saw things like that and living in Texas seeing the poverty there, I realized what I had when I had been growing up in Canada and that, yes, there is a place for capitalism but there is a place for

a social conscience as well. That is why I made the decision to not remain living in the United States. It was because of the things that I felt Canada had along with the capitalist notion and the work ethic that many Americans have; there was also a social conscience. That is what I see this bill as a part of taking away.

Within that capitalism, there is a basic thought that if you are the one who drills the well, you are the one who gets the profit from it. We all heard the story about the chicken. Nobody would go out and help in the farm, and then suddenly the crop comes in and everybody wants it—wants their share as an example of how capitalism is better than socialism. Well, capitalism to my mind, as far as MTS is concerned, means that those people in 1908 that put the bucks up front, that took the chance, made the investment in what was an unsure technology at the time, are the ones that deserve the profit, and they continue to deserve the profit. To take that profit away at any point because suddenly it is too successful is not fair to the people who made the original investment, the people of Manitoba and their children and grandchildren, forever. That is the way it works with an oil company when they drill a well. That is the way it should work with MTS, for the people of Manitoba.

\* (2000)

I think that there is fundamental problem also in the way that we often calculate our costs of doing business. When we take a dollar out of the Manitoba economy and send it to Ontario or down to the United States, that dollar would have generated at least \$3 within the economy. So when we take a job for MTS, and, yes, that person living in Mexico may be willing to do the job for 50 cents a day, but the money that the worker in Manitoba would have earned would have been recycled again and again in Manitoba, so taking that money out of Manitobans' pockets fundamentally is not good capitalism, and it is not good for the overall economy.

The other area that I think we have to look at from an economic viewpoint is that when an individual in Manitoba earns a dollar, they are going to give probably 30 cents, 40 cents of it to the provincial government between PST and provincial income taxes, so part of that money is already coming back to the province. I work as an accountant. When I worked at Inland Cement, we were building a new extension to the plant. We were

using our own cement purchased through another company. We were using contractors that were all part of our company, so when we looked at the real cost we factored in the profits that each of the companies within the family were making to take into account what the true cost was, so I do not believe that it is reasonable in the case of a publicly held corporation to not use the same type of logic in taking into account what the true cost is when money is being recycled, when money is coming back into the economy.

One other major concern that I have is our inability to reverse this. It seems that once this bill becomes law and everything is basically cast in stone, that this is how the sale is going to take place, it would be extremely difficult in five years under possibly a different Conservative government or an NDP or Liberal government to reverse that decision. As despicable as I find the labour legislation that is coming into effect or appears to be coming into effect in Manitoba, and when my son asked me, what are we going to do about it, I can at least look to the next election and say that no matter what party somebody is from, I am going to make sure that they believe what I believe on that bill and that it can be reversed. I believe that that is a fundamental difference in selling off a Crown asset, is that once it is sold it is basically gone. Whether it is Manitoba Hydro, Manitoba Telephone or any other Crown asset, it is virtually impossible to get it back. These were things, these were investments that were made by the people of Manitoba, and I do not believe that we should be taking them away from future generations.

I also feel that there seems to be a thought, and I know other speakers have addressed this, that if a company is profitable, well, it belongs in private industry, and then when we hear that something is not making money, well, private industry could do it better so it belongs in private industry. There does not seem to be a correct equation for how much or how little a government business or Crown corporation can make, whether it is the Manitoba Liquor Commission or MTS. It seems to me that if something is working and is working well for the people and bringing money into the government, that it would be foolish to turn around and sell it off when the income that you are going to get for the sale will not be coming in in 50 years, but if we hold onto the asset, we can still be getting that income in 50 years.

We do not increase our net worth by selling off assets to pay down debts or to pay anything else off because they offset each other. There also appears to be ample evidence that the items that have been sold from MTS were sold at far below their market value in any case.

There seems to also be a thought or an idea that the public sector, as opposed to the private sector, cannot do anything right and that whatever they are doing, it could be done better by the private sector. I do not believe that there is any way that that has been shown, and I believe that that underlying assumption is working against the people of Manitoba.

I feel that if this government had intended doing that, taking these measures, that it should have been made clear at the last election. Barring making it clear at the last election—

**Mr. Chairperson:** Two minutes.

**Mr. Campbell:** —it should as a minimum have been taken to all of the people of Manitoba. I appreciate the opportunity here to get in my 2 cents worth, but I believe that everybody in Manitoba should have had the opportunity. If that meant a travelling road show around the province, then I think that that would be reasonable, so that at least there would be some honest interchange and feedback from the people.

There is also basically a concept that we have all seen cartoons about and everything in various publications that would indicate that if somebody works for the government or for a Crown corporation, they are lazy and they are not going to be hard workers and, gee, as soon as they get out there in private industry, they are going to be good hard workers.

I have worked in private industry and I have worked for the government, for the federal government, and it simply is not true. Employees want to go to work. They want to have a good feeling about their job. They want to feel good when they come home at night and that does not matter where they are working, an employee is an employee. They want to feel good about themselves. We all have seen many studies that indicate the importance of jobs to individuals, the importance of careers and how people feel about themselves, which is why job loss is always so traumatic for individuals. That does not matter

whether they are using the Manitoba model of a special operating agency to attempt to sell off some of the civil service jobs or the alternative service delivery that we are hearing about in the federal sector.

I therefore beg you to reconsider this position, take it to the people at an election—and hopefully not hidden in some other item like what is happening with the Jets and suddenly all the other issues kind of disappear behind that, but as a real choice in direction for the people of Manitoba. Thank you.

**Mr. Chairperson:** Thank you very much. Question, Mr. Ashton.

\* (2010)

**Mr. Ashton:** I want to follow up on some of the things you were talking about. I think you pointed very succinctly to the whole dilemma that those who support Crown corporations—which is I believe the vast majority of the people of Manitoba—find in the sense that you find governments arguing, well, if they do not make money sell them and if they do make money sell them, so I appreciate your looking at that particular aspect. But I am wondering—just following up on your general talk about the economic system, et cetera—if you do not find it strange that in effect as you have said we are the shareholders of MTS in the sense that we have invested in it, you know, it is the people of Manitoba, and that if this was a private company there would have to be a vote of the shareholders, whereas in this case the government is not only not proposing any special vote now on the specific question but did not even have that as part of the election in the last election. Do you feel that there should be the same basic principle applied to this being a public company as would be applied to a private company?

**Mr. Campbell:** I think that the basic concept has to be the same, but I do not feel that we necessarily need a referendum. Say, if you were in the United States to do a similar major transaction, we have all seen that in the upcoming elections in the United States, many states have 15, 16 extra items for every individual to vote on, different types of money bills and different types of policies. In the United States I believe something this major that was this much of a sale of a government asset, they would be taken to the people with that opportunity, not in a separate referendum which is obviously very

costly to run, but tying it into an election that says the people of Manitoba want you to sell this. If the people of Manitoba say no, then it does not matter who is in power, they do not have the mandate of the people of Manitoba to do that.

From what I understand, there has been a minimal amount of effort by the party in power, by the government, to find out what the people want to do the detailed surveys that could have told them what direction the people of Manitoba want to go. It is more driven, from my viewpoint, by an ideology as opposed to either an economic sense or a sense of what the people want.

**Mr. Ashton:** I find your comment very interesting in terms of running surveys or having raised it in the election, because we know objectively this was not an election issue. I think it is very clear to everyone that the government does not have that public support. In fact, I want to ask you what your thought is. I mean, if they had said in the election that we will sell off MTS, do you think that they would have received the same mandate they received by saying the complete opposite?

**Mr. Campbell:** Well, if I am right in the sense of what I am saying, other people whom I know, people whom I work with, what they are telling me, then, no, I do not believe that they would have had the same mandate. I think it is important that a government has a clear mandate, a clear direction of what they want to do, not simply an ideology that says we are capitalists. It has to be, to my mind, a more solid—okay, we are capitalists, but this is what we believe is best for Manitoba and this is how we are going to implement it, not just a general sense that supposedly the NDP are all socialists and the other are all capitalists. I do not think that it is that straightforward. People are a combination of both, and it is important that the public know how an individual stands and can trust how they are going to vote based on what they are being told.

**Mr. Ashton:** I suspect what has happened is I would just think there was a consensus on such things as ownership in Manitoba Telephone System, Hydro and Autopac. It appears that there is a consensus of the public but that the governing group has shifted from that.

I just want to follow up on your experience in the United States, because I mentioned this in the committee

last night where there was an open-line show and somebody phoned in from North Dakota about six months ago. It was very interesting because that person said do not sell off your publicly owned phone system, and this person talked about how it was more expensive to phone from her home to the county seat in North Dakota than it was to phone to Winnipeg, and when asked why, she indicated it was because the private telephone company knew exactly where most of the traffic was. Most people had to phone to the county seat. Very few had to phone to Winnipeg, so what they did was they maximized the price on the area in which people had the least choice in terms of phoning, and I am wondering if you feel that that is the kind of direction we are headed here, based on your own experience in the United States.

**Mr. Campbell:** From my own experience in the United States, it is very much more so profit driven instead of realizing that there is some social commitment to, say, areas like the North, you know, areas that may not be as profitable. There is a commitment in the United States to say that those people can go die and that we are going to look after where we can bring in the absolute best return on the dollar, and that is a basic capitalist notion.

I am not saying that that is wrong in every sense, but there are certain industries, certain things like health care and education, where that is not better for the overall society, where it works against the social system. That is why, as I said, a big reason why I moved back to Canada. I know I have met a number of Canadians who are quick to say, oh, if I had the chance, if I could get a green card, I would be in the States tomorrow. I just look at them, well, live down there for a while and you might be coming back up here.

**Mr. Chairperson:** Thank you very much, Mr. Campbell. Your time has expired.

I call Barbara Martin. Barbara Martin, not here, the name will drop to the bottom of the list. Pat Martin. Pat Martin, not here, the name will drop to the bottom of the list. Alida Friesen. Alida Friesen, not here, name will drop to the bottom of the list. Robert Lang. Robert Lang, not here, name will drop to the bottom of the list. Marilyn McGonigal, please come forward. Do you have a presentation for handout?

**Ms. Marilyn McGonigal (Private Citizen):** No, I just have a verbal presentation this evening.

**Mr. Chairperson:** Please proceed.

**Ms. McGonigal:** Mr. Chairperson and members of the committee, I am a lawyer and here speaking somewhat in my professional capacity and also as a private person. I have practised law for approximately 18 years in Manitoba, mainly in the family law area, and I have represented over the years many single parents, many poor people.

The vast majority of single, custodial parents are women. The vast majority of single women, custodial parents, are poor. Usually, single parent men do not have the circumstances that I will be referring to in this presentation. My concern, I am greatly concerned about the women in our society and these women in our society particularly.

The sale of MTS treats the telephone service as a luxury or a consumer commodity of choice. This is not true. This government is by this action and by many other actions in other areas contributing to the feminization of poverty and indeed to what I call the war on single women and their children. They are doing this by offloading the economic and social costs of inequitable society onto women and their children. The federal government offloads to the provincial government; the provincial government offloads to the municipalities; the municipal and city governments offload to the disadvantaged in society by cutting back on their services, by withdrawing and withholding necessary services. The cutbacks to the social safety net are done to solve fiscal problems created by people with the power to create them and not by single women, sole parents, and their children.

What does the sale of MTS have to do with sole parents, mainly single women and children? You have heard how the telephone service is a lifeline to the disadvantaged. The very first speaker eloquently presented her case from a wheelchair, and she is one type of disadvantaged person in society. Telephone service is a necessity. One parent cannot leave children alone to seek help or go for emergency supplies or for any reason leave their children in the night or if they are ill or when

they have no one else to care for them. Affordable and accessible telephone service is vital to single parents.

As a government provided service, the objectives of equitably serving the vital needs of citizens are at least monitored by voters, and social policy can prevail with control of the service. In private hands, serving the bottom line, the owners' objectives, include no such social objectives.

I want to tell you the story of a woman I encountered in my practice. She is a vegetarian. She is on welfare. She has two children. She terminated an abusive relationship, but being in an abusive relationship, it went on with an ongoing competition for custody of the children. It was clearly a control issue. The father, in what illustrates an abuse of the telephone services, telephoned welfare to say that she does not have the children 12 days a month because he has access to them then. So provincial welfare cut back \$55 from the food budget of this woman. The father, of course, had no obligation to take the children for his access and frequently did not. This father in fact refused to take the children if they had a cold or flu or were going to be in any way a bother to him.

In order to keep her telephone and give her children meat in their diets, this woman became a vegetarian. Now I want you to consider the way in which selling MTS to private concerns is going to affect the women and children in this province when we already have circumstances, and I see a growing number of cases in which welfare budgets are cut back. It is a very clever move by the way on behalf of provincial and city services who do this, or the provincial actually, usually with mothers and children. They cut back on food budgets because of the access orders that are given in court even though access is not positively enforceable. You can enforce your access if you are being refused access to your children, but you do not have to take them and feed them for the weekend. It seems to me to be contrary to justice to cut back on food budgets, but it is a fact that a telephone is such a necessity that this woman gave up food—and other women have to give up many necessities—in order to have a telephone.

\* (2020)

I want to say this story illustrates a number of things including different forms of abuse. Abuse takes many

surprising forms. I am also very interested in the issues of violence against women; for instance, I attended the Lavoie hearings and I am looking forward to that report. I am a member of the coalition opposed to violence against women, although I speak as an individual here tonight. I am aware that the telephone has a lifeline, becomes an issue of life and death proportions. You absolutely have to have telephone service if you are either a single parent or subject to various criminal acts that come under the rubric of abuse, stalking, other crimes, threatening one's life—threatening one's economic well being is certainly one of the means of abuse that is commonly used.

It also is a fact that the negative aspects of having a telephone are that the telephone cord may be used to strangle a woman. I have had a case in which an attempted murder was averted but attempted in that way. A telephone itself is used to bludgeon people; telephone services are used to harass women. But I have to say that the existence of a telephone in a woman's home has saved many victims and prevent potential victims.

The issue for you members of this committee and members of the prevailing government of the day is that the telephone service must be affordable, and affordable services must be available to single women and to abuse victims and to rural women in Manitoba. How does the sale of telephone service owned by all, to be owned by a few, serve the needs of these women? I ask you to address that question.

I can illustrate some of the problems that arise with costs.

**Mr. Chairperson:** Two minutes.

**Ms. McGonigal:** Thank you. In terms of the cost, what will happen when the services become privatized is that there will be the piecemeal sale of services. Already women who own simple telephone services must dial star 69 or 67—whatever it is, I have forgotten—to block telephones who have call identification—which is one of the first things abusers do is get their call identification telephones, and indeed it is part of the control syndrome that is a part of the abuse of women in society. You can do it. You can learn how to block these calls, but you have to do it with every call you make out.

If you have paid for an unlisted number—and I believe some steps have been taken as a matter of government policy to reduce the cost of owning an unlisted number because it is necessary for one's personal safety—if you pay for that service you also have to pay, I believe, there is a service cost-per-call for using the services to block identification of a telephone call. These costs are beyond the budgets of women with children not only on welfare, but I have to say I have represented many, many women on legal aid certificates who are not on welfare, who have never been on welfare. They are either struggling on student loans or struggling with part-time work because there is no full-time work for them. Even if their salaries are good—and I say that for instance in the food industry and the unionized industries and that, the salaries per hour are good but they cannot get more than 20, 21 hours a week to work. They are not anywhere near the budget that you think they have if you think their hourly income is representative of other people's, so these people have to now pay for that. What is a private company going to do? They are going to be selling off these services piecemeal, and they are going to be adding this charge and that charge to every use of the telephone made by women.

**Mr. Chairperson:** Excuse me. I am afraid your time is up.

**Ms. McGonigal:** Okay, could I just make one last point because I want to support the rural lifeline.

**Mr. Chairperson:** Leave? [agreed] Okay, go ahead.

**Ms. McGonigal:** I do not practise in rural Manitoba, but we must absolutely pay attention to the fact that rural women are very much in jeopardy of losing their ability to provide that safety line of a telephone line if services are not going to be provided by private owners to them.

I will leave my comments there other than to say that the responsibility for violence and death of many women who cannot afford telephone services will be on the heads of the government of Manitoba who sells the MTS system.

**Mr. Chairperson:** Thank you for your presentation.

**Ms. Wowchuk:** Thank you for that presentation on behalf of many women within the city and in rural

Manitoba who need this important service. I want to talk about the rural aspect for one moment. You talked about affordability, and we know that right now our basic service in rural and northern Manitoba is subsidized.

In fact, we had discussion where in rural Manitoba we pay somewhere between \$13 and \$15 a month, but the actual cost can be up to \$35 to \$40 a month. If a private company comes in—and, of course, the objective of a private company is to make money and make profits for their shareholders, so we are concerned about where rates will go and what the rates will be and how affordable it will be for all rural Manitobans but specifically women in rural Manitoba, many who are single mothers, women who often end up on social assistance.

What do you think the impact will be on them? Do you see any private company that is going to sacrifice their profits in order to keep the rates low, so that we would have this insurance of services for rural people?

**Ms. McGonigal:** Well, I have to say that as much as the economic aspects of this matter are not directly in my line of expertise, it is perfectly obvious that if the service is going to cost a great deal or cost more than it should, more than the way it has been distributed in Manitoba now, then the service will be discontinued, or it will not be offered by private interests. By analogy, any paper carrier would prefer to serve a large apartment building with 500 apartments in it than to go down a country road serving people that are a mile or two apart to give them the same service for the same cost.

As such, one can easily see how the rural service is going to cost too much to be provided by private services unless there is a government policy. Unless there is government ownership and government policy to back up the need for providing this service, I do not see how it can continue especially in Manitoba.

\* (2030)

**Ms. Diane McGifford (Osborne):** Thank you very much for your presentation, Ms. McGonigal. The gist of your presentation, as I understand it, is that the sale of MTS and the escalating costs for telephone service would increase the risk of abuse, stalking, harassment for Manitoba women.

**Ms. McGonigal:** Absolutely. The point about that is very clear, that one of the first things an abuser tries to remove from a woman is control over her communications with authorities and any others who can assist her. Most abusers are, in fact, cowards, and when they are faced with authority or consequences, they will be deterred significantly from doing the harm they intend to do, and having a telephone is a significant advantage in this situation.

**Ms. McGifford:** Then without a telephone a woman may well be left alone in her home with no way of communicating with the outside world and have a batterer or an abuser at her door or breaking in and really be left to it.

**Ms. McGonigal:** Yes, that is correct. Absolutely.

**Ms. McGifford:** On the, I suppose, brighter side of things, not when it comes to the sale of MTS however, you have indicated throughout your address that Crown corporations can be instruments of progressive social policy. My understanding from MTS is that it has indeed functioned this way as far as hiring women in some senior positions, and I wonder if this is one of your fears, too, that the progress that women have made in an institution like MTS may be reversed with privatization. Would you like to comment on that?

**Ms. McGonigal:** Yes, I certainly would believe that it is going to jeopardize the gains we have made for women in Manitoba to sell a profitable Crown corporation that has social policy, that reflects a social conscience that we fought very hard for.

You may or may not be aware that I fought a very hard battle, along with many other women in the '70s, for the changes in the family laws in Manitoba. I am very proud of that fight, and I am proud of the results that we gained with that lobby. I would certainly see that that is highly jeopardized by the policies of a government that would privatize—well, not only MTS but, in other ways, reverse those philosophical gains.

**Mr. Chairperson:** Thank you very much for your presentation. Your time has expired.

**Ms. McGonigal:** Thank you.

**Mr. Chairperson:** Thank you. I call Charlene Ball. Charlene Ball, not here, her name will go to the bottom of the list. George Harris. Please come forward. Do you have copies for distribution?

**Mr. George Harris (Private Citizen):** No.

**Mr. Chairperson:** No. Please proceed.

**Mr. Harris:** Good evening. I would like to begin, because of some concern in the audience—one of the members of the committee has been certainly busy reading a magazine—and I would like to reassure everybody that in fact he is a very capable person who can do two things at once. It was not disrespectful to the previous presenter who was presenting a very serious matter of a need of a telephone system for people who are subjected to incredibly violent behaviour, but I would like to just reassure you that the member of the committee is in fact a very capable person and is able to do two things at once and because he was so intently reading, I would like to explain to you why he was so intent on what he was reading because this is some new territory for him, although he reads some of the same materials I do. He was reading an article about the gulf that grows between the rich and the poor, and I will just read from it for you so that you get that sense of why he was so intently reading.

The wealth of the world's 358 billionaires is greater than the combined annual incomes of countries with 45 percent of the world's people, according to a UN report. This is the logical consequence of turning over the world to market forces. What the market does is just concentrate more ruthlessly into the hands of a very few people—imagine, 358 people. I will bet that there is probably getting close to that who have signed up to present to this bill, and those people, their wealth is equivalent to the annual incomes of countries with 45 percent of the world's population. What a wonderful world.

The other thing which would have surprised Mr. Helwer probably is that reading down in the article, the UN refers to five different kinds of undesirable growth, and the first on the list is jobless growth. Hey, we have heard that, have we not? The next one is ruthless growth where only the rich benefit. The next one they refer to is antidemocratic voiceless growth. Hmm. Interesting.

The fourth one is unsustainable futureless growth, and the fifth one is rootless growth. When I see our governments—and it is not just this government here in Manitoba—selling off public assets that have taken decades to build to people who are already wealthy, because those are the people who will buy it, I see the government contributing to the same kinds of growth that you are talking about here. This government is talking about selling off other public assets, but I guess we should just go through and catalogue exactly—when I am looking at these things trying to figure out—who benefits and who loses and that basically tells the story.

The first one is, imagine a person on social assistance. Sell off MTS and what you will get with the person on social assistance is higher domestic telephone services. That person is not going to benefit. You look at a person in northern Manitoba, that person is going to get higher rates because the private companies will not have any mandate to serve, and they will be trying to get into this whole game of cost-recovery kind of thing, and it is all in the interests of protecting certain people. You look at low-income people, they are going to have higher domestic rates; they are not going to benefit.

Try to think of who is going to benefit. Well, what has happened with deregulating the marketplace is in fact businesses—well, our long distance rates have been subsidizing domestic rates, so we have been footing the bill—will certainly benefit, certainly businesses that do the longer distance kind of business. The very local businesses, your local bakery and all that, the family-owned business that does not have to do too terribly much, they will not benefit from that because most of their calls are local calls but your bigger businesses will that have to do longer distance business.

I think you can go through any number of examples and just do some kind of a taxonomy of it, and you will see who benefits and who loses. So when I look at this bill, what I am seeing is a government that is working for these 358 billionaires. The government is not working for me. We are subjected to all forms of propaganda. In the Winnipeg Free Press I am always appalled each time I take out the page and I see the faces, the 10 Most Wanted, as if they are the ones that are doing the biggest damage to our society. I would like to see some of the faceless people of these big corporations—

**Mr. Chairperson:** You have two minutes.

\* (2040)

**Mr. Harris:** Oh, you are tired of hearing this.

I would like to see some of those faceless people who contribute to the devastation of people's lives, not only here in Canada, but in other countries. They are nothing—in fact, they are far worse than those 10 Most Wanted that we see portrayed regularly. I would like to see their faces, but they hide behind these corporate structures, these private boardrooms where with the stroke of a pen they can throw people out of work. They are not more efficient because efficiency is only measured in dollars, so if you can drive those wages down, you can make more profits and it looks more efficient, but it ain't. People are not working any better there; they are just working for far less.

So my presentation is basically it is appalling that this government is deciding to sell this public corporation. The government has no mandate; people have said that many times before. When I talk to people about MTS, they tell me regularly, the government has no mandate. We the public have invested in this, and we the public should have a say in how to proceed. Just simply succumbing to the market forces, the stock markets that basically say to us, jump up in glee when corporations lay off tens of thousands of workers. The markets jump, what wonderful news. What a perverse world we are living in.

**Mr. Chairperson:** Thank you, sir, your time is up. Questions?

**Mr. Ashton:** I want to focus in on your reference to the faceless people in the corporate boardrooms because what particularly frustrates me is that the prime report the government is using to justify selling off MTS is a seven-page document from three Bay Street brokerage firms that are now going to be benefiting from the sale of MTS. I have used the term "conflict of interest" because I think that is what it is, but I think personally that is scandalous that you have this group. We still do not know how much the government paid for this advice, but one cent would be too much because I think anyone could predict that three brokerage firms on Bay Street are going to say, what, do not sell it. I mean, I think we know that.

I am wondering how you feel as a Manitoban when the government is using this document which they received, by the way, on April 30 and announced the decision on May 2, two days later.

**Mr. Harris:** Well, I am not surprised. I am not surprised that instead of consulting the people of Manitoba they would consult brokerage firms. It fits into the model that I was trying to project that this government appears to be working for the 358 billionaires and maybe quite a few other people with hundreds of millions of dollars. They are certainly not working for the hard-working average citizen of this province.

**Mr. Ashton:** I am wondering how you also feel, too, about the fact that AT&T—well it is called AT&T Canada now, it is classified as a Canadian firm by the CRTC because the majority of the shares are held by three Canadian banks—has already indicated, in fact, Mr. Bill Catucci, the president of AT&T Canada who coincidentally used to work for AT&T in the United States, they are interested in purchasing MTS. This is a comment that has been made publicly. A lot of people suspect that if they do not purchase shares in the first round that this is the kind of potential buyer that we are going to be faced with down the line. And this is, by the way, the same company that in the United States laid off 40,000 people. What happened was the share price went up, executive salaries went up. I am wondering how you feel about the potential loss of the Manitoba Telephone System to a company like AT&T Canada.

**Mr. Harris:** I am almost certain, and I am not saying it would be AT&T, but it would be some company of that ilk that will take over MTS as soon as the very weak protections that are in this legislation are no longer there and that is only going to be a relatively short period of time because what we have here is a good public asset which will in fact liquidate any liability that is on the books.

**Mr. Ashton:** I am wondering, too, if you are aware of the fact that I mentioned those banks, and I think people may ask the question why three Canadian banks would invest in what was then Unitel, which was not doing that well in terms of its finances until the Canadian Bankers' Association published an article in the Free Press a few months ago saying that the banks do not make a lot of money. They said there are industries that have a higher

rate of return than the banks, and guess which one of the sectors was? Privately owned, regulated telephone companies.

In fact, if you look at what happens under the CRTC which is supposed to protect rates—and the government is putting a lot of emphasis on that—this is what happened in Alberta. AGT went to the CRTC and said, we had a major problem with a tax liability, it was supposed to be a \$2.5-billion write-off. They missed it by \$1.1 billion. They said, if we do not get a rate increase, we will only get a 2 percent return on equity. Now they got it up to 6.1 percent and, in fact, they were allowed the range. The officially allowed range is up between 10.25 and 12.25 percent. Well, to put it in layman's terms, essentially they can pass on their mistake to the customers in Alberta in the form of a \$6-a-month rate increase, and they are seeking another \$6 a month. How do you feel when now the government is saying, do not worry, we have the CRTC to protect us here and the CRTC in fact is ensuring that these private companies make a rate of return that is more than that made by the Canadian banks?

\* (2050)

**Mr. Harris:** Well, again, it is not something that surprises me. I have the greatest distrust for anything in the large corporate sector. I have seen it working internationally, that it is very, very difficult to get any reliable information in the first place from the private sector. Try to get any information of the behaviour of the tobacco giants or the oil companies; you cannot get any reliable information from them. They are the worst type of—there is language I cannot use here—but they are despicable, evil people and nothing less than that, and we are now wanting to turn over our public assets into those hands. I am not for one moment saying that the publicly run corporations are perfect. Of course, we are not living in a perfect world, but we are moving to a much more imperfect world with this kind of measure. We are just concentrating wealth more and more in the hands of a few people with less and less accountability.

It was very interesting listening to news earlier today, and I do not know how true this is, but it seems that our government here is adopting much of that problem with disclosing information. There was an access to information request last year on the Winnipeg Jets and it

is now being disclosed, and maybe that is not the subject here, but it is just now being disclosed that documents were not released when they were asked for in public information. Now if governments can do that, the private sector is much more capable of that. They are only accountable to their shareholders; they do not have to reveal anything to me.

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

I call Lisa Bukoski.

**Ms. Wowchuk:** Mr. Chairman, just for information, I want to ask whether we are following the same rules as we were for the last two nights, that we would sit till twelve o'clock and then not call names after 12. Are those same rules applying for this evening, or has any different decision been made? I ask the question because I was not here for the early part of the committee, so I am not sure if there was any decision made.

**Mr. Chairperson:** Unless I get different direction, I will probably follow the same procedure.

**Ms. Wowchuk:** Thank you.

**Mr. Chairperson:** Lisa Bukoski, not here. Her name will go to the bottom of the list. Marc Beaudry, please come forward. Do you have handouts?

**Mr. Marc Beaudry (Private Citizen):** No, I have something to read, but it is just for myself.

**Mr. Chairperson:** Please proceed.

**Mr. Beaudry:** I do hope, though, that most of you have Bill 67 in front of you because I will be referring to it from time to time.

Good evening, Mr. Chairperson, honourable minister, members of the committee. I like to think that I am a fairly intelligent guy. Heck, I have been to law school, but after learning as much as I could about MTS, after listening to many of the presentations to this committee and after studying the bill itself, I have to admit I just do not get it. By all accounts, MTS is a profitable company. We are told that between 1990 and 1995, it earned a

hundred million dollars in profit; in the first six months of this year, 15 million. That is not bad.

By all accounts, MTS is providing top-flight service. Rural party lines are largely a part of history now. Fibre optics are virtually everywhere and most people say that MTS has the most advanced communications system in North America. Also, by all accounts, Manitoba phone rates are among the lowest, if not the lowest, on the continent.

So why are the Conservatives selling it? I do not know, but I would like to talk about a few things that I do know. The first point is that the government has no mandate to sell. Many presenters have said this, so point two, public input has been minimal. Before me, there have been a few dozen presenters. After me, if the list outside is accurate and everyone shows up, you may hear 200 people, maybe 300, in a population of one million. Public hearings, only after the bill is introduced. These hearings must conclude by November 7; hearings only in Winnipeg, and the weather conditions have excluded most people living in rural Manitoba, even though it has been suggested that people living in that part would be most affected.

These two points alone lead to serious questions about the democratic accountability on this issue. None of us in this room voted on this, and you people did not promise this, and you people do not agree to this, so, democratically, I cannot see why we are going forward.

Obvious point three, MTS is a big corporation. Now, just for comparison, my mortgage is up for renewal tomorrow, very small in comparison to MTS obviously, but, you know, I have thought it through, and I am not sure whether I should go for the six-month or lock in for a longer term, but I have thought of what is going to happen in the coming months and years, and I think that is important to do in deciding what I should do now, because I should be protecting my future interests.

Anyway, let us get to the bill itself. I understand that the legislative agenda has been particularly heavy in this session, so I would not be surprised if many of you have not had the chance to read this, so I would like to go through several sections of it that may surprise you. To begin, Premier Filmon has reportedly promised, quote: Our first priority is to ensure Manitobans continue to

control MTS. That way, all they have come to love and trust can be protected.

This bill fails to satisfy the Premier's first priority, that Manitobans control MTS. Consequently, and for other reasons, too, I think it also fails to protect much of what Manitobans have come to love and trust. Let us start with ownership. There are two clauses that are escape hatches allowing individuals and corporations to own more than the legislated maximum of 15 percent aggregate shares in the company. These are Sections 18(5) and 18(8). Just to refer to them quickly, 18(5) reads: "Notwithstanding subsection (1), a person or a group of associated persons designated by the Lieutenant Governor in Council may beneficially own in the aggregate up to twenty-five percent of the total number of issued and outstanding voting shares of the corporation."

Section 18(8) reads virtually the same: "Notwithstanding subsection (6), a person or a group of associated persons designated by the Lieutenant Governor in Council may beneficially own in the aggregate up to twenty-five percent of the total number of issued and outstanding voting shares of an affiliate of the corporation."

These clauses suggest one of two things. The first, the government already knows who the 25 percent owner will be, and you want to facilitate the acquisition of effective control of the phone system either by AT&T or Bell or whomever it happens to be. This suggests, if you believe No. 1 there, that the government is not being up front about its intentions to allow a single player to dominate the new MTS. That is wrong. The alternative explanation is that the government is concerned that an independent MTS, small and poorly capitalized, will founder in the continental market without a strong partner. This may be true, but if this is the case, it seems that the government has grave doubts as to whether a private MTS can survive. Based on that, I would invite the minister to reconsider this bill.

Beyond the question of ownership, the government is saying that MTS will not be fundamentally changed by Bill 67. Bill 67 says otherwise. There is a series of clauses on fundamental changes contained in Section 11. These clauses prevent the new MTS from dissolving, amalgamating, liquidating or leaving the province with consent of the Lieutenant-Governor-in-Council, so long as the province continues to hold its special share. The

concern here is that the way this bill is drafted, it allows for dramatic changes without the consent of the Legislature itself, even though changes may fundamentally alter the intent of the original MTS act and the reconfigured act that this bill represents.

I believe that sweeping changes such as this require more than an Order-in-Council; they should require amendments to the act. Even beyond those fundamental changes of Section 11, Bill 67 has written within it something akin to a notwithstanding clause. I refer to Section 4(2), "The preamble and subsection (1) shall not be construed so as to restrict the business that may be carried on, or the power that may be exercised, by the corporation or its affiliates."

Now, this clause effectively nullifies those provisions that require the new MTS to take into account public interest—that is the reference to the preamble—and even continued access to telephone service. That is the reference to Section 4(1). The business of any private company is to make money. This clause is a licence for the new MTS to raise rates and abandon customers in the name of profit.

Now, I will admit this bill does appear to offer a few weak protections, but now let us turn to Section 4(3). Section 4(3), which kicks in under Section 4(1), once MTS pays off its—

\* (2100)

**Mr. Chairperson:** Two minutes.

**Mr. Beaudry:** Okay, I will just race through this.

Section 3 kicks in once MTS pays off its government debt. Now once this occurs, any protections offered to Manitobans in Bill 67 are immediately repealed. This is an incredibly important section of this bill.

Just to skim it over very quickly. Once the debt is paid off, these sections are nullified: 3, 5(1), 6, 7, 8, 9, 10, 11, 13(1), 13(2), 13(3), 13(5), 13(6), 13(7), 13(8), 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 are deemed to be repealed once MTS pays off its debt to the government. All protections vanish. At this point, the new MTS will be free to lift all restrictions on the consolidation of shares, to merge or combine with

another company and, indeed, to leave Manitoba altogether unrestrained by provincial legislation or any requirement in the public interest of all Manitobans.

I think this is bad legislation introduced by a government with no mandate to sell and hurried through the Legislature without adequate debate or public input. I know my time is short so I will just like to conclude with a quote from the old American statesman, Henry Clay: "Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people."

Lady and gentlemen, you are the trustees. Please act for the benefit of the people. Minister, withdraw this bill. If he does not, I urge all of you, especially Conservative backbenchers, vote against it. It will not help anyone in Manitoba. Thank you.

**Mr. Chairperson:** Thank you for your presentation. Questions?

**Mr. Sale:** I appreciate, Mr. Chairperson, the thoroughness of the presenter's look through the bill. We have had many presentations from many perspectives, but this was a very interesting one from the point of view of a thorough read of the bill.

In terms of the major concerns that you have, no mandate and a bad decision to boot, and that is, even if you had a mandate, you would not agree with the sale, I presume, or am I wrong? Would you say if the public agreed to it, you would think it was a good idea, too?

**Mr. Beaudry:** We live in a democracy. If the Conservatives had put this as a major plank in their campaign platform in the 1995 election—and I believe they were saying the exact opposite at that time—if they had put it as a major plank in their campaign and if the Conservatives had won a majority as they did, I would still say that there are problems with this bill as it is drafted and there are things that should be done, but as for the principle of the sale itself, the people had spoken on that. But the people have not spoken on this, and I think it is a horrible decision and I cannot understand why they would do it.

**Mr. Sale:** Mr. Chairperson, I think that is perhaps the first time during the hearings that I have heard as clearly stated, I guess, of how many of us in the opposition feel.

We would, of course, respect the democratic process. If people had spoken democratically, we might disagree, we might argue, we might raise concerns, but we would respect ultimately the democratic process because we deeply believe in it. I think that what is probably most offensive about this process and this legislation is that there is not a shred or a pretense of democracy around it.

You are a relatively young person, at least by comparison with myself. How do you and your peers view government, particularly in light of examples of their behaviour such as this?

**Mr. Beaudry:** I think people are losing trust in government. What is the point? By the time I get to the age that I think all of you are in this room, and assuming I develop some sort of semblance of confidence in public speaking and could perhaps run at some point, I do not think there will be much of a government left to run. I really have no idea what will be left then. You know, MTS will be gone this year, Hydro will be gone before the turn of the century, what will be left?

**Mr. Sale:** I guess I am not so depressed about the future of the possibility of government. What depresses me are actions which betray the public trust. Earlier tonight we had both older and younger presenters suggesting that many people, a high percentage, they implied, increasingly viewed government as not their game, that government was somebody else's game and that they needed to operate their lives in such a way as to, insofar as they could, insulate themselves, separate themselves, that they no longer had a stake and a role. Does that describe in any degree, or does it not describe, views of people in your friendship group?

**Mr. Beaudry:** I would say for many people that I am friends with, they do see politics as a game. There are other people who see it as an incredibly important game and are willing to do whatever it takes to make sure that there is something left to govern by the time we have kids and all that sort of thing.

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

**Mr. Beaudry:** Thank you.

**Mr. Chairperson:** I would like to call T. MacDonald. T. MacDonald, not here, the name will drop to the

bottom of the list. Yvonne Naismith. Please come forward. Do you have copies for distribution?

**Mr. Peter Flynn (St. Matthew's Maryland Community Ministry):** Yes, I do. Mr. Chair, obviously, I am not Yvonne Naismith. My name is Peter Flynn.

**Mr. Chairperson:** Peter Flynn.

**Mr. Flynn:** Yes. I am the priest at St. Matthew's Anglican Church, a member of the board of the community ministry—

**Mr. Chairperson:** Can I interrupt you for one second. Is there leave of the committee for Mr. Flynn to proceed? [agreed] Please go ahead.

**Mr. Flynn:** Thank you. As I was saying, I am here because I serve with Yvonne in the community ministry that operates in our church building. St. Matthew's Maryland Community Ministry is a joint ministry of Winnipeg Presbytery of the United Church of Canada and the Parish of St. Matthew's Anglican Church, serving the west central area of Winnipeg bounded by Portage Avenue, Notre Dame, Balmoral and Arlington Streets. This is one of the most economically depressed areas in the city with a high concentration of recent immigrants, First Nations people, single-parent families and low income families. Many in our community derive their income from social assistance or from low paying jobs. The legislation proposed in Bill 67 will have direct consequences for the people living in our community.

This past spring, social allowance rates were cut. With the cuts, a telephone immediately became a luxury for many in our community, a luxury many could no longer afford. A single person on social assistance now receives \$175 after rent. It is difficult on this inadequately low allowance to purchase food and clothing, do laundry and pay for transportation to do the extensive job searches that are now being demanded of each person receiving assistance. A telephone is beyond their budget. How then will future employers contact them for job interviews?

Meet Jean, a single parent of two children, on assistance and trying to turn her life around. She has been attending Red River Community College but is in danger of being dropped from the program. She had been

unable to attend school because one of her children had pneumonia. Jean cannot afford to pay for a phone and so she had no way of finding someone to come in and care for her child. Of course, she could not leave the child to go to an outside phone booth. Although not in our report, I am happy to record that through the work of our community ministry we were able to help her to find someone to come in and look after the children, but she is one person who has that kind of network which she can come to for that kind of support.

\* (21 10)

You, yourselves, clearly do not consider a phone a luxury. Many of you drive cars with phones, many have cell phones, many of you have offices or access to offices that look like the NASA command headquarters because it is essential. If this is true for you, how can it not be true for those whom your policies force into job searches and yet whom potential employers cannot contact by phone? On account of that failure, the welfare system may well punish such people for not having shown proof of the job search demanded. You now intend to increase the financial burden at a time of economic decline, likely not for you, certainly, but for Manitobans who are part of the 20 percent of our population who are sort of classifiably poor.

We refer to this government's intention to privatize MTS. The effect of this proposed sale—as seen in Alberta with hugely increased telephone rates, over 30 percent in one year, and in the Maritimes where just this week the Maritime Telephone and Telecommunications announced a layoff of 142 low-level management personnel—is increased costs and lost jobs at a time that Manitoba's declining economy for people who can ill-afford that kind of degradation.

Hear another story. This is about Darlene who lives in terror because of her estranged partner's violence. He had been released from jail, where he served time for assaulting her. Upon release, he would call around at her residence where security is poor; in addition, he had all his mail sent to her address. He would frighten her children, and all this caused her to live in a kind of prison with no communication, because she cannot afford a phone. This happens now when this government has talked much about public safety issues, especially for women and children. If Darlene cannot afford a

telephone now, she will certainly not be able to afford one when the new social assistance legislation is passed and MTS is privatized and the rates go up. To put it clearly, she will have less income and increased costs. We hear such stories commonly in our drop-in centre.

On the grounds of such stories which we see repeated again and again, we absolutely oppose the sale of MTS into private hands. We oppose it because of its process, autocratic and anti-democratic, and refusal to listen to Manitobans especially in the rural areas. What is this government afraid of? The voice of ordinary Manitobans?

We oppose this proposed sale, because it is ungodly in its predictable effect of enriching the few at the expense of many, of increasing the gap between rich and poor, in its appearance of contributing to a war on the poor. We oppose it as among a class of legislation to come before this session which changes the social contract between government and the governed in Manitoba.

Hard won understandings of governance in our society would require the party that intends such radical alteration to relationships in society as embodied in such proposals as the privatization of MTS, new labour legislation, changes in the health care administration, university governance, public school decision process, social assistance policy, to present these as election issues so that all people might have a place in the decision-making through their vote.

As we see it, an autocratic few is using power to further impoverish the people and to subjugate them. This is surely unworthy of the party of Duff Roblin who stood in the tradition of government that respects the people of this province. On the basis of our experience, the people like Jean and Darlene, Mark, Sam and other people we hear in our drop-in again and again, we beg reconsideration of this ill-considered proposal.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Sale:** I wonder if the presenter could indicate where the Parish of St. Matthews is, because there are a number of rural members here who do not know how it is located in the city.

**Mr. Flynn:** Unfortunately, there seems to be a number of urban people who do not know either, Mr. Chair. If I

may, we are located at the corner of St. Matthews and Maryland, one block north of Portage, which is right in the core area.

**Mr. Sale:** Just for the record, I want to declare that my partner, Irene, works in this community ministry although she has only worked there a short time. Peter Flynn, the rector of the parish, has been there many years. So I just want that to be declared.

Earlier in the evening a number of people have said that there are really two responses to the increasing gap between rich and poor. One is apathy and withdrawal and depression and mental illness, and another is anger. Do you see this pattern or do you see other patterns in your ministry that go with the kinds of policies which you enumerated in your last paragraph?

**Mr. Flynn:** I suppose I would have to say it is anecdotal in the first place and theoretical in another direction. In the first place, we have seen an increase in despair about the possibility of changing the direction which everybody whom we talked to sees as depression, that is economic depression, and changing the direction which everybody sees as an unequal sharing of the burden of that economically depressing trend in society.

On the other hand, there is a curious kind of hope that has emerged, at least through being able to say something. I believe based on work done by the Canadian Mental Health Association, and that was back in 1984 in the time of an earlier Canada-wide depression, that the consequences that they pointed to, among them increased violence, increased mental illness, increased deficit in education, a rise in imprisonment and other social consequences, which incidentally they said in total represented the size and cost of the deficit itself, I believe we have seen that as well.

**Mr. Sale:** If you had a prescription to share with us in terms of at least a policy, if not a broad policy framework, that you think we ought to be moving towards, what would you sketch?

**Mr. Flynn:** It is not my place to make policy decisions. I speak as a private citizen, not as an expert in policy. What depresses me is that large corporations and wealthy individuals seem to escape the same burdens that are being experienced by other people. That seems to me to

suggest that there ought to be serious consideration given to fairer taxation, just taxation, that allows for, even acknowledging that there may well be a deficit to attend to, the burden to be better shared, rather than being unequally placed on the poor and those who really cannot afford it and depressing the middle class, as I see it.

**Mr. Sale:** Mr. Chairperson, earlier tonight Jack McLachlan, who is a retired United Church minister with much rural experience in his pastorates, indicated that while the policies he enunciated which are very similar to the enunciation you have given have a profound impact on the poor, they also have a profound impact on the rich.

He talked about a dark and frightening path for both the powerful and the powerless as we move down this road. Do you agree with that or do you see that as not the case, that the rich, in fact, can move down the road relatively well protected and in safety, but only the poor are vulnerable?

**Mr. Flynn:** History tells me that sooner or later there is a rebalancing, and I am not a prophet, of that kind at least. I would not dare claim that, but it would seem to me that the rich would have to become better and better protected, and, in fact, I think we have seen that in the increase of security consciousness and security measures that have been taken and also the increase in violence in some public demonstrations recently, and I think that is very dangerous.

I think that the effect for the rich as they get richer, sadly, is a kind of blinding, so that it does not get easier for the adjustment to get made.

\* (2120)

**Mr. Chairperson:** Thank you very much for your presentation, Mr. Flynn. Time has expired.

I call Jeanette and Sam Block. Jeanette and Sam Block. Do you have copies for distribution?

**Ms. Jeanette Block (Private Citizen):** No, I do not.

**Mr. Chairperson:** Then please proceed.

**Ms. Block:** We will speak separately, and I would just like to identify myself. I am speaking as a private citizen, but I do not want to sort of repeat some of the other

presentations. I agree with the ones of the last few people who spoke and particularly Mr. Harris, so I would like to endorse what he has said.

I would just like to explain that I am retired now, but my work has been as a social worker, working primarily with disabled and elderly persons, and I still do a lot of volunteer work in that connection, and some of it is directed to delivering Meals on Wheels, and the other is I still do some teaching. So I would like to try to bring a certain perspective, and that is the fact that I am strongly opposed to this bill because I feel it will have a very strong impact on Manitobans who are living on fixed incomes.

I am particularly thinking of seniors who depend on the phone as a lifeline in many ways, and I am taking literally the Victoria Hospital lifeline, the fact that they do a lot of their banking on the phone now increasingly, that they have contact with their families through the phone, and that the possible restriction—because I think I agree that the rates will definitely go up if this service is privatized, and I feel this will have a tremendously negative effect on the quality of life of many seniors in Manitoba.

As you are probably well aware, we have a large proportion of elderly in this province. We also have a large proportion of elderly who do not have family in the province, and they rely a great deal on contact with their children in other cities, and I would like to urge the minister to reconsider this and really to see it as a bad bill, bad for many people and particularly bad for seniors. So, briefly, that is my point and I will prepare to answer any questions on this if you have any.

(Mr. Vice-Chairperson in the Chair)

**Mr. Vice-Chairperson:** Thank you, Ms. Block.

**Mr. Ashton:** I am sorry I did not catch the first part of the presentation, but one thing that I think a lot of people are raising as a concern is the many concerns about the possible impact of what will happen but whether the government should not be consulting with the people of Manitoba first, and I wonder if you have any ideas on that.

There have been suggestions that it should be put to a vote. I mean, ideally, it should have been discussed in

the election, but do you have any suggestions on that in the way that the government should be dealing with this issue?

**Ms. Block:** Yes, I think that certainly the whole thing has been handled in a very draconian way. It is rather appalling, and I guess as a social worker, and I do not want to be seen as a bleeding heart, but it seems to me that actions such as this are really taking us down a very dangerous path in terms of being a noncaring society.

I think that the values that we had as a community, caring for each other, are just going down the drain, that with the obsession with reducing deficits, with the obsession with the bottom line, with an obsession with making profits, that is not what our society has been working for since the Industrial Revolution. We have been trying to work toward a humanitarian culture and a humanitarian society where people care about each other, and this says you can trample on anybody; it does not matter as long as that makes some sort of business sense.

Well, that is no good. I am sorry, I did not answer the question, but, certainly, I think if you talk to people on the street, people in rural communities anywhere, they say, what kind of a world do you want, or talk to young people. They do not want this kind of a world, and I think that consultations with people, that is democracy. This process is not democratic.

**Ms. Wowchuk:** We had a session this morning, and government members were telling us that when they talked to the people that they represented, that seniors are very excited about this whole idea of privatizing MTS and are anxious to know about where they can go and how they can go about buying shares.

I want to ask you, you are involved with a lot of people, you talk about the volunteer work you do, have the people you have been in contact with, are they interested in buying shares, or are they more interested in having the assurance that they will be able to have that lifeline that is so important to them and that that lifeline be affordable to seniors?

**Ms. Block:** As far as that is concerned, I have not heard one person who is interested in buying shares in a privatized MTS. They say that we already own it, why should we go and buy it?

I think in terms of the seniors, their concern is the vanishing value of their pensions and the fact that they cannot afford many of the things that they thought they could afford when they retired and the fact that any of them who have any investments in GICs, they are getting very little returns. I think the idea that they are going to go out and invest in something like that is pretty ridiculous to me.

**Mr. Sale:** Mr. Chairperson, a point of clarification, the Blocks indicated they were each going to present, and I am not clear whether we have two presentations or whether Sam is going to speak as well. Just before we use up all the time, I wanted to clarify what we are doing here.

**Mr. Vice-Chairperson:** Mr. Block, did you wish to—there is one minute left on the question.

**Mr. Sale:** We can treat it as two presentations.

**Mr. Vice-Chairperson:** They are listed as one presentation, and that is the way the committee is treating them, but what is the will of the committee?

**Some Honourable Members:** Leave for a second presentation.

**Mr. Vice-Chairperson:** Please proceed, Mr. Block.

**Mr. Sam Block (Private Citizen):** We have an expression I am sure you have all heard—if it works, do not fix it. The MTS, as it exists, works. It serves a need of the people and is in need of no more fixing than other ongoing businesses in the community.

Let us consider for a moment why MTS is at the moment a Crown corporation, if I can use an old-fashioned term. It is that because the private sector in the 1990s was in no way prepared to service the telephone needs of a scattered minimal population that we had in this province. Subsequently, the MTS has served the needs of those people; it has acquired stature and skills. The suggestion that the private sector is more efficient would bear some examination in view of the fact that the private sector would not undertake this type of a company unless it were protected by organizations such as the CRTC. So, therefore, what we see, what I see at any rate going on here, is some blind devotion to some sort of an

obscure political concept, and the people who have been elected to represent myself and others, voters like myself, have been poorly represented.

Somebody suggested that it would be in order for this bill to be going forward had that been an election plank of the Conservative government when they were recently elected, fairly recently, sorry. I would remind them that even if that had been the case, the majority of Manitobans did not vote for the Conservative Party. Therefore that party when it has been elected has an obligation to represent not the industrial giants who want to get in on the action and not merely their own rural or urban constituencies, but the people of this province as a whole.

**Mr. Vice-Chairperson:** Thank you, Mr. Block.

\* (2130)

**Mr. Ashton:** I want to thank the presenter, and I appreciate what the presenter is talking about, particularly in terms of the CRTC. Because one of the frustrations we have had is that the government has been saying to people such as yourself, do not worry, we have got the CRTC there to protect you in terms of rates, when what the CRTC does is it guarantees return to private companies. In the case of Alberta, it passed on in that case an era of the private company onto the ratepayers. So I am wondering if you can perhaps try and convince the government members, who even today again said that the CRTC is going to somehow protect Manitobans, that in fact the CRTC will do quite the opposite and will in fact probably do more to protect the private company who is going to buy MTS than it will the people of Manitoba.

**Mr. Block:** I think we are refraining amen to each other.

**Mr. Ashton:** Unfortunately, the government members are not getting our sermon here. I want to ask you another question, too, because you talked about public versus private. As you point out, historically, one of the main reasons we had a public-owned system in Manitoba is the privately owned companies just were not doing the job. By the way, I did some research and there were more than three, four hundred companies and their idea of competition in those days was cutting down phone lines at the other company, sabotaging their tools. What I find interesting is we are in the 1990s now, we have this new kind of competition, and it seems to be who can harass

people on the phone more to buy their long-distance service. I do not know if you have gotten these calls. In Manitoba, they have been saying things like MTS is an American-owned company. Well, they have their script wrong because that is BC Tel. They will say things like, you know, where you get to the end of the discussion and say, no, I am sticking to MTS, and they will say, what is the matter, do you not want to save money, when in fact you already know there is not a heck of a lot of difference in the rates that they charge and the rest of it. So I am wondering if you do not think perhaps that some of this so-called competition really is not much different from the year of 1908, only in those days they used to cut down phone lines and now they harass people on the phone.

**Mr. Block:** There have been numerous occasions where I have hung up the phone with a good deal of anger. I do not know if that answers your question.

**Mr. Ashton:** What is interesting is you mentioned it, because I actually talked to somebody who worked for a telecommunications company, actually Faneuil, which is the company that is doing the business that could have been done by MTS, and what she said was very interesting. She said some of the private companies will phone businesses and individuals—she mentioned one very well-known company—three, four times a week, and I said, well do people not get angry? She said they get furious, they threaten to sue you, they yell at you, they scream at you. And I said, well, why would this company do that? The reason why, she said, was because there is enough of a percentage of people who will say, all right, whatever, I will buy it. I am wondering if you think that is any way to run a phone company, because that is not what is happening now with these phone calls. I mean, you may hang up, but perhaps there are some people out there who say, all right, I will take your service just to get you off the line.

**Mr. Block:** I have little patience with the saturation technique. They are an invasion of my privacy and a misuse of the utility and the facility, in my opinion.

**Mr. Ashton:** Thank you. I should indicate by the way, too, I even went to the CRTC to suggest they put controls on this, because quite frankly I am one, too, that is getting somewhat tired of these calls. It seems that once you get on somebody's list you never get off, because they just keep phoning until you do give up.

I just want to finish off on one question, to either of you really, and that is, do you think there will be this same kind of loyalty to MTS that we have had with a publicly owned company? I say that, not that I am not going to support it. Even if it is a private company, it still creates jobs in the community, but I am talking, a lot of people are saying if it is a publicly owned company, you support it because you own it and if it is not, you start thinking twice. I am wondering what your sense is of what will happen.

**Mr. Block:** Well, to date, I have not listened to the singsongs from either MTS or the purported competing long distance companies. I have been, quote unquote—I think these are your words, Mr. Ashton, I have been loyal to MTS because I own a piece of the action. The day that this bill becomes law is the day that I begin to explore where I can get the best deal. I do not want to join the bottom-line society but if I do not have any choices I will be driven in that direction. People with less stable incomes will suffer. I will get angry.

**Mr. Vice-Chairperson:** Thank you, Mr. Block. The time has expired, and Mrs. Block, thank you.

Call Barbara Ames. Barb Ames. Barb Ames, not being here, her name will drop to the bottom of the list. Yutta Fricke. Yutta Fricke. Yutta Fricke, not here, drop to the bottom of the list. Roy Dudgeon. Please come forward. Do you have copies of your presentation to distribute?

**Mr. Roy Dudgeon (Private Citizen):** No, Mr. Chairperson, I am sorry I do not.

**Mr. Vice-Chairperson:** Please proceed, Mr. Dudgeon.

**Mr. Dudgeon:** Thank you. Mr. Chairperson, honourable members, I would like to begin by thanking you for allowing me to speak to Bill 67 and express my concerns. Assuming that this is something more than a public relations exercise to make government look good in the media, I am also honoured to participate in such a democratic process in which the views of common people like myself are listened to and taken into consideration before a decision as momentous as this one is passed into law. This type of participation in the decisions of government is, after all, precisely what a democracy is all about.

I am also a Manitoban like yourself. I was born here and raised on a farm in southern Manitoba. Though I have travelled Canada extensively and spent two years in Toronto pursuing my Master's degree, I have always returned to Manitoba and I always will, because this is my land, this is my country and these are my people. My family has lived and farmed here since land was originally broken for cultivation 100 years ago. Like them, I have roots here, and like them, I hope to die here. So unlike the Bay Street bankers and the MTS advisory group and unlike many of the people who will buy shares in the proposed Manitoba Telecom, I care about what happens to Manitoba and to Manitobans, and I care about the future of MTS. In fact, to raise a point which was just raised, I care so much that I refuse to sign up for any of the long distance companies that this government has allowed to compete with MTS for my business because I want to support a local company. I want to support local jobs, I want to support the local Manitoba economy, and I want to help generate the public revenues which MTS provides to the government of Manitoba.

To start with, I oppose Bill 67 and the sale of MTS on principle because it involves the sale of a monopoly on telephone service, the lines if not the long distance, to private interests. While the Conservative government may not see a problem with this, I do, because it goes against every principle of democracy that I know. In a free and democratic country, people are supposed to be free to make choices, not have them forced upon them. They should be free to elect their public officials to serve the public interest, free to choose where they shall work and free to decide how to spend their money and who they shall give it to.

In the case of necessary public services, however, an exception is made and Crown corporations are given a monopoly in order to assure two things, as I see it. Firstly, that all people in the province will receive necessary services and, secondly, that all will be charged equal rates for equivalent services.

\* (2140)

Now, when such a monopoly is owned by the people to serve the interests of the people and its profits are returned to the government for the benefit of the people, we have democracy at work. But when a monopoly is owned by a private corporation, we do not since

corporations are not democratically organized. For unlike a Crown corporation, which seeks to generate sufficient revenues to cover its operating expenses and for expansion repair of its facilities, private companies attempt to maximize the profits they make. In a monopoly situation, with no competition to keep prices down, this means the prices will increase to whatever the people who need the service can bear. This is especially true in rural and northern areas, where many of my friends and family continue to live and where I hope to live once I establish a career, since providing services to areas of low population density is more expensive than in urban areas.

Thus, if MTS is privatized, rural and northern Manitobans can expect huge rate increases. In this age of corporate downsizing and so-called rationalization of corporate operations, I also see no long-term guarantee that a privately owned telephone service will continue to serve areas which are very expensive to operate while generating few returns. That just is not good business, as we all know. What guarantee do we have in such a situation that a private company will continue the commitment expected of a Crown corporation to provide service to all?

A private corporation, after all, does not serve the interests of the people, but the interests of its shareholders. In other words, it serves the interests of profit. Nor are the profits returned to the government for the benefit of the people, but are funnelled into the bank accounts of the elite few who own shares in the corporation itself. For, of course, it is not students like myself, the single mother with two kids or the working Joe who is going to be owning shares in the proposed Manitoba Telecom. So who will benefit? Why, people like the Bay Street bankers and the MTS advisory group, of course, because most of the rest of us are not lucky enough to have a few million dollars lying around collecting dust that we do not know what to do with and that we do not need so that we can purchase shares.

Before I conclude, therefore, I would like to share some statistics with the honourable members of this committee in case they are not aware of them. Keep in mind that these statistics are from Statistics Canada itself and that they are eight years old reflecting the situation in 1988. In that year, the top 25 nonfinancial corporations in Canada controlled 41.2 percent of all corporate assets.

The top 100 companies controlled 56 percent of all corporate assets, and the top 500 controlled 69 percent—these are nonfinancial corporations. Or to put it another way, the top 1 percent of all corporate enterprises controlled 85.4 percent of all corporate wealth in 1988, while the top 1/100 of 1 percent controlled over half, with 56.3 percent of all corporate wealth. In the last eight years, they have no doubt amassed control of an even larger share of Canadian wealth. No surprise then that Canada has the highest proportion of billionaires per capita in the western world.

Some people call such statistics evidence of corporate concentration. I call them evidence for the creation of a new nobility, which inherits its positions of wealth, power and influence in the same way in which European monarchs did—the very monarchs, I am sure I do not need to remind you, whose power democracy was born to protect the interests of the people against.

To conclude, I would like to ask the Conservative government whether this proposed legislation is intended to benefit only this new nobility in a system in undermining the democratic process, or whether it has the interests of the people of Manitoba in mind as a democratically elected government should. For by authorizing such a massive transfer of wealth from the public of Manitoba to the privileged few and by relinquishing control over such a necessary service, the Conservative government does not appear to have the interests of the people in mind.

After all, the only people who will benefit from the sale of MTS are the rich people who could afford to buy large blocks of shares, not the people of Manitoba in general, and there is no guarantee that these people, after the first few years, will even be living in Manitoba. In a democracy, however, elected officials are supposed to represent the interests of the people in general, not the interests of the rich who, as the above statistics would seem to indicate, are more than capable of looking after their own interests without your help.

Thus the Conservative government, in my eyes, has two choices. The first option is to confirm the suspicion that myself and many other young Canadians are beginning to have, that democracy has become a sham and the government serves the interests of this emerging nobility or the corporate interest, while the rest of us have our

social programs cut out from under our feet in order to drive down wages and maximize their profits. This can be accomplished by proceeding with the sale of MTS, despite the litany of objections of so many concerned Manitobans to this committee.

The other option is to help restore our faith in democracy and in the democratic process by demonstrating the democratic institutions such as this hearing, not just elections, can and do work. That they are not simply empty charades that give only the appearance of democracy, but that when the people speak they will be listened to. This can be accomplished by immediately shelving Bill 67 and allowing us to retain ownership of our telephone system. The people have spoken and the consensus of the people at this committee is clear. The question is whether our government cares to listen. Thank you.

**Mr. McAlpine:** Thank you for your presentation.

**Ms. Wowchuk:** Thank you for your presentation. You say that you come from rural Manitoba and still have ties there. You also say in your presentation when the people speak, they should be listened to. If you look at the list of people who were wanting to make presentations here but unable to make it into the city, it is quite clear that there are many people in rural Manitoba who want to have the opportunity to have this committee hear what they have to say, but this government has chosen not to, although they have gone to rural Manitoba to hear the public on many other issues, such as, they had a forum on education, they had a forum on child care and others. So there is the ability to go out and listen to the people.

Do you feel that it is fair that rural Manitobans are not able to make presentations here, and what advice would you give to the government members who are at this table with respect to going out and hearing the view of rural Manitobans who will be very much affected by this legislation? As you have indicated, it is in rural Manitoba that we are going to see a tremendous increase in the rates of our basic service if this follows the model of other provinces such as Alberta.

**Mr. Dudgeon:** I agree completely. Personally, I find it strange that the only hearings that are held are held in Winnipeg, which is the area which is least likely to be affected by rate increases, and that the government has

refused to take the hearings out of town. I was here for the first few presentations and I know the member from Thompson brought up that issue. It was voted down by the majority which the Conservatives hold on this committee. I would recommend that they should go and talk to the people in rural and northern Manitoba, move the committee out there, and I am sure they would find the same opinion as they have found with the first 100-and-plus presenters here in Winnipeg.

**Ms. Wowchuk:** One of the reasons that we have been given that they have to privatize is because there is this whole change in technology that is out there and we need the private companies to make the investments. To my way of thinking, we have seen in rural Manitoba many changes in technology that have brought us to the level where we are almost equivalent to the services that are available to people in the larger centres such as Winnipeg. There are still a few services that we do not have.

Do you believe that a private company will continue to invest in rural Manitoba or the far North or a farmhouse where it might be four or five miles off the main line? Do you think that a private company will make those investments when all this new technology comes along to ensure that we in rural Manitoba will have access to it the way we have under a Crown corporation?

**Mr. Dudgeon:** I am sure they will make the effort to invest in developing the technology in order to sell it, but I expect in the rural areas, because they are not a Crown corporation serving the public interest, they are out for profit, that if you live four miles from the road and it costs a thousand dollars to install whatever is necessary for you to have phone service, they are going to offload the costs onto the consumer, of course.

**Mr. Ashton:** In fact, we checked in Alberta with their privatized phone company, and that is exactly what happens. The biggest difference in installation costs is in terms of that, where you end up with—you know, if you are a little bit outside the city limits.

But I want to focus on when you talked about democracy, because this is one thing that concerns me about this. It is not just a fight over a publicly owned phone system; it is about our democratic system. This government said they would not sell it off. We do have

these public hearings. I believe, by the way, that your presentation and others tonight represent what the people of Manitoba are saying. In fact, I think the fact that the government has not had a single public meeting outside of these legislative committee hearings which they have to have anyway is indicative of that.

I am wondering what you would say to the government members perhaps to try and convince them, since, as I have said at other committee hearings, it only takes two government MLAs to vote the other way on this bill and the bill is defeated. What would you say to them to try and persuade them to change their mind and join with the 26 opposition members who are going to vote against the sale of MTS?

\* (2150)

**Mr. Vice-Chairperson:** Mr. Dudgeon, very quickly.

**Mr. Dudgeon:** Very quickly, I would say that democracy does not end on election day, and to have true democracy you have to allow the people to participate on a more regular basis, such as this hearing, I hope, is allowing us to do. Thank you.

**Mr. Vice-Chairperson:** Thank you very much for your presentation.

Werner Wirz. Werner Wirz. Mr. Wirz, not here, his name will drop to the bottom of the list. Harold Shuster. Harold Shuster. Harold Shuster, not here, his name will drop to the bottom of the list. Jocelyn McGuire. Jocelyn McGuire. Jocelyn McGuire not here, her name will drop to the bottom of the list. Gail Coyston. Gail Coyston. Gail Coyston, not here, her name will drop to the bottom of the list. Maurice Paul. Maurice Paul. Maurice Paul, not here, his name will drop to the bottom of the list. Marlene Vieno. Do you have copies of your presentation for distribution?

**Ms. Marlene Vieno (Manitoba Network for Mental Health):** Yes, I have.

**Mr. Vice-Chairperson:** Okay. You may proceed, Ms. Vieno.

**Ms. Vieno:** Good evening, members of the committee of the Tory government and the opposition. I am here to

present to you concerns on the privatization of the Manitoba Telephone System and its impact on persons like myself and the present MTS employees, their jobs in the future as well as the value of services, including jobs, and the revenue collected annually by this Crown corporation.

Persons with a disability require the need of a telephone at home but at an affordable rate. Many of us are living below the poverty level, and many cannot afford a phone because we have been denied the financial support to pay for monthly rates. Fourteen dollars monthly may sound pennies to you who are well and rich financially, but for persons like ourselves, \$14 would buy us food for about three days. I say three days because we have had to spread our food over an extended time constantly. It is not easy.

I have heard Mr. Filmon say times are changing. Well, Mr. Filmon and present government, I ask this government, please take notice that we mental health consumers are changing, too. We are not locking ourselves in seclusion today like we did for several centuries. Like one person said, we may be on pills and be seeing a shrink, a therapist or counsellor on appointments, but we all entered this wicked world the same way you did, and we will leave this wicked world the same way you will. Enter by birth; leave by death. We are here, so begin to accept us. We ask for respect and dignity and, personally myself, is something that I have seen and received very little of from this Tory government.

As a community advocate and activist, I have written letters galore to certain Tory ministers, mainly our Family Services minister and Health minister, and what feedback have I received? What little feedback I have received, I have had to go to my MLA and demand support from her to get any action. Did I receive action? No. What I got back was rhetoric, rhetoric, rhetoric, and personally, I have had it to here.

Everyone ahead of me so far has all mentioned poverty, poverty, poverty. Are any one of us being listened to tonight? I ask this question simply because this is not my first time being here, and each time I have come forward to support other people or groups, I have noticed the right side of this table and that you people seem as if you are in la la land, in your own little dreamland. There has

been no response to—not one person ahead of me in relation to Bill 67, and there was no response previously when I was here a couple of weeks ago in response to Bill 36. Why? Is it because not one of you can define the word “poverty” to me or any one of us that are here at all, because you have never experienced it? My best suggestion, personally, for every doggone one of you is to get down to the Centennial Library, look up the words “equality” and “social justice,” and do a bit more reading on it.

It angers me the way this government is pulling the rights of their people right from under our feet. Who will profit? You have been asked that question. Every person ahead of me has approached you. What response did they receive? So where are our answers? Who will benefit? We have not received one beep from you. Why?

There has been so much rumour spreading around about the privatization of MTS. Few people know what to believe. For we consumers already living in poverty, the privatizing of MTS, the future, if we have one, looks quite gloomy.

As many other Manitobans have already told you, again we say, communication is the key to human life. It is the way we relate to each other. Many Manitobans are confined to bed at home or in hospital. A lot of our seniors are in senior care homes, and there are a number of residential group homes for mental health consumers to live in the community, yet unless these people can afford a phone to be able to communicate with their families, friends, community events, et cetera, without communication we are no longer living creatures, and this includes every human being living in this wicked world today and in the future, and that includes those of you around this table tonight.

Again I ask, although we may have a disability—many of us may not have the ability to work full-time or part-time, but what are we to you? Would it be less costly for health care to deny more of us the right to a telephone where our health will deteriorate and health care expenses will skyrocket? Again, there has been no response from any one of you. So really, those of us who are concerned citizens, are we being heard? Has it been worth our effort and our concerns to come forward, and spend, like myself—I have been here since 6:30, and I am wondering, not one of you has responded to one person ahead of me.

I was here earlier at the first opening session. There was no response that evening either. Why? What are we people to you? Are we human beings? What must we do to qualify? Is it our background estate? Like the gentleman ahead of me that asked you and pointed out, that was possibly his view, and I have to support him personally. There is a lot that is being overlooked by this government and without—

**Mr. Vice-Chairperson:** Two minutes remaining.

\* (2200)

**Ms. Vieno:** —even thinking on proceeding.

Is this government aware of the major necessities for the use of a phone? What we mean is there is more need than planning vacations or dining out. For myself and my friends, our health is our prime concern. Without a phone, our well-being will collapse while the needs of additional emergency, psychiatric, pharmaceutical and counselling services will skyrocket. Myself, I cannot comprehend how this same government can make cutbacks in social income for people like myself, at the same time cut back in every health department possible, including the department of psychiatry, and still privatize MTS and yet claim a profit. How can any profit be made without the loss of lives and a huge economic collapse in this province? Other Manitobans have told you the socioeconomic impact such movements in Alberta and B.C. have made. Why is this government being so foolish or blind and following after such greed? Where are our human rights? Personally speaking, it seems to me as though this government only cares about money, how it can acquire more money in their own accounts, stocks and bonds, meanwhile ignoring the real issues that should be reviewed, worked on or better organized.

As I have said, for persons like myself, a phone is vital. How will any person on a fixed income without a phone due to high cost, low income be able to care for themselves? If I need to see my doctor, I cannot walk in without an appointment.

I also want to tell you now, we mental health consumers are also human beings and please see us as human beings. We must be allowed to choose our doctors, not have someone else make that decision for us. Here is a list of necessities for the use of a telephone and

reasons that this government should not privatize MTS: Health care purposes of all and any type, an example, medical appointments; job hunting, attending education programs, interfamily communication emergency services, an example, cardiac arrest, food poisoning, allergic reactions from foods and/or prescription drugs, seizures, insulin shock, asthmatic attacks, et cetera, also reporting a fire or an accident, even a crime. MTS has earned a profit this last year, so why this hogwash?

For those of us who are already poor, by privatizing MTS the future looks more gloomy. I say this because there are many persons with disabilities on fixed and low incomes who do not have their home phone today because they cannot afford it and have probably been denied the added income they need. How can this government and MTS Bill Fraser, president and CEO, yet promise affordable rates? Our rates have been increasing \$2 a year and we will be entering the final year on that three-year increase, but has the monthly income for those on fixed income increased with these Manitoba Telephone System rates? Absolutely not.

As I said earlier, \$14 may sound like mush to those who have never experienced poverty, but for persons like myself and my closest friends, \$14 seems like a pay cheque for a day's work that we have done. As for profit, who will profit? Well, there are unanswered questions like, who will really profit? Will more jobs be lost? Will jobs be replaced? What will happen to the economy in Manitoba? What will happen to the citizens in Manitoba who cannot afford to financially indulge themselves or their households into this uncertainty? We Manitobans have paid our share and more into MTS. Where is our democracy? MTS belongs to the people of Manitoba, not the members of its provincial government.

Several years ago this same government made changes in the department of welfare where each worker was given her or his answering service. Since that inception, myself, I have had to phone twice or more before finally receiving a return call. Now if local citizens should be made to pay for outside calls, that is calling away from home, I want to ask the ministers of Health, Family Services, and Finance, where will we the poorest of the poor acquire the extra cash to pay for these needs of phoning out? Will the collapse of a person's health not increase the need for services and its costs, too? If you people can wine and dine with friends on taxpayers'

dollars then I ask, how about allowing us a more adequate income to meet today's cost of living? Remember, we pay taxes, too, maybe more because we have no luxuries to escape with.

Also, many of us have to pay a fee now if we missed our doctor's appointment and do not cancel within 24 hours in advance. Here is where our food and clothing money goes, yet, you wonder why we have such difficulty to manage our finances, that is, eat adequate meals, dress as needed daily. I urge everyone to try to survive on an average of \$32 a week for food. Let me know how well you managed. Also, how about unjacking your home telephone for a week? It may give you some idea on what it is like not to be able to have a phone, period. I am doubtful any one of you would survive a week without a phone to communicate with family, friends, chums—like me, you would go berserk. Why? Because it would be just too damn solemn, similarly to what several of the first presenters pointed out to you earlier. We all need a way of communicating and contact with others, especially persons inside hospitals and institutions. They must have the liberty to talk with family, friends, people who care about them to help empower them and also help them into good spirits.

MTS belongs to the citizens of Manitoba and if this is an attempt to Americanize this province, please, Mr. Filmon and Tory members, I ask for the benefit of my whole province, please, you are here for the—I ask, are you aware of the huge difference in the size of the population? The size of population here in Manitoba is about the size of the tip of my finger to the population of one of the States. Please, think things over and, most of all, listen to us. We are your constituents, too. Listen to what everyone has had to say. You were elected to please the people, not yourselves. You were elected to take care of this province, not abolish it by selling out to other wealthy businesses and persons. Begin to manage your responsibilities more constructively, and lesser Manitobans will be bickering or demanding a re-election.

A few suggestions, create jobs rather than cut them; improve health care services for the benefit of everyone. This itself would recreate a lot of jobs lost, especially our health care system. Improve our education system. Teach parents how to discipline their young and allow them that right in a nonabusive manner. Remove stigma, discrimination and racism from our society. Do not allow

it to grow for the sake of making a few dollars. That is an act of crime itself, is it not?

As for competition, provide the friendly adequate services MTS has been providing the people of Manitoba, and MTS will continue to grow. As for this globalization bit, let us take care of ourselves here at home first, never mind other foreign countries. First things first, Mr. Filmon, put us, your people, your constituents, in first place, not yourself, your families and close-knit friends. That is not a very good act. Maybe you should read up a bit more about equality and social justice, as I suggested earlier. It may help you to understand what the people of Manitoba are telling you and asking from you and your government, too. Thank you.

**Mr. Vice-Chairperson:** Thank you, Ms. Vieno, your time has expired.

\* (2210)

**Ms. Wowchuk:** Marlene, you are out of time, so we cannot ask you questions, but I just want to thank you for coming forward and putting this presentation. You have put a lot of work into it and you have brought some very serious points out. I am sure the government members are listening as well and taking your comments to heart.

The only thing I want to say is, you asked if we could live without a phone for a week, no, I could not live without a phone for a week, and I do not think anybody in this day and age should have to live without a phone.

**Mr. Vice-Chairperson:** Thank you very much for your presentation.

Committee calls Mark Golden. You are Mr. Golden? Do you have a copy of your presentation? Please proceed, Mr. Golden.

**Mr. Mark Golden (Private Citizen):** Well, I am here partly as a matter of process, I guess. My wife was listening to the radio and she heard the Premier (Mr. Filmon) say that his mind was made up on this issue, and that certainly we would have the opportunity to address the committee, an opportunity for which I personally am grateful—at least those of us who live in Winnipeg would have that opportunity or those of us who could reach

Winnipeg—and that we would say what we had to say but that the government would proceed. I certainly hope that my wife did not understand the Premier accurately, that the matter was not as cut and dried as all that.

(Mr. Chairperson in the Chair)

I am a teacher and I am considered to be an expert in the material that I teach and, in fact, I have been a teacher quite a bit longer than the Premier has been Premier. But every year I find that my students can teach me something.

Let me endorse something that the last speaker said and said very eloquently: Learning is a two-way street. It may be that members of this government committee could in fact teach me something by responding more openly and more liberally to the kinds of presentations that they are hearing with such patience over the last little while. So, partly it is a matter of process that brings me here, that I want to have some assurance that this relatively open process in appearance actually can get some kind of results.

The second thing that brings me here is the issue itself. I come from a Manitoba family; I was born here. My dad was born here; my dad was born in a little rural town. He tells me it does not exist any more. He does not moan about it. We know that change occurs. He is happy with his life. He never had any great desire to go back. Other people in the country might lament those changes more than he does. I gather some will be affected by these changes in the telephone service. He worked his whole life in the public sector, as I do. We are very proud of public institutions here that the community has built in Manitoba.

Not everybody in my family has worked in the public sector. I have an uncle who is a businessman. He was in the movie business. He made some money. He built the Northstar, he took a terrible beating. He does not moan about that either. He was in business; he took his chances. He had an okay life. He raised a family; they went to school. He does not moan about it. He was in the real business. He did not take something that had been built by the labour and the resources and the energies of people in the province of Manitoba. He did not buy it cheap; he did not spin it off. He did not walk away with share options and a lot of cash in his pocket

from presiding over the destruction of something in the community. He was what I consider to be the kind of entrepreneurs we hear about and we very rarely see in fact.

Now, I get phoned by a lot of people, as other speakers have said. I get letters from a lot of people. Pretty girls speak to me in the airport, and it turns out they want to sell me telephone service. I just say, I am not very interested because I am a supporter of public institutions in this province and I am happy with the service I get from MTS. I am happy with its mission, and I am happy with the way it carries out its mission.

I am not as restrained as one of the previous speakers I heard. If MTS is privatized, I will take the part of my business which I can take, to another company. I did that when Air Canada was privatized. You will notice Air Canada is not wailing and moaning about me either, but I did it, and I will do it with MTS.

**Mr. Chairperson:** Thank you for your presentation. Questions?

**Mr. Sale:** Thank you, Mr. Golden. I do not think that your partner was mistaken. I think that you heard correctly, that this government has no intention of changing its mind. It may suffer defeat at the hands of one or two backbenchers who decide that they cannot stomach the calls they are getting from their constituents, but I do not believe the government will back down. I think it is committed to what it is doing.

Do you, though, as a teacher have any reflections on what that kind of bogus process does to that whole social contract of which you have spoken by referring to private and public and trust, and all those other things? I know you must reflect on those things. What are your reflections?

**Mr. Golden:** As a teacher, I know how quickly students can tell when you are really open to what they are saying, and how they can tell if you are just faking it. I guess I am just concerned about the nature of the process as a whole. I was not here during the last election campaign, but I understand the government at that point had not reached the intention, or had not made public the intention to follow the path it has now taken. If that is the case, this was a decision that was made more rapidly

than I personally would wish to make so important a decision.

**Mr. Sale:** Mr. Chairperson, to Mr. Golden, it would appear from everything that the government has used as a rationale, that you might be to them as one of your students might be to you when you try to explain the inexplicable, trying to make the case that suddenly 70 percent of the revenues of the company were exposed to competition as though a sudden spring rain had blown through and washed clean their windows and they saw something they had never seen before, as though there were a debt of crippling proportions when in fact they themselves had ordered the company to undertake approximately \$600-million worth of that debt to provide rural phone services. In fact, there is increasing evidence that they had decided within a very short time or just prior to their election campaign that in fact MTS was going to be on the block. The question was rationalizing it.

What sort of price do you see us paying as a society for that kind of decision-making process? You teach young people, what is the cost?

**Mr. Golden:** Well, I suppose it does not look good. Either it is a decision which had previously been made and the government was not frank, which I would prefer not to believe, or it is a decision that was made very, very quickly on some basis, which I am not competent to judge.

**Mr. Sale:** The last question, Mr. Chairperson. Would you, Mr. Golden, advise your students to take part in this process of public presentations, telling them that it was a valid and worthwhile exercise, that it would affect the outcome, or may affect the outcome, or do you see it as a sham yourself?

**Mr. Golden:** Well, I would like to believe that it is not a sham and I presume there are people in this room who are in a position to teach me that it is not. I hope they will take that opportunity.

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

I call Jean Wilson. Jean Wilson, please come forward. Do you have copies of your presentation for distribution?

\* (2220)

**Ms. Jean Wilson (Private Citizen):** No, I do not have a long presentation.

**Mr. Chairperson:** Please proceed.

**Ms. Wilson:** I want you to know that I am not comfortable speaking like this. I just feel so strongly about this issue that I am willing to do my duty as a citizen to make my feelings known. I only wish that I had any indication that the people in the government would actually listen.

I feel very strongly that this government has no mandate to sell MTS. Did you not promise in the election of 1995 that you would not sell MTS? Well, perhaps, a broken promise from this particular government is no surprise. I feel very strongly this government has no business to sell MTS. I believe that communications very properly belong in the public domain. This government is supposed to represent the best interests of those of us who make up the public and I strongly believe it is in the best interest of all Manitobans to keep MTS as a nonprofit Crown corporation.

Because it is owned by the people, by the government, MTS pays less tax and lower interest rates on its loans. This means a better bottom line for all of the people of Manitoba. MTS is required to consider the public good and provide affordable service throughout the province. Bill 67 contains clauses that specifically overrule the requirement to put the public good ahead of profitability, and you will realize that I am referring to Clause 4(2). "The preamble and subsection (1) shall not be construed so as to restrict the business that may be carried on, or the power that may be exercised, by the corporation and its affiliates."

Well, this province needs the miners, the trappers and the farmers that live in comparative isolation in this province. I know that the majority of Manitobans live here in Winnipeg, but without the raw products produced by Manitobans on the farm and in the North, many of our jobs right here would disappear, and we have a real relationship with these other citizens. Now, as a person who lived for almost a decade north of 56, I feel I am able to speak with some small authority about the

necessity of providing affordable services in outlying areas. Our town began life as a community of only 70 families and at that time the mine was working 12-hour shifts, as that first year was a tax-free year for the mine.

Now that was a community with no extended family and 50 percent of our population were under 10 years old. That phone was a necessary lifeline for those of us in town to keep contact with one another, and when we could to keep contact with family in the south. Now there were only a few original lines and it was not unique to dial 0 and get a busy signal, but within the town, we could reach the taxi. That was if he was not out on a trip. We needed a taxi because most of us were there without a vehicle. We came up there by rail and by air before the road was extended from Thompson. More importantly, we could reach the nurse practitioner. The doctor was in the next town.

That phone was very, very important, and I cannot imagine a private company putting residential phones in for the small community that we were at that time. Well, we grew, at the best price of copper, to a town of about 2,500 people and, at that, at the best, we were still a small isolated community that needed our telephone at reasonable rates. How long will this assurance of affordable service last for Manitobans in rural and northern communities under a private company?

Now, I firmly believe that this government is going about an ill-considered action in the poorest possible manner, in a way that is hurried, uninformed and furtive. The people of Manitoba outside Winnipeg want their say too, and I am outraged; I think your actions are scandalous. This government, contrary to your actions, is not a management consultant firm for a few business interests. You are the government of the people of Manitoba and we should be able to expect that you would act in our best interests. We already own MTS. What we have here is not even benign disinterest. You not only are not doing your job; you are actively working against the people of this province.

**Mr. Chairperson:** Thank you for your presentation.

**Ms. Wowchuk:** Thank you very much for your presentation, and thank you very much for recognizing the value of rural Manitoba and what we contribute to the economy, what rural Manitoba and the North contribute

to the economy of this province because many times we get—and I am a representative from rural Manitoba—the impression that we are not very important and everything happens here in the city of Winnipeg. So I appreciate having an urban person recognize that we do contribute very much to the economy. But as much as we contribute to the economy, we also need the services that are provided, and we need the supports from the urban people.

One of the supports that we have been getting in rural Manitoba is a subsidization of telephone rates, and right now we are paying in many cases—I have not got the figures right here, but I think our telephone rate is somewhere, in some communities, between \$13 and \$15, and actual costs are about \$30, \$43, in that range. It is quite a bit more.

We appreciate that Manitoba Telephone as a Crown corporation has made the investment so that we have services in rural Manitoba and that they are at a reasonable rate. I also have concerns that that rate will change because it has changed in other provinces where it has become private.

You spoke about the legislation, I believe. Do you have any confidence or do you feel comfortable at all that in rural and northern Manitoba people who have chosen to live in that area and make a living in that area will, in many cases, be able to afford a phone, or do you feel that we will have the same rate increases? Many people, such as the presenter just before you, have indicated that there will be people who will not be able to afford the service because a private company will just not have the interest. There interest will be—bottom line.

**Ms. Wilson:** I think that we are all in agreement. I am sure even the government recognizes that most people on borderline income will lose their phone here in the city, and people in small communities, probably it will just be an expense that people will not be able to bear.

**Ms. Wowchuk:** Then why do you think a government would do something like this? Why would they be moving forward to privatize when there is a risk that many Manitobans will not be able to afford the service? What message would you give government members who are here with respect to that, that people will not be able to afford the service?

**Ms. Wilson:** I cannot think of any good reason for a government proceeding in this manner, and I have not heard anyone who is speaking come up with a good reason. Obviously, we are all bewildered at this betrayal by our government, and we suspect all of the worst possible reasons. I would beg them to consider that you really do represent the people and that you should be acting in a very different manner. I would hope that some of you would realize that you do have an obligation to act in a way as a government representing the people and vote against this.

**Ms. Wowchuk:** You said a government has an obligation to listen to the people and that they do not have the mandate. We believe that they also have the obligation to go out and listen to rural Manitobans and northern Manitobans. I do not know whether you are aware that this government has gone out to rural Manitoba and held public consultation, public hearings on what should happen with our child care, what should happen with education, and I believe there were hearings even on regional health boards, how they should operate. Do you see any reason why they should hold hearings on those and not hold hearings and give rural Manitobans the opportunity to have a say on telephones, because as you look at this list—and I am sure you were here early enough to see that there were many people who want to present. They have shown their indication that they want to present but are unable to because they just cannot make it to Winnipeg. Some of them are busy trying to finish up the farming season, and some of them just cannot afford to drive into Winnipeg.

**Ms. Wilson:** I think it is very important to have consultation throughout the province. Certainly, when I lived up north, there were some very important issues about municipal government. The government of the day managed to get up north of 56, and they found that the meeting halls were packed. People are interested in their own province and their own business and their own best interests. They are willing to come out, and they are willing to speak, if only the government is willing to listen.

**Mr. Chairperson:** Thank you very much for your presentation. I am sorry, your time has expired.

I call Betty McGregor. Do you have—you do not? Then, please proceed.

**Ms. Betty McGregor (Private Citizen):** Good evening, Chairperson, members of the committee. I acknowledge that I am uncomfortable in making a presentation in public. I would have preferred that the government had chosen to bring this bill to a referendum so that it would enable me to quietly inform you of my opinion on a ballot instead of me talking out loud to a roomful of strangers.

I am sure many Manitobans feel the same way, and this may very well have kept many people from coming forward to express their views. In fact, I know many people who said they would gladly sign a petition against the sale of MTS, but they find it unnerving, like myself, to come before a committee and present. This is not to mention the Manitobans who live in rural and northern Manitoba who would like the opportunity to speak but are not able to because of the distance they would have to travel to attend these hearings. The government should extend these meetings to rural areas of Manitoba to enable these people to voice their concerns.

\* (2230)

During the 1995 election campaign, at no time to my recollection did the government inform the public of their plans to sell MTS if they were elected. They had reassured the opposition and the public that the phone company was not on the table. Why then did they turn around a year later without public consultation and announce the sale of the phone company? The government now is spending thousands of dollars on advertising trying to reassure me that the sale of MTS is in our best interest and the money is needed to finance new developments. Their words ring hollow to me because they are coming from the same people who reassured me that I did not have to worry about our phone company being sold off in the first place.

Is it not true that MTS is a profitable company? It must be, otherwise who would buy our shares? Did MTS not make at least a few million dollars in profits during the first six months of this year on top of servicing their debt? Why then would we sell off an asset that brings in much needed revenue to our province at a time when the province is scrambling for money to make up for reduced transfer payment? Why sell a company that not only provides good jobs and services to Manitoba but helps pay our bills?

Even if there is a brief windfall of money when the sale occurs, how does it help us in the long term when the money is spent, or should I say probably misspent? I would like to pass on a suggestion to the committee that since the government has such a romance with the VLTs, perhaps the government should consider changing the shape of the telephone into a VLT and that may encourage them not to sell off the company. Then at least this would be one VLT that brings profits to Manitoba without any disastrous social effects on the people of Manitoba.

I would also like to know if the government has published any reports of the long-term economic impact on Manitobans as a result of the sale. One of the impacts I fear the sale might have is our inability to ever buy the company back under public ownership because of NAFTA. I may not be an expert on the NAFTA agreement, but I thought that once we give up our monopoly on any public service or good, we would not be able to enter into that business again. If privatization lives up to our worse nightmares, we will not even have the option to claim back our telephone system. We then would have lost a certain control over our own economy because of this.

I always thought I was a shareholder of some form in MTS since it was a publicly owned utility, and the profit I received from the shares translated to low monthly telephone rates and money being reinvested into Manitoba, into the Manitoba economy for development of services and jobs for Manitobans. Where will the private shareholders reinvest their money? Will it be in our economy or will it be elsewhere?

To this end, I ask the government to either bring this bill to a referendum or wait until the next election and include the sale of MTS as part of their platform. Why not wait a few years? The telephone business can only become more profitable, and our asking price can only go up. I do not think we have anything to lose except perhaps this government. Thank you.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Ashton:** Thank you, and I appreciate your coming forward to speak because I have talked to many people who have said the same thing as a lot of people you have talked about, which is that it is intimidating to come into

this building and speak publicly, and I know it is very difficult, but I am wondering, what are people saying, because one of the messages we are trying to get across to the government is what the people of Manitoba are saying about this sale.

What are the people you know saying? Do they want MTS sold off or do they want it kept publicly owned?

**Ms. McGregor:** The people that I talk to would like to keep it publicly owned. They do not understand why it is being sold off; a company that is making a profit, that is helping bring jobs and revenue to Manitoba when the government is crying broke all the time. That is what they are wondering. Why are they selling it off?

**Mr. Ashton:** Well, indeed, it is one of the big questions we have been asking, and I am wondering if you do not think that perhaps one of the reasons they are not holding a single public meeting on the entire issue of selling MTS, let alone having a vote as you have suggested, is perhaps because they know that the people of Manitoba do not support selling MTS.

**Ms. McGregor:** I would think that would probably be a reason, because why else? They have not said anything why they are not doing it, so I would think that.

**Mr. Ashton:** It is interesting, too, in your presentation, you talked about the impact on the Manitoba economy, because one of the things that we have expressed concern about is, first of all, the government itself has said that it anticipates, it hopes, it expects that between 65 and 75 percent of the shares will be sold to Manitobans. That means automatically, off the top of the bat, 25 to 35 percent of the shares will be sold out of province. The bill, by the way, and I do not know if you have had a chance to look at some of the details, allows for 25 percent foreign ownership. It allows for any individual to buy up to \$55-million worth of shares. So automatically off the top, you are going to see some significant purchases of blocks of shares and many of them may not be from within the province. I am wondering if you think it makes sense to move the control of MTS outside of what we have now, which is where all one million of us own the telephone company.

**Ms. McGregor:** No, I see no logical reason why we would willingly lose control of a certain part of our

economy and a certain part of our public policy and give it to someone outside the province. I see no reason how that would help Manitoba.

**Mr. Ashton:** Also, you know, what I find really frustrating myself, fighting to save MTS is you almost cannot win. Someone mentioned earlier, if a Crown corporation loses money then you get this argument it should be sold off because it is losing money. If it is making money, you get the same argument. It is almost as if it does not really matter what the facts are that this argument is made. In your presentation you mentioned the profit. Are you suggesting that that is another argument for keeping MTS publicly owned, that we are making a profit on it, as well as having all the business spin-offs and employment of actually 4,000 people in Manitoba?

**Ms. McGregor:** Yes, that is exactly what I was saying.

**Mr. Ashton:** One final question, I keep mentioning this, that it would only take two Conservative members to vote against this bill and it would be defeated, and—[interjection] Well, the minister says I keep doing it, and I will keep doing it until those two members listen to the people of Manitoba, Mr. Chairperson.

I am wondering, if you had a chance to talk to someone on the government side perhaps a bit more informally, any of them who might still be having an open mind on this, what would you say to try and convince them to be one of those two people who could save our publicly owned Manitoba Telephone System?

**Ms. McGregor:** I would just say follow your conscience and listen to the rest of Manitoba and then place your vote accordingly, and you will find that you have done a good job.

**Mr. Sale:** I may be mistaken, but I think that you may work at the University of Manitoba because I taught out there, and it seems to me that I would see you from time to time.

**Ms. McGregor:** Yes.

**Mr. Sale:** Do you have any sense of the impacts of this bill on the student community who are facing the kind of tuition hikes that they are facing, and yet, obviously, most

of them require at least a telephone if not a modem and computer support.

**Ms. McGregor:** One of the jobs I do is I work with a lot of graduate students, in particular foreign graduate students who come to Canada on very minimum income, and I know a lot of them are scrambling even just to cover tuition costs and food, and I think some of them can hardly afford a telephone. I know that a telephone is very important, yes, when they are doing their coursework because now everything is computerized, and they need a modem and they need access to a telephone in order to connect to the network or do things that would help them toward their coursework.

So, yes, I think it will affect these students and not just the foreign students coming here, but the students of Manitoba who, in fact, are living on student loans and very minimum income, that it will affect them in the long run.

\* (2240)

**Mr. Chairperson:** I am sorry, time has expired. Thank you very much for your presentation.

I call Glenn and Noreen Duncan; Glenn and Noreen Duncan. Please come forward.

**Ms. Joan Johannson (for Glenn and Noreen Duncan):** Hello, Glenn and Noreen are not able to come, but they have asked me to present their presentation.

**Mr. Chairperson:** Could you identify yourself, please?

**Ms. Johannson:** Joan Johannson.

**Mr. Chairperson:** So it is Joan Johannson making the presentation. Is there leave? [agreed]

**Ms. Johannson:** There is a letter introducing this. Dear committee members, for Bill 67 presentation: When we registered to make a presentation with regard to Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act, we were assured that we would be called to speak on Tuesday, October 30, 1996. It is gratifying to know that there are so many people wanting to speak to the issue of selling off MTS that the

hearing times have been extended. However, this extension may mean that neither of us can be present to make our presentation in person. Should this be the case, we still want to be heard. Hence, we delegate Joan Johannson to act as our proxy and to read the attached presentation in our absence.

**Presentation re Bill 67:** Dear committee members, we are truly dismayed that the Conservative Party is now making moves to sell off the Manitoba Telephone System. We join with other owners of this company to urge the government to reverse its direction and instead to take steps that will ensure that MTS will continue to be maintained and supported as a publicly owned Crown corporation.

The reasons for doing this far outnumber any logical rationale for a selloff. Number 1, even in these very tough economic times and with the competition that this government has welcomed with open arms, MTS continues to show a significant profit, \$15 million from January to June 1996. Why sell off a solid and profitable company? Instead, perhaps MTS managers should run the government.

Number 2, MTS keeps more than 3,000 Manitobans employed. These 3,000 plus people and their family members contribute extensively to the economic climate and stability of our province. Why risk losing these loyal MTS employees and their families to other provinces and/or companies? On yet another side, why is the government so willing to see MTS employees as possible future users of social assistance programs? This government was elected to find solutions to the problems of unemployment in Manitoba, not to consciously and deliberately magnify them.

Number 3, MTS has been able to institute a very highly developed and advanced fibre optical cable system. In doing so, it made a major investment in rural Manitoba. Why would this government, MTS owner, then invite competition to come into Manitoba to, quote, use MTS equipment and technology? Have they been paving the way for a takeover of MTS all along? Is it too much to expect that an elected provincial government should stay loyal to the province of Manitoba?

Number 4, MTS is required to consider the public good. This government's Bill 67 puts profit ahead of

people and ahead of accessibility to all Manitobans. Who does this government serve?

Number 5, this government has had MTS appraised for privatization purposes, but the overall impact to Manitobans of such a sale has not been studied. Immediate government benefits from an immediate profit through the sell-off of MTS are obvious but, in the long term, how many millions of more typical Manitobans would lose from this government's orchestrated privatization? Is it not obvious that this government is betraying the people it serves?

During the 1995 election campaign we personally were assured that the Conservative party had no plans to sell MTS. Yet appraisals for the company had already been commissioned. This government had already sold off our cable assets for significantly less than their value. We as the Manitoba electorate and owners of MTS have not been given an adequate opportunity to participate in the process.

For example, to protect the interests of our publicly owned Crown corporation by either prohibiting competition or at least ensuring that "intruders" use their own equipment and/or pay their fair share. Example: to ensure the support, advance and marketing of MTS fibre optical technology. Example: to consider SaskTel's interest in joining with MTS as an alternative to a sell-off in which major interests can be foreign owned. Example: to consider other options that might be viable, for example, a bond issue.

We Manitobans have owned MTS for almost 90 years. Why must Bill 67 now be rammed through the legislature along with so many other bills in such a hurry? In a democracy government officials are elected to represent the people, the electorate. We the people, the electorate, own MTS. To the rest of the world we espouse pride in our democratic practices. Thus, in representing us, our elected officials need to protect our interests.

It all sounds so logical. Why then is there no conscious effort on the part of our government to provide an adequate time frame and democratic process with regard to the future of MTS, i.e., a process that ensures public input and debate? Throughout our province MTS provides affordable rates, good service, quality employment and profits. What more could anyone ask? As this

government preached prior to their election, there is no rationale for selling off MTS.

In conclusion, in the big picture, what is happening? The patronizing, father-knows-best practices of this government are both frightening and unjust. At best they can perhaps be categorized as denial. Not only has this government not heard the voices and concerns of the people of Manitoba, but they have had the audacity to deny that any other point of view has any credibility at all. This is immoral and undemocratic.

We fear the implications of present government initiatives and we list a number here: limit academic freedom; corporate control and influence at post-secondary learning institutions; lack of support for our public school system; unelected regional health boards; workfare versus social assistance; limit the voice and rights of the work force; sell-off of MTS.

This attack on democracy and on the democratic process must stop. Today's governments and their costly advertising campaigns have done a skilful job of "brainwashing" the people and of leaving them with feelings of helplessness, powerlessness and no choice. This is not democracy and this Manitoba government's actions and plans with regard to the privatization and sell-off of the publicly owned MTS company are prime examples of this.

Hence, in order to speak on behalf of justice and democracy and thus to prevent our loss of MTS, we make this presentation today. We urge your committee to direct this government to postpone the privatization of MTS and to instead put in place a procedure that will guarantee public input and an adequate study of the long-term effects of same.

Thank you for your attention to our presentation. Sincerely, Glenn Duncan and Noreen Duncan.

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

**Ms. Wowchuk:** I am just looking for clarification here because I walked out and I know this is not Glenn Duncan.

**Mr. Chairperson:** I am sorry, this is Joan Johannson.

**Ms. Johannson:** I was asked to read this on behalf of them.

**Mr. Chairperson:** It is a substitution. Thank you very much. I call Grace Venema. Grace Venema. Did I get your name right?

**Ms. Grace Venema (Private Citizen):** Grace Venema, yes.

**Mr. Chairperson:** Do you have a—

**Ms. Venema:** No, I have nothing to hand out. I will just read from some prepared notes.

**Mr. Chairperson:** Please proceed.

**Ms. Venema:** My presentation will be brief and I hope succinct. There are many reasons to object to Bill 67. I will stick to a few. I object, firstly, that the present government has—sorry, I should start again. My first objection is that the present government has, in fact, no mandate to sell the MTS and actually promised not to sell during the last election campaign.

The Manitoba Telephone System is a profitable corporation. We cannot afford to lose it. Right now, we have one of the lowest telephone rates in North America. We want to keep it that way. My concern is that if the service is privatized, telephone rates, especially for rural and northern Manitobans, will rise so much that many will not be able to afford it. It will be especially hard on people living on minimum wage or social assistance. Privatization will mean downsizing, layoffs and lower wages for the remaining workers.

\* (2250)

The Manitoba Telephone System should remain publicly owned because we have affordable rates, good service and good employment for Manitobans. As long as MTS is publicly owned, we have a say in it. Once it has been sold, we will have lost control over it. A private corporation is accountable only to its shareholders. Privatization of MTS may be the thin edge of the wedge and lead to the selling off of other publicly owned utilities, and we, the citizens of Manitoba, will lose more and more control of our economy.

Privatization undermines the social contract we have with each other as citizens of Manitoba. It is the duty of

government to ensure that the public good is served. This bill does just the opposite. It will sell off one of our good public services to private interests who have no interest in the common good of all Manitobans.

I have been speaking on my own behalf, but I am convinced that the majority of Manitobans agrees with me in saying we want to keep our telephone system public. Thank you.

**Mr. Chairperson:** Thank you for your presentation. Questions?

**Ms. Wowchuk:** Thank you for making this presentation. You talked about the government having no mandate and, in fact, having promised not to sell Manitoba Telephone. If the government has no mandate, but they have decided that they want to move in this direction, do you believe it is fair that only those people who can come to this committee can have the opportunity to speak out on this issue, and as a representative from rural Manitoba, I saw many people on the list who wanted to make presentations but could not be here.

Can you suggest a fairer way that the government might have done this, so that people could have input into the discussion as to whether or not we should privatize, and should they have had those discussions before they brought forward the legislation indicating that they intend to go ahead with the privatization?

**Ms. Venema:** Well, I certainly do think that they should have had those discussions before they came forward with this legislation. Of course, that would be far more fair, but at the same time since they had no mandate since they promised it would not be for sale, it should not even have been legislated.

**Mr. Sale:** Ms. Venema, one of the things that strikes witnesses or presenters at this committee is that the government appears to be absolutely silent when they have the opportunity to talk to several hundred Manitobans that disagree with them. They do not seem to be interested in that. Do you find that striking? Is there anything you want to say to them?

**Ms. Venema:** Yes, I do find that striking, of course. As I said, I strongly believe that the majority of Manitobans

is very opposed to this bill, and perhaps that is why they are so silent. I can only guess at that.

**Ms. Wowchuk:** Earlier today, we heard government members saying that they had talked to their constituents, and, in fact, the only phone calls they had really had were from people wanting to line up to buy shares. In fact, they said that many seniors are waiting to make investments in this company.

In your circle of friends and the people that you work with and volunteer with here in the city, have you heard very many people telling you that they are interested in and plan to take their money, those who have money, to invest in this company?

**Ms. Venema:** No, I have not heard of any such person, and we ourselves are senior citizens and we have absolutely no intention of buying shares in a private telephone system.

**Ms. Wowchuk:** Mr. Chairman, the Manitoba Society of Seniors has spoken out against this proposal by the government to privatize Manitoba Telephone. The Union of Manitoba Municipalities, which represents all of the municipalities across Manitoba, on the first night of presentations came here and told this committee that they object to this. They do not support this because they feel that it will bring hardship onto the people that they represent. These are the same people that these rural members represent.

What advice can you give to these rural members seeing that the seniors, who are a large population, a part of this province, and the Union of Manitoba Municipalities, that represents all the rural people in this province, are saying no? What advice can you give to the government members who are also rural members here?

**Ms. Venema:** Vote against the government. That is the best advice I can give. It seems only sensible to me that they should follow the wishes of their constituents.

**Ms. Wowchuk:** You talked about in your presentation the burden that this was going to have on rural and remote people. I believe you had said that earlier, you had concerns about the additional cost that this was going to bring onto rural people, and in fact it will bring a huge increase into the amount that rural people will pay for

their basic service. I think that it will result in many people not being able to afford a phone. And that is from the rural perspective. Do you think that there are people in the city that are going to—if the rates go up, basic rates go somewhere to the range of \$35 to \$40 from where they are, somewhere near \$13, do you think that there are urban people who are going to lose their phone services besides the ones who already have no phone service because they are on social assistance and social assistance now does not consider a telephone to be an essential service?

**Mr. Chairperson:** Ms. Venema, for a very quick short answer.

**Ms. Venema:** I do think that is very likely, that there will be many people in the urban area that will also not be able to afford the services of the telephone company. Yes, I do.

**Mr. Chairperson:** Thank you very much for your presentation. We call Catharine Johannson. Do you have copies to circulate?

**Ms. Catharine Johannson (Manitoba Young New Democrats):** I do. Actually, I am presenting on behalf of the Manitoba Young New Democrats, but I have a presentation as a private citizen as well, and I was informed that I have to ask for the leave of the committee to be added to the list as a private citizen.

**Mr. Chairperson:** You would like to present both at the same time?

**Ms. Johannson:** No, I would like to present for the Manitoba Young New Democrats now and be added to the end of the list as a private citizen.

**Mr. Chairperson:** Is there leave? [agreed] Please proceed.

\* (2300)

**Ms. Johannson:** My presentation is rather short. The government of Manitoba's current plan to privatize the Manitoba Telephone System under Bill 67 is not in the best interests of the people of Manitoba, the current owners of the system. The government has no mandate to pass such a bill. It will result in higher telephone

service costs for Manitobans, especially those who live in rural and northern areas, and MTS is a profitable company. One can only assume that the government's reasons for privatizing a profitable company are purely ideological. We urge the government to put aside plans that are not in the best interest of their constituents, the people of Manitoba.

When considering the privatization of MTS, a very important decision that will affect all Manitobans, one is reminded of another instance where a government planned to sell out its constituents, specifically the Canada-U.S. Free Trade Agreement. Unlike this government, the federal government of Brian Mulroney had the decency to call a general election and put the question of whether Canada should enter into a free trade agreement with the United States in the hands of the electorate.

In contrast, this government has not even had public hearings on the privatization of our telephone company. In fact the only opportunity that this government has given to its constituents to speak out about this bill is to drive into Winnipeg in order to give one 10-minute presentation to this committee. It is a sad day for Manitobans when their provincial government cannot even live up to the example set by their federal counterpart, Mr. Mulroney, who at least was honest with the people of Canada about his intentions to enter into a free trade agreement.

In contrast, Mr. Filmon stated publicly both before and after the provincial election of 1995 that there were no plans to privatize MTS. This government has no public mandate to proceed with this bill and this attempt to rush through important legislation without proper public consultation is shameful.

Manitobans currently enjoy some of the lowest residential rates for telephone service in North America. Wherever phone companies have been privatized, rate increases have followed. The government argues that the CRTC will still control rate increases, but CRTC control has not helped Albertans who, after the privatization of Alberta Government Telephones, now pay 34 percent more than Manitobans for basic phone service. MTS, as a public corporation, has a mandate to put public interest first. Private corporations have one objective and that is to make profit. That is their one objective, simply to make profit.

By privatizing MTS, the government will be changing our telephone system from a service for all Manitobans which improves their ability to communicate with each other, to a corporation which has as its primary obligation the accumulation of profit, and MTS is a profitable company. The government's continual references to MTS being debt-ridden are misleading. MTS does have a debt, but in the first six months of this year it made \$15 million. Since 1990, MTS has made more than \$100 million in profits. Further negating the government's argument, interest rates are at an all time low, or to quote the Winnipeg Sun, things have not been this good since the Great Depression.

So if MTS is so debt ridden, why is the government only selling it now? Only last year, when interest rates were higher, Mr. Filmon said there were no plans to privatize MTS. Selling a company that is providing an affordable service to all Manitobans and making a profit, simply does not make sense. The government is essentially transferring that profit which belongs to all Manitobans to those wealthy enough to buy shares in our telephone system.

We oppose Bill 67, and we oppose the government's attempts to rush it through the legislature without any public consultation. They have absolutely no public mandate to do so. This government should consider the citizens of this province who will suffer because of this bill and not just the wealthy who stand to earn profits off of ordinary Manitobans. Thank you.

**Mr. Chairperson:** Thank you for your presentation. Questions?

**Mr. Ashton:** I want to thank the presenter on an excellent brief, and I want to focus in on what you said. I have actually come to the point where I have actually said similar things myself. I never thought I would say anything good about Brian Mulroney, but I suppose he did put his intentions on the table. Unfortunately, the Free Trade Agreement essentially passed in the 1980 election despite the fact that the majority of people did not support free trade. It was because the opposition was split. [interjection] Well, the government member says it was good for Manitoba. It may have been good for a few individual Manitobans, but I think most of us have suffered.

I am just wondering, though, if you can elaborate to the members of the government. I am not just talking here so much as the view of young New Democrats, but just as a young person today, what message this sends to young people who are just getting involved in terms of the political process, voting and when these decisions are essentially setting the future of young people, what kind of message it sends when you have a government in 1995 say we have no plans to sell MTS, said the same thing in the legislature in May, said the same thing in September and now, without a single public meeting, is going to sell it off. What kind of message do you think that sends?

**Ms. Johannson:** Well, one of the things that happens is, you are dealing with a large amount of youth apathy. People see no purpose in getting involved in political systems at all, simply because all politicians are liars, they never do what they say, they do not care about their constituents, et cetera. Back to Mr. Mulroney, the thing about, even if the members of the government say that the Canada-U.S. Free Trade Agreement was a good thing for Manitoba, that is good, that is their position and that is their perfect right to say it. Mr. Mulroney certainly said that it would be a good thing for Canada, and I am sure Mr. Mulroney believes it is a good thing for Canada.

The point I am making is, Mr. Mulroney said that before the election. He said, this will be a good thing for Canada, and I am putting it in your hands, the hands of the electorate. You decide. What this government did is they said, we have no plans to sell off MTS. We do not think selling MTS is a good idea, therefore we are not going to do it, it is not a part of our platform. Once they were in office, they did a complete 180 and said, okay, now we are going to sell off MTS. If they believe that selling off MTS is a good thing, then fine, put it in your election platform and next time around we will go at it and we will see what the electorate says. Okay? That is my point. At least be as honest as Brian Mulroney. That is my point. I mean, if you cannot even be as honest as Brian Mulroney, I mean, no wonder young people are not getting involved in the political system. I mean, come on, what are you doing?

**Mr. Ashton:** Well, as the member for Crescentwood (Mr. Sale) is pointing out here, that is not a very high standard you have to apply for, because usually the words honesty and Brian Mulroney are not involved in the same point. I was just wondering if, though, you think the

message will get through to a lot of young people, because I think one thing is, the clear message to young people has to be that it is this Conservative government, it is not all parties in the House or all MLAs that are doing this. We ran in the last election—I will tell you, we said in the last election, you may recall this—

**Ms. Johannson:** Mr. McAlpine, Mr. Ashton is asking a question.

**Mr. Ashton:** Thank you, Mr. Chairman, I appreciate—

**Ms. Johannson:** Could we have some order, please.

**Mr. Ashton:** Actually, she is doing a good job of chairing, too. I am trying to pose the question because in the last election the New Democratic Party was very clear on its position on issue after issue. We talked about health care, we talked about education. We also talked about the Winnipeg Jets. We actually said that we did not think we should put taxpayers' money in the Winnipeg Jets, and the Conservatives went around the province saying they were going to save the Jets, also known as the Phoenix Coyotes. I am wondering whether there is not a similar—

**Mr. Chairperson:** Mr. McAlpine, on a point of order.

#### Point of Order

**Mr. McAlpine:** Yes, Mr. Chairman, I would ask that you bring the member for Thompson to order. We are here to hear presentations from the public. Mr. Ashton prefers or chooses to raise issues with regard to the Winnipeg Jets. We are not talking about the Winnipeg Jets, but—[interjection] And the honourable member for Crescentwood (Mr. Sale) says that is similar, and, you know, I can understand where he is coming from.

Mr. Chairman, I would ask that you bring the member to order and ask him to ask the question with regard to MTS, nothing to do with the Winnipeg Jets.

**Mr. Chairperson:** On the point of order, there is no point of order.

\* \* \*

\* (2310)

**Mr. Chairperson:** Mr. Ashton, to continue to ask your question.

**Mr. Ashton:** The presenter referenced the election and the whole principle of saying one thing and meaning what you say or saying one thing and doing another. I realize that the members of the government are very sensitive about the Winnipeg Jets, and, by the way, the reason I raise this with you, as a young person, is because a lot of young people I have talked to voted for this government, a lot of first time voters, because they thought they were going to save the Winnipeg Jets.

I have talked to people who said to me that we lost because we told the truth, unlike—[interjection] You know, it is interesting, the member for Sturgeon Creek (Mr. McAlpine) may be proud of the fact of winning by not telling the truth. We said the truth on the Winnipeg Jets. I am wondering if the message really to young people—[interjection]

**Mr. Chairperson:** Could we save the debate for the House and have the question put?

**Mr. Ashton:** I am wondering if the message to young people, in fact, should be the complete opposite, not to view this as an issue to take apathetically but to see that there is a clear difference, that sometimes political parties do take a stand, and sometimes they do not always win when they take a stand.

Perhaps what the real lesson is, is that opportunistic parties like the Conservative Party, which said they would save the Winnipeg Jets and said they would not sell off Manitoba Telephone System, are the ones that should be the reason for young people getting involved in politics today to make sure that they do not ever fool the people of Manitoba in another election.

**Mr. Chairperson:** Ms. Johannson, for a very quick, short answer.

**Ms. Johannson:** Yes, I would just like to come back to the question of Brian Mulroney saying one thing and doing another. Yes, the current government does have a majority government right now, but what do you think will happen next election if you keep pulling stuff like this? Do you think you will get in again? I do not think so, not if you say one thing and do another. You cannot

be trusted. Why would anyone vote for a government that says one thing and then does another?

If you believe in a platform, if you believe in privatizing MTS, why did you not go to the electorate in 1995 and say we are going to privatize MTS? Then you would have a public mandate, you could go ahead and do it, and I probably might not even be here talking to you right now.

But you have no public mandate. You did not tell people you were going to do this, and, again, I would like to reiterate, if you cannot even be as honest as Brian Mulroney, then what are young people supposed to think about you anyway?

**Mr. Chairperson:** Thank you very much for your presentation. Margaret Maier. Margaret Maier. Not here? Margaret Maier's name will be dropped to the bottom of the list. Carol Furtado. Carol Furtado. Not Here? Her name will drop to the bottom of the list. Shannon Slater. Please come forward. Do you have copies for distribution?

**Ms. Shannon Slater (Private Citizen):** No, I do not.

**Mr. Chairperson:** Please proceed.

**Ms. Slater:** I am afraid, actually, I am suffering from a cold that this weather seems to have brought on, so I hope I will not go into a coughing fit. Good evening, and thank you for the opportunity to speak before this committee. MTS provides affordable rates, good service, quality employment for Manitobans and makes a profit. There seems to be no reason to sell off MTS and every reason to keep it.

In school I learned about these things that were needed for survival. Food, shelter and clothing were the basic necessities. I realize quite well that basic telephone services do not fall under basic necessities as taught in school, but I think we can all agree that in today's society, having access to telephone services has become, if not a basic survival necessity to live, at least necessary to function.

I am skeptical about the affordability of my telephone service if it is privatized. I do not think it is likely that my telephone rates will stay as low with a private

company as they would with MTS. From what I understand, Bill 67 contains clauses that specifically overrule the requirements to put the public good ahead of profitability. MTS right now is required to consider the public good and provide affordable service throughout this province.

Speaking of throughout this province, how long will the rate structure that MTS now has, a rate structure that ensures that rural and northern Manitobans do not have to pay as much as \$40 to \$50 per month for phone service, will be in place once this system is under the control of a private company?

This sort of rate system is essential if it is the public good being put forward and the public good will be done in a way that a private company will not. Private companies are motivated by profit. MTS has the lowest phone rates in North America. Among the reasons for this is that MTS is a nonprofit Crown corporation and because it is owned by the government, pays less tax and lower interest rates on its loans.

Can rates this low—I am sorry—can rates low if the newly private company has to pay more tax, and can rates stay this low if the newly privatized company has to pay more tax, higher interest and must satisfy shareholder demands for higher profits every year?

In response, you the government have claimed that federal regulations will protect us from rising phone rates, but the CRTC, the federal body that makes decisions about phone rates allowed the Alberta phone company to raise its rates, not because it was losing money but because it was not earning enough profit.

And who will feel rising costs the most? It will be, of course, those who can least afford it; those segments of our society that can least afford higher rates. It will be seniors, those on welfare, the working poor and people like myself. I am a full-time university student who works 30 hours a week just to provide those survival necessities and the cost of tuition. My budget does not include such things as disposable income that can fit a higher telephone cost into it.

MTS has done a great job of service. How many times do you hear people complaining about their telephone service? You do not, because people are not unsatisfied

with their service. In fact, they find it of a very high quality, and why should it not be. MTS employs nearly 4,000 people in Manitoba. These are well-paid unionized jobs. Many of these jobs could be easily transferred out of province under a private company. By keeping MTS public, we ensure that the \$400 million MTS and its employees spend in the province every year stays in Manitoba.

The privatization of MTS makes no sense. It makes no dollars either. MTS is profitable and the privatization of MTS opens the floodgates to further privatizations. The government could move next to Manitoba Hydro, Autopac or the Liquor Commission, all of which are profitable companies that provide affordable services to Manitobans. Under this government, Manitobans are losing control of their economy.

My other problem with this legislation is that the government has no mandate to sell off MTS. During the provincial election in 1995, you promised that you would not sell off MTS. You said repeatedly in the House that there were no plans to sell off this company. This is a major piece of legislation. Not only is it a major piece of legislation, but is being put through with 70-odd other pieces of legislation.

Now, I might be a working university student, that is, a person used to juggling work, school, volunteer work, family and trying to be an active citizen of Manitoba, meaning coming out to these hearings, but I think there are only so many things that you can do well. The future of MTS is an issue you want to do well and that you should consider well. The bottom line is that MTS provides affordable rates, good service, quality employment for Manitobans and makes a profit. There is no reason to sell MTS and every reason to keep it. Thank you.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Ashton:** I want to thank the presenter, particularly with a cold. I know it is not the easiest thing to make a public presentation.

I want to follow up on a couple of key points you referenced because I think most Manitobans do not believe the government on the rates. I think they understand that it is going to cost more in a private

company and service will suffer in rural and northern areas, but one area that has not been addressed very much is the issue that you referenced which is control over our own economy.

When you look back, for example, to when Autopac was brought under public ownership, there were two reasons. One was cheaper automobile insurance rates, but the second was keeping the profits and the insurance premiums from Autopac within the province. What is going to happen with MTS is, according to the government itself, immediately one-quarter to one-third of the shares are going to go out of the province. We suspect that that number will increase over time, so those profits, as well as control of that activity will go outside of the province. What do you think we are going to be faced with as a province of one million people if we start losing things like MTS, Autopac or Hydro?

**Ms. Slater:** Well, I think that that is something—it seems kind of strange to me that the government is making this move. I think more and more as we get into this global economy people are realizing and even governments are realizing just the harm that is done when things move out of the community. So it seems a very backward step for us to be relinquishing our control of keeping the resources of MTS within the community. I cannot see any good that this will do Manitobans. It seems to me that the government of Manitoba would have every reason to keep the jobs and the money of MTS within the province. Right now we are talking about joblessness, and not only is this a—we are at a rate where we have a low job rate and instead of creating more jobs it seems to me this legislation takes more away.

**Mr. Ashton:** Well, in fact, you have referenced about the global economy and one of the things that particularly, I know, concerns those of us who are opposed to the sale is that in the global economy it is very easy to transfer jobs outside of Manitoba, especially with telecommunications.

A quick example of that is Bell Canada, which now has jobs in Arizona. They are contracting for operators in Arizona. That is common in the United States, where one telephone company will provide operator service for various area codes, including for phone companies that they do not own.

\* (2320)

I am wondering what your prospective is as a university student looking ahead, you know, in the next few years as to how it is going to put us in Manitoba in terms of our economy and jobs for graduates from Manitoba universities if we put the future of our telecommunications system in a private company that can very easily transfer those jobs outside the province.

**Ms. Slater:** Well, that is something that I am worried about. I am quite involved with student politics and different groups on campus, and there is a real feeling right now within the university system, which is supposedly a place where you are going to be leaving and hopefully going into a job, that there are not jobs here.

This seems to be giving a message that there is no real attempt by the government to actually create jobs in Manitoba if they are not going to be even keeping the jobs within Manitoba by doing something like this. And that is, from what I understand of following other cases where this has happened, like you said, it is much easier to remove the restrictions of having a Crown corporation, but you cannot take that back. It is a step that once you take forward you cannot go back to the way things were, which is why I am very concerned about the timeliness of this, especially with all the other bills of legislation that are slated to go through and just how much it has been thought out, because it is really an irrevocable step.

**Mr. Ashton:** I know I am certainly facing a lot of students, and years ago I was involved, I was student union president, and I look back to say when I was UMSU president, we thought that times were pretty tough then. It has gotten a lot worse, so I can certainly appreciate that.

I just wanted to focus on that, because it really concerns me in this province. We are a province of one million people. We do not have a lot of corporate head offices here. I mean, this is not, we do not have Bay Street here. I find it particularly ironic that the investment brokers that have made the decision or recommended the decision to the government are three Bay Street brokers.

I am just wondering how you feel as a university student, as a Manitoban about the government relying on

that report of these three Bay Street brokers to sell off something we have owned in this province since 1908?

**Ms. Slater:** Well, the problem that I have is that I do not see any information coming out from the government as to how this does create jobs or keep jobs in Manitoba. It seems that that has been something that has not been looked at at all. As much as there are these recommendations that I have heard that they have gotten from these Bay Street brokers, I do not understand. There has been nothing that I have heard of any rationale in terms of how that affects jobs. That is a big concern, because there is no way that I can be a contributing member to this community, to this province unless I do have a job.

It really frustrates me as a young person because so often, especially now, there are all these bad things being talked about youth and you really wonder, well, what is our option? If it is not to get a job, if there are going to be no well-paying jobs, I mean, I have worked on my own now for three years while I am putting myself through university, and I do that right now through a lot of part-time jobs, working two or three different ones at a time, lots of shift work. I do not see that changing, actually, with a university degree. I do not see that happening, especially when good paying, full-time jobs are basically given the blessing of the government to leave this province.

**Mr. Chairperson:** Thank you very much for your presentation. Time has expired. William Hickerson.

**Mr. Marc Beaudry (for William J. Hickerson):** Hello, again. I have a note here. I appoint Marc Beaudry as proxy for me in presenting my opinions contained in this document to the standing committee. Yours respectfully, and it is signed William J. Hickerson, October 31, 1996.

**Mr. Chairperson:** Is there leave of the committee? [agreed] Okay, please proceed. I am sorry. What?

**Mr. Beaudry:** I have copies for everyone.

**Mr. Chairperson:** Oh, you do, okay. Yes, the clerk will distribute them. Please proceed.

**Mr. Beaudry:** Presentation to the legislative committee hearing public comments on Bill 67, under consideration by the Legislative Assembly of the Province of Manitoba, said bill proposing privatization of the Manitoba Telephone System.

**Chairperson,** committee members and citizens present, I come to register my disapproval of hasty action on Bill 67. Two evenings of hearings with relatively short notice—I should probably mention that the letter was written on October 29—does not give many Manitobans any opportunity to express their opinions of the intentions of the government of their province. Though I am now retired, until recently I was employed in a regional office that depended almost entirely on long distance telephone service to be accessible to our members.

We experimented with some of the alternative companies in the communications field and found their service somewhat lower in cost for long distance tolls but far more costly in human time. It is also more difficult to gain access to customer service personnel.

The Manitoba Telephone System offers service to the whole of the province, including communities for which the service is a lifeline. It is also true that service to small, remote communities cannot be justified as cost efficient. We expect our public utility to operate on a different basis than simple cost effectiveness. Residents of most of those communities are deprived of the opportunity to speak for themselves by the decision to hold hearings only in Winnipeg and only for two evenings. I am convinced that this public utility ought to continue to exist as a public utility. Manitobans have built it, and Manitobans have had little opportunity to consider divesting themselves of this service. It needs to be maintained as a state-of-the-art utility.

\* (2330)

At this point, in the margins, he has scrawled, you know the history—he has really atrocious handwriting. Manitobans have invested in its development to this time and ought to be given opportunity to continue to own it. This carries with it the corollary that we will be required to provide the funds to bring it up to a desired standard. We have not been asked whether we are willing to invest as we have in the past. Why must you rush into privatizing MTS?

Two years ago, there seemed to be no need to sell MTS. At the time of the most recent provincial election, the Premier said that a sale was not being considered. I understand that there is much rapid change taking place in communication technology, but I find it hard to believe that in such a short time, something that was not a possibility has become an urgent necessity; a credibility problem has arisen. I know and you know that concern has been expressed, that the sale of this Manitoba public utility will place its ownership in the hands of non-Manitobans. We have been advised that Manitobans will be encouraged to buy shares in the new utility. How will they be encouraged, and in what way will that preferential position be maintained?

With doubts about any certainty of Manitoba ownership, how can we feel confident that our interests will be protected? We also know that once this publicly owned utility has been sold to private owners, it will be impossible to reverse the decision. Beside that, he wrote NAFTA. I ask the committee to advise the government to take more time to give careful consideration to the concerns of the public of this province. Say to the government, do not move hastily to remove the Manitoba Telephone System from public ownership.

Then, at the bottom, he added, listen to the requests of 200-plus presenters. This is a change with major implications. It took 88 years to get to this day. Take a lesson from our history, and see our hopes have been met through the publicly owned utility. Yours respectfully, William Hickerson, October 29, 1996.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Sale:** Could I just ask—I am not sure whether this is the William Hickerson who was here for quite a while this morning. Is this the retired United Church minister?

**Mr. Beaudry:** Yes, it is. I spoke with him this morning. He said he was here on Tuesday night, Wednesday night and had an appointment at noon, so he did not think he could really come back, given the uncertainties of when you are going to be called.

**Mr. Sale:** Just for the record, I would want to note that Mr. Hickerson served in a variety of pastorates in rural and urban Manitoba and was the director of the United Churches Conference Office which dealt with

northwestern Ontario and all of Manitoba, so he has a pretty broad experience in the areas of both managing a fairly large office and dealing with an institution that is very, very dependent on communication. So I very much appreciate his presentation, and I thank the presenter for being willing to put it forward for him.

**Mr. Chairperson:** Thank you very much for making the presentation.

**Mr. Beaudry:** Would you like the proxy letter? It is written at the top.

**Mr. Chairperson:** Yes, we will take it. The clerk will take it. Call Derek Davie. Derek Davie. He is not here, name will go to the bottom of the list. Helen Wythe. Helen Wythe, not here, name will go to the bottom of the list. Teresa Coles. Teresa Coles, not here, name will go to the bottom of the list. Victor B. Olson. Victor B. Olson. Mr. Ashton?

**Mr. Ashton:** Yes, I just wanted to pass on for Mr. Olson that there was a tragedy in the family on Saturday as his mother-in-law was killed in an accident, so he and his wife are in a very difficult situation right now. I just want to pass on that Mr. Olson is not here, not because of anything other than that. He would have liked to have been here, but they are in grieving right now for his mother-in-law.

**Mr. Chairperson:** I thank you for that. John Bilyk. Not here, name will go to the bottom of the list.

Paul Graham, please come forward. Do you have copies for the committee?

**Mr. Paul Graham (Private Citizen):** Yes I do.

**Mr. Chairperson:** Thank you very much, and you may proceed.

**Mr. Graham:** My name is Paul Graham. I live in the city of Winnipeg. I have lived in Manitoba for most of my life. I am here to register my opposition to the sale of the Manitoba Telephone System, and I urge you to withdraw this legislation for three reasons.

The first reason that the government should withdraw this legislation is that it lacks a mandate from the people

of Manitoba to privatize this publicly owned utility. We have not given you our permission to sell off a major strategic asset. You do not have the right to deprive us of an enterprise which has served us well since 1908, based on statements the government made while seeking re-election in 1995. The only mandate it has is to preserve MTS and ensure the company continues to provide us valuable services.

During the election the government promised it would not privatize MTS. Manitobans elected this government to do many things, but I would take it, among those things, to preserve MTS, not to sell it. The only way the government could credibly take a major step like this would be make it a major plank in the next election program. Those who would ram through this major change in the lives of Manitobans, after having promised the exact opposite in election, are morally bankrupt.

The second reason why the sale of MTS is ill-advised is that MTS is a profitable company. It provides necessary services and substantial economic benefits to Manitobans wherever they live at rates they can afford. Looking at some of the facts, MTS is profitable. Since 1990 it has netted about \$100 million. In the first half of this year it has made \$15 million in profits. These profits should remain in Manitoba to be used to develop our utility and our economy. They should not be siphoned off to corporate coffers and shareholders' pockets.

MTS employs nearly 4,000 in well-paid unionized jobs. These jobs benefit not only the people who perform them, but their families and their communities as well. MTS and its employees spend approximately \$400 million in Manitoba annually. This expenditure generates additional employment and economic activity throughout the province. I do not know what the multiplier is. I do not know if it is two or four or eight, and here I am referring to what happens when you spend a dollar and someone else uses it, but are the spinoffs worth \$800 million or \$1.6 billion or \$3.2 billion? Does the government know the magnitude of the benefits generated by MTS? It has not said, as far as I know, that it does or it does not, but it has to be asked.

Is a private employer going to feel any commitment to maintaining this employment in ensuring that our communities continue to derive these economic benefits? I doubt it. The companies and investors who are lining

up to buy a piece of MTS are interested in their profits, not ours. They are in business to make money. They are not in business to care about the province. We are bound to pay the price of privatization; someone else will reap the benefits.

MTS is an essential service that most Manitobans can afford, even in remote communities where the economics of the situation would dictate much higher rates. As a publicly owned company with a mandate to serve the public interest, MTS can continue to ensure fair treatment for all Manitobans. It is a private company with a mandate to maximize profit. The needs of people on low incomes or in remote communities will not be considered. Experience in Alberta is instructive. Telephone utility there, which is privately owned, received a rate increase of \$6 a month not too long ago, not because it was losing money, but because its profits were not high enough. By contrast, MTS rates increased by a couple of dollars. MTS has the lowest rates in North America. Privatization will not reduce these rates any further. If that were the case, MTS would not have the lowest rates; some private company would. That is not the case.

The third reason the government should not sell MTS is that this utility is a major strategic asset, one whose value will continue to grow in the years ahead. Telecommunications has always been important. With the advent of the Internet and the dizzying growth of the information revolution, telecommunications is even more important and more profitable than ever before. It makes absolutely no sense to sell off a resource and to surrender a position in the market that will only become more economically important in the future. We stand to lose major economic benefits, and we surrender control of an asset to anonymous private investors who cannot be held accountable to the people of the province.

The decision to sell MTS and the way in which the government has moved to implement this decision will ensure that it loses the trust of Manitobans. The government has been deceitful regarding this issue, and I doubt, personally, that it could be trusted to carry out the promises it has made to provide even limited protections for Manitobans. The government has demonstrated its fundamental dishonesty from the beginning, promised during the last election that MTS would not be privatized. Subsequently, it promised on numerous occasions in the House that it would not be

privatized. Now it is promising that Bill 67 guarantees that MTS will be locally owned after the sale. What the government is not saying is that after MTS pays its debts to the province, local ownership and other provisions that will supposedly soften the impact of the sale will self-extinguish. They will no longer be in force. MTS will be free to merge with another company or even move its headquarters out of the country. Decisions about investment, employment, wages, technology and services will be made in New York or Hong Kong or somewhere else; they will not be made in Manitoba.

\* (2340)

The government says that MTS has to be sold to raise the capital necessary for new technological development. This seems incredible. How is it that MTS without being privatized has managed to put in place one of the most advanced fibre optic cable systems in the world and make major investments in rural Manitoba? If financing is needed to maintain its technological position, has the government looked at alternatives? If Hydro can issue bonds, why can MTS not?

Has there been any serious thought given to amalgamating with SaskTel or sharing resources with SaskTel which is a highly successful, publicly owned telephone company in Saskatchewan.

The decision to introduce Bill 67 in the process that is being followed to ram it down our throats is profoundly undemocratic. This bill is being pushed through, along with over 70 other bills. There is not sufficient time for public debate on a legislative agenda of this magnitude. Several of these bills will have profoundly negative consequences for the people of Manitoba. They will result in unelected regional health boards, a tax on labour's rights, draconian assaults on people who are forced because of circumstances beyond their control to depend on social assistance.

I suppose it is a bit much to expect that a government, bent on weakening unions, bashing the poor, and selling off profitable public enterprises to their corporate friends, would be upset by its own cynical manipulation of the legislative process. But I am deeply upset by this, and you can be assured that many thousands of other Manitobans share my feelings.

Nonetheless, on the off chance that the government is actually prepared to listen to ideas from outside its caucus, I will summarize my position: Withdraw Bill 67, do not privatize MTS. You lack the mandate, and you are breaking your word if you sell the company. Under its current ownership and mandate, MTS remains profitable while providing an affordable, essential service which benefits Manitobans in many ways. Finally, MTS is a strategic asset that will appreciate in value. It makes no sense to sell it, and the potential economic consequences of privatization are grave. Thank you.

**Mr. Chairperson:** Thank you for your presentation. Mr. Ashton?

**Mr. Ashton:** I want to ask Mr. Graham a couple of questions. First of all, I would like to welcome him to the committee. I have not seen him for some time; we go back to university days. I wanted to ask Mr. Graham the suggestion in terms of SaskTel, because SaskTel did one thing that Manitoba Telephone System did not have an opportunity to do, which was to opt out of this deregulation, if you like, which has allowed Unitel, now AT&T, and Sprint to come in and use MTS lines to compete against MTS. The Saskatchewan government took a five-year opt out. What it has resulted in is that, while we are making profits here in Manitoba of about \$15 million last year, \$15 million for six months of this year, for the last three years they have made over \$80 million in profits in one year, over 70 in another and over 50 in another. I am wondering, if he does not think that one of the main reasons that the government is not interested apparently in the amalgamation with SaskTel, is maybe because of its ideological positions. For the life of me, I just do not see why two publicly owned phone companies in two adjoining provinces—the phone company in Saskatchewan being probably in even better financial health than MTS—why any government given that offer would not give it serious consideration?

**Mr. Graham:** It amazes me, and it amazes many others why that would be the case as well. I suppose I am questioning why the government did not mount a strong fight against the deregulation moves of the federal government in the first place. It seems a bit ridiculous for a provincial government with a publicly owned utility to allow itself willingly to be hamstrung by those kinds of legislative moves. There seems to be a willingness to go to bat for people who do not want to register their guns,

and I think it would have been more in keeping to fight to keep the utilities strong.

**Mr. Ashton:** Indeed, what I find puzzling, and I mentioned this earlier today, one of the reasons, I suppose, that Sir Rodmond Roblin, the Conservative Premier of 1908, nationalized the phone system in that day was because there was competition; there was competition to the point of chaos. Hundreds of companies, they were cutting down phone lines, trying to stop each other's business. You could not phone across the street because if you were on a different phone company there were no interconnections. Now we are in the situation where the federal government has mandated MTS to have to provide the lines to have AT&T Canada and Sprint to compete against it. To my mind, it is like saying to a corner-store operator, you have to set up a cashier and a desk in your corner store, so if somebody wants to compete against you, you can use your own store to do it, but you have to pay to set it up. I am wondering if you feel there is any real competition in what is happening or what it is, in actual fact, is a manipulation and a direct attack on publicly owned companies like MTS and, unfortunately, now SaskTel, which is being forced into the same situation.

**Mr. Graham:** I think it is fair to say that it is not competition in the sense that Economics 101 would dictate. In reality, there has been a steady tearing away at and an erosion of public institutions over the last 10 to 15 years. Deregulation of the telephone system is a ridiculous, ludicrous situation where a company is told to compete by providing resources to its competitor, and it is totally without precedent in the private sector.

You know, the private sector companies do not have to help each other compete with each other. It seems profoundly unfair to expect a public company to hand over resources to its competitors, and to call that competition, but it does seem to be in keeping with attacks on public institutions right across the board, whether it happens to be our health care system, whether it happens to be government services. Somehow the public sector is the victim of an onslaught of ideologues who twist and distort the situation. It really has nothing to do with freedom, it has nothing to do with competition; it is a steady assault. I would tend to agree with you in short.

**Mr. Chairperson:** A very quick question, Mr. Ashton.

**Mr. Ashton:** Well, I just want to follow up on the competition, because the government says, and I do not believe them, that the reason they are doing this is they suddenly realized in August of 1995 that 70 percent of their market revenues were in a competitive sector. Most interesting is where they are competing, they are clobbering the competition. We have heard people who said that they are sticking with MTS because they own the company. In fact, in 1995, over 90 percent of residential customers stuck with MTS.

So I am wondering if you do not see some real contradiction here that the government is saying, on the one hand, that we are in a competitive sector, and, on the other hand, they are clobbering the competition. Is it perhaps that they have an ideological bent about being involved in business, period, whether the public sector is competitive or not?

**Mr. Graham:** Well, there does seem to be an ideological edge to it, and I would prefer to think that it was ideological, and not get into the darker realms of psychology. I cannot really understand how some of the statements the government has made about competition can be made with a straight face. I appreciate the opportunity to make this presentation. I gather that there are probably another 150 people after me who want to be able to say the same thing. I think it would be a tragedy if this hearing process comes to an end, if the committee were to hear from, I believe, many people who hold views similar to the ones that I have expressed, and to not have those views taken into account or to not examine them at some greater length, perhaps extended public hearings where the information could be discussed rationally and where it could come out where proponents on the government's side could lay out their numbers and could hold them out to public examination, where people who hold my point of view could put our analysis out, where ideas can contend, where there could be some real debate. It would be a tragedy for this process to be carried through in this way, to hear so much opposition to this particular piece of legislation, and then to have the government take its majority and just vote it through. It makes a mockery of the process, particularly when there was an election, particularly when the government seeking re-election made a promise to the people of Manitoba that it was not going to privatize MTS.

We hear that the government does not plan to privatize Manitoba Hydro. That makes me nervous when it says it is not going to privatize something. I expect that at some point we are going to hear that you are not going to privatize the Manitoba Liquor Control Commission, but anyway—

**Mr. Chairperson:** I am sorry, Mr. Graham, I am going to have to cut in. You are quite a bit overtime now.

**Mr. Graham:** Thank you very much.

\* (2350)

**Mr. Chairperson:** Thank you very much for your presentation. I call Steve Webb. Steve Webb not here.

#### Point of Order

**Mr. Sale:** Mr. Chairperson, on a point of order, there is a presenter that has been here for a number of our sessions, and she apparently cannot come tomorrow. I believe there was a request that we hear her before we adjourn. Do you have a request, or am I mistaken?

**Mr. Chairperson:** Yes, I have a request here. Well, it was only what discussion we had here, that if we had one more presenter before midnight, then the rule would kick in and we would have this presentation. But I am prepared to bring it before the committee right now and for leave. Is there leave? Okay. Leave has been granted.

Please come forward. No. 79. Jany Keenan.

**Ms. Jany Keenan (Private Citizen):** Thank you, Mr. Chairman, honourable members, ladies and gentlemen. First, I wish to thank you for allowing me this opportunity to present when I would not be able to tomorrow, and I do appreciate that very much. I appear before you to add my voice to the myriad of other Manitobans who have indicated their opposition to Bill 67. The Manitoba Telephone System belongs to the people of Manitoba.

When this government was elected, we believed you when you said that you had no intention of privatizing our system, although perhaps we should have questioned the fact that you apparently saw the necessity to state what should have been obvious and unnecessary to say.

This government has no mandate to sell the corporation, as you have been told many times, and to do so would be immoral, undemocratic, illegitimate and possibly illegal. The overwhelming response of citizens to this bill—you hear it on radio phone-in shows, you read it in the newspapers and in individual conversations—is that this bill should be withdrawn.

I am speaking to you now as a lawyer. I used to be a nurse. In the course of both of my careers, I have had experience with a great many people across a broad range of occupations and socioeconomic strata. I have worked with people with many needs, not all of them poor, many of them the elderly, the handicapped, shut-ins, and now I work with single parents, men and women, who are looking after their children on their own and need the support of a telephone.

Based on an experience of over far too many years, I would like to provide you with some of my reasons for opposing the sale of MTS. Firstly, nearly 4,000 Manitobans are employed by our system. I will not beat a dead horse here; it has been said over and over tonight that the great fear is that as soon as MTS does not belong to the people of Manitoba, there will be no pressure on the owners to keep the jobs in the province. It is easy to shift them anywhere in the world in this day and age. Additional jobs will be lost within the province beyond MTS if the new corporation is not purchasing its services and supplies from Manitoba companies. Other businesses may be hurt, Manitoba businesses.

Secondly, the sale of Manitoba Telephone and the almost inevitable increase in rates, especially in rural areas, will be costly not only to the residents, the senior citizens, the single parents of rural Manitoba but also to the businesses which have to compete with businesses in Winnipeg and businesses in other states or provinces and were on an even playing field with their Winnipeg rivals. They will now face considerable disadvantage. So you are hurting people who are your supporters—I am speaking to the members of the government now—people who support your party, who are businessmen who are running small businesses in rural Manitoba. You could be hurting them.

Thirdly, Manitoba rates are low in comparison to other companies. This benefits small businesses throughout Manitoba and private citizens, especially those on limited

incomes such as senior citizens, single mothers and persons with disabilities. You have heard over and over again tonight how much people rely on the telephone to communicate with the outside world. There are many elderly people in this city, in this province, who are not well enough to be able to get out and join senior citizens' clubs and participate, go on tours. These are people whose only contact sometimes with the outside world is through the telephone. They are also on very limited incomes, especially the ones who are relying on their investments, and the interest rates have plummeted, so their incomes have gone down too.

What are they going to do without a telephone? I will tell you what is going to happen. They are going to become depressed; they are going to become more ill, and they are going to need to be institutionalized. They will not be able to survive on their own. If there is no button to press, if there is no phone line there to get them help when they are ill, they are going to have to be in an institution where people can watch them. Now the policy of this government has been to try to break that institutional burden on this province and try to help people live productive lives as long as possible outside of institutions. You could be taking away one of the key resources to keep people in their homes as long as possible. Add that to your cost benefit analysis on whether you should sell or retain MTS. Perhaps the cost of looking after these people in institutions is going to offset any minimal gain you will have and one-time gain you will have from the sale of MTS.

My fourth reason is that we now have a company that is acknowledged worldwide as a vibrant organization on the leading edge of technological change. When we have a company like that in Manitoba, we are benefitting the province by encouraging new technology, new training, new jobs in a field that is one of the most important for the creation of jobs in this country. It is not just the jobs of the people who work for MTS who are going to be lost, it is the people who they are developing through using their talents in creating software and new kinds of technology. They are going to suffer too because if people outside of the province own it, they are going to turn elsewhere for that kind of technology. So you are losing an opportunity of providing jobs not only through the system itself but for encouraging the development of technology in this province, which is what we want.

The process by which this government proposes to sell off MTS is questionable. Most of the speakers here tonight have criticized the fact that you are making your decision seemingly based on a report by three agencies who will profit from the decision to sell and the report is not so much a study of the entire—

**Mr. Chairperson:** Two minutes.

**Ms. Keenan:** —exercise, it is simply an audit of the company. You have already sold off two of the more profitable areas of MTS at considerably discounted prices. That makes the sale of the rest of the company less attractive and therefore does not make business sense.

Finally, in this electronic age the different electronic media are becoming merged closer and closer together. You have the Internet, you have television, and you have telephone, and they are all becoming inextricably linked. It is also becoming beyond the power of bodies like the CRTC to get a handle on it, to control it. Governments need to have some control. We know that the CRTC has to rely on the companies to try to control the things like pornography on the Internet, advocating terrorism, invasion of privacy. If the government retains control of a very major part of the whole telecommunications system which has roots into all of those various areas, you have a modern way of controlling the communications and making sure that it is for the benefit of all citizens.

I would suggest that in doing what you have done without the mandate of the people, that you are engaging in a process of corporatism. It is not the corporatism of the old days which people called fascism but which at least was for the benefit of the community at large, this is corporatism per se for corporations.

\* (0000)

**Mr. Chairperson:** Excuse me. Your time has expired.

**Ms. Keenan:** That is it. Thank you.

**Mr. Chairperson:** Questions?

**Mr. Ashton:** I want to follow up on your final point, because a good friend of mine who has been involved and

followed politics for many years said that he felt we were beyond autocracy and we were living in what he called a corporocracy, you know, a society in which we are no longer controlled just even by a few, not even by an elite, but by entities, by corporations. You referenced the three Bay Street investment brokers and I wonder if you can comment on the fact that not only have they recommended the decision, but they are now the lead brokers in the sale and particularly given the fact that we still do not know how much the study costs. But as I mentioned earlier tonight, if it was one cent, it was one cent too many, because I think everybody knows that when you get investment brokers that is their business to sell off companies. What are they going to do, say do not sell it off? I am wondering what your feeling is on that, which I feel is further evidence that I do not even know what kind of control the government has anymore even over its own activities, and when you can get three investment brokerage firms on Bay Street in Ontario pretty well writing the agenda for this government, who is in charge?

**Ms. Keenan:** Unfortunately, they did decide to employ these people so I suppose to that extent they are in charge, but I think that what has happened is that their mentality—people can be swept away by ideology either to the left or to the right and they can lose their sense of perspective. They can get carried away and think that everything that the corporate agenda spells out is good or they can get carried away the other way and say that everything is bad. I think you have to look at each decision as you go.

What I would like to see from this government is a study, not just an audit of the company. I would like to see a major report on the economic and social impact that this sale will have on this province. I would like to see that. I think that when a government makes a decision contrary to its election promise that there is about a two-stage process of listening to the people. You are doing, in a very narrow way and only to the people near Winnipeg, you are listening to us now. You should have done that before you made your decision. You should have done that, listened to us, made your decision, announced it, and even that is not good enough. Then you have to say to the shareholders, what do you think. Will you approve? It is two steps. You listen to the people before you decide, and after you have decided you

give that decision back to us and say, will you vote on it. You either run it on an election or have a referendum.

**Mr. Sale:** Mr. Chairperson, I think this is our first presenter who has actually talked about corporatism as an evolutionary form of non-democracy. It sounds like you might have read John Ralston Saul's Massey Lectures or Voltaire's Bastards or something. To me, he is the leading writer and thinker about this whole issue. What I wanted to ask you is how you respond to an analogy that he has drawn in a couple of his books, and that is that our democracies are at great risk of sleepwalking into the future. That is, that they are what he calls an unconscious civilization because they are not subject, they are objects, in effect, of corporate will, and without our very deep awareness of that. We are quite unconscious of that. Is that an analogy that speaks to you in terms of sleepwalking into the future?

**Ms. Keenan:** Yes, indeed, this is a perfect example of that. We are now in a position, because of decisions made in the past through NAFTA, where once we take this step it cannot be reversed. This seems to me, and I have not heard this expression before, but this seems to me to be a perfect example of making a hasty decision based on a minor report that just looks at the finances but does not look at the impact on the province and sleepwalking into a future that you cannot get away from because if you wake up in two years and see that all hell has broken loose, you are going to say, Oh, my God, I cannot do anything about it now. We are dead.

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

**Ms. Keenan:** Thank you for allowing me to speak.

**Mr. Chairperson:** The hour is now past midnight. Are there any people in the audience, persons in the audience that wish to present yet tonight? Two? Do you know your relative position in numbers on the sheet?

**Floor Comment:** I am No. 191.

**Floor Comment:** I think 54.

**Mr. Chairperson:** Number 54. Would No. 54 please come forward then? Miss Johansson? You may proceed.

**Ms. Joan Johannson (Private Citizen):** Hello, my name is Joan Johannson. A few months ago I reread *Lament for a Nation*, and I still have not gotten over the shock. This book was written in the 1960s, and it forecast what was going to happen to Canada. The country as we then knew it would disappear, and this would happen because the individualism of the liberals would mean that governments no longer cared about the community. It would be every man for himself and devil take the hindmost. Government would no longer be considered as an expression of the people's will or be there to serve the people. There would no longer be any need for Canada because there would be no sense of a community. The individual and his or her wants or needs would be all that mattered.

Now in the book there was a champion and the last great champion of the Canadian people at that time was called John Diefenbaker. Here was a Canadian leader who cared about the people, the average working man and woman, and here was a man who understood that people lived in communities. Our communities and how they are structured give meaning to our lives.

The Canadian community has always been a mixture of co-operation and competition, and it probably up until 10 years ago was the best of all countries because this mixture meant that business was allowed to compete within certain limits but those limits were set. There was always a sense that the resources of the country were to be shared among the citizens of the country and the individualism of private enterprise was to be balanced by the greater good for the community.

\* (0010)

Now, Mr. Diefenbaker, as a Conservative, had this great sense of community of the Canadian people. Mr. Diefenbaker was part of a great Conservative tradition. After all, it was a Conservative government under Mr. Roblin, in 1908, that established the Manitoba Telephone System. It was also a Conservative government that enacted legislation that brought medicare to this province.

I remember being in this room 30 years ago and speaking to a legislative committee. At that time, I was on the executive of the Citizens Coalition for Medicare and at that time the hearings were very different. The

members from all parties took part in the debate. There were questions, comments, discussion. There was a sense that a matter of great significance was being debated and the debate was taken seriously. As we presented our fervent requests that the government bring in a medicare system, we knew that the government in power, the Conservative government, would never do such a thing. However, we also knew that this Conservative government was actually listening to us, the people. We were not dismissed, and after the debate between the people and their government, the government listened, reflected and finally granted the requests of the people.

Now this is the second time this month I have been to a hearing on legislation that is important to us. After the hearing on Bill 36, I went home, and I started to think about what had happened. As I prepared for today, I began to think about those hearings of 30 years ago and the hearings of last month. I began to think about John Diefenbaker and the *Lament for a Nation*, and I began to think about the Conservative Party and at one time I had respect for the Conservative Party. When there was a political battle there was a sense that we all cared deeply about our community, the community that we all live in and we all cared about the democratic process that allows us to disagree, to agree if possible, but most importantly to listen, to respect the views of each other.

Well, today, I am wondering. I am wondering if that old Conservative vision, that vision of a caring for a community is still there. Is there still a willingness to take seriously the real, the deep, the heartfelt concerns of the citizens of this province? You are in the process of taking away from us an important resource that belongs to us all. Before you make such a momentous step, consider, consider asking the people what they want. You all entered public life to serve the people, not just those you directly represent but the people of Manitoba, and now the people of Manitoba need to be asked if we want to lose our telephone system and only then can you sell MTS, only if the people direct you to. Thank you.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Ashton:** I want to thank the presenter, and I am fascinated by the fact that you went and reread *Lament for a Nation*. It is a book I remember very well, that influenced me. It was always a paradox for me that I

joined the NDP when I was 17 and yet of all the Prime Ministers—I guess since there were not any NDP Prime Ministers—the one I probably had the greatest affinity to was John Diefenbaker because he did, in his own way—not always in I way I would have necessarily agreed with if I had been able to vote at the time—but I think he stood, as he said, for the common person and had a sense of Canada which blended his belief in the parliamentary system and his role as a legislator with a real sense of the role of western Canada and the North, many regions that had been excluded.

I cannot be struck myself anymore when I see what this government is doing hiring three Bay Street brokerage firms to basically write the script for the sale of the Manitoba Telephone System. To my mind, John Diefenbaker must be just twirling in his grave at the thought that a so-called Conservative government would be doing this.

As you mentioned this, I was struck by the fact that, you know, it is interesting in the last election it was not the Conservative government—at least if you were to read the lawn signs—it was the Filmon team with a small Conservative logo on the top. I am wondering how you felt in reading this book again, which is a very passionate book, *Lament for a Nation*, and it was a time which the establishment in Canada was pillaring—you know, John Diefenbaker, trying to write him off as some kook, someone not deserving any respect whatsoever—how you feel reading that again and then, on the other hand, seeing this government, which to my mind is implementing the agenda that John Diefenbaker spent his entire political career fighting.

**Ms. Johannson:** I am looking at the gentlemen here—I guess you are all similar to my generation; none of us are youngsters here. So I wonder, I look at you and I say, what happened? Have you forgotten where your roots are? Have you forgotten what it means to be a Conservative? A Conservative has always meant somebody that cared about the community, the common good, the people. I have always felt respect for you and not always agreed, but now there is something very strange that has happened. I do not understand; obviously, I do not know what is going on in your caucus or in your party but I am thinking, what happened? Are your roots no longer valid? Are the things that you stood for for years and years no longer valid? Have you just thrown them all away? I find it so incomprehensible.

**Mr. McAlpine:** In answer to your suggestion that the members on the government side are not posing any questions and that seems to cause you some concern and discomfort, I was elected by the people of Sturgeon Creek in 1990 and 1995 by a sizeable majority, and I was elected because I listen to the people. For the information, and I can say this on behalf of all the members on this side of the House, we are here to listen to presenters, not to turn this into a political process. Now if somebody wants to take that road and lose the focus of why we are here, then let that be their decision, not mine, because I am here to represent and listen to the people and that is what I choose to do.

**Mr. Chairperson:** Ms. Johannson, for a quick response.

**Ms. Johannson:** I do not know if you have been to hearings previously, Gerry, like I have for 30 years. It was very, very different. It was a discussion where people who cared about their community talked with each other, threw ideas around, tried to come up with something that really meant something to their community. You are not just elected for Sturgeon Creek, Gerry, you are elected for the people of Manitoba.

\* (0020)

**Mr. Chairperson:** Thank you very much. The time has expired. Thank you for your presentation.

**Ms. Johannson:** Thank you.

**Mr. Chairperson:** Mr. William Goddard. Number 190. Do you have anything to distribute to the committee?

**Mr. William R. Goddard (Private Citizen):** The committee should have a presentation I sent by fax and should have been copied by the clerk.

**Mr. Chairperson:** Oh, okay.

**An Honourable Member:** That is the one we needed a readable copy of.

**Mr. Goddard:** I do not think so. I phoned, and they said that the copy was okay.

**Mr. Chairperson:** Please proceed. You will give us the good copy now.

**Mr. Goddard:** Well, I have a copy here, but you do not have a copy to look at?

**Mr. Chairperson:** Yes, we can get a good copy made of it.

**Mr. Goddard:** Okay. I just have a question on procedure. Is it that I am anticipated to just simply read what I wrote or is it just to simply clarify?

**Mr. Chairperson:** No, it is not necessary. More particular, it is an element of time of 10 minutes for the presentation, five minutes for questions.

**Mr. Goddard:** Well, okay, the purpose of my presentation—I will not read explicitly the presentation that is written. My goal of coming to the hearing was to answer any questions primarily and/or illuminate some of the points that I made. I am not addressing the issue of to sell or not sell MTS. I think that has been dealt with by many others. My question is more along the lines of what is in the best interests of, you know, the future of this type of organization that provides telecommunications and/or can provide other kinds of services.

That is why I have set out some recommendations. I think the primary one that I still put first was the equitable access to telephone service. The second point is dealing with new technologies. Now the licences have just been granted on the first round of what they call local multipoint communication systems. It is going to, believe it or not, be controlled by one company for most of Canada and a second company for Quebec. These technologies can, in fact, replace, they can actually compete directly with local telephone systems. Now, of course, that was a decision made by CRTC to not allow the telephone companies to compete for those licences. As I say later in the text, the next round, they will be able to. So clearly we have to have some means in the organization to allow it to adapt to these new technologies.

Third point, I do not illuminate on any further in the text. I see that the present organization is fairly strong because it is backed by the government to protect the MTS and its customers from economic impacts of

business cycles or changes in regulatory frameworks. So any new organization—remember how it is held—should deal with providing similar protection.

The fourth point was the need to provide the option of ownership by say a nonprofit co-operative whose goal would be to maximize what I call ecological and societal profits. I should clarify that point because there are new ideas. What I mean there is that if you had a nonprofit co-operative which was—say the shareholders were all the individuals of the core subscribers, then of course it could be retained, ownership could be retained in the province. It just simply would mean how would you actually run such an organization. One of the criteria that I am putting forth there is that we do not want to maximize profit by money-making profit. What you want to do is make such a service maximize the societal benefits. I think some presenters before talked about the common good. Perhaps, that is just what I am saying here by ecological and social profits but, perhaps, calling them profits because people do not seem to think of the common good as being a worthwhile enterprise.

The fifth point is the need to provide the option to transfer ownership. Now at the present time there is a talk of sale. It means that there is a thinking that if you sell this you get money. Well, that is very true, you do, but it seems that a one-time source of funding is not necessarily the best decision. So there should be some means put in the legislation to ensure that any kind of organization that takes over from the present one will have a means to raise money on an ongoing basis to satisfy the need for research, development and capital works. I believe that this can be designed into such a co-operative, and I illuminate later how that can be done.

The sixth point—I think six and seven actually go together—and the sixth point is a means to subject a sale or transfer of MTS to a performance test. What I mean by that is that, first of all, if you are conducting any kind of business, you do not just go selling things or transacting business without some kind of criteria for success, and I think that if you had a choice of options to put on the table you would subject them to some fairly comprehensive criteria. Now I have suggested a few criteria. I think there are other expertise that could, I am sure, list others but these criteria are basically ones—in fact, I list them I think on the third page, a summary of those. There has to be some evaluation criteria to include

the responsiveness of the new MTS to citizens of the province or there has to be an evaluation criterion for the new ownership or new control and to make sure that it can have access to low cost financing and especially not subject to currency exchange fluctuations, which seems to be what will happen if you make it so that it has to go outside the normal funding process. Right now, I am sure the lowest cost of financing is not going on to the market necessarily even though the interest rates seem to be low.

The third criterion I suggest is that it must show that the new structure of the organization will allow to provide basic telecommunication cost at a nominal cost. In fact, what I am suggesting there—and that is what I talk about in the seventh point—is also—sorry, that was not in the seventh point—I just basically wanted to illuminate a little bit more of that third criterion. We have been talking about the original mandate of the MTS as a nonprofit Crown corporation—it was written right into the terms of its creation—was to provide basic service at the lowest and affordable cost to its customers. I think that we can even go beyond that. If we transformed this to a co-operative, we should be able to regard this telecommunications, the basic service, as an essential service. It is just like we do not let people who cannot pay for the roads to be cleaned, we do not say, oh, you do not get your roads cleaned. It is an essential service, and I think that is what we have to start thinking about. We are going in the wrong direction if we think of this as being a profit-making enterprise. It should be considered as a social maximizing benefit enterprise, and we should provide the telephone service at a nominal charge. That should be the goal of the new organization which would be superior even to the present system.

I guess the seventh point I have here is a means to recover ownership. Say you did come up with a performance test, everybody makes their promises to deliver, but once you sell it or transfer the ownership to another organization you lose control. Other than the proviso of this special share that is going to be held by the government, I feel that it would be better to have a more objective process in place, a more objective type of mechanism that if the owners fail to satisfy the performance criteria—

**Mr. Chairperson:** You have two minutes.

**Mr. Goddard:** Yes, that is fine. If they fail to satisfy this performance criteria in practice there would be some

means built into the transfer or sale that does not have to resort to special powers of the government, which again is a political decision. So that is the basic concept that I have put forward. I did put some background to these in the text, and I think that the committee can read those over. I am certainly glad to answer any questions regarding the ideas.

The only other idea I would like to refer to is that I have done a fair amount of work on democratizing the kinds of these types of large structures. One, on the fourth page, this is actually abstracted from another presentation, so it does not quite jibe with the other part of it, but it is a model that is adapted from a work by Ackoff and his work on democratization of corporations. This type of model would be very adaptable to this new proposed co-operative to make a much more responsive and efficient system for ownership and/or fundraising and operation of such a new organization.

So that is my basic presentation, and I am glad to answer any questions.

**Mr. Chairperson:** Thank you very much. Questions?

**Mr. Ashton:** Yes, I just wanted to indicate that it is interesting that you are talking about the other possible forms because the history of telephone service has been a mixture in terms of public enterprise of government-owned operations, but in many cases municipally owned, including here in Manitoba, there are many municipally owned telephone systems. There are still municipally owned systems in other areas. In the United States, where there was less government ownership, there often were co-ops or locally developed initiatives. So you are suggesting that that is another option that the government could have considered rather than the complete privatization of MTS.

**Mr. Goddard:** Well, I am just saying that the legislation instead of constraining—once this process is handed over to say some actors to carry out the process, they are going to be constrained by what the legislation says. The legislation can be rewritten, such that the options are in the best interests, ultimately in the best interests so there would be—since we may lose the ability to do that if the legislation is overconstraining, but it does not mean that the legislation cannot have the enabling capability in it for further analysis, as I suggested, the

performance test, the other criteria and make it possible to put that on professionals to do that. I do not regard people who are in public office as being professionals when it comes to doing business decisions and doing the optimization of what kind of organization should be taken over.

**Mr. Chairperson:** If there are no further questions, thank you very much for your presentation, Mr. Goddard.

**Mr. Sale:** Just before we rise, and while we have no witnesses, I want to ask the minister whether he would be in a position to advise the committee whether there will be amendments forthcoming around the pension issue. We have had some very persuasive and eloquent and sometimes emotional questions raised, and clearly the professional organizations represented by the pensioners are—they may be needlessly concerned—my sense is that there are some grounds for concern, but is the minister able to advise the committee whether there will be amendments at this stage or at third reading particularly and specifically around the pension issue? He may not be able to. I am just asking.

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Well, certainly there have been questions raised around the pension issue. I am aware of the issues. There has been discussion going on involving MTS and representatives of the different unions. Those discussions, I think, to a large extent have resolved some of the concerns but at the same time, as we are moving through this, we are considering what kinds of amendments might bring this whole thing to a conclusion that comforts everybody.

**Mr. Chairperson:** Okay, thank you. Since there are no more presenters, committee rise until 9 a.m. tomorrow morning (Friday).

**COMMITTEE ROSE AT: 12:34 a.m.**

#### **WRITTEN SUBMISSIONS PRESENTED BUT NOT READ**

Re: Bill 67.

I recommend that the bill be amended to address the following:

(1) The need for equitable access to the telephone service. (2) The need to adapt the service to new

technologies such as the Local Multipoint Communication System (LMCS). (3) To ensure protection of MTS and its customers from economic impacts of business cycles or changes in regulatory frameworks. (4) The need to provide the option of ownership by a nonprofit co-operative whose goal would be to maximize what I call "Ecological and Societal Profits" (defined in text below). (5) The need to provide the option to transfer ownership to a co-operative with all Manitoba-based subscribers as its shareholders. Instead of selling the assets to raise a one-time source of funding, an unlimited means to raise money for research, development and capital works can be included in the design of such a co-operative. (6) A means to subject the sale or transfer of MTS to a performance test. This means that all options for transfer must be subjected to evaluation. Some appropriate criteria are specified below. (7) A means to recover ownership or control of the new MTS Ltd. without political intervention (i.e. other than using powers of the special share that would be held by the government) if the new owners fail to satisfy the performance criteria (point 6) in practice.

The means to provide equitable access to the telephone services and emerging telecommunication services has historically been provided by internal transfers. The mandate of MTS as a nonprofit Crown corporation has been to provide basic service at the lowest and an affordable cost to its customers. If ownership of MTS is transferred to a nonprofit co-operative, nongovernmental, it needs a means to provide the services to everyone at an affordable cost. The federal deregulation of the telephone system long-distance service has forced MTS to curtail or eliminate these cross-subsidy transfers. The legislation, Bill 67, has been offered as a means to provide various freedoms not currently available to MTS. For example, the solution to the reduction in the long-distance earnings base is seen as providing a means to earn money from activities other than basic telephone services. The argument that MTS must be transferred to private ownership to expand its earning base is questionable. MTS was enabled to create MTX for the purposes of earning money from export of its expertise. This ended in failure even though in principle MTX could have made significant earnings.

I believe that a board with public members would have prevented the mismanagement of MTX. In light of this experience, I recommend a democratic structure similar

to the one developed by Russel Ackoff. A diagrammatic model of this type of organization is attached. Also see Russel Ackoff, *The Democratic Corporation*, Oxford University Press, 1994. The evaluation criterion must include the responsiveness of the new MTS to the citizens of the province.

The lowest cost telephone service can be potentially provided by the Local Multipoint Communication System (LMCS). On the second round of federal licensing, the telecommunication companies will be allowed to bid on frequency allocations. This means that funding must be provided for the research, development and capital projects. A nonprofit co-operative can raise this money from an agreement with its members to collect an investment levy. This is lower cost than borrowing money from elsewhere or selling additional shares. Thus, an evaluation criterion of the new ownership or new control is that it will be able to obtain the lowest cost financing that is not subject to currency exchange fluctuations. My understanding is that the public utility is presently prevented from raising money via such a levy.

In the recommendations, I have introduced the concept of ecological and societal profits. I define ecological profits as the shared benefits of improvements in the ecological base of our society. Societal profits are improvements in quality of life that result from the activity of members of society. Clearly, universal access to communication provides a means to essential services, and this is a measure of quality of life. The evaluation criteria must show that the new structure of the organization will allow it to provide basic telecommunication cost at a nominal cost. It is a principle of taxation to share the cost of essential services.

One of the above recommendations is to provide for transfer of ownership to a nonprofit co-operative with all subscribers as shareholders. This transfer would not cost the subscribers any money. However, the structure of the new co-operative would allow democratically decided levies to be allocated on a basis of ability to pay, similar to taxation. There are several successful examples of such co-operatives in Canada and elsewhere. A combination of the typical consumer co-operative and the nonprofit airport authorities may be appropriate. The design of the organization must include responsiveness to the community, and this type of organization along with the democratic structure advocated by Ackoff (see above)

will be superior to typical centrally controlled, autocratic, corporations. The latter are inefficient and difficult to manage as size grows.

The broad base of the co-operative ownership would allow the new organization to include a large variety of services such as network-based computing services to earn income and improve the quality of life.

**Summary of Evaluation Criteria:** The evaluation criterion must include the responsiveness of the new MTS to the citizens of the province.

An evaluation criterion of the new ownership or new control is that it will be able to obtain the lowest cost financing that is not subject to currency exchange fluctuations.

The evaluation criteria must show that the new structure of the organization will allow it to provide basic telecommunication cost at a nominal cost.

William R. Goddard  
Winnipeg, Manitoba

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National Farmers Union Region 5  
Submission to the Legislative Hearings into Bill 67

The National Farmers Union (NFU) is the only voluntarily funded general policy farm organization in Manitoba. The National Farmers Union represents producers in all major commodities throughout Manitoba.

The NFU appreciates the opportunity to present our views on Bill 67, the Manitoba Telephone System and Consequential Amendments Act. However, the NFU is extremely troubled by the decision that the government has made to limit hearings on the bill to the city of Winnipeg. According to our information, 40 people in western Manitoba specifically requested that hearings be held in the city of Brandon. It is surprising that a government with such a strong rural base of support would not think that it would be necessary to give rural citizens the same opportunity to present their views as it would to the citizens of Winnipeg.

The decision the government has made up to this point to limit the hearings on Bill 67 only to the city of Winnipeg has effectively excluded rural Manitobans from having any input.

The National Farmers Union recommends that hearings on Bill 67 be held in a minimum of 10 locations in rural Manitoba so that rural residents may express their views.

Rural Manitobans live in communities where communication services are less available than they are for urban citizens. Many rural communities have had their post offices closed in recent years, for example. In rural areas where distances are large and infrastructure, such as roads, is often substandard, having access to adequate and affordable telephone service is critically important.

The National Farmers Union would like to point out that Manitoba has the lowest phone rates in all of North America. As a publicly owned company, MTS has provided rural customers with phone service which is affordable.

The argument has been made that MTS must be privatized because of the debt that the corporation carries. As farmers, we recognize that debt is backed by assets. The National Farmers Union would like to point out that the assets of MTS far exceed the debt load.

Privatization should not be seen as the only option available to government to improve the financial stability of MTS. One option would be for the government to issue bonds, similar to the HydroBonds. Another option would be to consider some form of amalgamation with the publicly owned SaskTel in Saskatchewan. The National Farmers Union believes that government has a responsibility to govern and not simply retreat from its duties when a challenge presents itself.

It is important to note that MTS is also profitable. Since 1990, the corporation has earned more than \$100 million in profits. The National Farmers Union wonders what mechanism the government will implement to recover this amount of revenue if MTS ceases to be a publicly owned company.

Rural Manitobans are relieved that the party line system has been replaced with individual line service in

most areas of the province. Under the party line system, rural customers lived for generations without the ability to use the telephone when they wanted to, without the opportunity to have a private telephone conversation and were even expected to limit their conversations to five minutes or less. The party line system meant that rural customers could not own fax machines. Without any doubt, the party line system limited the ability of rural Manitoba to develop economically and socially for many decades.

The National Farmers Union notes that Alberta and Saskatchewan both completed the conversion to individual line service through publicly owned telephone companies, and Manitoba's conversion to individual line service is nearly completed. Most other provinces with privately owned telephone companies still have party line service in rural areas. The National Farmers Union recognizes that a publicly owned company can be used by governments as a policy instrument to ensure that rural residents can receive a level of service which is comparable to that provided to urban citizens. For that reason alone, Manitoba Telephone System should be maintained as a publicly owned company.

Rural telephone customers benefit from the rate rebalancing carried out by Manitoba Telephone System. Rural telephone rates are subsidized up to 47 percent in some areas of the province. This is another example of how MTS currently serves as a policy instrument to ensure that service for rural Manitobans is comparable to the service provided to urban Manitobans.

The National Farmers Union recommends that the people of Manitoba, through their government, retain ownership of MTS.

The National Farmers Union would like to remind the government that privatizing MTS was not part of its election mandate. During the '95 election, the government indicated that MTS would not be privatized.

We urge the government not to proceed with any amendments until it is confident that it has consulted with rural Manitobans and can prove that any proposed amendments will help, and not harm, rural Manitobans.

Respectfully Submitted by  
National Farmers Union Region 5