



HARSTAD

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*



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

**Members, Constituencies and Political Affiliation**

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

**LEGISLATIVE ASSEMBLY OF MANITOBA  
THE STANDING COMMITTEE ON PUBLIC UTILITIES AND NATURAL RESOURCES**

**Thursday, October 31, 1996**

**TIME – 9 a.m.**

**LOCATION – Winnipeg, Manitoba**

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

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

**ATTENDANCE - 9 – QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Cummings, Driedger ;

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

*Substitutions:*

Hon. Mr. Praznik for Hon. Mr. Derkach

**APPEARING:**

Ms. Becky Barrett, MLA for Wellington  
Mr. Edward Helwer, MLA for Gimli  
Mr. Stan Struthers, MLA for Dauphin

**WITNESSES:**

Ms. Carol Masse, Private Citizen  
Mr. Tim Sayeau, Private Citizen  
Mr. Brian Meronek, Retired Employees of MTS,  
TEAM and IDEW  
Mr. Jeffrey Lowe, Private Citizen  
Ms. Brenda Scarcella, Private Citizen  
Mr. Kevin Rebeck, Canadian Union of Public  
Employees  
Mr. John Robson, Private Citizen  
Mr. Kevin Miller, Private Citizen  
Ms. Shauna MacKinnon, Private Citizen

**MATTERS UNDER DISCUSSION:**

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

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**Mr. Chairperson:** Good morning. Will the Standing Committee on Public Utilities and Natural Resources please come to order. The business before the committee this morning 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 this evening at 6:30 p.m. and, if necessary, tomorrow, Friday, November 1, at 9 a.m. These meetings will all be held in this room, Room 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 morning 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 morning 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.

I understand there is a request for a committee change?

**Committee Substitution**

**Mr. Jack Penner (Emerson):** Mr. Chairman, with leave, I would move that the honourable member for Lac du Bonnet (Mr. Praznik) replace the honourable member for Roblin-Russell (Mr. Derkach) as a member of the Standing Committee on PUNR.

**Mr. Chairperson:** Does the member have leave?  
[agreed]

\* \* \*

**Mr. Chairperson:** Before we continue with public presentations, I would like to remind committee members and the public present that the committee has previously agreed to a 10-minute time limit on each presentation 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 this morning.

The out-of-town presenters are indicated on the list by the asterisk after their name on the list. Yesterday evening when this committee met, there was some discussion as to whether persons whose names had been called twice would be dropped from the list in view of the inclement weather. What is the wish of the committee in this regard?

**Mr. Gerry McAlpine (Sturgeon Creek):** I would recommend to the committee that those members from out of town are called one more time, as other members on the list, as they appear on the list, and if they are not present, then they will drop off the list.

**Mr. Steve Ashton (Thompson):** Mr. Chairperson, we have scheduled several committee hearings, including hearings today and tomorrow. Those were scheduled right at the beginning, and I think we have seen some very unique circumstances the last couple of days. I just do not think we really need to deal with this at this point in time. We have been proceeding quite well, and I would suggest we perhaps review it at the evening hearing tonight. We will be sitting tonight, and I think at that time—I think the weather is improving, and it may not be that much of a problem. So I would rather not deal with it now and perhaps deal with it this evening at 6:30.

**Mr. McAlpine:** Mr. Chairman, with all due respect, I believe that we have to proceed with some order in this committee, some direction, and I would recommend that we proceed on that basis. If the Chair wants a motion to that effect, a written motion, I am prepared to make that and to have the committee rule on it.

\* (0910)

**Mr. Chairperson:** Do you have a written motion, Mr. McAlpine?

Order, please. The motion is in order, and it is moved by Mr. McAlpine that the committee call out-of-town members one more time and those presenters who have been called once before. Those presenters who are called the second time will drop off the list.

**Mr. Tim Sale (Crescentwood):** It being early in the morning after a late night before, could you clarify for the

committee the actual operation of what you are talking about here? Is it the mover's intention that anyone whose name is called this morning who has been called previously would now drop off the list? Is that the intention?

**Mr. Chairperson:** The methodology that was used earlier was that the committee would agree to hear all out-of-town presenters first. Last night a number of the out-of-town presenters were called twice. It was agreed that they would not be dropped off the list—I believe Mr. McAlpine's motion, and I will let him explain what he is referring to.

**Mr. McAlpine:** Yes, this has been discussed at length and we did, under some direction from members from the other side, take into consideration that there were maybe some presenters that may have had some difficulty in attending meetings. Frankly, my own experience does not support that, and I feel that this side, the government side, was misled by that, but I think the fact is that this will be the third time we will have called these members, and I think we have to offer some order to this committee. That is all this motion is designed to do. That is the reason I make that motion, Mr. Chairman. We could be here for a long time, and maybe frankly that is what the members are trying to do, is to filibuster this whole process and put the committee at risk. Maybe they do not have better things to do, but the thing is I would like to recommend to the committee that we proceed on this basis and go with that.

**Mr. Ashton:** I find it absolutely incredible the member for Sturgeon Creek—Sturgeon Creek, for the record, is a constituency in the city of Winnipeg—is now trying to move this motion dealing with out-of-town presenters and that he would have the nerve to talk about being misled yesterday. In case the member was not aware, there was a very significant storm. It was bad enough the night before. There was yesterday as well. I know he was making various comments about how long it took him to drive home.

Well, for the record, Sturgeon Creek I think is probably about 15 minutes from the Legislature, and as someone that represents a constituency that is minimum seven hours from the Legislature—and by the way, four of my communities do not have roads—I find it highly offensive that not only the member would be moving this motion but that he would make comments both in his

statement and also across the table which I find quite offensive.

We ended up in some unique circumstances. I suggested that we perhaps put this off. I am not the one that moved the motion in this particular case. I suggest that we deal with it later. So to talk about filibustering the committee, Mr. Chairperson, I find absolutely incredible from the member for Sturgeon Creek.

Quite frankly, what we found in this committee is that when we work by consensus, we tend to move along much more effectively. We did that I think fairly well the first two nights. Here, I could have come in and moved a motion, and we could debate. If you want to talk about what filibustering might be, we could debate a motion for the next three hours in this committee. We could do all sorts of things of that nature. But you know, when it comes to such things as out-of-town presenters, I think this is fairly important.

We did try to move a motion to have hearings held outside of the city of Winnipeg. In fact, the member for Dauphin (Mr. Struthers) referenced yesterday that we are getting motions in from rural municipalities calling for that very same thing. I know the R.M. of Lac du Bonnet and Brokenhead have passed resolutions.

**An Honourable Member:** Make a suggestion. What do you want to do?

**Mr. Ashton:** My suggestion was we deal with it tonight. We can go through the names this morning. I think we are going to have presenters. We know we are sitting here tonight. I am suggesting that we deal with it at that time.

It was not my preference to see a motion on this particular case. We were prepared to go straight into presentations. Sometimes it helps to make decisions—sometimes decisions can kind of evolve as time goes along in these committees. So I am just saying if the member for Sturgeon Creek (Mr. McAlpine) wants to inflame the situation this morning, obviously if he is going to put statements on the record we are going to respond to that I am sure from our side, the member for Dauphin (Mr. Struthers) and the member for Swan River (Ms. Wowchuk), who are both representatives of constituencies outside the city of Winnipeg, and the member for Crescentwood (Mr. Sale) who may be a city

member but understands the dynamics of what is happening, the reality of what happened the last couple of nights.

I also want to stress too that four committees were scheduled. I raised this concern yesterday, and I know people were informed of that fact. I think it is important that we not get into any situation of taking names off the list, particularly for out-of-town members and particularly given the circumstances, until the fourth meeting because I do know there were people I talked to that felt that meant they would have the opportunity if they could not make it in the first couple of nights to be able to present when they were able to make it in.

Mr. Chairperson, I would stress that we are sitting now Thursday morning at 9:17 in the morning. It is fairly unusual to sit during the morning on committees because what happens when you deal with committees where most of the presentations are from members of the public and I—[interjection] I would defer to the member for Lac du Bonnet, and I can continue my comments in a few minutes.

**Hon. Darren Praznik (Minister of Energy and Mines):** I thank the member for Thompson for his deferral. Recognizing the concern of all members of the committee, certainly on both sides there is concern about how committees operate and that we do manage to move through this, and recognizing that there may have been people who for whatever reason were not able to attend.

I would like to suggest, if the member for Sturgeon Creek (Mr. McAlpine) would entertain it, that we perhaps amend his motion, because we do have a motion on the table, or we find some vehicle with which to do this, but recognizing that those people who may have been called last night or today, this morning for the second time, who are from out of town, if they should arrive tonight at committee, that this committee certainly will hear them even if they have been dropped off the list because they have been called twice.

Obviously, if there was concern about weather last night in getting in, I think we could accommodate them this evening. So I would like to put that proposal, and if it is acceptable to the member for Sturgeon Creek and the members opposite, I think we could get on with the business of this committee.

\* (0920)

**Mr. McAlpine:** I have no difficulty with that because I am not really looking to limit anybody from making a presentation. That is not the design of the motion. The members across the way, you know, they laugh at that, but the thing is I agree with what the honourable member for Lac du Bonnet (Mr. Praznik) has recommended. I would ask that that only apply to out-of-town members and that that be specifically made clear.

**Mr. Ashton:** Well, it seems to me to put that into effect, the best thing is to withdraw the motion. The member can still move the motion later on and we can debate if it is a concern. That was my suggestion.

**Mr. Chairperson:** Is there agreement with the committee that the motion be withdrawn?

**Mr. Praznik:** Mr. Chair, what might be perhaps the best is if the member withdraws the motion and the committee agrees then that anyone who is from out of town would be considered to be on the list for one more time, I believe, for the purposes of tonight's sitting.

**Mr. Penner:** I certainly concur with that view. I would suggest from now on if there are rule changes to be made that the opposition want or procedural changes that the opposition want that they confer with us before we come to this table in order to expeditiously deal with these matters.

**Mr. Ashton:** Mr. Chairperson, to the member, it should be clear that we have ad hoc rule decisions made in these committees. There has been no standard practice. We have had out-of-town presenters called first in this committee, and in the Labour Relations committee the other night I had a constituent of mine who had to wait till two in the morning from Thompson because that committee decided not to call out-of-town presenters first. We have seen committees where names have not been dropped until they have been called three times, names where they have been called twice.

Let us be very clear on the record that the government has the majority on the committees. As House leader from the opposition, I was not even consulted about the timing of this committee—that was a unilateral decision that was made by the government House leader—let alone

on the rules of the committee itself. So I would hope that Mr. Penner would withdraw any suggestion that the opposition is driving the rules in this committee. The rules have been decided in this committee by the government majority, and if the member wishes to inflame debate, that is fine. I thought we had a reasonable compromise here, and I would suggest we continue with the business.

**Mr. Chairperson:** Is there agreement that this matter be deferred till this evening?

**Mr. Praznik:** Mr. Chair, I believe the agreement was that the member for Sturgeon Creek (Mr. McAlpine) would withdraw his motion and it was the agreement of this committee that for the purposes of this evening's sitting, those people, out-of-town presenters who have been called twice, would be considered to have only been called once for the purposes of this evening's sitting which then allows them to make it into town. Obviously, one can argue about weather and road conditions, and they probably vary across the province from place to place. Tonight is a very much different night and it is a scheduled sitting. If there are members who have contacted individual MLAs or members of the opposition or the government, we are certainly free to call them today and tell them they are on and available for tonight. So, certainly, there is no reason why this should not be the way. That is what I believe we have agreed to.

**Mr. Chairperson:** Okay. Is there leave of the committee for Mr. McAlpine to withdraw his motion? [agreed] Hopefully, I can get this right. Is it agreed by this committee then that for this evening the out-of-town presenters, if they come to the committee, will be heard and will be considered to have been deemed called once for purposes of this evening's meeting?

**An Honourable Member:** For tonight only.

**Mr. Chairperson:** For tonight only. Is that agreed? [agreed]

Now we will go on to presentations. As previously agreed in our format, we will call the out-of-town presenters first. Dave Tesarski. Dave Tesarski, not here, the name will go to the bottom of the list. JoAnne Hamilton. JoAnne Hamilton, not here, the name will go to the bottom of the list. B.E. George. B.E. George, not

here, the name will go to the bottom of the list. Spokesperson for the National Farmers Union. Spokesperson for the National Farmers Union, not here, dropped to the bottom of the list. Ian Robson. Ian Robson, not here, dropped to the bottom of the list. Jan Chaboyer. Jan Chaboyer, not here, will drop to the bottom of the list. Kim Fallis. Kim Fallis, not here, will drop to the bottom of the list. Susan Tjaden. Susan Tjaden, not here, will drop to the bottom of the list. Brenda Portree. Brenda Portree, not here, will drop to the bottom of the list. Jasper Robinson. Jasper Robinson, not here, will drop to the bottom of the list. Phil Oakes. Phil Oakes, not here, will drop to the bottom of the list. Rod Murphy. Rod Murphy, not here, will drop to the bottom of the list. Colleen Seymour. Colleen Seymour, not here, will drop to the bottom of the list. Garnet Boyd. Garnet Boyd, not here, will drop to the bottom of the list. Ray Cantelo. Ray Cantelo, not here, will drop to the bottom of the list. Susan Tait. Susan Tait, not here, drop to the bottom of the list. Heather Emerson-Proven. Heather Emerson-Proven, not here, will drop to the bottom of the list. Keith Proven. Keith Proven, not here, will drop to the bottom of the list. Lyle Ross. Lyle Ross, not here, will drop to the bottom of the list. Brad Mroz. Brad Mroz, not here, will drop to the bottom of the list. Antoine Desrosiers. Antoine Desrosiers, not here, will drop to the bottom of the list. John Whitaker. John Whitaker, not here, will drop to the bottom of the list. Bert Beal. Bert Beal, not here, will drop to the bottom of the list. Erwin Baummung. Erwin Baummung, not here, will drop to the bottom of the list. Anthony Riley. Anthony Riley, not here, will drop to the bottom of the list.

Carol Masse, please come forward. Do you have written presentations for the committee?

**Ms. Carol Masse (Private Citizen):** Yes, I do.

First off, I would like to say that I am from rural Manitoba, so I appreciate the discussion that went on before and that the committee is—people in rural Manitoba a chance to come in this evening. As well as road conditions, people are hurrying to beat the winter and get things done outside, and they use the daylight to do so. People from rural Manitoba though would very much like—

**Mr. Chairperson:** Excuse me, do you have written presentations for distribution to the committee?

**Ms. Masse:** No, I do not.

**Mr. Chairperson:** You do not. Okay. Please proceed.

**Ms. Masse:** People from rural Manitoba though find it very difficult to get to Winnipeg and would very much like to see these hearings held in some place outside of Winnipeg. Sometimes we think in rural Manitoba that there is Perimeter vision and heard a little bit about that this morning.

In my presentation I have come to express great concern about the privatization of Manitoba Telephone. I can remember a time when government would feel that they could not do anything as different in what had happened. We have had Manitoba Telephone here for approximately 90 years without a mandate from the people and that they would think that this had to be put forth in an election and that the people would use that as a decision on whom they were going to vote for. I am actually shocked, and a lot of the public is very dismayed that this kind of thing has come to pass. The people of Manitoba feel that they own the telephone company, that they are the shareholders and that no one has the right to sell it without their permission. That is a very strongly held view.

\* (0930)

We have had many of the private companies phoning constantly trying to get your business for long distance. Many of the people I talk to and including myself felt that we are the telephone company, the people of Manitoba, and why would we go with someone else when we have our own telephone company. I think that things are deteriorating and people are very disheartened by the lack of ethics and the lack of feeling of integrity that this would happen without having it in—especially when the election was such a short time ago.

The cost in rural Manitoba I feel will really go up. Of course there are bigger and bigger farms and there is more distance between it, so the telephone serves less people as it goes with the hardware that is necessary to do that, and for rural Manitoba and particularly the North but also for farmers, a private company not only sometimes raises the cost but decides that they are not even going to service some areas if they do not think there is a big profit in it. The profit is always there with a private company. I am in business. I mean, you are in

business to make money. It has to cost the people of Manitoba more to have a private company

If MTS needs more money for investment, which we hear, I think the people of Manitoba would be very glad to support their telephone company, like a HydroBond. It was a very popular thing at the time, the HydroBond, and I do think that there is some confusion out there by people, particularly the seniors, who feel that that is the kind of thing when it is being sold off that it was going to be like a HydroBond and guaranteed by the government. I do not think it is thoroughly understood what a risky thing it would be to buy a share like that.

I also have a son and a daughter who are coming up to the stage to look for jobs, and the jobs could very easily leave Manitoba with a privatization. We would like to see that our young people have opportunity for employment. Out in the rural area, for those who do have some perimeter vision, the telephone is also very important for safety. I live two miles from a neighbour, and I can remember the time I had small children and I was alone on the farm. Quite often people are alone on the farm and the telephone is very much a safety item if you need help if you are hurt. If you are working with livestock or machinery, you can be hurt, and the telephone is very much a necessity. There is some concern about how affordable it would be for people that are on fixed incomes or are retired or are just plain poor.

I also wonder if someone on the committee could tell me how it is that there can be talk of writing off debt for a private company but not for the company that belongs to the taxpayers who have paid for the telephone. My mother is a senior, and she is extremely upset. She would be here to present, but she is in the hospital right now, so she is not able to come to present. Seniors very much have to worry about their ability not to earn any more money so that rising costs are very much a concern for those. I understand that in Alberta it has cost more for the local service and for having a telephone when it was privatized, and that is a steady climb up.

I cannot see that the local calls would not cost a lot more under a private system, and that is a concern. I have a very large long distance telephone bill personally that probably would come out about even with me because I am in business, and I use the telephone extensively, but I do think that it is necessary for the

initial cost to be very low so that everyone can have access to it. I know that there is, in many cases, a cancellation of services when you get private companies and the volume of the population is not great. The air service into Brandon would be an example, where you have less and less air service for smaller and smaller populations, which does not allow for all the people to have the same opportunities.

I thank this committee for having these hearings, and I wonder if I could have my question answered.

**Mr. Chairperson:** Thank you very much for your presentation. I believe Mr. Penner had his hand up for a question earlier.

**Mr. Penner:** I am really pleased that you took the time to come and appear before this committee. I find it interesting that finally we have somebody that is a rural person that is a business person. Could you tell the committee how long you have been in business?

**Ms. Masse:** Other than farming? The business? About 17 years.

**Mr. Penner:** So you would be able to tell the committee what your long distance rates and your phone bill has done over the last five years. Could you give us an indication as to what the rates were, your long distance or your total bill was five years ago and what it is today, comparatively?

**Ms. Masse:** Well, that would not be accurate because, of course, the volume of the business has increased, so the telephone bill would naturally increase, but the long distance rates have gone down, I think is your point.

**Mr. Penner:** Yes, that is right. Is that fair comment?

**Ms. Masse:** That is fair comment, yes.

**Mr. Penner:** So what you are saying then, rural Manitobans, especially those that use the telephone a lot, would have seen their telephone bills drop very significantly over the last five years.

**Ms. Masse:** Yes, but that has not been done in a completely fair way, in that Manitoba Telephone has invested in the hardware and, as you know, we recently

have private phones, which we are very thankful for in rural areas. These other companies are able to rent or get that at less than the cost to Manitoba Telephone, so the cost has gone down, but it has not been fair to the taxpayers who paid for those improvements because the CRTC, in its lack of wisdom, has allowed these people to use all that hardware that has been very expensive to put in at less than the cost and without MTS being able to charge to use their things as they would see fit. I do not think that is a very fair comparison.

**Mr. Penner:** So what you are really saying is, although we live in a so-called competitive system, currently it is not truly a competitive system.

**Ms. Masse:** No, and this is the case in a lot of things. You only have true competition if you have a lot of buyers and a lot of sellers.

**Mr. Penner:** Could you tell us how you would devise a system? Have you some ideas and recommendation that you could give government that we could direct MTS or maybe talk to the CRTC that would truly allow for a competitive system and allow our current system to operate within the parameters of that competitiveness on a more fair basis than what you are suggesting that it might be?

**Ms. Masse:** Well, I feel that MTS owns the hardware, and just like if somebody wants to rent your car, you should set what you are willing to rent it for.

**Mr. Ashton:** Mr. Penner keeps going on about long distance rates. I wonder if you can indicate—you mention your rates have gone down. Is that because of any privatization, or in fact is that with the element of competition? I agree with you; some elements are unfair.

**Ms. Masse:** Well, I think the technology has improved too, which has had a drop in cost.

**Mr. Ashton:** Well, I am wondering if you think a private company, you know, if MTS is privatized, will get involved in the kind of investment in rural Manitoba we have seen with MTS eliminating party lines, and especially given the fact that the only three provinces that have eliminated party lines either have or used to have publicly owned telephone systems.

**Ms. Masse:** Well, I definitely feel that there is danger of some areas of the province being left without any service at all, because if you are private company, you are there to make money, and if there are very few people to serve and it is more expensive than you can actually charge, then you could be dropping that service or put it up so high that it is astronomical.

\* (0940)

**Ms. Rosann Wowchuk (Swan River):** Thank you, Ms. Masse, for coming out today, particularly at a time, as you say, farmers are in a squeeze against the weather trying to complete their activities.

I want to ask you what your views are on whether a private company will continue to offer rural Manitobans the service that we have with the extended calling areas. We hear discussions about what happens just across the border in the United States where there is a very small calling circle and most calls you have to pay a long distance charge on. Do you have any concerns that if the company is privatized they will continue to offer that long calling area, or do you have any concerns about the people of Manitoba having to pay much more, many more long distance costs?

**Ms. Masse:** I do believe that there would be a lot more charges and that we might lose that. I must say that is extremely popular in rural Manitoba, having that larger area to call. Before—I live at Fannystelle and the next town is Starbuck; that was long distance. The next town north was Elie; that was long distance. Carman, which is to the south, was long distance. It was long distance just about anywhere we wanted to call where we do business or banking or at the store or the fuel dealership or whatever, and the people in rural Manitoba have been extremely pleased with this expansion of the area that they can call, which is really their community, now that we have better roads and we have larger communities and some of the smaller ones are disappearing.

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

**Ms. Masse:** Thank you.

**Mr. Chairperson:** I would like to now call Margaret Hayward. Margaret Hayward, not here, name will drop

to the bottom of the list. Bill Sloane. Bill Sloane, not here, name will drop to the bottom of the list. Jean Dixon. Jean Dixon, not here, name will drop to the bottom of the list. Fred Tait. Fred Tait, not here, name will drop to the bottom of the list. Ken Sigurdson. Ken Sigurdson, not here, name will drop to the bottom of the list. Chris Tait. Chris Tait, not here, name will drop to the bottom of the list. Ken Rosentreter. Ken Rosentreter, not here, name will drop to the bottom of the list. Henry Reske. Henry Reske, not here, name will drop to the bottom of the list. Isabella Proven. Isabella Proven, not here, name will drop to the bottom of the list. Larry Reske. Larry Reske, not here, name will drop to the bottom of the list. Stewart Hamilton. Stewart Hamilton, not here, name will drop to the bottom of the list. Raymond Froese. Raymond Froese, not here, name will drop to the bottom of the list.

Ken Winters. Ken Winters, not here, name will drop to the bottom of the list. Wayne Sotas. Wayne Sotas, not here, the name will drop to the bottom of the list. Brad McDonald. Brad McDonald, not here, name will drop to the bottom of the list. Andy Baker. Andy Baker, not here, name will drop to the bottom of the list. Elgin Tapp. Elgin Tapp, not here, name will drop to the bottom of the list. Anna and Irwen Folick. Anna and Irwen Folick, not here, name will drop to the bottom of the list. Mel Christian. Mel Christian, not here, name will drop to the bottom of the list. Lydia Spitzke. Lydia Spitzke, not here, name will drop to the bottom of the list. Laura Henderson. Laura Henderson, not here, name will drop to the bottom of the list. Peter Holle. Peter Holle, not here, name will drop to the bottom of the list. Barry Shtatlan. Barry Shtatlan, not here, name will drop to the bottom of the list. Marilyn Weimer. Marilyn Weimer, not here, name will drop to the bottom of the list.

We will now proceed to the beginning of the list.

Tim Sayeau, please come forward. Do you have copies for distribution to the committee?

**Mr. Tim Sayeau (Private Citizen):** Yes, I do.

**Mr. Chairperson:** The Clerk will distribute them. Please proceed.

**Mr. Sayeau:** My name is Tim Sayeau, and I am here to register my opposition to the Tory-proposed sale of

Manitoba Telephone System. The sale is prompted only by ideology, not by any real concern for the people of this province.

The arguments put forward by the Filmon government to support their conduct are specious and fallacious. They have argued the MTS cannot compete, cannot deal with changing technology and that its finances need to be improved. Now, all of those so-called arguments are nothing more than a smoke screen for the right-wing ideology the Tories subscribe to. They claim that competition is good for the consumer, that rates under private ownership will be kept down by competition and the CRTC.

This ignores the fact that MTS right now has the lowest rates on the North American continent, something all those private telephone companies cannot do. It is hardly surprising that the Tories ignore that; they have a long history of ignoring anything that does not fit their version of reality. The fact is that competition does not keep rates down, does not ensure service. All it does is ensure a race for profits at the expense of customers and service. As for the argument that the CRTC will keep rates down, that is a complete lie. In the case of Alberta Government Telephones, the CRTC approved a 6 percent rate increase last February, an increase in response to AGT's claim that without that increase it would only make a 2 percent return. Private companies have to make profits, the larger the better. Crown corporations only have to seek those rates that keep them operating, so the rates are kept low, no matter what the Tories claim.

As for the argument about rapidly changing technology, the Filmon government speaks as if MTS is somehow incapable of adapting. Now, I could believe that if MTS technology right now was still that of 1908 or even that of 10 or 15 years ago, but the fact is that current MTS technology is current technology—period. MTS has proven for close to nine decades that it is more than capable of adapting to and using new technologies. On the other hand, the Tories have shown they cannot. That was fully seen when they sold off MTS cable assets, the newest technology available to which MTS had adapted, worth \$50 million, for a paltry \$11 million. In short, the Tories preferred to lose money rather than invest in the future, which comes to the third so-called reason to sell MTS.

The Tories claim it is necessary to do so to put it on a sound financial footing. MTS right now has an \$800-million debt and total assets of over \$1.4 billion. The arithmetic seems somehow to have escaped Filmon and the Tories. MTS has a net value of \$600 million. If we get rid of the \$400 million that the Tories are talking about writing off for a private ownership, that increases to a net value of \$1 billion. So, however you split it, MTS is on a very sound financial footing. But again, that is a fact that does not fit in with right-wing ideology, so the Tories ignore it, just as they ignore the MTS employees, all 4,000 or so of them. Privatization is not going to keep all those people working. Privatization will cost Manitoba jobs. People who are employed today will not be under a privately owned MTS, and those that are left will not be paid what they are earning now. The quickest way for a private company to increase the bottom line is to reduce wages, lay off, downsize, cut back, claw back and get rid of employees.

That is the future this government has created, is creating and will create for Manitobans, except for some, that is. RBC Dominion Securities, CIBC, Wood Gundy Securities and Richardson Greenshields all approve of the Tory plan, and why should they not? After all, they stand to make millions in commissions on the sale. Why would they not approve of it, especially when they are asked by the government if selling out MTS is a good idea? Of course, it is a good idea to them. Not only will they get the commissions, they and others like them will get MTS. Contrary to what the government would have us believe, MTS will not be sold to the people of this province. The Tories claim that Manitobans will get the so-called right of first refusal. This is very easy for them to offer since it is meaningless. Nobody can buy just one share, a certain minimum of shares has to be bought. That means only those who can afford to buy can buy, and only the rich can afford to buy. Add to that the fact that individuals can buy up to 15 percent of shares, that 25 percent of the company can be foreign owned and that the Tories plan to reduce or eliminate foreign ownership restrictions, and all that will be Manitoban about MTS will be the name.

In conclusion, I want to say that apart from anything else about the Filmon plan to privatize MTS, I find the very idea of offering to sell to people what they already own to be nothing short of fraudulent and criminal.

\* (0950)

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

**Mr. Sale:** I wonder if I could ask the presenter to look at his second page, where he talks about the cable system sale. There is an interesting history here that more than 20 years ago Manitoba Telephone System wrote a white paper, in effect, for the then-minister who was, I believe, Ian Tumbull in an NDP government. Even 20 years ago, they pointed out the strategic value of this asset, predicting that compression technology, data compression technology and other as yet unproven but on the horizon technologies would make this cable asset incredibly valuable. Do you have any particular insights into why this cable would be so valuable and why the sale was a terrible, terrible strategic decision?

**Mr. Sayeau:** As to any particular insights, I have not associated with MTS in any way. As to why it would be so valuable—well, the fact is that ever since the beginning of telecommunications, faster communications have come along. Faster communications is better, so of course anything that improves the speed of transmission is going to be developed and is going to be used. As to why the Tories would have made such a decision, I have no idea.

**Mr. Sale:** Mr. Chairperson, to the presenter, did you happen to see the article in the Free Press a couple of days ago that talked about the speed of transmission on twisted pairs, on the old so-called obsolete and written-off copper that goes into everybody's home indicating, in effect, speeds ranging as high as 50 times what the current fastest modems would be and expectations that it would go beyond that?

**Mr. Sayeau:** No, I did not read that particular article.

**Mr. Sale:** Mr. Chairperson, did you happen to see that the Portage la Prairie cable system was sold for about \$800,000 when the cable was bought at fire sale prices by a company in Portage la Prairie? The company was subsequently sold less than two years later for over \$6 million. Would you think that that represented fair value in terms of a cable system sale versus the cost of most of its most important assets, namely, the cable, the repeaters, the amplifiers and the drops?

**Mr. Sayeau:** Selling something worth \$6 million for \$800,000, quite frankly, that is the sort of deal I would like to get, but does it make any sense, no, unless you are the person buying it; the person selling it, it is stupid.

**Ms. Wowchuk:** You indicate in your presentation that 25 percent of the company can be owned by foreigners. The federal government sold off CN, and we had assurances in that agreement that the amount that could be owned by foreigners would be restricted. Since the Liberal government sold off CN, we now know that 65 percent of the company is owned by Americans. Do you have any comfort that this clause in the act will ensure that MTS will not come under the control of foreign owners and out of the hands of Manitobans?

**Mr. Sayeau:** My reaction in the first place is I am not a bit surprised that the Liberals did not keep their promise. I have absolutely no reason to believe that the Tories will do any different.

**Ms. Wowchuk:** We also speak about the fact that Manitobans, individuals, can buy up to 15 percent of the shares. What is your view? When we look at other provinces, we see that the average citizen of a province buys very few of the shares and that has been the example in Alberta, that I believe only 10 percent of the Albertans actually bought shares. Do you believe that the average Manitoban has the resources or will be rushing out to buy shares in MTS?

**Mr. Sayeau:** In the first place, I do not see why Manitobans should go out and buy what they already own. In the second place, I do not believe that average, ordinary Manitobans do have the resources to go out and buy even a minimum number of shares that they can buy—supposedly can buy—much less 15 percent of the company.

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

I call George Marshall. George Marshall, not here, his name will drop to the bottom of the list.

**Ms. Wowchuk:** Just for clarification. When you were reading through the list, you read the last three names on the list who are not rural members. Does that affect them in any way? While those people, because they are not

rural members, will they lose their place on the list because they were—you read them from the bottom of the list? Will they lose their spot at the hearings tonight since they are not rural members? Will you call them again, is what I am asking, since they are urban members?

**Mr. Chairperson:** Yes. They will be called again. I noticed that when I was reading through, but I thought there are only three left, I might as well just finish it off.

**Ms. Wowchuk:** I just wanted to check. Thank you, Mr. Chairman.

**Mr. Chairperson:** Murray Smith. Murray Smith, not here, his name would be dropped to the bottom of the list. Grant Nordman. Grant Nordman, not here, name would be dropped to the bottom of the list. Russell Crockett. Russell Crockett, not here, name will be dropped to the bottom of the list.

#### Point of Order

**Mr. McAlpine:** Mr. Chairman, on a point of order, just more for a clarification. Anybody here who has been called twice, now these members, the names that you are reading now have not been called before. Okay. I just wanted that clarification. Thank you. Sorry.

\* \* \*

**Mr. Chairperson:** Brian Meronek, please come forward. You have copies for distribution to the committee?

**Mr. Brian Meronek (Retired Employees of MTS, TEAM and IDEW):** I do, Mr. Chairman. Thank you.

**Mr. Chairperson:** Please proceed.

**Mr. Meronek:** Good morning, ladies and gentlemen. My name is Brian Meronek, and I am here speaking on behalf of a number of present employees of MTS and retirees of MTS who, in total, make up approximately two-thirds of the number of beneficiaries who will be affected by the proposed amendments as they relate to the new pension plan to be established under Bill 67. More specifically, I represent retirees of MTS who number more than 1,700 and two unions of MTS, the

Telecommunications Employees Association, TEAM, and the International Brotherhood of Electrical Workers, which together represent approximately 2,540 employees.

I wish to emphasize that I am not here to speak in connection with the issue of privatization per se. I am here to speak exclusively to the matter of what is to happen to the pension plan of the employees of MTS which presently is found under The Civil Service Superannuation Act and with specific reference to the amendments posed in Section 15 of Bill 67.

\* (1000)

I wish to reiterate, as well, that I am not here with a political agenda. I am here to alert the committee to some of the significant vagaries which we see looming over the heads of the retirees and present employees of MTS should Section 15 be passed as proposed, without amendment. Whether wittingly or otherwise, Section 15 is substantively inadequate in our submission as it relates to giving the employees and retirees that to which they are entitled, that is to say, benefits which are the same or greater than that which they presently enjoy under the act.

The stated position of MTS and presumably the government has been that:

1) The beneficiaries pension and life insurance entitlements are protected by Section 15 of Bill 67;

2) Pursuant to Section 15(2) of Bill 67, the employees pension plan will be at least equivalent in value to current benefits;

3) It is the intention of MTS that the new equivalent benefit plans mirror the old plans insofar as possible. In some cases, it is possible that the new plans may be better than the old, but the benefits will not be less than what they are currently;

4) Under The Pension Benefits Standards Act, which is the federal legislation which will kick in, the legislation requires employers to make additional contributions to any shortfall;

5) MTS will continue to fund its pension liability. That commitment will now be backed up by the requirements of the PBSA.

These are statements that come from the publication put out by MTS, the Going Public publication in July 1996.

As well, MTS will fund fully its one-half share of the new plan as required by the PBSA. That was a statement made by a representative of MTS at a meeting with representatives of our constituents held on July 16.

We believe that the above statements can only be accomplished by giving the beneficiaries at least that which they have acquired in law or by agreement now, both in terms of representation and input and financial security.

The major concerns are as follows: Firstly, dealing with this question of surplus, a surplus in the fund has been identified as set out in the actuarial report which I believe has been tabled before the Legislature. It deals with the situation as at December 31, 1995. In that document, the fund in total, and that is for the total Civil Service employees, has been identified at \$70 million approximately. Based on the definition of transfer amount in Section 15 of Bill 67, the MTS employees-retirees portion of that surplus would represent approximately \$17.3 million. That is a calculation that my constituents' actuaries have performed.

There has been no clear indication from MTS that this identified \$17.3-million surplus which clearly belongs to MTS employees and retirees a) will not disappear by virtue of MTS's own actuarial calculations as to employer liability, or b) that the surplus will be matched by MTS upon transfer to the new trust fund.

As it presently stands, the entire transfer amount represents approximately \$378 million. Again, that is a calculation that has been performed by my constituents' actuary, and that is as at December 31, 1995. Bear in mind that when the transfer does take place, it is going to be at least a year hence, and there will have to be new calculations.

Having arisen out of the employees', retirees' contributions to the fund, neither the province nor MTS has any right to the transfer amount. That is a given, but what is equally obvious is that this surplus has historically been utilized for purposes of enhancing benefits. I have supplied a list of situations where the

surplus from the fund has been dedicated to employee-retiree improvements, and in those items where there is an asterisk, those were matched by employer contributions.

As I say, for those improvements marked with an asterisk, the use of the surplus for that purpose has meant a concomitant obligation on the part of MTS to fund a like amount, yet in the stroke of the drafter's pen, that right appears to have been lost, obscured or plainly overlooked.

We therefore urge amendments to Bill 67 to rectify this oversight or defect. There needs to be an amendment to establish that the surplus remains sacrosanct, and any surplus identified presently in the fund shall require MTS to make a corresponding contribution so that by some actuarial manipulation, the surplus is not dissipated or otherwise rendered marginal when the employer's liability is determined through subsequent actuarial calculations.

The president of MTS, in a letter to a representative of our clients on August 27, 1996, stated, and I quote: Once the amount of the surplus is determined and transferred to the trust fund, an analysis will be undertaken to determine the most appropriate use of the surplus in connection with the pension plan.

With all due respect, it is not up to MTS to determine the best use of the money of the employees, retirees. It is up to the employees and retirees to make that determination. At least MTS must receive their approbation.

The second issue is employee representation. The new plan will be administered by the employer, in this case MTS, where presently it has been administered by the Civil Service Superannuation Board. Under the PBSA, the employer is designated as the administrator. MTS has indicated that it intends to contract out the administration responsibilities of the plan. We understand that MTS is in the process of awarding that contract to the board, and I would digress to say that we would be pleased if that truly is the case.

Under the current act, the board is made up of equal representation of employees and employers, save and except that the chair of the board is an employer designate. Under Section 3 of the PBSA, the minimum

requirement for limited input into the administration of the plan through a pension committee is one representative for employees and one representative for retirees. This is a minimum requirement only. There is nothing in the PBSA which precludes equal representation. To date, neither the government nor MTS will endorse equal representation in terms of even limited administration and governance which the employees and retirees presently enjoy.

It is incongruous that MTS, which is obliged to contribute for the cost of at the most 50 percent of pension benefits historically, will have an overwhelming say in how the plan is to be administered. By ascribing token representation to the proposed pension committee, MTS is diminishing the principle of equal representation as set out in the act and has done nothing to placate the employees or retirees of MTS to date.

Furthermore, we question the use of the words "equivalent benefits" as set out in Section 15(2) of Bill 67. Equivalency is a subjective term which could either mean the same or lesser than or it could mean that benefits are different in some respects. MTS has suggested that the reason for the use of the word "equivalency" is necessary because of certain requirements under the federal legislation which allow for higher interest payments on employee contributions.

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

#### Point of Order

**Mr. Sale:** On a point of order, I wonder if we might respectfully request the committee to allow the presenter, who is clearly one of the most—though all presentations are important, this is clearly a very central and very important issue. I wonder if we might, by leave, agree that he would continue.

**Mr. Chairperson:** It has been requested—leave is granted. Please proceed.

\* \* \*

**Mr. Meronek:** That example is a red herring, because under the federal legislation, entitlement is greater than is otherwise the case under the current act. Therefore, it is

not justification for keeping the word "equivalent." It is justification for using such words as "equal" or "greater."

As indicated above, under the current act and regulations, through appointment to the board, there is equal representation between employers and employees in the administration of the plan, save and except for the fact that the chair is appointed by the employer. The employees and retirees of MTS have protested on several occasions in correspondence and in meetings with representatives of MTS that since at least 50 percent of the total benefits payable to employees and retirees comes through the fund and is their money that they therefore should have equal representation in how it is to be administered.

To date, this eminently reasonable request has gone unanswered. Instead, MTS keeps harkening back to the fact that under the PBSA, retirees are entitled to one representative, and the employees are entitled to one representative on the pension committee. To deny equal representation, or representation, the very least of which is consistent with what we now have, would be taking away vested rights and inconsistent not only with the present legislation but inconsistent with the enunciated and articulated philosophy of mirror image between the old plan and the new plan.

The third concern is the regulations and the plan text. The plan and the transfer amount of the fund will be governed by regulation. The regulations will govern many serious aspects of any transfer. The employees for whose benefit these monies are set aside in trust and who have made at least a 50 percent contribution have no knowledge, let alone any indication, as to what the regulations will say. The plan has been drafted, and as long as it complies with the minimum requirements of the act, it is subject to perfunctory acceptance by the Superintendent of Financial Institutions under the PBSA. My constituents have not had an input into the contents of the plan, let alone disclosure as to what the plan says.

What is even more crucial to appreciate is that in order to register the plan under the act, MTS must file the plan together with a written statement of investment policies and procedures in respect to the plan's portfolio of investments with the Superintendent of Financial Institutions together with an actuarial report detailing such matters as the cost of benefits under the plan and the

solvency of the plan. What is absurd and unfair is the proposition that the plan will be prepared and submitted for approval by the superintendent without input from the employees and retirees. All MTS has to do in connection with the plan text is to satisfy the minimum requirements of the act. The employees and retirees need input into the plan, and we need to know what it says. After all, bear in mind that the plan presently in existence for the employees of MTS and for the retirees as well, is articulated in black and white under the act.

\* (1010)

Presently the employees and retirees know their rights. They know their obligations and the liability of MTS and they know their limitations. As it presently stands under Bill 67, the essence of the pension plan is unknown to the employees, and any particulars in that regard are not being disclosed. Such an unsatisfactory state of affairs cannot and must not continue to exist. Either amendments to Section 15 must be put into place to make sure that that inequity cannot happen or the promulgation of Section 15 must be postponed until such time as the requisite plan input is allowed.

Accordingly, it is absolutely imperative that the wishes of the employee and retirees be taken into account in drafting the pension plan. It must be done prior to the plan's presentation for registration under the act. We not only want a consultative process, we need to have concurrence before the plan is presented. Therefore, Section 15(1) of Bill 67 should change the definition of new plan from "a registrable pension plan established by the corporation" to "a registrable pension plan established by the corporation and its employees/retirees."

It is essential that we receive the regulations prior to their passage and the planned text well prior to presentation for registration to the superintendent in order to determine if in reality the pension plan benefits really are a mirror image of what is presently accorded the employees and retirees at the present time.

Furthermore, MTS has not calculated its cost to fully financing its one-half share of the plan. Despite a prior commitment by MTS that the employees' actuary will have input into the assumptions and calculations made with respect to the new plan, this commitment has not

been fulfilled. Both vital instruments are needed to determine the transfer of the assets and the establishment of replacement benefits to see what funding arrangements are being put into place by MTS and what funding allocations there are.

In conclusion, for this transition to a new plan to proceed without full employee-retiree involvement is incomprehensible and entirely unacceptable. The transfer of approximately \$378 million of employee contributions to a plan without any consultation of the owners of this money cannot be countenanced. Thank you.

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

**Mr. Penner:** I want to congratulate you for an excellent presentation. This is probably one of the best, if not the best presentation, that I have heard while I have been a member of this committee.

You certainly point out a number of areas that we should be looking at, and whether they are oversights or whether they are by design is something that needs to be discussed and debated. I concur with you entirely. You certainly point out the need to review and reassess some parts of the legislation.

That is, of course, why these public hearings were put in place many years ago. That is why we as a government pay so much credence to the public input into legislation. I think we have demonstrated clearly, Mr. Chairman, our will to listen in the many bills that have come before the Legislature, and some of the presenters have been absolutely correct.

This is probably one of the heaviest loads as far as legislation is concerned that has been before us since we took office and maybe many years prior to that. But similarly, we have made some very significant amendments and changes to many of the bills based on what we, as members of the Legislature, have heard in our constituencies voiced by constituents. Similarly, you have appeared today to make your views known and I think you have done it in a very forceful way, in a very articulate manner, and I congratulate you for that.

**Mr. Meronek:** If I might just add to that. I do not want to mislead anybody. There are consultations going on presently with MTS. Time is tight, however, and, until

things are in writing, they are not worth the powder to blow them to you-know-where. So it is essential that all the talking in the world must come to a culmination before the bill is passed so that the proper wording and the proper articulation to everybody's satisfaction is put into place.

**Mr. Sale:** I have two questions. One, I am wondering whether the minister acting for the Minister responsible for MTS or another cabinet minister first could indicate to the committee whether at minimum Mr. Meronek's concern that promulgation be delayed, whether or not amendments are being presented, whether promulgation will be delayed until such time as the minimum requirements that he has identified will be met or whether there are actually amendments under consideration.

**Mr. Praznik:** I guess I will take the question on behalf of the minister responsible. I just wanted to say, if I may, in my response to the member's question, I appreciate that he does have the floor and I do not mean to take it from him in any way.

I also wanted to indicate to Mr. Meronek that the one issue that has come to our attention as government members and the minister from employees of MTS and retirees, and I think I made reference to this in one of the debates that we have had in the House, the majority, in fact the vast majority, of comments that we have had from employees have not been opposed to privatization. They have been with respect to concerns regarding how the pension was carried out, and we as a government recognized that we have to have another look at this. That is why I understand those discussions are now going on with MTS.

I believe that the minister, although I cannot commit him today to amendment or what form, I know that he is very much aware, as all of us are as cabinet ministers, that there are some issues here that have to be resolved very quickly to meet the timing of this bill.

So I cannot give the member a firm commitment, but I know that the minister is entertaining that, entertaining amendment right now.

This is an excellent presentation that Mr. Meronek has made. These are the issues that have been flagged with us, and it is not our intention in doing this that we in any

way take away from the pension of the employees. If there is some uncertainty here that has to be dealt with, as there may appear to be, we have to address that and that work is currently underway in the discussions Mr. Meronek has outlined and internally to see how best we can accommodate some of these particular concerns. So I wanted to be on the record that we are very much aware of them and the minister is aware of them and we are trying to find out how we are going to be able to resolve them if we can.

**Mr. Sale:** Mr. Chairperson, I appreciate the minister's response. I would just indicate to Mr. Meronek that if his association is not satisfied with the amendments that we would certainly be considering amendments to at least delay promulgation and challenge the government to act fairly.

Mr. Meronek, a number, I cannot begin to count them, but almost all of the presentations have raised this issue one way or the other, and we had some very passionate presentations from some retired members the other night on this issue. Are there other options for members such as leaving their assets in the current plan and freezing or continuing to receive, such as I think the options were given by the federal government in some of the privatizations that have been undertaken recently where people actually could choose among some options rather than being forced into one?

**Mr. Meronek:** Mr. Sale, I am just a dumb lawyer. I cannot even keep my bank book sorted out. To answer that question really would be a requirement of an actuarial analysis. I know that there have been some suggestions of keeping assets in the fund. I have also heard that that is not necessarily a good idea from an actuarial or a benefit point of view so I cannot speak to any other options. I can say, however, that to the extent that my constituents are part of the process in transferring over, there have to be certain minimum things done in order to protect at least what they have now and, on that score, they would be happy.

**Mr. Chairperson:** Sorry, time has expired. Is there leave for one more question? Is there leave for Mr. Sale to have one more question? [agreed]

**Mr. Sale:** Mr. Meronek, one of the sections of the act, which as a non-lawyer, which I am and you are not, you are a lawyer, which I found quite amazing as a layperson

was the deemed consent section. Do you believe that that is challengeable in law? If it is not challengeable in law, is it at least challengeable in ethics?

**Mr. Meronek:** I am a lawyer and I cannot speak to ethics in that respect, as far as the legal opinion. [interjection] I think I just cast aspersions on my profession. As far as giving a legal opinion off the cuff as to whether it is challengeable or not, you know, they are devastating words to my constituents and they have caught their attention, there is no question about that.

It is a moot question if the bill does what we suggest it should do, because then it will satisfy my constituents as to what they presently have and maybe accord them something better. Anything less then you get into a question of deemed consent and whether they are giving up vested rights which they may not be obligated to or maybe the government is not entitled to validly, but that is a moot question.

The important thing is, does this bill satisfy the requirements of equal or greater benefits and, if it does, then deemed consent probably is necessary to put in there and it would certainly satisfy our constituents. Otherwise, there is a problem.

**Hon. Albert Driedger (Acting Minister responsible for the administration of The Manitoba Telephone Act):** Mr. Chairman, leave for one final comment.

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

**Mr. Driedger:** Mr. Meronek, I just want to indicate to you that on behalf of the minister, I will make sure that your presentation is going to be properly circulated and dealt with. Thank you.

**Mr. Meronek:** I appreciate that. Thank you very much. Good morning.

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

I call Jeffrey Lowe. Mr. Lowe, do you have copies for distribution to the committee?

**Mr. Jeffrey Lowe (Private Citizen):** No, sir, I do not. I had originally thought to deliver my remarks extemporaneously rather than reading them because that

way it would have been more like talking to you rather than at you, but I thought better of that because I feared that I might omit essential details, so I belatedly wrote them down and that did not allow me time to prepare copies for you, and I am sorry about that.

\* (1020)

**Mr. Chairperson:** Please proceed.

**Mr. Lowe:** Good morning, Mr. Chair, members of the committee and of the clerical staff. The government has made it abundantly plain that it intends to push ahead with this legislation regardless of what Manitobans may say or think, so I will not waste my breath running through all of the factors that decree that MTS should remain governmentally owned and operated save one, that they are routed in the practicalities of the situation and not in any ideological hangups.

If you need proof of that, then you need look no farther than the fact it was a Conservative government that created MTS and structured it as a Crown corporation, which was a simple acknowledgment of the wisdom of so proceeding. Do not government members then feel just a bit strange vacating the field to opposition members to fight to preserve what is, after all, an important part of their own party's political legacy? So I will attempt to cut right to the heart of the issue by pointing out the pitfalls in the government persisting and pursuing the bulldozer strategy it has opted for.

Firstly, whereas the government certainly has, strictly speaking, the authority to do as it proposes, it cannot claim to have, I believe, the legitimacy in the respect that it not only never advertised that it intended to sell off MTS, but vehemently denied that it harboured any such intention at every turn. What is more, this privatization differs qualitatively from any that preceded it, Flyer Bus, for instance, in that it involves the loss of an essential public service as distinct from what might be termed as strategic intervention or investment. This ties in with a second pitfall, that Bill 67 is not duly constituted in the sense that it offends two of the most important pillars of the British parliamentary tradition, deliberateness and predictability.

The situation we are faced with here is neither unique nor an emergency. There have been selloffs of

governmental assets before, and given that privatization seems to have become the flavor of the month with many governments, there likely will be further attempts in future. It therefore, I believe, is incumbent on the government to set aside this bill in order to first draw up legislation that addresses the general case. Clear ground rules need to be laid down covering all such instances in order that all concerned prospective purchasers of government assets included know clearly what to expect and what is expected of them. This will also help dispel all taint of suspicion of insider dealings having been involved.

This legislation should, in addition, specify which governmental assets and services are considered essential, placing them therefore off limits, and which are fair game for possible disposition. Indiscriminateness, arbitrariness and capriciousness are the sworn enemies of the British parliamentary system, yet they are the hallmarks of this bill and how it is being handled. In anticipation of what government members may say in defence of their party's action, we have a number of instructive instances in point of assurances they have given in past of the public interest being protected not panning out.

Manitoba Data Services was supposed to have remained owned by Manitobans, but it very quickly mutated into ISM, a 100 percent company-owned branch plant of IBM. Unitel was never more than a front for AT&T, which has recently come out from behind the facade and admitted that. This gives rise to our larger fear, in any open and fair competition, I have not the slightest doubt that MTS would mop up. Most Manitobans would stick with a company that was made in Manitoba. Most of the rest simply could not be bothered turning their lives into a perpetual round of comparison shopping, lying awake nights tossing and turning, wondering if at any given point in time they were receiving the best possible bargain for their money.

Is this government wanting to turn Manitoba into a province of obsessive compulsives? And that is precisely the problem, that outside companies know that MTS enjoys this advantage, so they will do their utmost to eliminate it and rob us altogether of that option.

In closing, I would hope that the opposition parties will, for their part, put prospective purchasers on notice that when they form the next government, they will

renationalize MTS, preferably without compensation, as an appropriate means of redressing their having taken possession of something that should never have been theirs for the claiming and of rebuking this government for presuming to enjoy the power to give away that which no government has any right to surrender. Thank you.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

**Mr. Penner:** Mr. Lowe, it is fairly obvious from your presentation that you are philosophically opposed to divesting any part of a government-owned entity, whether it serves in the best interest of the general public or not. Is that correct, once government owns something they should continue to operate it for the benefit of the people?

**Mr. Lowe:** I would not say that is correctly characterising what I had said. In fact, I had quite deliberately drawn a distinction between governmental assets that could be characterized as strategic or emergency investments or interventions versus essential services.

**Mr. Penner:** Thank you, Mr. Lowe, for that clarification. I want to indicate to you that when we took office in 1988, the government of the day then owned a number of corporations which they now do not own, number one being Flyer Industries, which was losing a lot of money when we took office and was at the point of probable closure and at the point of probably 180 employees at that time, I believe, employed at Flyer losing their jobs had they closed. The government of the day then chose to sell Flyer Industries, which in turn now has become an extremely successful corporation, employing better than 900 people today.

That has, in my view, benefited Manitobans tremendously. I am not sure whether government had the managerial resources at the time to do what private industry has done in that sector. I single that out. I single out another one for you, and that is Manfor industry. We were, the government was operating a lumber company, a lumber firm, a pulp mill, that government really had very little expertise in. Also, the industry faced a dramatic, dramatic change in technology and would require very significant investments. The third point was that the environmental mess that was created there under government management cost huge millions of dollars to clean up, which we did.

\* (1030)

I think we spent some \$12 million to \$20 million, and I am not sure of the exact amount, to clean up the environmental mess that had been created by government in the operation of a lumber mill. That lumber mill has now become relatively successful, and I say relatively successful insofar that they have indicated that they will expand the operation by \$250 million, again, done under a private, entrepreneurial-ownership type system. Are you agreeing that there is a possibility that under private ownership a communications company such as MTS, which I think has tremendous potential, could in fact expand their operations dramatically and service interests outside of this province under a new mandate?

**Mr. Lowe:** No, Sir, with due respect, that is why I drew that distinction. I do not see that being the case for MTS, which falls within the realm of an essential service because it affects the lives and the livelihoods of everybody and because there is a need to balance off the requirements of the operator to remain solvent against the needs of the public to continue to have assured access to that service through its affordability.

**Mr. Penner:** I would ask you to consider that there have been vast technological changes over the past decade, there will be very significant technological changes, some of which we are not even able to consider today, and the marketplace for MTS—

**Mr. Vice-Chairperson:** Excuse me, Mr. Penner, we are running short on time. Would you please pose your question now.

**Mr. Penner:** The marketplace, Mr. Chairman, for MTS has expanded very dramatically and indeed has become a world marketplace, because most of us that are in business are now communicating with people that we had not even dreamed of communicating, virtually on a daily basis. There was a presenter this morning who was a rural business entrepreneur, and I think she would verify that. So the requirement for a much broader base service is there today, and I think that there is an opportunity for a dramatic expansion in the communications industry by MTS—

**Mr. Vice-Chairperson:** Mr. Penner, would you please pose your question. The time has expired now, please—

**Mr. Penner:** I just did, Mr. Chairman.

**Mr. Vice-Chairperson:** Would you care to answer, Mr. Lowe?

**Mr. Lowe:** It would be a pleasure, Sir, I would. All of the available evidence would suggest that MTS has come through with flying colours in meeting that challenge to date, and the fact that as a Crown corporation it has access to public revenues as well as recourse to raising revenue through private markets, if anything, I think, would give it a greater chance of succeeding than private operation.

**Mr. Vice-Chairperson:** Thank you, Mr. Lowe, for your presentation. The time has expired.

The committee calls Diane Shaver. Diane Shaver, not here, her name will drop to the bottom of the list. Carol Stadfeld. Carol Stadfeld, not being here, her name will drop to the bottom of the list. Kathy McLean. Kathy McLean, not being here, her name will drop to the bottom of the list. Winnie Grabowski. Winnie Grabowski, not being here, her name will drop to the bottom of the list. Ken Beatty. Ken Beatty. Mr. Beatty's name will drop to the bottom of the list. Susan Bard. Susan Bard, not being here, her name will drop to the bottom of the list. Brenda Scarcella. Please come forward. Do you have copies of your presentation for distribution? Okay, Ms. Scarcella, you may proceed.

**Ms. Brenda Scarcella (Private Citizen):** My name is Brenda Scarcella, and I have asked to address this committee to voice my opinions regarding the Conservative government's intent to sell our Manitoba Telephone System.

Firstly, I believe the proposal is very significant to all Manitobans, the owners and shareholders of this corporation. I am therefore puzzled as to why there has not been any public consultation to discuss this with us, the owners. I believe that if you, our elected representatives or board of directors, if you might, have had our best interest in your minds and were operating in a true entrepreneurial-spirited way, you would not behave in this manner. In the business world, when major decisions critical to the very life and survival of the corporation have to be made, a board of directors would never make a decision to sell off a corporation without

calling for a meeting of its shareholders. But of course this is your world. You seem to make up the rules as you go along. You would operate like a business when it is convenient, and when it is not you will use legislation or whatever is most expedient for you.

Not only is this process flawed, but you are now holding these committee hearings supposedly to listen to us, as if there is hope that the government is listening to our concerns and letting us believe there is a chance to save our Manitoba Telephone System. But the truth is while we are here pouring out our concerns, it appears the government has hired a company to prepare the advertising and promotional materials promoting the sale of MTS shares, and in fact they are already inside the facilities taking the promotional photographs. I find this in very bad taste. I believe it is both arrogant and disrespectful towards each and every citizen that has taken time to address this committee. History, in fact, recent elections have demonstrated that Canadians do not forgive a government that treats them in this way. We are watching your performance and there will be a day when you will have to answer to the public.

But this is not the only example of strange things that seem to be taking place. Recent advertising promoting the sale of MTS has been delivered to us. Now this on its own does not surprise me, but what does is the source of the propaganda. It is from the CEO of our Manitoba Telephone System. Manitoba Telephone System is a Crown corporation and clearly not operating within its mandate. Worse yet, it has taken a particular political position. The rules of arm's length between have been blatantly breached. I do not have to explain to you these rules of conduct or the rationale behind them. You know them very well, as does every government official. Has this committee any idea who is responsible for this? I am sure if you do, you would not answer me, but I think you do not have to be a genius to come up with a logical conclusion.

(Mr. Chairperson in the Chair)

These ads state that in order for MTS to be successful the sale must go ahead. What a wonderful motherhood statement, but what does it mean? What is the CEO's definition of successful, and what is impeding the corporation from being successful under its current structure? Further, the CEO stated that there was only

one way that MTS could move ahead. Does that mean that should the proposed sale not occur that he would resign his position, as obviously how could this person continue to lead the company with so little vision for the future? No sale and MTS will be in serious need of a leader with visions and ideas, and this CEO has stated publicly, to him he has only one.

The conservative position is that we, the public, can buy shares of MTS when it goes public. We already own MTS. A piece belongs to every Manitoban. Once again this government fails to grasp the obvious, or worse yet, you already know that only a small number of our citizens will be able to purchase shares. If you review the numbers in the other areas such as the Alberta experience, you know that this is true and accurate. Why, you may ask, did they not purchase shares in Alberta? I believe it would be the same reason people do not take full advantage of RRSPs. They do not have a lot of disposable cash laying around that they can put into long-term investments. Believe it or not, most of us are just getting by and quite frankly your let-them-eat-cake attitude is very arrogant and out of touch with the reality of many if not most Manitobans.

Unlike you honourable members, when we calculate our income tax, we do not say that the first 33 percent is all for me, and then I will pay tax on the remainder. Our seniors living on minimal pension incomes, our young people working two and three part-time jobs for minimum wage, and in fact everyone else in this province pays on each and every single dollar. I do not seem to remember you rushing to change this legislation, and my quotation on the side is Section 80.2 of the Income Tax Act which allows you to write off one-third of your salaries and expense, and it certainly is not there as of yesterday.

A little note here. I made a little note with an N.B., and I wanted to refer to political cartoons that we often see in the newspapers where you will see a banquet going on with politicians sitting at the banquet and a few crumbs falling to the floor and the taxpayers there gathering up their crumbs, but I see a different little picture here. I see us sitting with our little crumbs, our little pieces of MTS and you coming and gathering them together, making yourself a banquet, and we will not be invited.

\* (1040)

Manitoba Telephone System owns a database which has a value of probably millions of dollars. This would obviously be one of the corporations most valuable assets. I wonder if any committee member could tell me what MTS's competitors have paid to have access to this database? How many millions did Manitoba Telephone System take from this transaction to re-invest in the business? How much rent does MTS receive when they come in and use Manitoba Telephone System's facilities and for office space they use? Do you know the answer? Is it true that the CRTC has ordered MTS to give this to their competitors? Would you be shocked and outraged if it was provided free of charge? This could not possibly be true. If it is who is responsible? Certainly some quick action would be taken to prevent this.

If in fact this was the ruling of the CRTC, perhaps we should give some more serious consideration to the recent reference to the CRTC our Premier made during Oral Question Period on Oct 2, 1996, in which the Leader of the Opposition (Mr. Doer) asked the question of our Premier (Mr. Filmon) regarding his announcement of May 2, 1996, in which the Premier stated that there would be no impact on the rates for local consumers in Manitoba if the system were privatized and made reference to the CRTC ruling on the record of February of the increase of rates in Alberta, allowing a pass through of costs relating directly to privatization. Our Premier responded that the CRTC will look at the business plan of the corporation, whether it is publicly or privately owned, and will justify the rate increases based on the operations of the company.

Considering recent rulings, I do not find the Premier's statements very comforting. We have always known the revenues from the profitable parts of MTS were used to subsidize local rates, more to the advantage of rural and northern Manitobans, where the cost to provide services are more expensive due to limited market and distance. We knew, we did not complain because we are all Manitobans and under the current mandate of MTS, we are all entitled to—

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

**Ms. Scarella:** —good service at reasonable cost. If the corporation is sold to a private company, I am sure that

the most important factor will be profit motivated. Who will care if a farmer in rural Manitoba or a resident of Churchill is provided service at a reasonable cost? I am afraid someone that is looking at the U.S., Ontario or Quebec models of privatization believes that this will hold true for the prairies, but we are different. We are not a large market with moderate-sized markets surrounding us. We are a large geographic market, with the majority of our customers in a single cluster. It costs more to service this market because of the capital outlay required to provide services in small rural communities. We now have competitors in the market. Can you tell me what the capital investment is in Manitoba? What type of commitment do they have to create jobs and investment in this province?

During recent labour strikes, the government has gone and provided grants to companies to keep jobs in Manitoba, but is showing very little concern, the number of highly technical jobs that MTS may lose if MTS is sold. I wonder why. It appears that you are willing to roll the dice and see what happens. Well, I want to be on the record opposed to the sale.

To summarize, I look at the proposal and try to find out the following: Will the sale create jobs? I believe it will not; in fact, we will lose jobs. Will it result in an increase in capital investment? Looking at our competitor's records to date, I believe it will not. Will it keep our rates near those currently paid? Historical experience in Alberta has said an emphatic no. Will the profits for the new corporation be kept in Manitoba? If we look at the current record, I have to say no. So I am only left with one question: What is in it for the average Manitoban, other than an increase in our local rates?

I do not belong to a union. I do not belong to any political party. I am here as just a citizen. I am here because I care about this province and the people who live here, and I believe we are being sold out. Once the corporation is sold, it will be too late for us to speak out. I do not have the answers for the future, but I think that things like the HydroBonds or Grow Bonds are creative ways of raising capital. I am sure that there are a lot smarter people sitting at this table that can come up with some wonderful ideas how to raise capital.

**Mr. Chairperson:** Time has expired. Leave? [agreed]

**Ms. Scarcella:** I have two paragraphs left for you.

**Mr. Chairperson:** Please proceed.

**Ms. Scarcella:** One thing is for certain: If the problem is raising capital to invest in new technology and MTS is sold, whoever that private company is that makes this investment will intend to recover those costs from the consumer over the shortest possible term. So if this is the case, would we not be better off to rethink this argument and decide if we have to pay one way or the other, would it not be to our advantage to retain ownership and invest in the future of our province and reap the benefits of these profits?

Our media in Manitoba are the best investigative reporters. They are known for asking the hard questions. I have only stated a few facts. I hope that they will verify these facts to some of these disturbing issues and on behalf of the public of Manitoba.

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

**Ms. Wowchuk:** Thank you very much. I want to thank this committee for allowing our presenter to finish her presentation.

You have made a very good presentation, and you have raised the concerns that many Manitobans have raised across the province. We have had many meetings across the province with Manitobans who are very concerned about the impacts of the sale on their livelihoods, on their bottom line, and they are very concerned about the increased rates. They are also very concerned because they have not had a chance to have input. You are very fortunate to be able to be here today, but there are many Manitobans who cannot come into the city.

We have gone out, and we have listened to Manitobans. They have told us they would like to have a chance to have the government's ear. Since the government goes out and has hearings on things like child care and education, do you believe that the government has a responsibility to Manitobans to hold public hearings through Manitoba, in my constituency in Swan River, in Dauphin, in The Pas and in the North, where the people who I believe will be most affected by

this sale will have the opportunity to have input and give the government their views on this?

**Ms. Scarcella:** Yes, I absolutely believe that public consultation on something so critical to every citizen of the province of Manitoba should be openly discussed with those people. I do not believe it was part of the political statements that were made when the election was run. I do not think that the people have had a chance to vote on this issue or to voice their opinions. So, in either direction, we have not had a voice.

When I came here today, if I was going to a board meeting, I would be carrying many proxies with me, because almost everyone I speak to is against this but cannot come in here and address this committee. Many of them are senior citizens and are young people that are too busy working at their jobs to take time to come here and take a chance at what time they are going to get to speak to this committee. So I do not just speak for myself.

**Ms. Wowchuk:** You heard the previous presenter who said, Manitoba Telephone is different than other Crown corporations because it is an essential service, and it is very different to privatize other corporations than privatizing an essential service. We also heard that there are vast technological changes in the marketplace, and we have to have the private industry invest so that we can take advantage of these changes in technology. In my opinion, the Manitoba Telephone System has been doing a very good job in providing these new technologies, particularly in rural areas and I know here in urban centres.

Do you believe that Manitoba Telephone, as a Crown corporation, has the ability to keep up with competition and offer Manitobans what we need to keep in contact with all the world with modern technology?

**Ms. Scarcella:** I can only go by the kinds of service that Manitoba Telephone System has continued to provide to me; the new services over the last two and three years that I have been able to take advantage of: display telephones, Call Return. I think that MTS is providing us as good a service as any other province that I have travelled to, and I have travelled to pretty well every province in Canada over the last three years. I think ours is second to none, and I think that MTS can move ahead with the technology and that there are resources and ways

to raise that capital if we wanted to. If we had the will to do so, there are creative ways to raise the capital that is necessary and take the profits that we are reaping in certain areas and return them to the system so that we, as Manitobans, can all benefit.

\* (1050)

**Mr. Stan Struthers (Dauphin):** Ms. Scarcella, thank you for making your voice heard. Obviously, you do not think that the people of Manitoba are going to benefit from the privatization of our telephone system. Who do you believe will benefit by this move?

**Ms. Scarcella:** Well, again, I do not have all the answers. However, if we take a look at who would be able to purchase the shares, it reminds me of the expression, you always need money to make money, and I do not think that the majority of us have the capital to put into those long-term investments. So I think you would have to look to see where the money is.

**Mr. Chairperson:** Ms. Wowchuk, for a very quick question.

**Ms. Wowchuk:** Just on that, are you aware that the brokers who did the study on the sale of MTS, will be the ones who are doing the—and they made money for doing that study. We do not know how much money they made for that study; we cannot get that information, but they will now also be the people who are selling the shares in this company. You are absolutely right, it will be those that have money who will make money. Are you aware that they will now be the ones that are selling the shares of MTS?

**Ms. Scarcella:** Yes, I am, and I saw it as a severe conflict of interest that you would have, I mean it is very unusual that you will have someone prepare a report that the government is going to make decisions on that can profit from those decisions. I just think it is very distasteful.

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

**Ms. Scarcella:** Thank you very much for hearing me.

**Mr. Chairperson:** I call Donna Poitras. Donna Poitras, not here, the name will be dropped to the bottom of the list.

Kevin Rebeck, please come forward. Do you have copies for distribution to the committee? Please proceed.

**Mr. Kevin Rebeck (Canadian Union of Public Employees):** Thank you for the opportunity to speak with you this morning. My name is Kevin Rebeck, and just before I get started on my brief, I would like to say that I am rather disappointed to hear that people's names are being dropped when they are called a second time. I just had a friend who is here and waiting to speak and she has work to get back to and thought she would be here on time to make her presentation, but it looks like it might be another hour before she gets up and she had to leave. I think it is really unfortunate that people are not being able to have their voices heard.

I am here to speak on behalf of CUPE Manitoba, the Canadian Union of Public Employees. CUPE Manitoba is here today to oppose the privatization of the Manitoba Telephone System. CUPE in Manitoba represents 22,000 working people in such diverse sectors as hospitals, nursing homes, Workers Compensation Board, Manitoba Hydro, Winnipeg Hydro, municipalities, school boards, universities, community health clinics, social service agencies and daycares.

Historically, governments have provided service because they had a mandate to meet public policy objectives. It was in the public interest to have public delivery of services, with public control and accountability. The services had to meet a criteria of accessibility, universality and quality. Governments provided the services not because they had made some economic mistake, but because those services were necessary to ensure a certain quality of life in our communities.

In 1908, the Manitoba Telephone System became the first government-owned telephone system in North America. The public system was established by the Conservative government of Premier Rodmond Roblin in order that all people in Manitoba might have affordable access to telephone communications. While meeting the mandate of low-cost telephone service to all areas of Manitoba, the MTS had made a profit to return to the people of Manitoba. Since 1990, MTS has made more than \$100 million in profit. In 1995, MTS made more than \$15 million profit. In 1995, MTS had nearly 4,000 employees located throughout the province who provided network access to 864,000 residences and businesses.

Much has changed since those early days of communication. The people in all parts of Manitoba have become the owners of a very valuable technological resource, a resource that placed Manitoba in a strategic position envied by those governments that did not have the foresight to establish a government-owned system, a technological resource that would allow a government to develop the ability of the province of Manitoba to become leaders in the information age. Since the Manitoba Telephone System was established in 1908, it has met and exceeded its mandate to provide low-cost telephone services. The people of Manitoba enjoy amongst the lowest telephone rates in North America.

In spite of this foresight of successive governments in Manitoba since 1908, the Manitoba Telephone System has now become a symbol of the loss of democracy in our province. This has been accomplished in a matter of months. Over 90 years of fairness to the people of Manitoba is now undone. MTS has played a key role in our economy. Profits stay in Manitoba and keep basic phone services affordable. When we own it, we have a say over what it does. If it is sold off, that control moves to corporate board rooms, most likely outside of Manitoba. Currently, MTS provides service throughout the province at a reasonable cost, keeping rates affordable for all. If subscribers paid the full cost of service, some rates would increase as much as \$42 a month. When Alberta sold their public telephone system, the new private system asked for a \$13-a-month increase. How long would low rates in Manitoba last under a private corporation?

The government has already privatized MTS telemarketing with Faneuil, a company that did not even exist before the deal. Now this private corporation is doing a \$47-million contract that MTS could have done itself. Mr. Filmon went on to partition and now privatize MTS. Mr. Filmon sold the cable operations of MTS for \$11.5 million, a fire sale by all accounts. An internal MTS report released three months before the sale stated the value of the cable portion of MTS to be greater than \$70 million. The report went on to say that the wires and transmission equipment are, quote, a little gold mine in the information age. Furthermore, the report states that the cable operators could use those wires to offer local telephone service and may one day steal away hundreds of millions' worth of the MTS business. When Mr. Findlay, as the minister responsible for MTS, was questioned about the report, he stated, the valuation we

had was \$7.5 million. When pressed for details on his figures, Mr. Findlay stated, I cannot remember the company, but somebody was hired to do it.

Mr. Filmon has stated that he and his government operate on a pragmatic basis. It makes no sense to give away nearly \$60 million in public money. It is also anything but pragmatic to put a person who suffers apparent memory lapse in charge of a Crown corporation with the economic and strategic value of MTS. The government has indicated that the public is on side. Yet, they did not make this an election issue when they had the chance. The government has not conducted a public opinion poll on the privatization of MTS, and an official poll was conducted by the NDP. A ballot was issued by the NDP throughout Manitoba between January and April of this year asking Manitobans to decide whether they felt MTS should remain publicly owned or be sold off. More than 90 percent of these Manitobans that responded said they want to keep MTS publicly owned.

More recently, on October 18, 1996, on CBC Radio's Questionnaire, they asked Manitobans if they wanted a publicly owned telephone system or whether they want to privatize it, and the vast majority of the people who called in wanted to keep MTS a public institution.

The Filmon government has chosen to ignore Manitobans who are the owners of the MTS, a public utility, with assets in excess of a billion dollars, representing a large portion of the wealth owned jointly by all Manitobans. Surely the Filmon government must seek approval of all Manitobans prior to making any decisions on giving away MTS. Perhaps the most important thing that MTS now represents to Manitobans is the loss of democracy in our province. The Filmon government's so-called sale of the MTS is nothing short of a political con job. Telling the people of Manitoba that they can buy what they already own is nothing less than a shell game. It certainly is less than that which the people of Manitoba have a right to expect of a government in a democracy which our society values, expects and defends. The Conservative government had the opportunity to seek a mandate from the people of Manitoba to sell off MTS during the last election, and they chose not to.

This government, until very recently, denied that it was trying to sell off MTS, but clearly the evidence goes against this assertion. As recently as May of 1995, the

government was arguing that it did not have any plans to sell off MTS, and I will quote from Hansard, Mr. Steve Ashton, Thompson: I would like to ask the Premier if he can indicate whether his government has any plans whatsoever to privatize part or all of the Manitoba Telephone System. In fact, will he assure Manitobans we will maintain public ownership of the Manitoba Telephone System within the province of Manitoba as a Crown corporation? The Honourable Gary Filmon, Premier, answered: I can indicate that we do not have any plans to do that. We continue always to operate on a pragmatic basis. We continue to always look at ways in which we can ensure that our economy will grow, that we will take advantage of new changes and technology, of all the things that are important to us as an economy and as a society. We are not driven ideologically or hidebound as are members opposite. We continue, obviously, to always keep an open mind on all opportunities that are presented to us, but we have no plans to do that. This is as much information as I can share with him.

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

**Mr. Rebeck:** Less than a year after the Premier of Manitoba stated in the Legislative Assembly that we do not have any plans to sell off the Manitoba Telephone System, rumours started to surface that in fact MTS was going to be put up for sale. The Conservative government of Gary Filmon just faced an election, and they did not mention that they were thinking of putting MTS up for sale. In fact, as reported in the May 3, 1996, issue of the Winnipeg Free Press, Premier Filmon, quote: admitted yesterday he argued against privatization in last spring's election campaign.

\* (1100)

The people of Manitoba deserve an honourable and honest government. This government does not have a mandate to sell off MTS. If the government of Manitoba is truly interested in democracy, then they should withdraw this piece of legislation and start a truly meaningful discussion with the people of Manitoba about the role of MTS and whether it should be sold off. We, the citizens of Manitoba, do not deserve a government that on one hand states it is not privatizing a cherished, publicly owned utility while seeking election, then as soon as it is elected, put MTS up for sale.

The Manitoba Telephone System is an asset to the province of Manitoba and supplies the second lowest local rates in North America. MTS has played a key role in our economy. Profits stay in Manitoba and keep basic phone services affordable.

In conclusion, we urge the government of Manitoba to withdraw Bill 67. The people of Manitoba deserve an open and honest government. We call on the government to consider the following: a public telephone system is accountable to the people of Manitoba. It is the people of Manitoba who will benefit from a public telephone system by receiving lower telephone rates and by ensuring that jobs remain in Manitoba. The people of Manitoba have not had an opportunity to discuss the privatization of MTS through an election, or even through public hearings throughout the province of Manitoba. Thank you.

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

**Mr. Struthers:** I represent the Dauphin constituency, and within that constituency is the town of Grandview. The town council has passed unanimously and forwarded to me a resolution stating 1) that there should be public hearings throughout Manitoba so that rural Manitobans can voice their concerns about the sale of MTS, and 2) that there should be a vote of the shareholders, since any decision of this magnitude in a private company would have to go to a vote of the shareholders.

This little town in my riding, are they totally off kilter on this, or do you agree with them and think that we should be 1) doing rural public hearings, and 2) should there be a vote of the shareholders?

**Mr. Rebeck:** I agree with them completely. I think that it is shameful that they are not having the opportunity to have their voices heard by this government.

**Mr. Struthers:** Do you believe there should be a vote of Manitoba shareholders on the sale of our MTS?

**Mr. Rebeck:** Absolutely. I believe a vote should be taken from all members of Manitoba. All citizens of Manitoba should be consulted.

**Mr. Struthers:** You are aware that on other issues this government has gone across the province with members

of its back benches to look into other issues of what they consider is important, but they will not go out and let the people of Manitoba have a say on something as humungously important as the sale of our public phone system.

**Mr. Rebeck:** Yes, I have understood that the government has in the past gone to rural communities and heard from the people, and it is appalling that they are not doing so in such a case as this, for an agency that the people of Manitoba have made clear, in small communities and by and large, they value very much as a publicly owned agency.

**Mr. Struthers:** One more question, Mr. Chair, does this government have a moral right to sell this company?

**Mr. Rebeck:** I do not believe this government has a moral right to sell this company at all. They should, by all means, keep this a publicly owned utility and at least consult with people before they make any such change.

**Ms. Wowchuk:** Mr. Chairman, the government talks about selling off, that other Crown corporations have been sold off and the public has not objected to those, and they spoke about Manfor and Flyer Industries. In my opinion, those are very different than Manitoba Telephone because Manitoba Telephone provides an essential service that brings equality to people across the province and is quite different.

In your opinion, do you see a difference in selling off a Crown corporation that provides an essential service versus the other that I had used as an example?

**Mr. Rebeck:** Absolutely, MTS is an essential service. As the very first speaker we heard from two nights ago has made clear, there are the disabled that have no form of communication, perhaps, except MTS. MTS is a valued institution of Manitoba that provides services that people need, and I believe that the government has a responsibility to keep that universal accessibility and accountability to the people for any changes in it. I wonder where this accountability is.

**Ms. Wowchuk:** Do you have any confidence in this legislation where we are told that the company will be protected for Manitobans, and foreigners will not be able to take over a majority of the shares? I want to refer to

what happened when the federal Liberals privatized CN; they were protecting the company for Canadians, but in reality the majority of the shares, I believe 65 percent, are now owned by Americans. Do you have any confidence that in this legislation Manitobans will have control, or do you have the fears that we have, that in reality, it will be taken over by foreigners and out-of-province people as we have seen with Alberta?

**Mr. Rebeck:** I have no confidence when this legislation, or if this legislation should pass, that Manitobans would have control or influence of the telephone system. I believe that those of the wealthy or those of other provinces, or globally, would have control of the institution.

**Mr. Chairperson:** Ms. Wowchuk?

**Ms. Wowchuk:** Thank you. The other issue that has been raised is that we have to allow the private sector to become involved in MTS because there is such a dramatic change that is taking place in the industry, and we need the private sector to make the investments. In my view, Manitoba Telephone has been very successful in making investments and improving the services, and we have real good examples of that in rural Manitoba where, at one time, we had crank telephones and switchboard operators, we now have call display and larger calling areas and I think they have been successful in doing that with our money for the people of Manitoba. Do you believe that we have to have the private sector investing in order to see the expansion of this modern technology that the government talks about?

**Mr. Chairperson:** Mr. Rebeck for a very quick response.

**Mr. Rebeck:** I do not believe so at all. I do not believe private industry is necessary to keep up with the times. When you look at us having the second lowest phone rates in North America as a publicly owned utility, you can clearly see that we can keep control of this institution much along the lines of the competition of the private market, and we should certainly keep things public as we provide all services that I have seen anything else offer.

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

**Mr. Rebeck:** Thank you for the opportunity.

**Mr. Chairperson:** Robert Zawadski. Robert Zawadski, not here, the name will go to the bottom of the list. Benoit Souyri. Benoit Souyri, not here, the name will go to the bottom of the list. Suzanne Hrynyk. Suzanne Hrynyk, not here, the name will drop to the bottom of the list. Carol Klagenberg. Carol Klagenberg, not here, the name will go to the bottom of the list. John Robson. Mr. Robson, please come forward. Do you have copies for distribution to the committee?

**Mr. John Robson (Private Citizen):** No, I do not, Mr. Chairman.

**Mr. Chairperson:** That is fine.

**Mr. Robson:** I would tell you that I am not an expert on telecommunications.

**Mr. Chairperson:** Please proceed.

**Mr. Robson:** I did, however, spend two to three hours researching this and I did have a presentation. I have been here for the last three sessions, and I have observed the process. I went home last night and I listened to the Premier (Mr. Filmon), and the Premier said, to paraphrase, I really do not give a damn what the people have to say, we are going to do it anyway, which struck me that I did not want to waste my paper copying it for you. I did not think really you were going to interest yourselves in listening to it. So I thought instead what I would do is have a little dialogue with the members and try to determine, at least for my sake, just something about what is going on. I trust that is acceptable.

Now, I do not know all the members opposite here, but I have some questions and I hope that we can enter some dialogue. I would also like you to know that I spent about 20 years of my adult life in rural Manitoba, and I notice most of the members here are from rural Manitoba. I think that is important. So I would like to direct my first question to the member for Gimli, and I just want to know if you believe it is important—beg your pardon?

**Mr. Chairperson:** I am sorry, at the committee level it is a presentation to be made to the committee members and it is—

**Mr. Robson:** No, I understand, but I have also observed that there is an opportunity for me to dialogue. They do not have to answer—

**Mr. Chairperson:** Later on. Okay, in the question period.

**Mr. Robson:** —but I wish to ask them because I have not been able to determine what is going on. Now, they can refuse to answer, I understand.

**Mr. Chairperson:** Please proceed.

**Mr. Robson:** Beg your pardon?

**Mr. Chairperson:** Please proceed.

**Mr. Robson:** You will add onto my time for that interruption, I trust. Thank you. Which is the member for Gimli, please?

**Mr. Edward Helwer (Gimli):** Right here.

**Mr. Robson:** Yes. Sir, is it important to you—and I know a lot of the people in the Gimli constituency—that you know what their opinions are on this matter?

**Mr. Helwer:** Yes, of course, it is important for me to know what my constituents' thoughts are in the constituency of Gimli. Of course it is.

**Mr. Robson:** Do you know what their opinions are on the privatization of MTS?

**Mr. Helwer:** To some extent, yes, sir.

**Mr. Robson:** Could you tell me please to what extent you know the opinions of the members of your constituency, please?

**Mr. Helwer:** I am not the Minister responsible for the Manitoba Telephone so it is not for me to answer that question. That question will be answered by the Minister responsible for MTS (Mr. Findlay).

**Mr. Robson:** I see. Are you satisfied, as the member for Gimli, that the—

**Mr. Chairperson:** A point of order, Mr. Praznik.

### Point of Order

**Mr. Praznik:** A point of order. Mr. Chair, the opportunity here, I would appreciate if the gentleman presenter wants to make a presentation, if he wants to ask some rhetorical questions about members and views, but we are not in here to engage in debates between individual presenters and members of the committee. Members opposite have always been very hard on our members to ensure we were asking questions in the appropriate time. This is not an opportunity to get into a debate.

I can tell the presenter, generally, I know this weekend in my own constituency I must have contacted a thousand people and not one of them raised the MTS issue.

We are here to hear his presentation, his thoughts. If he wants to make the point that members may not be in touch with their constituents, that is fine. But, Mr. Chair, we are not here to engage in a debate between presenters and members of the committee.

\* (1110)

**Mr. Chairperson:** Ms. Wowchuk, on the same point of order.

**Ms. Wowchuk:** Yes, Mr. Chairman, I think that the presenter has the right to make his presentation in any way he chooses and if the government members choose to answer those questions that is their prerogative. They do not have to answer them, but he—

**Mr. Praznik:** That is not appropriate procedure, Rosann. But you are going to have members here going to come and ask you every day.

**Ms. Wowchuk:** Mr. Chairman, the Minister of Northern Affairs, I listened to your point of order, and I am just saying that Mr. Robson has the prerogative to use his time. He has 15 minutes allocated. If he chooses to put it in a question form and the government members do not choose to answer, that is their prerogative. They do not have to answer the questions, but he can state his presentation in the form of a question, and if he asks a bunch of questions, and government members do not choose to answer them, he can put them on the record in that form. He will not go beyond his 15 minutes.

**An Honourable Member:** We are hear to listen to views.

**Ms. Wowchuk:** But if he wants to put his views on the record in a question form, I think that this is okay, and the government members can choose not to answer those questions.

**Mr. Chairperson:** Mr. Praznik, on the same point of order.

**Mr. Praznik:** I would agree with the member for Swan River wholeheartedly. If the presenter wants to come and make a presentation and put general questions in a rhetorical way during the 10 minutes allowed for his presentation, that is fine. But let us not expect that every member of this committee, in him posing those rhetorical questions, or any member of the opposition is expected to engage in a debate by answering each rhetorical question. When the presenter has completed his 10 minutes, or however long he wishes to choose, then members here who may have been asked those rhetorical questions will then use that opportunity to answer. I think what we have seen here is this expectation which is somewhat suggested by members of her party is that we should get into engaging in that debate, so I would suggest Mr. Chair, Mr. Robson continue his presentation. If he continues—[interjection]

Well, the member for Wellington says, should not answer, but the comments being made creates the expectation we are getting into debate. I would suggest, in the interests of process and procedure in this committee, that Mr. Robson continue his presentation. If he wishes to make rhetorical questions and ask those questions, it is his right and privilege to do so, and I would encourage him to do it.

But let us understand that the expectation that any response that will be made to them will not be on a question-to-question basis during the time allotted for his presentation, but the member for Gimli, myself, or any other member of this committee will have the opportunity to respond. I would expect, as well, that in the five minutes allotted for questions, Mr. Chair, if those rhetorical questions are to the member for Gimli or anyone else that members of the opposition will be prepared to cede that five minutes to that member, or a greater part of it to respond.

**Mr. Chairperson:** Mr. Penner, on the same point of order.

**Mr. Penner:** Mr. Chairman, on the same point of order, and I agree with what Minister Praznik has said. I think we need to add to that, though, however, the need to recognize the reason for this committee hearing, and it is important to note that it is not this government that sets the rules of this committee hearing and this process. It is not the previous government, the NDP government, that set those rules; this has been an historical right given to Manitobans to come before this committee to consider legislation before them, to consider the contents of the legislation, to respond to the contents of that legislation, make recommendations or even propose amendments. There is only one other government in this country that allows this intervention, and I think we need to get back to the basics of the reason for this hearing and this process, and I would ask that the Chair indicate to the presenter his rights.

We then, after the presentations, will get into the questioning, and if the presenter then, later on, wants to pose questions to committee members, I have no problem with that, but I think we are hear to listen to the reflection of the presenters to the legislation before us. I would respect the wishes of the committee, and I think that is the wishes of the committee.

**Mr. Chairperson:** On the point of order, the presenter has 10 minutes to make the presentation to the committee, and it is unusual for presenters to ask questions directly of the committee. Generally persons make a presentation, putting forward their opinions on legislation at this committee. However, I am not guided by any specific rule on content of present actions, but it has not been the Manitoba practice historically in a way to engage in direct questions from presenters and answers from committee members, so, Mr. Robson, I will permit you to go ahead with your 10 minutes of presentation. Please proceed.

\* \* \*

**Mr. Robson:** You are allowing me to continue to ask for dialogue, do I understand correctly?

**Mr. Chairperson:** No, I am not.

**Mr. Robson:** You mean I cannot ask for any information from the members here.

**Mr. Chairperson:** Mr. Robson, to be fair to yourself, if you were to pose a question and had dialogue, it would be conceivable that the answer in response to your question could consume all your time.

**Mr. Robson:** I want to be fair to myself. The supposition that Mr. Penner just made was that this process is to allow the public to speak so the government will consider and listen. What I have observed is that you talk during presentations, you do not listen, you laugh at people. The Premier on television last night said, I do not care what happens—and all the behaviour. Mr. McAlpine, what does that mean? You want me to speed up? You want me to talk faster? The supposition here is that you are interested in what I have to say.

#### Point of Order

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

**Mr. McAlpine:** Mr. Chairman, a point of order. I am just questioning, is Mr. Robson making his presentation now? Is the clock running because—

**Mr. Chairperson:** I had indicated for him to proceed.

**Mr. McAlpine:** Okay, thank you, sorry.

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**Mr. Robson:** Can you tell me, Mr. Chair, please, how much time I have left?

**Mr. Chairperson:** You have approximately five minutes remaining.

**Mr. Robson:** I have not talked anywhere close to five minutes, Mr. Chairman.

\* (1120)

#### Point of Order

**Ms. Wowchuk:** Mr. Chairman, if you are saying that Mr. Robson only has five minutes and the total time is 15 minutes, are you saying that the time that we have been doing points of order here are taken off his time? Because if you are, that is unfair to the presenter, and it has not been the case in other presenters.

**Mr. Chairperson:** Mr. Praznik, on the same point of order.

**Mr. Praznik:** Mr. Chair, Mr. Robson, attempting or getting into a practice, and I do not criticize him for it, that was highly unusual for this committee and resulted in a discussion over procedure. I would suggest that he be given the time remaining to him in his presentation excluding the points of order. Let him get on, make his comments, ask his questions rhetorically. If members of this committee wish to respond, and I would suggest those who may have been referred to in his presentation be given the first preference to respond, then we would have the five minutes remaining to us to make comment or to answer any of the general queries he may put.

**Mr. Chairperson:** Might I just remind the committee and Mr. Robson that the initial five minutes was used up in the question and answer between Mr. Helwer in your presentation, so that was where the original time was taken. So you may proceed.

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**Mr. Robson:** Our dialogue took five minutes? Are the rules now that I can dialogue or that I cannot? I am sorry. Mr. Praznik said it was okay?

**Mr. Chairperson:** No. You can pose questions to the committee.

**Mr. Robson:** All right. These were not rhetorical questions, they were real questions. If you will not answer them, I guess I will pose them and give you what I have to suppose would have been your answer if you had given me the courtesy of answering.

Is it important to you as an elected representative to know the opinions of your constituents? In Manitoba, historically, I think it is tremendously important. We have been a society built on consensus and co-operation, particularly—my gentlemen, I grew up in rural Manitoba—in rural Manitoba, those are our roots. The answer, I think, to you is that you would say yes to this, to the second question, you do not know or care about the opinions of your constituents on the MTS issue. [interjection] Mr. McAlpine is saying he knows.

May I ask you, sir, how you know what your constituents believe about the privatization of MTS? Mr.

McAlpine will not answer that, Mr. Chairman, so I guess I have to go on. Will anyone else answer? Mr. Praznik answered that. Mr. Penner, you have a lot of opinions. How do you know what your constituents in Emerson think about this issue?

**Mr. Penner:** Well, Mr. Chairman, I think, when we as a government took the initiative, and it is the first time in history that this has happened in this province, to introduce this kind of legislation in the spring of the year, on the 28th of May, this piece of legislation was before the public and available to all public. It is imperative that people like myself, and you can look at the speedometer on my car, spend an inordinate amount of time in our communities, and I had many of them, discussing either at coffee shops, at public forums, all aspects of legislation. I, sir—

**Mr. Robson:** Thank you, do you—

**Mr. Penner:** Now, let me answer; you wanted a response. I, sir, pride myself in being open to my constituents and openly debate and discuss legislation such as this. I want to tell you this. I have received far more inquiries as to when will the shares go on sale and how can I buy them, especially from seniors that want to invest money in a corporation that they have a great deal of faith in and that they think can make money.

**Mr. Robson:** Thank you, Mr. Penner. You are going to use up my five minutes. I think the record should show that Mr. Penner has said that the constituents of Emerson and a large majority believe that it is a good idea that MTS be privatized. Is that correct? Am I paraphrasing you correctly? The majority of your constituents believe it is a good idea to privatize MTS, correct?

**Mr. Penner:** Mr. Chairman, for Mr. Robson's benefit, I want to clearly state that what I told you was a response to a question you asked. You asked whether I had had dialogue, whether I had had conversation, whether I had made people aware in my constituency of the pending legislation that would sell MTS, and my response was yes. I then responded that I had had far more inquiries about the share offering, when it would go on sale, what the price would be and when they could start buying. There are far more people interested, sir, that have responded to me, that responded to me, far more people interested in the share offering and how they can acquire

shares in a corporation that they think will make money and that they want to invest in.

**Mr. Robson:** Okay. For the record, I take it that Mr. Penner means that the majority of the constituents do not believe the privatization of MTS is a good idea, or he is uncertain, I am not sure which.

**Mr. Penner:** Mr. Chairman, I want to make it very clear to Mr. Robson that he has no right to interpret what I said, other than take out of direct context what I said, and I mean what I said.

**Mr. Robson:** Then I do not know what the constituents of Emerson believe about the privatization. What I did hear was the reeves of all the municipalities, rural municipalities telling you folks that it was a hell of a poor idea, and I assume that the constituents of Emerson are somewhat different than the rest of rural Manitobans but, nonetheless, how am I doing for time Mr. Chairman?

**Mr. Chairperson:** You have half a minute.

**Mr. Robson:** Half a minute. To Mr. Driedger, sitting in the for the minister, are you satisfied that the minister and you, sir, have done everything necessary to educate the public on this important issue?

**Mr. Driedger:** Yes, I do.

**Mr. Robson:** Can you tell me how you have done that, sir?

**Mr. Driedger:** By the communications that have taken place through government, through MTS. I can tell you, Mr. Robson, you are questioning the process that you think that you could maybe set up to suit your purposes. We have a system in place here in terms of making presentation, where we sit here hours upon hours listening to you as a people. If you feel that it is not beneficial to do that, that is your prerogative. You are entitled to have your own opinion on that, but we take these things seriously. That is why there are 10, 12 people sitting here many, many hours. They sat till two o'clock last night. They will be sitting till all hours tonight again listening to that, and I think it is counterproductive if we get into an argument. We are here to listen to your views, and you are entitled to have them.

**Mr. Robson:** You have a difficult job and you sit here long hours. I also sat in a crowd for long, long hours, and I take this seriously, too. I only ask these questions because I, like many others, am frustrated that I do not know what you folks really think, and you are not saying. You do not ask questions of the presenters when they make a point. You sit there and you let somebody else ask the questions. You talk to each other; you do not listen. That is an observed behaviour. Maybe you are listening as you talk, I do not know.

**Mr. Chairperson:** I am sorry, time is up. Questions?

**Mr. Praznik:** Mr. Chair, I think since this has been an unusual process of discussion, if the Chair will allow me some latitude in responding generally to some of the issues that Mr. Robson raised.

Mr. Robson, I do appreciate your point, and I think it is a fair one to be asking where we as government MLAs, who are in support of this legislation, the view we get from our constituents. You indicated you have lived for some time in rural Manitoba, a significant part of your life. You know that for rural MLAs, somewhat differently perhaps from urban members that we tend to, because our constituencies include communities and we tend to be more centre in our ridings than in an urban area where they are part of a greater community, I can tell you that on virtually every public issue as a rural MLA, when we are travelling through our ridings, when we are attending public functions, and we tend to attend a lot of them in our community just by the nature of the communities, we get a lot of feedback on a lot of issues. I know that, just to share my experience, I alluded somewhat in my constituency, this past weekend I attended events which were also attended by over a thousand of my constituents, and I have had many people come up to me to talk about issues. I will tell you the .05 issue was the largest top-of-mind issue.

I did not have one talk to me about MTS. I am just sharing my experience, and I am sure my colleagues could share it with yours. Mr. Penner alluded to more of it. Mr. Helwer has a similar experience. In my office, I cannot remember the numbers exactly, but it is certainly less than a half dozen letters, certainly less than a half dozen phone calls. I have had about a half dozen MTS employees who are my constituents approach me, and what is very significant and interesting about that is that

not one of them opposed the privatization. Two had concerns about it, we are going to wait and see how things work. Four of them were very supportive of it, and in turn, quite frankly, shared with me an inside view of the operation of the corporation, had a very deep understanding of the changes that have taken place in telecommunication, much more than I think the general public or even we as legislators had a year ago before we got into this, because they are so intimately involved in the industry, as one could expect.

But two-thirds of those people, my constituents who work for the company, not in senior positions, many of them on the line, were very supportive, were planning to buy shares, and actually their message to me as their MLA was "get on with it" because we have to get in that marketplace, so that is my anecdotal information. I share it with you, and it is repeated. If I may also add and respond to a couple of the other points that were made—oh, one other point I just noted when you were talking, because it has come up at committee about seniors. The Lac du Bonnet seniors, a very significant group, whenever there is an issue that really stirs their imagination or interest or they are concerned about, they always want to have a meeting and a presentation. We are arranging one for November, but it is on regionalization of health care. The MTS was not an issue. It will probably come up in some discussion, but it gives you a barometer of public opinion that we read.

\* (1130)

Having said that, I just want to make a comment about the committee process, because your observation as someone who has had to spend many evenings here and many days here is probably a frustrating one, and it would be for any of us. Just to put it in some context, and it does not necessarily justify the process entirely but I think it gives some sense of context, is that we are the only Legislature, I understand, in Canada that has an open process for the public to comment on legislation. When bills have gotten to this stage however, under our rules, they have been approved by the Legislature in principle, and this committee stage is to deal, in theory at least—it does not happen in practice, but in theory at least—with the detail of a bill in order to give the public an opportunity to speak on how it will apply. The reality of the situation, though, in fact is that this does become a very good forum for the public who may be opposed to

the principle, and we accept that as part of the process, I think, in fact, even though that is not the formal rules.

Members who sit at this committee—in any legislative process the bulk of the work gets done in the last remaining weeks—are putting in many, many hours. We recognize that many of the presenters who come to this committee come—and I do not in any way question the legitimacy of them being here and making their case—from a point of view they oppose the principle. They often are part of organizations that do, and we hear often many of the same presentations over and over again. They have a right to do that, but one has to respect that members have been sitting here long hours—

**Mr. Chairperson:** Time has expired.

**Mr. Praznik:** Just if I may finish my comment.

**An Honourable Member:** No. Time is up.

**Mr. Praznik:** So I am being denied leave to finish my comment in response to Mr. Robson. Thank you, Mr. Chair.

**Mr. Robson:** I was supposed to be asked a question in the five-minute period, was I not?

**Mr. Chairperson:** Is there leave for Mr. Robson to respond to Mr. Praznik?

**Mr. Robson:** Just a minute, there was a five-minute question period, was there not? I did not hear a question in the five minutes.

**Some Honourable Members:** No leave.

**Mr. Chairperson:** Leave has been denied. I am sorry, Mr. Robson.

#### Point of Order

**Mr. Chairperson:** Ms. Wowchuk, on a point of order.

**Ms. Wowchuk:** Mr. Chairman, you gave some latitude to the other members, government members, to respond to questions. You went beyond the time allowed. I think it is fair that you also extend that courtesy to us to get our comments or a question to Mr. Robson.

**Mr. Chairperson:** Is there leave? Mr. Praznik, on the same point of order.

**Mr. Praznik:** In fairness to everyone here, when Mr. Robson embarked on a very unusual process in his presentation in committee, I did make the comment that we expected that he could put his general comments and questions, and because he was doing it in that way, that when the five-minute period time for questions would come, there would be an opportunity to respond to them. Given that the questions were put to members on this side, that they be responded to by members on this side, and given that there is only five minutes, and as a minister on this side, I responded generally on behalf of my colleagues.

There are other presenters here today who have presentations to make. Mr. Robson has used this opportunity in an unusual way. We have accommodated that. I think now we have to move on to other presenters. Thank you.

**Mr. Chairperson:** Ms. Barrett, on another point of order?

**Ms. Becky Barrett (Wellington):** I just want to put on the record something that I think needs to be stated. In this committee and others, people on committees have commented about the long hours that we have put in as members of committees, and I just want to put on the record the fact that this is our job. This is what we are supposed to be doing. We should not be paralleling what we are doing in this committee with the fact that people sit here for hours and hours and some cases days and days as members of the public off their own work and other schedules. So for us to say that we are as put out by the process as the members of the public is absolutely ridiculous, and I think it is important that we recognize that they are doing a lot more than we are.

**Mr. Chairperson:** Mr. Struthers, on the same point of order.

**Mr. Struthers:** I agree with much of what the Minister of Northern Affairs (Mr. Praznik) is saying, and I realize that he wanted a chance to answer some of the questions being asked by the presenter. When he proposed what he did earlier, I thought it was very accommodating on his part to say that it would be good if the opposition would

cede to let them answer their questions first, which is what happened. I did not think that precluded us from answering questions after, and I did not think that by us ceding to having them go first would preclude us from asking questions.

I think it is only fair, from the government's side, to allow the member for Swan River (Ms. Wowchuk) to pose at least one question. I think, if we are being asked to keep our hands down and not ask the questions when the presenter is done, then we should not be penalized for that.

**Mr. Chairperson:** Mr. Driedger, on the same point of order.

**Mr. Driedger:** To committee members, I mean, we cannot start making rules as we go along because it confuses the public. There is an understanding how the process works, and by and large, as far as I am concerned, I think, in fairness to the public, we are here to listen to them instead of arguing among ourselves, which does not give a very good impression. I think we should thank Mr. Robson for his time and ask for the next person to come forward to present.

**Mr. Chairperson:** Ms. Wowchuk, on the same point of order?

**Ms. Wowchuk:** On the same point of order, Mr. Chair, in all due respect to the minister, and I am agreeing with most of what was said, except that you said that you would give leniency to the time period for the Minister of Northern Affairs (Mr. Praznik) to respond. All we want to do is have the opportunity to put on the record that we did consult with rural Manitobans. We have heard from 15,000 Manitobans who are opposed to this sale. We have held public meetings across Manitoba, and we are fighting, with a very minimal budget, a \$400,000 ad campaign that this government is putting forward to sell their propaganda. So I think it would be fair for us to have the opportunity to also put some comments or ask Mr. Robson some questions.

**Mr. Chairperson:** Thank you. On the request for leave, leave has been denied.

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**Mr. Chairperson:** So thank you very much for your presentation, Mr. Robson. Thank you. I call Ronald Fingler. Ronald Fingler, not here, his name drops to the bottom of the list. Kevin Miller. Mr. Miller, do you have copies for distribution?

**Mr. Kevin Miller (Private Citizen):** No, I do not.

**Mr. Chairperson:** Please proceed.

**Mr. Miller:** Okay. Thank you very much for giving me this opportunity to speak. I am just here, a couple of hours away from work, just to have my opinion known, which I understand is the point of this. The interesting thing about that, of course, is that in the last election when Manitobans were asked their opinion in giving mandates, it was never put clearly to them. In fact, it was not put to them at all, that one of the things that the government wanted to do was to privatize corporations like MTS. So I really feel that the government does not have a mandate at all to sell MTS based on the last election. In fact, I have heard that—and I did not see it personally—the Conservative Party in fact stated the opposite on more than one occasion in the last election.

The shareholders of MTS currently are the people of Manitoba, so I guess that makes me a shareholder, and the other million shareholders of MTS have not cast their ballot that they want to see MTS privatized. So I would very much really love to see this as an issue in the next election. Put it right up there with all the other issues—there are a lot of issues, there are hundreds of them, but it is one of the issues—and then we can decide. If the majority of Manitobans side with selling MTS, well, then so be it, but I do not think that is the case. I do not think the government has the right to sell MTS right now, because they do not own it. It is the people of Manitoba who have owned it and they have not given that okay yet. In fact, from what I have observed here—and I do not know if I am presenter No. 100, if we have cracked the magic 100 barrier here yet—but I think that the number of Manitobans who have chosen to give up their free time to come and speak before committee, the vast, vast majority of them are opposing this bill, because this is the one and only forum that we have for giving our opinion on it.

\* (1140)

Also, what I really dislike about this is that it is just another step in putting control of our province in the hand of—and the people keep talking about, the government keeps talking about investors. Investors really to me just means putting it in the control of people who have lots of money and taking it out of the control of the ordinary person. So we are giving lots of votes now into how we want our telecommunications system run, to those who have the money so they can buy their say of how this telecommunications system runs. Now, with many corporations this is perfectly legitimate. However, the MTS I think fulfills a role in this province that is very broadly based. I think it is a service that has been given to all Manitobans and all Manitobans have enjoyed for many, many years. I do not think, in my opinion, that MTS's main thrust should be to create a profit. I think it is to serve Manitobans in basic telecommunications, and I think it has done a very good job at that. In fact, it has done such a good job at that, that it makes money every year. It continues to make money.

So I ask myself why do we want to sell a corporation that makes money? Well, I have heard two different things and all the Crown corporations and public entities that have been sold off—far too many of them in the past 10 years—I have heard the argument both ways that, oh, this is a loser, we have to get rid of it, we have to sell it; oh, this is a winner, therefore we should sell it and try to make money on it. It seems to me that the main gist of this is to take the power to make decisions by the corporation away from the people and give it to the people, the investors, the people who have money. Those of us who do not have lots of money, we bear what comes out of it. The people with the money, the investors, control it.

I do not see what is wrong with the way that MTS is currently being operated. You have not even given me the chance. If you want to give me the chance to put my money where my mouth is, I have not seen any MTS bonds. I keep hearing that MTS needs more capital, they need more money in order to finance growth and to finance expansion into communications. Where are the MTS bonds? If that is what you are looking for, money, give Manitobans a chance through that, but keep the control of MTS with Manitobans through the Minister responsible for the Manitoba Telephone System. I am really afraid that a couple of years down the line here MTS is going to be controlled by, first of all, non-

Canadians—and I do see that in the bill there are some provisions for that not to happen, but I believe there are other provisions in there that, once MTS is no longer owing money to the government, things can start to drift away.

So will the control of MTS be in non-Manitobans, will be in non-Canadians? Where will the profits go, the profits that MTS is racking up right now? It is a very profitable corporation. Where will those profits go? Will those leave Manitoba too, presumably into the pockets of those investors and hopefully those investors are Manitobans, but it is certainly, again, not going to benefit the average person who is looking for MTS to be a cornerstone of communication throughout the province.

Now I am going to finish this off by saying that I also resent the expenditure of public money on the advertising that has occurred in the last couple of months, and I think this is something that has been flawed with the whole process here. The government has not come to me and asked me what I have thought. They have spent money on ads and told me what I am suppose to think, that I am suppose to think that selling MTS is great for the province. Why was that money not spent on asking me what I thought, although I had this opportunity to come here today and I had to take some time off work to do it, but why could the money not be spent like that? Let us know what you think about it. It seems that most of the people coming here do not really like this idea. Perhaps the money spent on advertising could have been invested in MTS, I do not know. I just—really this rubs me the wrong way.

Finally to close, I am very concerned about any time we sell a public corporation, especially one that is serving in a monopoly situation and serving for the good of the province. It is not in competition with anything here in Manitoba. I understand in some ways it is in competition coast to coast, but in terms of how it provides a service to Manitobans, MTS is our telecommunications company. I do not think we are talking about bringing in other telecommunications companies to compete with MTS in that I get my choice of phone. I certainly hope it does not come to that, because if it comes to that, then the jobs will really clear out of here, and I am sure that some firm can employ people in Indonesia or whatever to work at a quarter of my wage rate or the MTS wage rate, and we can really

get ourselves with free competition here and send all our money and all our jobs right out to boot. I would like to see Canadians, and especially Manitobans here retain some control over this very basic service and to serve all Manitobans as it has in the past. Thank you very much.

**Ms. Wowchuk:** Thank you for taking the time from your work to come and make a presentation. I can tell from your presentation that you are very concerned about what the government is proposing. The previous presenter was wanting to ask government members whether or not they had listened to their constituents and held any meetings out in their communities—and I think that when you are talking to your constituents, and I talk to my constituents, I do not wait for them to tell me that they are concerned about an issue, I go to them and I say, you know, the government—this is a proposal that it is putting forward, do you have any concerns about the sale of MTS? And I think that is our job to go out and ask the questions of the constituents.

I want to ask you: Have you had the opportunity to attend any meetings put on by the government where you would be able to get information on the sale of MTS, and has anybody asked you directly whether you have concerns or whether you support the sale of MTS?

**Mr. Miller:** In fact the answer is no. I was not given a chance in the last election because it was not an issue, and I have not, other than the advertising that I have seen extolling the virtues of a private MTS, seen anything at all for public meetings. This is the closest thing to a public meeting, and as the previous presenter alluded to, this has been a very difficult process for many people because they have to come and spend large amounts of time here. It is quite a bit different than a public process where we have meetings that we can go to and hear and debate, or even something where we can fill out an opinion or any type of form like that.

It is interesting that one of the government representatives, government MLAs, earlier said that his constituents are asking him how they can buy into MTS, how they can purchase shares of MTS. I do not doubt that has been happening, that in a lot of cases we are hearing that type of thing, but that gets down to the situation again and the influence again and those with money having their say. Sure, I am sure that the MLA has many constituents who have money for investment

and they are looking at it from that way, but what about the other very large percentage of the constituents who do not have money that they can invest in large quantities in MTS? That was one of the points I am raising, that the people that have money to invest are getting a large say in this. The people who just want to receive a service and work for MTS, and the basic service of MTS, they are getting no say at all in any of this.

**Ms. Wowchuk:** You have raised a very good point, because statistics show us that, using the Alberta example, very few of the Alberta residents have invested in their telephone system when it was privatized, and the majority of it is not owned by Albertans. I want to say that you talk about the difficulty of you getting here to this meeting. It is a much greater difficulty for people from rural Manitoba that I represent, and we have held some public meetings throughout the province, in eastern, Lac Du Bonnet, Roblin-Russell, various areas. Over 15,000 people have sent petitions saying that they oppose the sale of MTS. Do you think that it would have been fair of this government, just as they went to rural Manitoba to listen to people, to ask their opinions on childcare, on education, and in fact on other issues they went to rural Manitoba, do you think that it would be fair to rural Manitobans—if you look at the list you see there are many rural Manitobans that want to make presentations—that they should delay this legislation until rural Manitobans and other Manitobans have had the opportunity to express their views and get the real detail of what this deal really means, which is a sellout of a Manitoba Crown corporation and a real loss to Manitobans?

**Mr. Miller:** I agree wholeheartedly with you. And that of course, as we know, has not happened at all. I think that if the rural MLAs were to consult with their constituents, and I mean on a real democratic consultation, not speaking to those who have influence with them but those who would be affected by this sale, and that would be every constituent, I think that we would find that, just as the representation in this room at this microphone has been, the vast majority of Manitobans, even after hearing and clearly considering the government's point of view on what the advantages would be, because that is part of any process is to listen to both sides and hear what the advantages are, hear what the disadvantages are and make a decision, that after that took place, I think that the majority of Manitobans,

especially the majority of rural Manitobans, would clearly see that the sale of MTS would not benefit them in any way, shape or form; in fact, it would hurt them. Yes, we have not seen that type of process taking place, and that is very unfortunate.

\* (1150)

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

**Mr. Miller:** Thank you.

**Mr. McAlpine:** Mr. Chairman, just for the record, just let the record show that there were a number of members from the government that did want to ask questions, but the time had expired and I respect that. So allow that to go on the record, please.

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

Elizabeth MacNeish. Elizabeth MacNeish, not here, the name will be placed at the bottom of the list. Dan MacNeish, not here, the name will be placed at the bottom of the list. Katherine Clune, not here, the name will go to the bottom of the list. Gillian Mueller. Gillian Mueller, not here, the name will go to the bottom of the list. Graham Dowdell. Graham Dowdell, not here, the name will go to the bottom of the list.

Shauna MacKinnon, please come forward. Do you have copies for distribution?

**Ms. Shauna MacKinnon (Private Citizen):** Yes, I do.

**Mr. Chairperson:** The clerk will distribute.

#### Point of Order

**Mr. Penner:** Mr. Chairman, on a point of order, I just want to make note of the fact that the honourable member for Dauphin (Mr. Struthers) is continually nattering while the process is going on, and I would suggest that you call him to order and let us listen to the presentations.

**Ms. Wowchuk:** Mr. Chairman, on the same point of order, I find it absolutely hypocritical for Mr. Penner to put such a statement on the record when we have had the members of the public telling us that it is so disappointing that government members are reading their

newspapers, are not listening to presentations and we have had heckling from across the table from other members besides Mr. Penner, as well. This is not as though it is only Mr. Struthers from Dauphin who is making comments, and if you are going to put it on, if we are going to have put on the record that one member is disrupting the committee, I would ask you to recognize that it has been all members at this table. Mr. Penner has not been immune to this. He has been one of the lead hecklers in this.

**Mr. Chairperson:** I am sorry. There is no point of order on this issue.

\* \* \*

**Mr. Chairperson:** I would ask the presenter to please begin.

**Ms. MacKinnon:** Thank you. Before I proceed with my presentation that is in written form that you all have a copy of, I need to make a few comments after having witnessed the way in which Mr. Robson's presentation was dealt with by committee members here.

As I expected, and it was confirmed for me here this morning, there really is no desire for any real consultation with the public here in these hearings. It is interesting to hear the word "process" and "open process" being thrown around, and then Mr. Robson is not able to proceed in the way that he wanted to for even a brief bit of time. So I would like to also say that I am a student, and I have spent the last month doing research on consultation process and alternative information-gathering models. So I found this particularly interesting and actually humorous. I think that some of you folks might want to go back and do a bit of reading on some of the models that there are out there, and if you are really interested in consultation process, I would be quite happy to refer you to some of the literature that is out there that I have found quite interesting in my studies. So I will proceed now.

I am here today to address changes proposed in Bill 67. I would first like to say that I am concerned with several of the bills that are going through the Legislature at this time. However, this is the first time I have had the opportunity to come out and address my concerns. As a graduate student approaching completion of studies, as a part-time worker soon to be seeking full-time work, and as the daughter of an aging single parent on a fixed income with early stage Alzheimer's and increasing health

care needs, I will be affected by many of the changes proposed in the bills, so I am quite concerned. Changes in health law, labour law and the governing structures of universities are of great concern to me, as are changes to the social assistance act. I would have like to have been able to address my concern with the other bills, but again, some of us are out there in the real world just trying to survive. So I have not been able to.

I would like to express my concerns with what the direction this government is moving in before I speak specifically about this particular bill. This government has introduced over 70 bills in this session alone. Manitobans cannot possibly have had the time to understand the impact of these changes, and, certainly, this government knows that and has considered this in their strategy to proceed in this way. This government has clearly chosen to move in a direction similar to Ontario and Alberta and their intent on gutting public services. The direction our province, our country is moving in is terrifying for many people—I will just wait until people are finished speaking amongst each other. I think a lot of you would be aware of that if you were really out there talking to folks. Not unlike our federal leaders, our provincial representatives have lost sight of what makes our nation different, more caring than our neighbours to the south, and we are rapidly becoming just like them. The MTS changes are one example of that.

The changes in Bill 67 are being whisked through the Legislature with all the other bills, and there really has not been any public debate.

Briefly, my concerns are like others who have spoken here this morning, the government has no mandate to sell off MTS. The probable effects of the sale have not been studied in great detail as it appears. The Manitoba government promised that they would not sell MTS, and they have not consulted with Manitobans since they made that promise. Experience in other provinces indicates that private companies are likely to increase rates much faster than publicly owned companies, as was the example of AGT in Alberta, which recently received a \$6-a-month increase compared with only \$2 here in Manitoba.

Bill 67 contains clauses that specifically overrule the requirement of MTS to consider the public good and provide affordable services. Again, there is a real concern with what will happen with rural and northern Manitoba, and what kind of increases they might see in

the future. Increasing telephone rates will affect low-income families and specifically those on welfare who do not receive sufficient income to pay for telephone services. All of us here know how difficult our lives would be without a telephone. Consider how difficult seeking employment would be if you did not have a telephone. MTS employs nearly 4,000 people in Manitoba, is my understanding, and these people invest their earnings in Manitoba's economy. A private company could very likely move many of these jobs outside of the province. MTS is—I would like to just make a comment on the people who were commenting about the other people speaking, now are interrupting my presentation.

MTS is profitable. Manitobans do not understand why we want to sell a profitable company. If financing new technological developments is a concern, there are alternatives such as amalgamating with other publicly owned phone companies, or, as a previous presenter gave the example of, perhaps some MTS bonds similar to HydroBonds. It is unlikely that investors, 25 percent of whom can be from outside of Manitoba, will have Manitobans' best interests at heart. Let us face it, this is not about selling off a publicly owned company because it makes sense for Manitoba. It is about the government's agenda to please their friends in the business community, making them more wealthy with increasing control over the economy while ignoring what really is best for Manitobans.

There seem to be a lot of things that need fixing in Manitoba. There are a lot of bright, hard-working people that cannot find suitable employment. This government should get off the privatize-everything bandwagon and put more focus on creating jobs for Manitobans. If you really want to get this economy moving, you will need people like me who are earning money here and spending money here, and that is the issue that I think we should be focusing our attention on. The bottom line is that MTS provides affordable rates, good service, quality employment for Manitobans and makes a profit. Why fix it if it ain't broke? Certainly, we can dig a little deeper in the job jar and find something that really is broke to fix. Thank you.

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

**Ms. Wowchuk:** Seeing that there are no questions from the government side, I want to indicate that I did allow

them to go forward first. Since they have no questions, I would like to ask you, you talked about being involved in the consultation process and collecting information and being critical of this process, and this is a very structured process that does have rules, but there are other opportunities, other ways to consult with the public. However, this government has chosen not to consult the public on this issue. They have gone out to meet people on other issues, but not on Manitoba Telephone. Can you give me a suggestion as to how you think the government could have done a better job in consulting with the public and getting their real views on this proposed sale? If you were in charge, what process would you have used to consult the public?

\* (1200)

**Ms. MacKinnon:** Well, first of all, people do not have the information necessary. They are getting—clearly the government has decided on what they want to do and trying to sell that idea. They are not, sort of, giving people information of what some of the benefits and otherwise would be. So people do not have time to read through the literature and find out, you know, what the impacts are going to be. They trust people to give them accurate information, and they are not getting it. They are not going to the community and talking to folks. Someone mentioned earlier, what people are doing is, they are going to the people that they know vote for them, which is, you know, the people in the business community who, of course, support this, because they are people who could put some money and invest in it. They are the ones who will benefit from this, but not regular folks like myself. I mean, there is absolutely no benefit for privatizing for people like myself.

So we need to go and talk to people. But, I mean, this whole process is so ridiculous. It is so intimidating for people to come and look at all these faces who sit there with expressions that are like boredom, you know, like this. You sit here for hours, and you do not care what we have to say. The decisions are likely made. So it is a waste of my time, but I mean it has been interesting.

**Ms. Wowchuk:** Mr. Chairman, I want to give you our assurance that we are interested in what you are saying, and we have made every effort to go out to the public and hold public meetings. Our meetings have not been by invitation only, or they have not been with the Chamber of Commerce. We have listened to the public. I want to

assure you that we will continue that and we hope the government would.

I just want to ask you whether you feel that it is necessary to privatize Manitoba Telephone to keep up with modern technology. That is one of the excuses we have heard for privatizing, saying that, you know, there is all this expansion and dramatic change taking out here, and Manitobans do not have the money to invest, so we have to have the private sector. What is your view of what Manitoba Telephone has done to this point as far as expanding into this modern, technological world, and do you think that they are still capable as a Crown corporation to be a leader in the field?

**Ms. MacKinnon:** I think clearly, yes. As I mentioned earlier and as the person before me mentioned, we have to look at some of the alternative ways of doing that. Privatization, it is just sort of another excuse to ram it through and give that to people so that they are feeling we have no other options, but I do not think that there has really been any exploration of any of the other options.

**Ms. Wowchuk:** Mr. Chairperson, the other issues that I want to raise with you is we are told there is protection in this legislation that Manitobans will be able to control the majority of the shares. Yet when we look at what other corporations that have been privatized, such as CN where there was, by the federal government, supposed to be protection and now we see that a large portion of the shares are owned by foreigners, by the Americans. Do you have any confidence that this legislation will protect the shares of this company for Manitobans, and do you believe that the average Manitoban has the resources right now to invest in this company?

**Ms. MacKinnon:** No, no. Simply no.

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

The hour now being past 12 noon, what is the will of the committee?

**An Honourable Member:** Committee rise.

**Mr. Chairperson:** Committee rise until 6:30 p.m. tonight.

**COMMITTEE ROSE AT:** 12:05 p.m.