



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

Tuesday, November 26, 1996

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Telephone System

Mr. Clif Evans (Interlake): Madam Speaker, I beg to present the petition of Erika Dalki, Cliff Dalki and Catherine Argle requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. Gregory Dewar (Selkirk): I beg to present the petition of Barbara Lavallee, Gale Cherpako, Al Godfrey requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. Gerard Jennissen (Flin Flon): I beg to present the petition of Irene Stevens, Klaus Tibeluis and Louis Lucko requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. Jim Maloway (Elmwood): I beg to present the petition of J. Thiessen, H.N. Ball, T. Rainey and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Guaranteed Annual Income

Mr. Doug Martindale (Burrows): I beg to present the petition of Ruth Breckman, Kris Breckman, F. Mooitroek and others requesting that the Legislative Assembly urge the Minister of Family Services (Mrs. Mitchelson) to consider withdrawing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, and that this annual income increases as prices increase, and that this new legislation also provides for the creation of real jobs with a goal of creating full employment so that individuals on social assistance can find safe, meaningful

work of their own choosing that allows them to meet their needs and the needs of their families and that this new legislation also provides for adequate supports so that individuals with disabilities receive appropriate assistance in finding meaningful work.

Manitoba Telephone System

Mr. Daryl Reid (Transcona): I beg to present the petition of Brian McKeehan Jr., Patricia Morris, Harry Ebbs and others requesting that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. George Hickey (Point Douglas): I beg to present the petition of Wendy Gerbrandt, Pete Dueck and Peter Ilchyna requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Ms. Diane McGifford (Osborne): Madam Speaker, I beg to present the petition of Zully Trucfille, Fagie Fainman, Marian Yeo and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Ms. Marianne Cerilli (Radisson): I beg to present the petition of Leon E. Boomershine III, Cindy Hanson, Doug Racing and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Ms. Jean Friesen (Wolseley): I beg to present the petition of Susan Barnett, Kevin Dearing, Jennifer Howard and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. Stan Struthers (Dauphin): I beg to present the petition of Fred Embryk, Ken Steven, Joan Kutzan and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I beg to present the petition of Virginia

Jamieson, Wilf Hudson and Charles Zimmerman requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

Mr. Oscar Lathlin (The Pas): Madam Speaker, I beg to present the petition of Paul Plouffe, Ellen Plouffe, Tracey Kitchin and others requesting that the Premier withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

* (1335)

READING AND RECEIVING PETITIONS

Manitoba Telephone System

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

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

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

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

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

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

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

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba request that the

Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System to private interests.

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

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

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

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

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

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

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

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

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us this afternoon 10 English as a Second Language students from the University of Winnipeg under the direction of Mrs. Shannon McFarlane. This school is located in the constituency of the honourable member for Wolseley (Ms. Friesen). On behalf of all honourable members, I welcome you this afternoon.

ORAL QUESTION PERIOD**Manitoba Telephone System
Privatization—Dividend Rates**

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, in testimony produced to the CRTC over the last number of weeks, the telephone system and Mr. Nugent described the dividends that are paid by the existing nonprofit, publicly owned corporation to Manitobans in the form of accessible service and low rates across the province of Manitoba. We know that a private corporation will have additional costs because it will have to provide dividends to private investors. We know the example of Tellus in Alberta where the rates are going up \$6 in 1996 per month and \$6 effective January 1, 1997, and according to the CRTC that is partially due to the return to private investors.

I would like to know from the Premier, what is the projected rate of dividends over the next five years in the Manitoba Telephone System to the private investors and what is the impact on the rates for the consumers in the province?

* (1340)

Hon. Gary Filmon (Premier): Madam Speaker, I know that the member opposite is running out of material, but that is something that has been asked numerous times in this Legislature and the same misinformation has been put on the record numerous times by the Leader of the Opposition.

I have indicated to him that if you look at rate comparisons, particularly for exchanges in Rate Groups 1 and 2 which basically represent rural communities and smaller service areas, at the present time Manitoba Telephone System is right in the middle of each of the rate groups, and in each case there are four telephone systems that provide service at lower costs in those same similar rate groups across Canada in their provinces, and in each case every one of the four that provides cheaper rates is a privately owned telephone company in other parts of Canada.

Madam Speaker, I also indicated to him that with respect to the return on investment, certainly no final decision has been made with respect to what the dividend

rate might be—that is something that will follow with the prospectus—but I can indicate to him that it is very, very likely that the rate of return by way of dividend will be less than the interest that is being paid on the debt that will be replaced by equity in the sale of Manitoba Telephone System, which would be an advantage obviously to the ratepayers of the new privatized telephone company.

Mr. Doer: Madam Speaker, I would ask the Premier to listen to the question instead of just opening his briefing book to yesterday's question, and perhaps he should stop using examples of party rates in British Columbia to nonparty rates here in Manitoba. Perhaps he should do his homework and look at a recent edition of ECHO bulletin from the Manitoba Telephone System that outlined the lowest rates in Canada right here in Manitoba, and perhaps he would like to look at what his own department and Crown corporation are saying.

Madam Speaker, it has been reported that on an \$800-million issue, there will be a possible 6 percent guarantee in the first year which would be between \$48 million and \$50 million in terms of a dividend to the investors. Now surely the government has information over the next five years about how much money will be paid out in dividends. The Premier alleges that this will be lower than the interest rates.

Can the Premier tell us and table with Manitobans, what will the dividend be for the private investors? The only people whom the Premier is interested in are investors and brokers, not the people of this province. Can he tell us how much we are going to have to pay for the speculators, and can he give us those numbers in terms of what it means to rates here in Manitoba? We know what has happened in Alberta. It has gone up \$6 a month. The Premier has a responsibility of tabling those numbers here for dividends in the province of Manitoba.

Mr. Filmon: Madam Speaker, the only echo is the constant repetition of the same questions from the member opposite. I keep hearing an echo day after day, week after week in this House as the member echoes over and over again the same questions.

Madam Speaker, if the member opposite will listen I will tell him that if the MTS pays a dividend rate of 5

percent, that would compare to paying currently between 7 and 7.5 percent interest on the debt, so obviously there is a saving of over 2 percent of paying a dividend on the equity versus paying interest on the debt. That is cheaper. That is an advantage to the ratepayers of MTS, and that is what is expected to happen with the privatization.

Privatization—Information Tabling Request

Mr. Gary Doer (Leader of the Opposition): You will understand why we have a great deal of difficulty in trusting the Premier on anything to deal with the telephone system, because he is the very same person who promised that he would not sell the telephone system before the last election campaign. His candidates were promising that they would not sell the phone system and the only way, perhaps the best way for the Premier to keep his word and have some legitimacy, is to have a referendum but the members opposite do not have the guts to do it.

Madam Speaker, I have asked a question. Can the Premier today table the five-year projections for dividends for the private investors and can he table the facts today, that surely he has in front of him and all Manitobans are entitled to, of what the impact of those dividends to his good friends, the private investors, what those impacts will be on all Manitobans rates? We do not want his words; we want the facts. The Premier has a responsibility to table those. Why will he not table them today?

* (1345)

Hon. Gary Filmon (Premier): Madam Speaker, I reject totally all of the dishonest information that is put forward by the member opposite in his preamble. I will tell him very straightforwardly that one cannot say with any certainty what the exact rates are going to be, because they are normally in a relationship to what the interest rates are.

But what I can say is that the dividend rates invariably are less than the interest that would be paid on the same amount of debt, so instead of having 7 to 7.5 percent interest on the debt, they may be paying 5 to 5.5 percent return on equity by way of a dividend, which is a saving to the ratepayer which implies less cost to the ratepayer.

I think he should get it through his head, and he should listen instead of chirping away as he always does.

Introduction of Guests

Madam Speaker: Prior to recognizing the honourable member for Thompson, I would like to draw the members' attention very quickly to the public gallery where we have 25 students from Keystone Christian School under the direction of Mr. Ray Gunther and David Remple. This school is located in the constituency of the honourable member for Wellington (Ms. Barrett).

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

Manitoba Telephone System Senior Management—Moving Expenses

Mr. Steve Ashton (Thompson): Madam Speaker, it is becoming increasingly clear that there will be winners and losers out of the sale of MTS. The winners will include the stockbrokers, the Conservative MLAs who want to buy shares, even though that is a clear conflict of interest, and experience has shown that in areas such as Alberta, senior management. Losers will be Manitobans and many of the existing employees and people who are retired.

I would like to table some information to the House, including the expense transactions for the four newly hired presidents which indicate that, in the case of one of the newly hired presidents, \$38,000 was spent on moving expenses between December and May 31 and a total of \$66,000 in expenses for the same five-month period. I would like to ask the Minister responsible for MTS if he can indicate whether he feels those expenses are legitimate and also whether he could confirm that one of the big winners under the sale of MTS will be the senior managers at MTS who in other provinces, including Alberta, got dramatically increased salaries and expenses as a result of the privatization.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, approximately a year ago the Manitoba Telephone System went through a reorganization and divided itself up into three different companies with a holding company. A nationwide competition was held to

hire the respective presidents that they hired and entered into contractual negotiations on salary and moving expenses. I would interpret those figures as being within what we might call industry norms for those kinds of actions and negotiated between the respected people that were hired and the corporation.

Employee Severance Packages

Mr. Steve Ashton (Thompson): Madam Speaker, if the minister is suggesting that \$38,000 moving expenses is within industry norms, I am also wondering how he justifies the fact that 91 former employees, in this case the losers in this equation—

An Honourable Member: Is there a question here?

Mr. Ashton: Yes, there is a question. I hope the minister will answer. Ninety-one employees were laid off, were given a severance package, were told at the time in 1995 there would be no further severance package. How does the minister explain that those 91 people found out within five months there was a further package which would have resulted in a severance package of 100 percent higher in many cases? How does he explain to the many losers, the 91 former employees—

* (1350)

Madam Speaker: Order, please. The question has been put.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, in the course of the last five or six years the telephone system has reduced its workforce by some 1,400 people with very significant packages that allowed them to retire in some dignity, and the total employment level at MTS is very similar to SaskTel at this time.

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

Mr. Ashton: As a final supplementary, Madam Speaker, I want to ask again to the minister, on behalf of the 91 former employees, the victims of this preprivatization exercise at MTS, how the minister can justify the fact that they made that decision to retire early based on a memo from the vice-president of Human Resources, Denis

Sutton, that stated there would be no further severance package, when in fact five months later there were severance packages offered that were 100 percent higher. How does he explain how that is fair?

Mr. Findlay: Madam Speaker, the telephone corporation has made decisions over the last number of years and offered packages, I believe, on an annual basis, to assist people who reach a certain age or want to move on to another career to leave the telephone system in a very responsible manner.

Manitoba Telephone System Privatization—Dividend Rates

Mr. Tim Sale (Crescentwood): Madam Speaker, when a member puts on record information that is incorrect time after time after time, either he is deliberately misleading the House or he does not understand.

Madam Speaker, will the Premier admit that dividends are paid on after-tax income, after the implications of tax, and return in the form of debt payments is paid with before-tax dollars, but he has persistently and repeatedly confused apples and oranges in order to confuse Manitobans?

Madam Speaker: Order, please. I would remind the honourable member for Crescentwood to pick and choose his words carefully. Words used in his question have been ruled unparliamentary on several occasions.

Hon. Gary Filmon (Premier): Madam Speaker, then given the fact that we have probably just in this session of the Legislature found the member for Crescentwood to be wrong on at least a half-dozen occasions, we have to assume that he was either deliberately misleading or that he was ill-informed or ignorant. Of course, we can take our choice as to which; they probably all apply in his case.

Madam Speaker, yes, indeed, I am well aware of how dividends are paid on after-tax income. I am also aware that I have placed before this Legislature a response that indicates that because of the favourable tax ruling they have received, the Manitoba Telephone System in a privatized form will not face income taxes for a considerable period of time.

Madam Speaker: Prior to recognizing the honourable member for Crescentwood, I would also remind the honourable First Minister to pick and choose his words carefully.

Mr. Sale: Madam Speaker, is the First Minister then admitting that he has consistently used apples and oranges in this particular exchange and that, in fact, he is now recognizing that return in the form of dividends is with after-tax dollars, that the payment for debt service is pretax and that this has been a specious comparison all along? In other words, is he admitting what I—

Madam Speaker: Order, please. The question has been put.

Mr. Filmon: No, Madam Speaker. If the Manitoba Telephone System is making profits on which it does not have to pay taxes, it will be able to use that to pay dividends at a lesser rate than it currently pays interest on the debt. Now, that may be difficult for the member for Crescentwood to understand, but the fact of the matter is it is accurate.

Privatization—Impact on Rates

Mr. Tim Sale (Crescentwood): Madam Speaker, will the First Minister admit that MTS debt costs after privatization are about \$52 million, dividend costs are \$48 million and that the impact of taxes and other costs of privatization will require rate increases of at least 12 percent even with the favourable tax ruling that has been given by Revenue Canada? Will he put evidence on the record either—

Madam Speaker: Order, please. The question has been put.

Hon. Gary Filmon (Premier): Madam Speaker, in addition to the information that I have put on with respect to the dividends, I will point out that the best advice available from the financial community is that Manitoba Telephone System on its borrowings will save approximately a half of 1 percent on all of the borrowings, so a half of 1 percent on \$800 million would be \$40 million a year in savings with respect to its borrowing costs. We have talked about that as well, and that is the kind of thing that the member opposite does not take into consideration.

An Honourable Member: Four million dollars.

Mr. Filmon: Madam Speaker, I apologize, \$4 million would be the saving less cost in borrowing than the current circumstances of the Manitoba Telephone System.

* (1355)

1996 Summer Olympic Games Premier's Travel Expenses

Madam Speaker: The honourable member for Wellington.

Ms. Becky Barrett (Wellington): Thank you, Madam Speaker.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Wellington has been recognized to pose a question.

Ms. Barrett: Madam Speaker, as a result of a Freedom of Information request that we received recently, there are several very serious questions that we have about the role that IBM played in the Premier's trip to the Atlanta Olympic Games this summer.

I would like to ask the Premier, first of all, why did he make it appear in his comments in the media on August 1 that it was only a chance encounter with Premier McKenna that led to his accepting IBM's hospitality when he knew as early as May and June of 1996 that he was going to participate in the Olympic program sponsored by IBM?

Hon. Gary Filmon (Premier): At no time did I make it appear that it was a chance encounter with Premier McKenna, Madam Speaker.

Ms. Barrett: I would like to ask the Premier if he could perhaps clear up another apparent discrepancy when he explained in the House on September 17 that, and I quote: "I asked for an individual bill" from IBM, when in the Freedom of Information material given to us on October 3, two weeks after the statement in the House, there is absolutely no request from the Premier to IBM for such a bill. I would suggest either the Premier withheld—

Madam Speaker: Order, please. The question has been put.

Mr. Filmon: Madam Speaker, because I knew that this kind of mudslinging would be occurring, I phoned directly to the vice-president of IBM and requested the bill. It was sent and I paid it in full.

* (1400)

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

Ms. Barrett: Thank you, Madam Speaker. I will table a letter from the IBM office of the president and chief executive officer of August 9 which states, and I quote: I understand from press reports that you would like us to provide—

Madam Speaker: Order, please. I interrupted because the honourable member was not abiding by the rules. There is to be no preamble on a final supplementary question.

The honourable member for Wellington, to quickly pose a question.

Ms. Barrett: Thank you, Madam Speaker. I would like to ask the Premier if the chief executive officer of the International Business Machines company was misrepresenting the situation when he wrote on August 9 that as a result of a press statement, obviously from the Winnipeg press, he was going to prepare a bill for expenses incurred for the Premier and Mrs. Filmon for their time in Atlanta as IBM's guests—an unusual word, I might add, “guests.”

Mr. Filmon: Madam Speaker, clearly everything was very well canvassed publicly. I had interviews with people at which I openly stated what had happened and also gave all the information to all the questions. I also spoke directly to the vice-president of government relations for IBM. An invoice was sent out, and I paid it in full.

Vehicle Licensing Bilingual Plates

Mr. Neil Gaudry (St. Boniface): My question is for the First Minister. In light of what the First Minister said in

this House yesterday and since there is no extra cost to Manitoba taxpayers for placing the word “Bienvenue” on the new Manitoba licence plate and as a sign of good will towards the great debate of national unity, does the First Minister accept to introduce a motion to have the word “Bienvenue” on the new Manitoba licence plate and to hold a free vote on it in this House?

Hon. Gary Filmon (Premier): Madam Speaker, I have indicated to the member opposite, and I indicate it publicly in the course of this discussion, that our government has done more to provide services to our Francophone minority than any government in the history of this province. In doing so, I listed off, I think, something in the range of seven or eight different major areas in which this government has acted, acted I would say to the great, great benefit of our Francophone minority in this province.

With respect to the request that is there for the licence plate, I pointed out that it is not something that is required of us under any of the court settlements that have been entered into and that have been responded to from the Supreme Court and other judgments. I indicated to him that it does not fall within the ambit of the policy decisions that we have made with respect to extension of French language services. After considerable discussion both amongst my colleagues, with the SFM and with others who have expressed interest in the issue, we came to the decision, which I know will probably not be acceptable to members of the SFM and their supporters, but regrettably we felt it was the right decision to be made.

As I pointed out, Manitoba's requirements are absolutely the mirror opposite of Quebec's under our Constitution. Quebec's is a unilingual licence plate and ours is a unilingual licence plate.

Bilingual Province Premier's Definition

Mr. Neil Gaudry (St. Boniface): My question is for the First Minister. In the context of the national unity debate and in light of Section 23 of the Manitoba Act and based on the statement he made yesterday in this House, would the First Minister now give his definition of a bilingual province?

Hon. Gary Filmon (Premier): Madam Speaker, the Constitution gives that definition, and New Brunswick is an officially bilingual province by virtue of its Constitution. It states that and, therefore, everything that is done in that province under provincial government in all areas of its responsibility in every area of the province is in bilingual format. That is not the case here. He knows that our obligations are with respect to the courts—this Legislature, all of our laws being in both languages—and, as well, we have defined language service areas that are not the entire province but are the areas in which there is a significant concentration of Francophone population. In those areas, we have chosen to offer bilingual services to the people who require them, and I think that they have been of considerable benefit to our Francophone minority.

Vehicle Licensing Bilingual Plates—Review

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is again for the First Minister.

As an open gesture towards Francophones, as did Premier Bouchard towards the Anglophones in Quebec last weekend, and since the First Minister compared this issue to unilingual licence plates in Quebec yesterday, would the First Minister apply the same logic by personally reviewing this issue?

Hon. Gary Filmon (Premier): Madam Speaker, if what he wants to do, the member for St. Boniface, is to make comparisons with Premier Bouchard and what is happening in Quebec, we do not have any laws that prevent people from having French-language-only signs in this province.

In fact, when I was being extensively interviewed during the days of Meech Lake, I took hundreds of photographs of our Francophone communities, particularly St. Boniface, on Tache, on Provencher, of all of the stores that have unilingual French signs. I took them pictures of all the unilingual Chinese establishments we have, Portuguese, Filipino, Ukrainian, German throughout our province where we have unilingual signs that are other than English, including extensively French. We do not have anything like that that prevents people from their freedom of expression by having their signs in the French language. This is not a situation that in any

way parallels to what Premier Bouchard is saying where he is going to allow people to have signs in bilingual format, let alone unilingual format as we do allow in this province. So I do not think that the comparisons are valid.

Home Care Program Chief Executive Officer

Mr. Dave Chomiak (Kildonan): Madam Speaker, yesterday the Minister of Health indicated that the Department of Health is hiring a new CEO to head up Home Care, presumably a privatized home care. So we will have CEOs at all the hospitals; we are going to have a new CEO hired for the superboard to look after the hospitals; we are going to have a new CEO hired to look after the new superboard of continuing care and now we are hiring another CEO to look after Home Care.

In light of the fact that this government has laid off hundreds and hundreds of direct caregivers in the health care field, hundreds of workers, hundreds of home care workers, how does the minister reconcile hiring more CEOs and complicating the administrative costs and paying for administrative costs versus direct patient care?

Hon. James McCrae (Minister of Health): Since the day the honourable member was appointed critic for Health in the New Democratic Party caucus, he has been working against improvements in our health care system ever since. It would be time for him to review his role in the whole health reform process. Every step of the way, the honourable member has done his best, his level best, to try to destroy, to continue to destroy the health care system, which is the path that was initially embarked upon by the Doer-Pawley administration prior to the present government.

Madam Speaker, the honourable member wants to work against carrying out the report that his own colleagues commissioned, the Price Waterhouse report, which identified problems with respect to consistency of service, efficiency of operations, management gaps, all of those things that we are attempting to address. True to form again today, he works against successful reform which will lead to better services for the clients of the home care system and he should be ashamed of himself.

* (1410)

Privatization—Nursing Services

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

Mr. Dave Chomiak (Kildonan): Thank you, Madam Speaker. Will the minister, who has refused to answer the last eight questions I have asked, attempt today to answer what I asked yesterday, and that is, can the minister confirm that the nurse employees of the government Continuing Care, Home Care will lose their jobs after April 1 in a privatized version of nursing care to be offered by the government's Home Care, 100 percent, as we have indicated before in the House? Will the minister at least say yes or no to that question?

Hon. James McCrae (Minister of Health): Madam Speaker, as the service delivery model changes in the city of Winnipeg pursuant to agreement with the Manitoba Government Employees' Union—and we are pleased to have that support from the union on this—we are talking about contracting services for new long-term care clients only. The honourable member does not build that into his question, that those who were worried that there might be some inconsistency or change in their service providers due only to the contracting-out provisions, those concerns have been listened to. I think that is one of the hallmarks of the reforms that we are undertaking in health in Manitoba, is that we are listening.

Bill 49 is a perfect example just recently passed by this House as a result of concerns raised in various quarters. We brought in four major areas of amendments to deal with those concerns, so I think more than anything else the honourable member's question today gives us the opportunity to underline just how much and how inclusive and consultative we are in the changes we are making.

Mr. Chomiak: Madam Speaker, can the minister therefore confirm what he said in his previous answer, just so it is clear and so that those 150 nurses out there will know whether or not they are going to have jobs after April 1, that the only service of nursing from Continuing Care that is going to be contracted out is new clients and that the 150-some-odd nurses who are employed by Continuing Care to provide nursing service will still have their jobs after April 1 and continue?

Mr. McCrae: The honourable member would do well to take the time to get himself briefed on what the changes are proposed with respect—flowing from the agreement with the Manitoba Government Employees' Union. [interjection]

Madam Speaker: Order, please.

Mr. McCrae: The honourable Leader of the Opposition (Mr. Doer) very rudely today interrupts the proceedings of this House to heckle rather loudly from his seat, and it detracts from the opportunity for honourable members opposite to hear the answer that I am providing to the honourable member for Kildonan who asks a very legitimate kind of question about what the future is.

The arrangements we are entering into provide for the home care attendant service not to exceed 20 percent of contracting out, and as new clients come on to the system to the extent of the areas in which this contracting out will be happening, all services including nursing services will be affected.

The honourable member seeks to scare nurses out there working in the system, and he ought not to do that.

Manitoba Telephone System Privatization—Role of Jules Benson

Mr. Leonard Evans (Brandon East): Madam Speaker, today's Brandon Sun has reported that at a prebudget consultation meeting in Brandon, Mr. Jules Benson, secretary to the Treasury Board and a civil servant paid by the taxpayers of Manitoba, according to the Sun: offered a well-rehearsed lecture on the merits of privatizing the Manitoba Telephone System. He also presented charts extolling the benefits of privatization.

The use of a civil servant to put forward a political agenda is totally unacceptable to the citizens of this province and defies the standards of proper behaviour for a civil servant. My question to the Minister of Finance is, will the Minister of Finance now apologize to the House and to the people of Manitoba for using a civil servant to give political speeches?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I would very much have personally liked to have been in Brandon last night to do the prebudget

consultation, but obviously pressing business of this House kept me here in Winnipeg.

I want to assure the member for Brandon East and all members of the Legislature that Mr. Benson does a financial presentation that presents the state of finances here in Manitoba, and at each of these prebudget consultations there have been some questions about Manitoba Telephone System, and as well Mr. Benson provided information on the Manitoba Telephone System.

So I say to the member for Brandon East and all members of this Chamber that Mr. Benson provided the facts and information for all Manitobans.

Mr. Leonard Evans: Why will this minister not acknowledge that Mr. Benson did engage in a political function that was not proper for a civil servant whose salary is paid by the taxpayers? Indeed, Mr. Benson himself, he prefaced his conversation with one reporter by stating that he really should not be giving interviews because he is a civil servant.

Mr. Stefanson: Madam Speaker, one part of the prebudget presentation is information on internal reform of government and a portion of that is privatization, whether it has been privatization taking place in Manitoba where it has been in the best interests of Manitobans. I cite examples that I think members are familiar with, although I know members opposite oppose some of them: McKenzie Seeds in Brandon, Manitoba, a privatization that has turned out very well; the privatization of Manitoba Data Services, a privatization has worked out very well here in Manitoba.

Manitobans still remember the days of the Crown corporation fiascos of the NDP where in the late '80s they were losing hundreds—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Finance, to complete his response.

Mr. Stefanson: Madam Speaker, we all recall the mid-'80s when the Crown corporations under the NDP were losing hundreds of millions of dollars, whether it was in the forestry industry business, in the oil business, and the list goes on and on. So privatization is an issue that is

addressed as part of the budget consultation process and the most timely privatization issue is Manitoba Telephone System, so it was an opportunity to provide information to the citizens of Brandon.

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

Mr. Leonard Evans: Why will this minister not acknowledge that Mr. Benson went far beyond simply providing data and clearly entered into the political arena when he said the need for the presentation was justified by the amount of misinformation that has been passed on by the opponents of the MTS sale? This is pure political debate, Madam Speaker, and—

Madam Speaker: Order, please.

* (1420)

Mr. Stefanson: With the amount of misinformation and scare tactics used by the NDP, I am amazed that the member for Brandon East can actually stand in this Chamber and say that with a straight face. What was presented by Mr. Benson was factual information giving reasons why the government is supporting the privatization of Manitoba Telephone System.

Members cannot have it both ways; I know they want to all the time on all issues. Here was an opportunity for some hundred citizens of Brandon to get additional information on Manitoba Telephone System and the reasons for privatization. That opportunity was used last night, and I would hazard to suggest that most people who were there appreciated receiving that information.

Madam Speaker: Order, please. The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Vansco Electronics

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, I would like to share with the members some recent announcements.

First, more than 450 high-tech manufacturing jobs and engineering jobs are being created by Vansco Electronics

as part of an \$11.3 expansion project assisted by this government. Vansco designs and manufactures innovative custom electronic components for off-road vehicles. About 75 percent of the company's business is in agricultural electronics for equipment manufacturers.

Another company, Motor Coach Industries, a new luxury bus prototype, cruised into our city last week carrying the promise of new jobs and up to \$39 million in additional investment at the local plant by the year 2000. The totally redesigned intercity coach named Renaissance caps five years of product development assisted by more than \$10 million from Canada and Manitoba governments. These are two new good-news stories for our province's booming manufacturing sector. Companies are recognizing the benefit of doing business in our province.

Our government has provided Manitobans with the longest-running tax freeze on major taxes in recent history. We have won national and international approval and built a momentum of fiscal responsibility across this province. We have brought spending under control without increasing taxes in order to protect our vital services and revitalize our economy. This is why companies are coming to Manitoba. They know that this is one of the best provinces in the country to do business. I thank all my colleagues on this side of the House who are working to allow this to happen. Thank you, Madam Speaker.

Victorian Order of Nurses

Mr. Dave Chomiak (Kildonan): Madam Speaker, last week I had the pleasure of attending, together with the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae), the hundredth anniversary, A Century of Caring for the Victorian Order of Nurses. Just to quote from their document, the Victorian Order of Nurses is part of the history of Canada, of its expansion and development and of its changing ideals through two World Wars, a Great Depression and the introduction of new medical technologies. As the century draws to a close, VON remains a Canadian treasure, and I would echo those words not just in Canada but in Manitoba where VON has carried the bulk, for example, of our home care work in the community, has done an excellent job doing so and is the acknowledged leader in that area.

One of the strengths of VON, up until recently, was its nonprofit nature, and one of the strengths of VON was

the fact it was able to deliver these services on a nonprofit basis for the benefit of all Manitobans. Unfortunately, VON has been forced now to set up a profit-making component of its operation on the direction, I believe, of the government to compete against the privatization of home care. I ask the minister and I ask all members of the Manitoba public to consider the strengths of VON and the strengths are the people, the hundreds of nurses who deliver the care on a daily basis who are run off their feet literally undertaking that care and who do so in a nonprofit way and who do so dedicated to patients and the people of Manitoba.

I ask all members of this Chamber to reflect upon that, to reflect upon VON and its hundred years of service and, Madam Speaker, to reflect upon VON as part of a nonprofit care-giving sector that has delivered and hopefully in the future will deliver nonprofit care to all the people of Manitoba.

Literacy Programs

Mr. Peter Dyck (Pembina): Madam Speaker, the Pembina Valley Language/Education for Adults, a community-based learning centre program in my constituency was presented with the Lieutenant Governor's medal for literacy in Manitoba at a ceremony this past Friday evening. In making the presentation, Lieutenant Governor Yvon Dumont noted that the unique coalition of community and government organizations gives learners in the area the opportunity to enhance skills that create independence, build self-esteem, increase employability and facilitate access to other training and education.

The program was initiated in 1984 in response to the English as a Second Language needs of Kanadier in the area. Kanadier, whose first language is low German, are Mennonite people who left Canada from the 1920s to the 1940s for South and Central America. A number have since returned. The program has since expanded to include immigrants from Bosnia, Chile, Russia, Lebanon, China and El Salvador as well as Canadian-born students. The program now also includes family, literacy and workplace language training. Approximately 250 to 300 learners have participated annually in programs held in Altona, Lowe Farm, Morris, Winkler, Plum Coulee and Morden.

The program has been recognized nationally as The National Literacy Secretariat Human Resources Development Canada. The award established in 1990 by the late George Johnson, M.D., former Lieutenant Governor of Manitoba, is intended to recognize exceptional achievement of an individual group or project that has made a significant contribution in the field of literacy in Manitoba. I would like to extend my congratulations on behalf of all members to the Pembina Valley Language/Education for Adults for their receipt of this most deserved award. Thank you.

Public Education—Symposium

Ms. Jean Friesen (Wolseley): Madam Speaker, I would like to congratulate the organizers of yesterday's symposium on public education at Tec Voc High School, the Winnipeg Free Press, the Manitoba Association of Community Educators, and in particular the students and staff of Tec Voc High School and their communication program that provided street interviews, telephone links and video services for the evening. It is my understanding that the sponsors are interested in continuing this kind of discussion, and I would encourage them to do so.

I was especially struck by the street interviews with the support for our public system, its diversity, its egalitarian nature, its service to our community, as well as the support for expanding the extensive links between schools and their communities across Manitoba. I was equally struck by the inability of the Minister of Education (Mrs. McIntosh) to provide from her department straightforward, documented educational information, whether it be on class size in elementary school, class size in secondary school, or the changes over eight years in public school funding, or the meaning of changes in the last eight years in the Department of Education budget.

Madam Speaker, it does no one any service in Manitoba to misconstrue what ought to be basic public education. The government has expended close to \$1 million almost every year for an educational information system. It has even done pilot projects, but there has been no government publication of commonly acceptable educational statistics and information that would enable serious debate on educational issues across the province. I would like to urge the government today, as I have on

many occasions now, to follow the example of other provinces and in particular that of Saskatchewan to provide educational information, educational statistics, and educational indicators that Manitobans can commonly accept and will enable citizens to participate fully in the debate on the place of public education in Manitoba's future.

Literacy Programs

Mr. Gary Kowalski (The Maples): Madam Speaker, I would like to use the brief time I am allowed for this member's statement to talk about a subject that is becoming more and more important to me as I learn more, and that is the subject of literacy. Recently it is becoming more and more clear to me the strong connection between illiteracy and crime involvement, and for that reason I have had a strong interest in literacy programs. That caused me to attend the Springfield family literacy program that opened up in Dugald, Manitoba, in the constituency of the minister in charge of MTS. It was a pleasure to attend out there at their opening ceremonies where they are opening up a family literacy program.

* (1430)

In addition, I recently attended the think-tank round table sponsored by Literacy Partners of Manitoba, held at their offices, and the guest speaker was Jim Page. Mr. Page is the executive director of the Literacy Secretariat for the federal government. He talked a great deal about the international adult literacy survey and the information that I gleaned from this round table I think would be useful to all members, and I would encourage all members to obtain a copy of that survey and review it. One of the things that I learned is that literacy should be seen as a continuum, not as a person being either literate or illiterate. There are different levels of literacy, and also I learned that unless you continue to use your literacy skills they are quickly lost, so I hope this is an issue that all members will address and concern themselves with.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, we on this side of the House are prepared to sit—we are prepared, firstly, to waive private

members' hour today in order to continue the debate on Bill 67.

Madam Speaker: Leave has been granted to waive private members' hour?

Some Honourable Members: Leave.

Madam Speaker: Leave has been granted.

Mr. Ernst: Madam Speaker, we are also prepared to sit this evening from 7 p.m. until 11 p.m. to consider Bill 67.

Madam Speaker: Is there leave for the Speaker not to see the clock at 5:30 and sit until 11 p.m. this evening?

Mr. Ernst: From seven until 11, Madam Speaker.

Madam Speaker: From seven until 11 this evening. Leave? Leave has been granted.

Mr. Ernst: Will you then please call report stage on Bill 67.

REPORT STAGE

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

Madam Speaker: To resume debate on the proposed amendment of the honourable member for Thompson (Mr. Ashton), standing in the name of the honourable member for Brandon East, who has 18 minutes remaining.

Mr. Leonard Evans (Brandon East): Madam Speaker, unlike the member for Pembina (Mr. Penner) last night, I do intend to talk about the amendment proposed by our side with regard to this special share. This is a very unique type of concept, a unique procedure or technique. I believe it has been utilized with the Manitoba Data Services. But our amendment which in effect requires the special share to carry on forever, in effect indefinitely, is indicative—in a way it is symbolic—of our desire for the Manitoba government to continue to have control of the operation of MTS, to continue to have a responsibility for MTS, and to continue the good work that a publicly owned MTS has done over the years in

terms of economic development and in terms of social development.

I cannot help but note, Madam Speaker, that The Globe and Mail in a recent editorial, in fact, Friday, November 15, made some observations about the government's method of privatizing MTS and has rightly stated that Manitobans are starting to have serious reservations about the proposal to privatize the Manitoba Telephone System. He goes on to say reasons do exist to question the MTS privatization, not the why but the how.

The Globe and Mail is obviously in favour of privatization, but it is very critical of this legislation and very critical of the government's method of privatizing. Of course part of that is this special share technique because as owner of the special share, the Manitoba government—and I am reading from one of the clauses in the bill—shall have the exclusive right, voting as a class, to nominate and elect four directors of the corporation—and then it goes on to say, and the registered holders of the common shares, other than the Crown, has been entitled to nominate and elect the remaining directors of the corporation. What The Globe and Mail observes is that this could lead to—and I am using their term, their reference here—inevitable quarrelling between the government and private directors and that this may have some negative consequences for the operation at MTS.

Interestingly, Madam Speaker, The Globe and Mail does recognize that yes, indeed, the Manitoba Telephone System has a high debt load, and we all recognize that, although the MTS has been reducing the debt load over the years quite successfully and I might add, in passing, as long as the debt in this legislation, as long as there is some debt, of course, the special share provisions continue.

But I would just like to observe that the Manitoba Telephone System has a fair amount of debt, because that is the way publicly owned utilities around the world are financed. Publicly owned utilities are financed by bonds, by the selling of bonds, by debt capital, as opposed to the selling of shares, namely, equity capital which you see in the private sector. In this case you have MTS borrowing money for various purposes, not to fritter it away in some unco-ordinated fashion but actually to improve the service to people in Manitoba and particularly rural

Manitoba where we now have private lines throughout and where we have one of the best access rates of any telephone company in the country. According to Statistics Canada, MTS has a very high penetration rate of the population and more than any other telephone system in the country. Of course, you cannot do that, you cannot provide that service without investment, and that investment did require borrowing which is the usual fashion, as I said. Therefore, this is one of the reasons why the MTS has a relatively high debt, but the other reason is, Madam Speaker, that it has attempted to keep the rates low over the years.

In fact, I note *The Globe and Mail* in the same editorial has observed, and I am quoting, Manitobans have the lowest long-distance rates of the country and among the lowest local rates, and they go on to say, both held artificially low. I would submit that is a decision that has been made by MTS not to go in the past to the Public Utilities Board and now to the CRTC asking for large rate increases because there was a policy of trying to keep the rates fairly affordable, and that is not a problem. The debt situation is not a problem. One way, if you want to pay off the debt quickly, is simply go for higher rate increases and obtain rates that will enable you to do this and MTS, a publicly owned MTS, could go to the CRTC and justify increased rates, a larger increase in rates, simply with the argument that we want to reduce our debt.

* (1440)

The important thing, Madam Speaker, is to recognize that this debt, which has a bearing on the special share provisions that we are discussing now, has been sustained in the past and can be sustained in the future by not the taxpayers of Manitoba. It is misleading to say, well, it is the taxpayers' burden. It is not the burden of the taxpayers of Manitoba. It is the responsibility of the customers of the Manitoba Telephone System, and by and large they are the citizens of Manitoba, but it is a different grouping. The fact is it is the customers, the consumers that pay. This is the case always in business; the customers will pay. In fact, even I note Mr. Benson last night in his speech to the Brandon meeting was misleading on this score because he stated at that meeting that taxpayers that support MTS simply cannot afford the capital expenditures that are necessary to keep MTS

competitive with the multinationals. Well, that is misleading.

I said the debt responsibility ultimately lies on the customers who pay the rates that MTS charges. They are the ones who provide the revenue and that is the source of all monies that MTS has to operate, and never before in the history of MTS, to my knowledge, has the MTS required a bailout from the taxpayers. It does not need to because over the years it has been in a monopolistic situation. I appreciate that monopolistic situation has deteriorated because of changing technology, but the fact still remains that this is a regulated industry because there is a heavy amount of capital investment involved.

As economists would say, it still has major characteristics of a monopoly, a monopolistic industry, and for that reason the Government of Canada through the CRTC regulates it, or as we did provincially, regulate it through the Public Utilities Board because of it being in a monopolistic position. Although you could argue, if it is a publicly owned utility, whether it be Telephones or a water utility or a gas utility or a hydro utility, that if it is publicly owned, you do not necessarily have to regulate it because there should not be any ripoff of customers for the advantage of any private groups, because with a publicly owned company, obviously any benefits that it receives surely are shared ultimately with the entire jurisdiction whether it be a province or a nation. So, Madam Speaker, the fact is it is a regulated industry, and, as such, I believe that a publicly operated MTS in the future can obtain the rates that are required to provide for future investment.

At any rate, it is interesting to what extent the future MTS, assuming this bill is passed, how quickly this privatized Manitoba Telephone System or Manitoba telecommunication services, I think it is to be called, but whatever, in the future how quickly it will or can pay off the debt and therefore remove the special share, which is what we are dealing with in this particular amendment. As long as the debt exists, the government has the right to exercise control through the special share and therefore through four of the directors of the corporation, on the board of directors of the corporation.

As I said, *The Globe and Mail* is very critical of this legislation. They ask, well, what is the problem then with the MTS privatization, this bill? They say, the

government is neither giving up control of MTS nor taking responsibility for its major liability. From the \$800 million raised in the share offering, half will go to pay the debt. The other half, MTS will keep, but it is to be accounted for as the government's equity position. As a result, the government is guaranteed four seats on the board of directors whose total number has yet to be announced. The government could retain effective control of MTS, even though it does not own any shares. Then it goes on to the conclusion: Inevitable quarrelling between government and private directors may hamstring MTS more than a straight government ownership.

So, if you are asking *The Globe and Mail*, which is the clarion of right-wing economic thinking in this country, what would you vote for, would you vote for this Bill 67 or would you vote with its special share provisions or would you vote for the continuation of a publicly operated, publicly owned MTS, *The Globe and Mail* would come down on the side of continuing MTS as a publicly owned utility.

I think what that observation points to is the deficiencies of this legislation. There are a lot of deficiencies of the legislation. It is poor legislation in my judgment, Madam Speaker, and really should be withdrawn, and, in fact, as we have stated many a time on this side, it should be withdrawn, and true and adequate consultation should take place with the people of Manitoba through extensive public hearings.

Some have suggested a referendum, and I know that is very, very popular with people in the province. I have talked to many people about this, and they say, well, why do we not have a vote on it? It is our asset. Why should we not vote on it?

I am not one who believes that you can run government by plebiscites and referenda because many issues are very complicated, and it is very difficult to get down to proper decisions with the complexities, but there are some instances where plebiscites or referenda are appropriate. I think of one in our own history, and that is when the Manitoba government—I think it was a government of D. L. Campbell if I am correct—had a province-wide referendum or plebiscite on liquor. Up to one point, we had men-only beer parlours, as they were called. Women could not enter them, and there were very serious

restrictions. Only beer could be sold. You could not have any food to sober you up or whatever. It was very restricted.

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

At any rate, the government decided to hold this massive consultation by way of this referendum, and the province, by and large, voted for major changes, including the bringing in of mixed drinking, male-female cocktail bars, drinking and dining rooms and so on. But that was the type of measure that was appropriate in my judgment. I think VLTs probably fall under that category too, where we should give individual municipalities the right to decide whether they want these VLT machines in their community.

But I really digress, Mr. Deputy Speaker, because I think I have made the point that this special share—as *The Globe and Mail* has—provision is in there and may be there for some time, and, in effect, we will have this hybrid organization existing for some time. We do not know. It could be that the debt will be paid off quickly, and it could be that the provincial government will no longer have a special share because of that. But we are saying in our amendment this special share should be kept up because—and I guess what we are offering in effect is a compromise. We are saying, here is a special share.

Yes, there is equity in the corporation, but through the special share, we will continue to have major representation on the board of directors and therefore make sure that the people of Manitoba are well served, make sure that rural and remote areas do not see a relative decline in their level of service. I have spoken to many people in rural Manitoba in the last several weeks. Just intuitively they believe that a privatized MTS will not be good for them where they live. Intuitively, they believe that a publicly owned and operated MTS, which has been successful since its inception in 1904, by and large, has served them very well, and they are very, very suspicious of a privatization. You get it all over the province, have debate around the province.

It just goes beyond the whole question of to what extent government should be involved in business and so

on because they recognize that this is a public utility; still it is a public service. I mean, we are not selling yo-yos or tiddlywinks here. We are not a manufacturer who is offering goods that are not necessarily required to sustain oneself, but in this day and age, telecommunications are extremely important for all kinds of obvious reasons, not only commercial reasons but reasons of good health, reasons of education and so on. I am stating the obvious. So people of Manitoba, and I say particularly rural Manitoba, intuitively believe that they are much better served by a publicly owned operation, and that is why they respond in that way.

I have said people may not like the results, across the way, but I put a one-time ad in the Brandon Sun a couple of months ago when this issue was brewing or began to bubble up, and I asked them a simple question, yes or no, do you believe in the privatization, or do you agree with the privatization? And 99 percent responded, and this is throughout the Westman area, that they did not agree with the MTS sale. I did not put anything in the ad to promote one view or the other, so I think that was a legitimate expression of feeling by the people in that area. We know that has been repeated in the poll that was done by the CBC. This legislation therefore does go against the public will, and as I have stated and as my colleagues here stated, it is not in the public interest.

* (1450)

So at least by keeping this special share provision, we are at least providing—and I say it symbolic—a mechanism whereby the Manitoba government can continue to maintain some semblance of control, some semblance of responsibility to ensure that in the future our telephone system continues to provide the service that will enhance and promote economic development and further enhance and promote social development for the well-being of all Manitobans. Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is the House ready for the question? Is it the will of the House to adopt the motion?

Some Honourable Members: No.

Mr. Deputy Speaker: It has been moved by the honourable member for Thompson (Mr. Ashton), seconded by the honourable member for Concordia (Mr. Doer)—dispense.

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

Maintenance of special share in perpetuity

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

[French version]

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

Maintien à perpétuité de l'action spéciale

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

* (1530)

Voice Vote

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

Some Honourable Members: Yea.

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

Some Honourable Members: Nay.

Mr. Deputy Speaker: In my opinion, the Nays have it. The amendment is defeated.

Formal Vote

Mr. Daryl Reid (Transcona): Yeas and Nays.

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

(Madam Speaker in the Chair)

Madam Speaker: Order, please. The question before the House is the amendment proposed by the honourable member for Thompson,

THAT Bill 67 be amended by adding the following as subsection 6(1.1)—dispense.

Maintenance of special share in perpetuity

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

Division

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

Yeas

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

Nays

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

Madam Deputy Clerk (Beverley Bosiak): Yeas 24, Nays 29.

Madam Speaker: The amendment is accordingly defeated.

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

THAT Bill 67 be amended by adding the following after section 16:

Limitation re: ownership of shares by M.L.A.'s

16(1) Notwithstanding anything in this Act, no member of the Legislative Assembly shall be entitled to beneficially own any common shares offered by way of primary distribution to the public under subsection 16(1) during the period commencing on the commencement date of that primary distribution to the public and ending 150 days after such commencement date.

[French version]

Il est proposé d'amender le projet de loi 67 par adjonction, après l'article 16, de ce qui suit:

Restriction—propriété d'actions par des députés

16.1 *Malgré les autres dispositions de la présente loi, il est interdit aux députés à l'Assemblée d'être propriétaires véritables d'actions ordinaires offertes par la biais du premier placement auprès du public visé par le paragraphe 16(1) pendant la période commençant à la date du début du premier placement auprès du public et se terminant 150 jours plus tard.*

Motion presented.

Madam Speaker: The motion is in order.

Mr. Ashton: Madam Speaker, the motion is not only in order, it is absolutely imperative. In fact this is one of the most important amendments we are moving. I prefer to call this particular amendment the no-greed amendment, and I want to add that since every New Democratic MLA has already stated, notwithstanding whether this amendment passed or not, we will not take advantage of the kind of unethical situation you would find if MLAs sort of purchase shares. In a way we would call this the Tory greed section, because this is to make sure that the Tory MLAs do not abuse their position. But maybe I speak too soon; they may wish to support this amendment.

Madam Speaker, I want to plead with members opposite because you know I have attempted with some limited success—well, we did get one amendment passed, I mean, I am not grovelling, but I am just trying to be realistic about this here. I understand it is difficult for members across the way to accept something being brought forward by the opposition to waive an amendment, but I want to say to members opposite, we are doing them a favour.

I just want people to think through this, and the analogy that I want to use is that of a lawyer, that is, a trustee for a particular asset. I look to the member for River Heights (Mr. Radcliffe), to the Minister of Labour (Mr. Toews), the member for Riel (Mr. Newman), because I wonder what would happen if a lawyer was to take those assets which he or she was responsible for as trustee, decide to sell them, set the price and then buy those assets. I tell you he would not be a lawyer for very

long; the word is disbarment, I believe. There have been members of the legal profession, very learned members of the legal profession, who have made that critical mistake and have ended up being disbarred, being prevented from practising law.

I want to ask the question here, what are we in this House if we are not trustees of the public assets? I can use various sources, but I remember Sterling Lyon sitting in this Chamber. I remember Sterling Lyon giving speeches saying that we are all temporary guardians of the public's assets. In fact, the Deputy Premier points to where Sterling Lyon used to sit. I remember, he used to sit right next to him. He used to sit where the member for Dauphin (Mr. Struthers) is currently sitting. No matter where he sat, he had an impact in this House, and I did not always agree with him, but he lectured governments. Well, that it did not surprise me, but I will tell you what, after this Premier (Mr. Filmon), he actually was not all that bad really. I will not go much further than that. He could have been worse. He was straightforward. He did not privatize Autopac. He backed off that. He did not break key promises on things of the magnitude of MTS, but you know what is interesting is, he used to say that we are the temporary trustees of the public asset. He used to say, temporary government.

Now, one thing about Sterling Lyon, he said that whether it was an NDP government, and I am sure he would have lectured his own cabinet colleagues the same way. In the case of the government that he led, they were pretty temporary. I mean, that is reasonable, but whether you are in for one or two or whatever number of terms, believe you me, if you forget that you are the temporary government, you are going to be even more temporary than you think, and I wonder if that is not what is happening across the way.

The most interesting comment I heard was from the Minister responsible for Family Services when she said that the opposition had been acting like a government. This was speaking last Thursday, and I was trying to figure out what that was. I know we are more than ready to govern. We can certainly do a better job than this government by acting like a government. It was interesting, because I think what she meant in it, unless she is ready to be—she is acting like she wants to be in opposition. I do not know, but I think what she was talking about is that we were fighting for rights of the

opposition and the public of Manitoba to be heard. Somehow that went against her idea that somehow the government shall run this House and the government should not have to be concerned about basic things like the rules of our House, the parliamentary traditions we have. They should not have to worry about two-thirds of Manitobans who oppose the sale of MTS, but let us take that principle and start with that principle, that governments are trustees of the public assets. What is this government doing today with the asset, the Manitoba Telephone System?

* (1540)

This is worse in a way than a lawyer and being in the situation of being a trustee, because nobody ever entrusted the Manitoba Telephone System's future to this government. I say to the Deputy Premier, the Premier said in the election, we have no plans to sell off MTS. If he had said, we are the public trustees, and you know, we might have to look at selling it off, well, first of all, they would not have been re-elected, but even given that, I would say there might be some argument that they are the trustees of the asset.

It is interesting because not one person in Manitoba would ever argue anything other than the fact that they would have lost support by saying they would sell MTS. It does not take a rocket scientist or even the Deputy Premier (Mr. Downey) to figure that one out. But let us deal with that for a second because they are not even really the trustees of MTS in the truest sense of the word, in the sense that they were not given a mandate by the people to decide on its future. So what are they doing now? We talked yesterday about how they brought in the stockbrokers. I mentioned this many times; stockbrokers, they have a distinct conflict of interest. They were paid to recommend the sale, and now they are being paid to sell it off. We do not know how much yet, which is even more indication of this, but the government—the Deputy Premier obviously is not listening, which is not unusual for the Deputy Premier, but this is very relevant, because I am talking about the fact—in this case, we are talking about who is going to be improperly benefiting from the sale.

So, anyway, they have decided to sell off MTS. Let us deal with a few critical questions here. Who made the decision to sell off MTS? Okay, let us run through the

list here. Jules Benson is No. 1. We have him listed, but he still cannot do it without the Conservative government. The three brokerage firms, all right, that is No. 2. We could run through some of the other more shadowy figures over there. Actually, I would say you would have to list the last 10 years worth of Conservative presidents, because they managed to stick their claws in MTS one way, shape or form. In fact, I think it would be more appropriate to ask where there has been a Conservative president in the last few years that has not benefited from the public purse and will not benefit from the sale of MTS. So I am making my list here. We have got, you know, the stock brokers, Jules Benson, these Conservative presidents. I am just trying to figure out who made the real decision here in the end. But I just realized, it had to be—[interjection] Well, there is some suggestion, those people should be prevented from buying shares too. Good suggestion. Maybe we should look at a further amendment to make sure that they do not benefit at the pocket of the public purse.

But let us deal with the question, who made the decision? Well, it was not the Conservative caucus; let us be fair. They did not even trust them to go to them. They announced it to them. So I do not hold this against the Conservative backbenchers. You know, I still think you should speak out against it, but I do not accuse you of making the decision. I know that did not happen. It was not the board of MTS. Who made the decision? The Conservative cabinet. Now, think about this. The trustee here is—well, I do not think they really are akin to a trustee, but let us say for a point of discussion—the Conservative government, led by the cabinet, led by the Premier (Mr. Filmon). Who made the decision to sell it off? The Conservative cabinet. Now, I want to go one step further. Who sets the price? Well, they get some advice from those independent, objective, ethical investment brokers we talked about before, but that is just advice, is it not? Now they may get—I tend to think Jules Benson probably gives more than just the standard advice, and it is probably appropriate that he is out speaking in Brandon. Not appropriate in the sense of public ethics as his position as a civil servant, but it is interesting that he is probably the one that wrote the script. Who is setting the price? The Conservative government.

Let us go one step further. The price is being set by the Conservative government. How about the debt that the

company will still have assumed by the province, who decides that? The Conservative government. The length of payment of the debt, Madam Speaker, who decides that? The Conservative government. You run through each and every one of the provisions that are in there, all of the so-called protections, most of which do not last very long, they are set by the Conservative government. I want to show you the absurdity of not passing this amendment, because under this bill what will happen is that for at least four years, and perhaps a longer period into the future, there will be a special class of shares held the government which up until the next election will be the current Conservative government.

I want you to consider that for a moment, just to trace the web of conflicts that we see in this whole situation. I want to go one step further here, and I will just run through this, and I ask members opposite to run through this too. You are setting the price, the conditions of sale, but you are also still having seats on the board which you appoint. It is interesting. Now let us assume this amendment is not passed. What is going to happen? Well, we have heard this, I have heard this from Tories across the way, oh, you know, so are you going to buy shares? I told them right from the start. I said it would not be appropriate to do that. In fact, I would say the only appropriate thing to do for any member who was even considering buying shares, if this amendment is not passed, is not to vote on the bill. You know, it is interesting, there has been one abstention, and I believe, actually, that is not really a conflict. I do not mean that to say anything against the member, I just say that is far less of a conflict than the government members find themselves in.

I mean, how can you in good conscience vote on this and then the next day phone up your broker and say, buy those shares? You not only set up this whole situation, who decided this front-end dividend? Let no one kid anyone about the reason for the front-end dividend. I will tell you exactly what will happen with this sale, because that is set up to move the shares, speculators will come in, speculators will get in and they will cash out, and I warned a lot of people. I will say this on the record. Just look at what has happened with similar privatization. You know, what I find most disconcerting, Madam Speaker, is when I see some of the brokers saying, about their experience with private issues, one of them mentioned British Telecom. Do you know what

happened to British Telecom? The bottom fell out of the shares. You do not have to go to Britain even to see that; look what happened with Air Canada? No one is guaranteed of anything under a share issue, but you plunk that dividend up front.

I do not know what information is available to government members, but as we see it dribble out and drabble out every day from the Premier, a little bit here, a little bit there—I say a little bit here and there because there is not a lot of information the government has. It still does not have key components of the decision. Has it not dawned on anyone that they probably have more information on this outside of anyone in Manitoba, except maybe Jules Benson?

Now, if you get on the phone on Friday, whatever Friday that might be, the day after this bill is passed, if you get your way, let us deal with that for a second. Is that ethical? Is that right? How can you justify that? I want to go one step further because, let us look at what the share issue to Manitobans is going to be according to this government. What is interesting is, they have set up a situation where there is 50 percent financing on the shares. Now, if you have regular dealings with a stockbroker and you are a Conservative MLA, I would not be surprised if you phoned your broker already. You probably arranged your normal margin.

* (1550)

It is interesting. We can speculate on what margin members, people, might have, but do you know what? You have 50 percent more on your margin because of this loan that has been extended by the government. So you are not only going to theoretically benefit—I mean, it depends on what happens to the shares and the dividends—you are going to benefit from a loan from the province to buy the shares. It is interesting, Madam Speaker. I wonder if members across the way have indeed called their stockbrokers. I am sure some of them probably phoned and told them to get ready on November 8. It is interesting, and I am sure they probably phoned them afterwards.

I look forward to this because you cannot, in good conscience, with any sense of ethics, be buying shares in this company and particularly if you have ordered those shares already. In discussions, you cannot, when you

have inside information on this case and you are clear beneficiaries, do that. Do you know what is interesting about this? The only way that the Conservative government members can get out of this predicament is to say, well, I do not really own any shares right now. So we have someone who has a situation on the Liberal side who says, I have a conflict because a family member currently has an affiliation with MTS, but think about it. You can get all the legal opinions you want, but that would be, I think, avoiding the main question.

If you are not a shareholder today, but you are one day after the bill is passed, if that is to happen, and you know that—and I know members opposite are talking about buying shares. Well, you have the minister who talked about it, and then he said, no, maybe it was a conflict. Now, I wonder, with the Premier's (Mr. Filmon) suggestion. I want to know on the record how many government members are going to buy shares in this?

How much are you going to buy? Ten thousand. 50,000, a hundred thousand? Have you got those orders in already? Are you going to say no to the 50 percent loans up front? Are you going to hang on to those shares and sell them at a certain point in time like the others who are going to speculate on this share issue? [interjection]

Well, they are going to buy high, sell low. Seeing some of the government members over there, I am sure that is their philosophy. We saw that with the cable division of MTS, and we saw that with Faneuil. I mean, buy high and sell low, I get worried about the government members, but I am not trying to provide them advice on how to handle their finances. But I want to say to any government member—I want to say this on the record—you vote against this, you are voting based on greed. You are voting to line your own pockets. You are violating the trustee relationship that you have to the people of Manitoba.

I say, one step further, I urge the government members, save yourself this difficulty. I will say this on the record, too. You buy shares in MTS, I do not care if you vote against this bill, any one of you who buys shares, you are going to hear about. You are going to hear about it again—

An Honourable Member: Threats?

Mr. Ashton: No, it is not a threat, that is a promise, to the member for Turtle Mountain (Mr. Tweed). I will tell you, you buy shares in MTS, you benefit over something you had a decision to make, it is a promise, you will hear about it. [interjection] Listen, to the member for Turtle Mountain (Mr. Tweed), threats are the kind of comments we heard from the Premier (Mr. Filmon) towards the member for Crescentwood (Mr. Sale). I am promising to tell Manitobans about any Conservative MLA who does not understand the fundamental lack of ethics.

I will tell you what I do. I go around Manitoba and I say, here are the facts. If you vote against this particular amendment and you buy shares in MTS, I will say to any Manitoban, that is wrong. You know what, they will agree to that because Manitobans have a sense of ethics whether the Conservative government does. I find it amazing that a government member would consider that a threat. Accountability is not a threat. Every session we have to file a statement indicating our holdings and assets. I said already to the member for Turtle Mountain, the only way you can get around the conflict of interest rules is the fact you do not currently have shares. I know what the conflict of interest rules are because I was here when they were passed and I file my statement every year.

I will tell you right now, you can get an opinion saying this is not a direct conflict of interest because you do not own shares right now. You do not own shares, obviously, right. You cannot own it until it is issued. The way the government has handled this one, I am not even sure about that either. Maybe they already have their orders in first here. I mean, we have enough brokers already trying to sell the shares when the bill has not even been passed in the Legislature.

They were trying to sell the shares even before the bill went through committee stage. I think they were trying to sell the shares before it hit second reading. There had not been a single vote and they were trying to sell it, but that is the brokers. I do not want to confuse what they have been doing, I say to a lot of the brokers, and I have read the letters. I am being deluged by letters from Manitobans. There are a lot of promises and statements made in those documents that are not only a contravention of The Securities Act but I say highly irresponsible because, until you have that prospectus in front of you, you cannot and should not be advising anybody about anything. [interjection]

Well, the member for Turtle Mountain talks about speculation and it is interesting because this is the same government that did not want to release any information about the sale. Then it was leaked over the front page of the Free Press, the draft prospectus. Madam Speaker, if they were so concerned about getting information out to Manitobans instead of hiding it behind their closed doors, and who knows whether they were going to take advantage of that information, they would have released it to Manitobans. They never did. They had to have it leaked on the front page of the newspaper. We have had to get it out of questions in committee. We had to have Jules Benson actually sitting at the table answering questions. I mean, it was a sorry sight, Jules Benson answering on behalf of the government. I do not know who elected Jules Benson, but I can say this, there are a lot of people who do not think that he runs the government, nor should he, although he probably does according to some Conservative MLAs I have talked to. [interjection] What, that Jules Benson runs the government? He certainly speaks for the government. We found that out in Brandon yesterday, and it is interesting.

I want you to consider this for a moment, because I find it interesting that a member opposite would consider it a threat if I say that if someone buys shares on the government side, and that is considered by many Manitobans to be unethical, that we are going to let Manitobans know about that. That is part of the political process. You come in this Legislature, and I have been here, you lead a pretty transparent life. You have to be accountable for a lot of things you say and do, and that includes, in this case, if you decide to pocket—[interjection] Well, it is interesting, Madam Speaker, the member for Turtle Mountain.

I have been elected by the people of Thompson five times. That is accountability, something the member might learn about if he runs for that many elections, and I say to the member—[interjection] Well, you may have further opportunities, but I will tell you one thing, I thank the people of Thompson for that support. I will tell you, one of the reasons I have been able to get that support for the New Democratic Party in Thompson is, I have always told the truth to my constituents, unlike this government when they said they would not sell off MTS. That is how you get accountability. That is how you get elected five times, and it is interesting, because you know I

understand members opposite are sensitive about this bill. They cannot wait to get their hands in the cookie jars and they do not want someone to just slam that lid down. They want to make as much money as possible off this. That is indeed maybe their philosophy, their political philosophy. I said earlier today there are going to be winners and losers over the sale of MTS.

I know some Tory members are saying, oh, he is acknowledging there are going to be winners—and I want to list who they are going to be. Number one is the brokers. Okay, they have already won. They got \$300,000 to recommend this sale. That must have been a tough contract. They must have put a lot of intellectual effort into that one. Number two—let us run through who else is going to benefit here. Think about it. There are going to be some restrictions in here. You can only buy—what is it now?—\$40 million worth of shares, the maximum any one person can make, but you know some of the big investors. Oh, and, No. 3, the Tory MLAs. I tell you I will guarantee it, because the first thing that happened to any privatization—look at Alberta—the first thing was it was feeding-frenzy time. I will tell you who benefited there, it was all the insiders, senior managers at AGT. Do you know what they did? They went around the province in Alberta and they got proxies to buy shares for them. Do you want to know how I got that information? I talked to a former manager of AGT who quit in disgust. And do you know what is the big beneficiaries in Manitoba as a group here? We know, Madam Speaker, their interest in this; it is going to be the Tory MLAs. They cannot wait to be part of that feeding frenzy. They cannot wait.

You know what is interesting is because I believe the share issue within the first year is set up for the benefit of speculators. That is why there is the dividend payment that has been put forward. Do you know what? It is interesting, there is going to be some significant risk after that. What is interesting is I will be interested to see how many Tory MLAs buy shares and dump the shares before the risk element comes into play. Interesting because—you know what?—if you have not got that analysis yet, you had better ask for it because it is interesting. [interjection]

The member opposite has asked whether I am saying they should not buy. I repeat again the purpose of this amendment is to make sure you have no other choice. Do

not buy it; that is unethical. Yes, to the member for River Heights (Mr. Radcliffe). Do not buy it; that would be unethical. You are a lawyer, and you know what I am talking about. Lawyers are always ethical. I know that, Madam Speaker, and I appreciate that—well, most of the time—but if they are unethical they run into disbarment proceedings which is the point.

I say that to the member for River Heights because he knows if he did as a lawyer what they are proposing to do here as MLAs, he would not be a lawyer for very much longer. And to the member to Turtle Mountain (Mr. Tweed) who seems to take some great offence to that, maybe the same process will apply here. I am sure a lot of Manitobans will question their MLAs if they pocket from the sale of MTS.

* (1600)

I do not think you can go before any part of the province, talk to anyone and say, well yes, I wanted to buy shares. Yes, I made money. Yes, I used the government loans. Yes, I dumped the shares. The end result of this is no one is going to believe you. Greed is greed no matter how you cut it, whether it is greed as a group or in this case individual greed. It is unethical to buy these shares if you are an MLA. [interjection]

I appreciate that the member for Turtle Mountain (Mr. Tweed) thanks me. I hope he will not buy the shares whether he has that choice or not. This is not a question of buying a HydroBond here. This is buying shares on which you set the price—the public assets—and you want to benefit. I mean, that is the only reason you buy those shares.

So I would be very interested to see how the government votes on this. They have got two choices. They can support this amendment, and that would be welcome because I think it would make a clear statement. I think the member for River Heights (Mr. Radcliffe) is certainly wavering. I can see him. He is thinking about it, because he knows as a lawyer what he would have to do in his private practice. [interjection]

We are not buying shares, period. We will still stay customers of MTS. We will not use the greed-option offered by the government here. We will not try and profit over a decision that this Legislature makes the

decision of. That is the element here. That is the key element. This is not buying bonds. This is buying shares. This is attempting to get—what?—capital gain, dividends, whatever way you can to make a profit, right?

I think it is absolutely unethical for any member of this Legislature voting on this decision to benefit from that decision. That is the fundamental principle behind the basic ethics of any Legislature in the world, let alone here in Manitoba, and the member for River Heights knows that.

We have said we will not buy shares, it is unethical. If you support this amendment I think you will be sharing in that sentiment. But if you vote against it—and I say this is not a threat, this is a promise—we will follow this issue. You will hear about it, your constituents will hear about it, and I warn members opposite that governments that have fallen into the trap of putting personal greed against the public good, and I point to the Devine government—in Saskatchewan, the alumni association of the Conservative caucus there, you know where to find them. You look for the penitentiary. Personal greed. It is interesting in Saskatchewan, you did not have to look on the streets for organized crime, you just had to look in the Conservative caucus, and they are paying the price for it. I know and I hope, and I know, I will say this, I am not saying that is applying here in Manitoba. This is a different set of circumstances, but think about it. This could be the slippery slope towards that. Do not put personal greed ahead of the public good. Support this amendment and make a statement to your constituents that you will put the public first. Thank you.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I want to take a few minutes just to explain why it is that we are actually going to be voting against this particular amendment. You know, it is interesting, we all no doubt received the poll, I believe it was by CBC, in which they posed a number of questions, and one of the questions was, well, are you going to be buying shares? My answer to that was no, I was not going to buy shares for a couple of reasons. Number one, I do not know if I have the financial resources to be able to buy the shares, but even if I did have the financial resources to purchase some of these shares, then it is a question of whether or not it is a conflict of interest to buy those shares. I would argue that, no, it is not a conflict of interest to buy the shares. Then one has to look at reality, and one has to look at

perception, and if I had the money, would I buy the shares? I would argue I would not buy the shares. Why? Because of perception, and perception is very important in politics.

There is no doubt about that, but that is something which each and every one of us has to look at, much like when we make an expenditure from our access accounts in which we are the signing officers and we can stand to have great personal gains, but we always have to ask the question of perception. Is that something which we believe is the right thing to do? For me personally, if I had the financial resources, I would not be buying MTS shares. Would I in fact say to all government members and all opposition members that they should not? I would suggest to them to use their best judgment, because it could in the future be used against a particular member.

It is interesting to see just how hard the New Democrats have chosen to fight this particular issue, especially the member for Thompson (Mr. Ashton). I recall the Manitoba Properties Inc., and what was that all about? It was about a scam of sorts in which Manitobans can use a form of tax evasion almost, if you like, and I do not want to misquote, but you could buy shares of government buildings and use it as a tax write-off or a tax deduction, and it was interesting in a sense it was the member from Transcona, Wilson Parasiuk, from what I understand, who actually took advantage of that. There were some articles—

An Honourable Member: You are mixing up two articles.

Mr. Lamoureux: It suggests that I am mixing my files wrong. I am going from memory, where there was a tax shelter that was brought in by the NDP administration, and you had an NDP minister, I believe he was a minister, a member that was purchasing or using it as a tax write-off. I am not sure, I know the Leader of the New Democratic Party was going to stand up and hopefully he will rectify the record if I am wrong. But the member for Thompson also said—to him greed is greed and it is unethical in the way in which—

Some Honourable Members: Oh, oh.

Madam Speaker: I am experiencing difficulty hearing the honourable member for Inkster.

Mr. Lamoureux: Madam Speaker, to somewhat quote the member for Thompson (Mr. Ashton), he stated, greed is greed and it is unethical, in terms of what it is a government member would be doing, and then he went on to make reference to the HydroBonds, and he said that it was okay to buy HydroBonds but it was not okay to buy the MTS shares because you are going to be the group that is going to be setting the share value. Well, it is the government that sets the Hydro rate value or the interest rates in a very indirect way. Is it not a conflict of interest in that sense?

Well, Madam Speaker, the essence of profit is there for a bond. The essence of profit is there for an interest rate, and the government has an impact on both. The government sets all sorts of different programs in which no doubt not only many of us might directly but also indirectly, whether it is through family or whatever it might be, benefit from that. Are we then going to argue that we should not be voting on the budget if, in fact, any of our siblings or our spouses might be a direct beneficiary of something coming down from the budget.

Again, I believe that ultimately what has to be looked at first and foremost is the question of perception, and each and every MLA is in the best position in order to justify whether or not they should be buying shares into MTS, Madam Speaker.

For that reason, I cannot support this particular amendment. In fact, I do believe that whether it is the Minister responsible for MTS (Mr. Findlay) or the Premier (Mr. Filmon), politically I do not think it would be advisable. I think the perception is all wrong for either one of them in particular to buy it, but is it legal? Well, unless the member for Thompson (Mr. Ashton) brings some sort of thing—now they could actually use legal counsel and ask legal counsel for an opinion or to bring something to the Chamber that clearly demonstrates that it would, in fact, be a conflict of interest or would, in fact, be illegal, and I have not seen any of that.

I have not seen any documentation that clearly demonstrates that it would be illegal or a direct conflict of interest. I would agree on the perception side, Madam Speaker, and that is the reason why I would not purchase shares for MTS and, as the member for Elmwood (Mr. Maloway), maybe I am not as well off as he is possibly.

But anyway, Madam Speaker, I know that we were going to have a recorded vote on this particular issue, and no doubt they would have asked why, and I felt that it was more appropriate to put a few words on the record in terms of why it is that we feel that it is okay for an MLA, in fact, to buy shares into MTS. Thank you.

* (1610)

Mr. Gary Doer (Leader of the Opposition): I want to speak briefly on the amendment before the Chamber. First of all, I would recall the words of the Minister of Telephones May 8 or May 10 when he was asked initially, would he buy shares, and he said, yes, I am excited about the prospect of MTS, and I respect his word there, but on reflection, a couple of days later he said, there may be a perception of conflict of interest and therefore I will not be buying shares in the telephone system.

I want to say to the minister, I think he made the right decision and made the right statement. I also want to say to the member for Inkster (Mr. Lamoureux) that conflict of interest for people making decisions in this Legislature does include the perception that the public might have. Whether we like it or not, in public life, perception is sometimes the reality. Perception of conflict, perception of competence, perception of incompetence sometimes can make the difference of all of us being held accountable by our own constituents, but one of the whole body of work—and I am surprised, quite frankly, at the response from the member for Inkster (Mr. Lamoureux). Maybe it is because the Leader of Liberal Party was sort of wishy-washy this morning on the radio.

But, quite frankly, the whole body of work on conflict of interest is: one, you disclose; two, you make it transparent in your decisions; and three, where there is perception of conflict, you clearly try to, as much as possible, eliminate the perception of conflict so the public can maintain trust in you that their decision to send you to come to this Chamber to make a decision on their behalf is being made in the purest possible way in terms of why they are making the decision.

This amendment really just puts into words what the Minister of Telephones said in May, that there may be a perception of conflict because he is a Minister of Telephones, and I do not even think we would be

debating this issue if the Premier (Mr. Filmon) had not taken a different position than the minister of telecommunications.

I say to the member for Inkster, be very careful when you throw people's names around this Chamber. Twenty-five years from now, you do not want somebody else, in another caucus, in another time, throwing your name around here without the facts.

I would ask the member for Inkster, has he read the Freedman report? Sam Freedman was called in to do an evaluation after media and opposition allegations were made against Wilson Parasiuk. This was the former Chief Justice of the Province of Manitoba and, Madam Speaker, a person of eminent qualifications. After the allegations were made against the former member for Transcona, he stepped down. He put his whole reputation on the line in a public inquiry—a public inquiry—and Sam Freedman said that when he looked through the evidence and the allegations against the member for Transcona, the former Minister of Energy and Mines, they fell like a house of cards. That is in a written report.

Well, Madam Speaker, Sam Freedman was the most learned jurist in the history of this province, and Mr. Parasiuk, because of the allegations, stepped down. Do you know what the allegations were? That there were tenants in a Bannatyne building that were in the public service. You know, that was the allegation. So names get thrown around here with great relish by members when they are under attack. The Premier (Mr. Filmon) is under attack, he throws out a name; the member for Inkster (Mr. Lamoureux) picks it up. Wilson Parasiuk was a Rhodes scholar. He was an excellent member of this Legislature. People may disagree with him or agree with him, but when Sam Freedman said that the allegations against the member for Transcona fell like a house of cards, I do not expect a member, 10 years later, to pick up the comments from the Premier and run with it without any investigation at all. That is unethical, sir. That is very unethical. I am offended by that.

An Honourable Member: Well, did he spend any money on it? Did he buy any?

Mr. Doer: No, he did not, and you should check your facts. You should check. Two Free Press reporters had

to resign after that, and Sam Freedman did an independent public inquiry. Nobody else in this Chamber that has ever been accused of conflict had the courage to step down from their position, have a public inquiry, have the former Chief Judge of the province evaluate all the evidence and was deemed to be completely and totally honest in his public and private dealings. As I say, I remember the words clearly, the allegations fall like a house of cards. Sam Freedman was also an excellent writer.

So for us to just throw names around in this Chamber—I mean, I remember the Limestone dam came in a billion dollars under budget. Limestone now is producing \$250 million of income to the Province of Manitoba every year. Look at the Hydro annual report. I know it is difficult for people to have private holdings and public life. I know it is difficult, and that is why we have conflict of interest guidelines, but I also believe that when member's names are being thrown around in this House, former members who cannot defend themselves—you want to attack me, go ahead, I can stand up. You want to attack the member for River East (Mrs. Mitchelson), go ahead, she can stand up, but let us not throw around names of people that cannot stand up and defend themselves, Madam Speaker.

That is sort of unethical too, is it not? It is not something I want somebody to do with the member for Inkster (Mr. Lamoureux) later on. If this member has stepped down 10 years from now, and if one of our members is still here, maybe the member for Dauphin (Mr. Struthers), a younger chap than some of us and a good member he is, or the member for Flin Flon (Mr. Jennissen), another young chap, and somebody is attacking you because you have moved on or I have moved on, I want somebody to stand up and defend my reputation.

When we leave this building, the only thing we have left is our reputation. We do not go out of here with a lot of worldly goods, and so let us be careful when we throw people's names around this Chamber. Let all of us be careful. The only other member that was mentioned in this debate before was the Honourable Sterling Lyon, and I think the comments made by the member from Thompson were quite positive in terms of his position that we are temporary custodians.

Madam Speaker, speaking to the motion, the main motion, the amendment says very specifically the initial shares of the Manitoba Telephone System. It does not say shares in the future, a year from now. We have all passed amendments in this House to call on people not to participate in decisions for one year after they have been in office, both in administrative office or political office. This is a different decision than HydroBonds that sets interest rates. This is a decision that is based on the value of shares and information that the members of the cabinet and the Legislature have. It is information they have about the value of the corporation. It is information they have about the dividends of the corporation. It is information the public has now on the tax ruling that we have been asking for for three months. It is information that they have about a credit rating that is not available to the rest of the public and the Legislature at this point.

What it does, it basically—and I remember when we were in a minority government, the Liberals actually supported an amendment. The member for Inkster (Mr. Lamoureux), I think, voted and the member for St. Boniface (Mr. Gaudry) voted for an amendment to have a separation between the decision making that a senior civil servant and a cabinet minister would have and their actual affairs as a private entrepreneur and businessperson or a private consultant or a union leader or whatever.

Madam Speaker, this is just giving us a bit of separation. It says the initial shares shall not be purchased by members of this Legislature. It is consistent with the strong statement made by the minister of Telephones. It gives us a bit of grace from the decision that we are making in this Legislature on behalf of our constituents and the decisions we would have to make as members of a family and as private investors.

I would ask the member for Inkster to look at it again. This is a good amendment. This is consistent with amendments that the member for Tuxedo (Mr. Filmon), the member for Inkster (Mr. Lamoureux) and the member for St. Boniface (Mr. Gaudry) voted for in the amendments to The Conflict of Interest Act in 1989. It is very specific to this telephone system. This is a very major decision. Let us make this decision in the best interests of Manitobans. Let us make it in the perceived best interests of Manitobans. That is why this amendment dealing with the perception, and perception

is reality for all of us—let us pass this amendment on initial shares. It is a good amendment. Let us get on with it. Thank you.

Madam Speaker: Is the House ready for the question? The question before the House is the amendment proposed by the honourable member for Thompson (Mr. Ashton),

THAT Bill 67 be amended by adding the following after Section 16:

Limitation re: ownership of shares by M.L.A.'s
 16.1 Notwithstanding anything in this Act, no member of the Legislative Assembly shall be entitled to beneficially own any common shares offered by way of primary distribution to the public under subsection 16(1) during the period commencing on the commencement date of that primary distribution to the public and ending 150 days after such commencement date.

Voice Vote

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

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Formal Vote

Mr. Steve Ashton (Opposition House Leader): Yeas and Nays, Madam Speaker.

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

Division

Madam Speaker: Order, please. The motion before the House is the amendment proposed by the honourable member for Thompson (Mr. Ashton),

THAT Bill 67 be amended by adding the following after section 16:

Limitation re: ownership of shares by M.L.A.'s

16(1) Notwithstanding anything in this Act, no member of the Legislative Assembly shall be entitled to beneficially own any common shares offered by way of primary distribution to the public under subsection 16(1) during the period commencing on the commencement date of that primary distribution to the public and ending 150 days after such commencement date.

Division

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

Yeas

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

Nays

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

Mr. Clerk (William Remnant): Yeas 21, Nays 31.

Madam Speaker: The amendment is accordingly defeated.

* (1710)

Mr. Lamoureux: Madam Speaker, I was hoping that you might be able to canvass the House to see if in fact there might be leave to accept the motion in accordance to Rule 2.4) (b), the Speaker extend the sessional calendar past normal sitting date specified in Rule 2.3)(a) in order that this House remain in session until the Bill 67 has been fully debated.

Madam Speaker, given the importance of this particular debate we would request that there be leave,

and I understand that the entire New Democratic caucus along with the Liberal caucus is prepared to grant that leave.

Mr. Ashton: Madam Speaker, I think there are three ways in which such a motion could be dealt with. One would be if the government was willing to call such a motion. We would certainly accommodate anything that would accomplish that. The second would be, I believe, by leave of the House generally. We could also as a third option go into private members' hour since there is a motion to that effect in private members' hour and by leave move that to the top of the Order Paper. I would indicate that all three options would be acceptable and fully supported by the New Democratic Party.

Mr. Ernst: Madam Speaker, you have made a ruling last week. That ruling will dispense with the primary business of the House at the present time, so to consider private members' resolutions for—in fact, if I remember correctly, the resolution advanced by the member for The Maples (Mr. Kowalski) says to extend the sitting of the House in order to complete debate on Bill 67.

Madam Speaker, according to your ruling, Bill 67 will be completed Thursday afternoon; therefore, we would not grant leave.

Madam Speaker: Leave has been denied.

Mr. Ashton: I move, seconded by the member for Brandon East (Mr. Leonard Evans)

THAT Bill 67 be amended in clause 11(1)(h) by adding “or close or substantially alter any rural, northern or regional office or operation of the corporation” after “business”.

[French version]

Il est proposé d'amender le projet de loi 67, à l'alinéa 11(1)h), par adjonction, après “activités”, de “ou fermer, cesser ou modifier en profondeur ses bureaux ou ses opérations ruraux, septentrionaux or régionaux”.

Motion presented.

Madam Speaker: The amendment is in order.

Mr. Ashton: I want to indicate, Madam Speaker, that I am getting somewhat disappointed with the government. They supported our first amendment, and I thought that was some sign of hope, but we are seeing even today on other substantive issues that the government is unwilling to break out of its bunker mentality and see the light of day to see the common sense of Manitobans on such basic issues as purchasing shares or in this case, I would say, to see what Manitobans, especially rural Manitobans, are saying about the employment and about offices.

Madam Speaker, I want to use a very different source today in favour of my argument. This may be the only time I do this, but this is based on the standing committee in which a number of people were present on the government side, and Mr. Jules Benson was one of the them. He is not the source, by the way, that I am going to use. I realize that he does speak for the government on many issues. But Mr. Tom Stefanson, the other Stefanson, Mr. Stefanson, head of MTS here, what is interesting is, I raised the concern. I asked about the rural and northern employment, and do you know what is interesting, Mr. Stefanson, guess what he said? He said nothing will change, do not worry about us, we are not going to close offices. We are not going to close rural and northern offices. It is interesting the chairperson responsible for MTS here, Tom Stefanson, said that.

Now, what does this amendment say? It says the new corporation cannot substantially alter rural and northern employment. Is there any difference between this amendment and what Tom Stefanson said? Absolutely none. Now, I must admit I am skeptical and I have expressed this view to members across the way, because I have heard that senior officials at MTS have been saying quite the opposite. All bets are off as of January 1 next year. That is what was told by senior officials at MTS Net at the meeting in Portage la Prairie with MTS staff. But you know what, surely Mr. Stefanson knows what he is talking about. I might question some of the other things he said, but he said nothing is going to change. He said—[interjection] No, he said, Mr. Tom Stefanson. The Deputy Premier (Mr. Downey) is getting confused again.

You know Tom Stefanson said nothing is going to change in terms of rural and northern employment. That is not what has happened in Alberta. That is not what

has happened in other jurisdictions, but let us accept that at face value. What does this amendment do? The same thing. I mean, if Mr. Stefanson is to be believed, I cannot see any possible reason from members opposite to vote against this if it is not going to change anyway. I look to the Minister responsible for MTS (Mr. Findlay). I do not know if he will go quite as far as Mr. Stefanson did, but he was in the committee; he heard Mr. Stefanson make that remark. I will be interested to see what the minister says about this.

But this is important, and to members opposite, it does not matter whether you go to Morden or to Dauphin or Thompson or Brandon, there are a lot of areas in the province for which MTS is one of the major employers, provides decent jobs, not necessarily always as highly paid as people would think. I know many people, if you look at what operators are paid, et cetera, but they are good jobs. I think everybody acknowledges that, whether it be in Portage or I mentioned Morden, Minnedosa, Neepawa, and we can talk about jobs right here in Winnipeg as well.

You know what? Let us maybe deal with another aspect here. Somebody on the other side may be saying, well okay, we accept what you are saying, Tom Stefanson said that, we believe Tom Stefanson. They may even be saying, well, we are almost tempted to vote for this amendment. All right, then they may be saying but you know, why should we deal with this? Is this really a problem? Should we be worried about rural and northern employment? I want to deal with that because, Madam Speaker, we are in a world of change, and the Minister responsible for MTS (Mr. Findlay) will acknowledge that. [interjection] It is interesting, and I hear the Minister of Labour (Mr. Toews) talking about jobs.

An Honourable Member: He does not care.

Mr. Ashton: I hope he does care. I am not saying that. But you know, to the Minister of Labour—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Ashton: Madam Speaker, members opposite—there may be some across the way who want to listen to this because this is really important—

Madam Speaker: Order, please.

Point of Order

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, I am having great difficulty hearing the honourable member for Thompson. I do not know where this is coming from, but if you could bring the House to order at this time.

Madam Speaker: I thank the honourable Deputy Speaker. I was attempting to.

* * *

Mr. Ashton: People may be saying—and this is what is interesting—you know, the MTS answer sheet, they say, well look, we are rural Manitoba, like we are still going to have jobs in rural Manitoba, right? That is sort of the logic. But what is going on with private companies? Let us go to Ontario for a second. What has happened? [interjection] No, we are talking about private telephone companies, to the member for Turtle Mountain (Mr. Tweed), because every private telephone company in Canada, every telephone company has been downsizing, re-engineering, cutting back, whatever term you want to use. What are they doing in provinces like Alberta and Ontario? I will give you a quick example in Ontario. They are contracting out. Guess what they are contracting out. Operator services. Who are they contracting it out to? A company in Phoenix, Arizona.

* (1720)

An Honourable Member: See the Coyotes.

Mr. Ashton: Yes, they will see the Phoenix Coyotes out there. They will get to see Manitoba's \$60-million investment. That makes a lot of sense. I mean, it really does. Do you know what, Madam Speaker? I knew there were some MTS employees, and I keep saying this, before the last election who probably believed the government when they thought they would have jobs with MTS and be able to see the Winnipeg Jets. Maybe this is part of the grand plan. They are going to have jobs at MTS down in Phoenix and get to watch the Coyotes. Sometimes maybe I do not give enough credit where credit is due on the Conservative side. You know, it is brilliant. Actually this is how they were consistent here,

really. There still will be MTS jobs, they just will not be here and you will be able to watch the Phoenix Coyotes. I say to members opposite Alberta is a good example. What did the private company do in Alberta? Madam Speaker, they cut back and they contracted out. You do not have to take my word, check the Tellus prospectus.

An Honourable Member: Who has that?

Mr. Ashton: Well, if the government members do not have that, we will provide them copies. I am surprised. I would have thought if you were going to use that as the carbon copy for what you are doing here, you would start by looking at what has happened in Alberta.

What were the first areas to be hit? Rural jobs, rural phone centres were closed. That is why we have a concern. Now you may say, well, okay, Madam Speaker, somebody will maybe say, well, that is operator jobs. You still need other jobs within MTS to be here in the province, right? You need them. Well, no. Just run through this again here. It is interesting that members opposite talk about change, but they do not even acknowledge the change and how it can impact on the job situation here in Manitoba and by nothing more than just transferring those jobs outside of Manitoba.

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

Okay, I want to deal with that, Mr. Deputy Speaker, because how about billing? Billing has to be done in Manitoba. You have seen those new bills, the ones that a lot of Manitobans are asking where the MTS gets all that paper from, you know, the big, big bills. Where do those bills come from? What billing system is that, the MTS billing system?

Some Honourable Members: No.

Mr. Ashton: It is the Bell billing system.

Some Honourable Members: Oh, oh.

Mr. Ashton: Interesting is it not because how long would it take to transfer that billing process right to Bell? Okay, I have mentioned the operator services, I have mentioned the rest. Let us run through what else could be easily transferred out of province by a private company.

You know what? Pretty well anything and everything. Think about it. Well, there is going to be a head office in Manitoba. It is interesting. We have amendments to make sure it is a real head office. As it stands, there could be a head office or it could be a mailing address. The rest of the jobs, do they have to be here in Manitoba? They do not. [interjection]

Wawanesa is a good example, the member for Brandon East points out of how Wawanesa has the head office—where? Wawanesa. Well, you look at what happens. Wawanesa was an original focus and the member for Turtle Mountain (Mr. Tweed) knows. I have been in Wawanesa and it is a nice community, but it is not exactly the headquarters of Wawanesa Insurance, is it?

An Honourable Member: Is it in the valley or on a hill?

Mr. Ashton: Now we are getting into the tour guide of Manitoba here. I have not been in Wawanesa for about 25 years, so I confess to that. I went there as a kid, but I was impressed when I went there as a kid. I had heard of Wawanesa Insurance. We all have. I am glad that the Minister responsible for MTS (Mr. Findlay) has such an interest in Manitoba geography. You know, if he had had a few public meetings around the province on MTS, he might know a lot more about geography of Manitoba.

But let us deal with the jobs. Let us find out who has to be here in Manitoba or in rural Manitoba and northern Manitoba. We have eliminated the operators jobs and the billing jobs. Now let us deal with other jobs. First of all, service, you have to have a MTS person come to fix your phone, right? Well, no, Mr. Deputy Speaker, you know what has happened in Alberta? They laid everybody off. They retired them and guess what? They contracted out the jobs and those people were hired back at half the price. You wonder why MTS employees were concerned about the impact of privatization, that is what has happened in Alberta.

Now you must be saying, well, surely, they need the rest of it—right?—all the other things. Personnel and all the senior managers, do they have to be located here? You know, the four new presidents they can fly back to Toronto every weekend. They do not even have to. You know, they do not even have to be here in Manitoba.

They can get on the Internet. They have their phones, they can use that. You may say at what point does this start getting to be unrealistic? I say to members opposite that virtually none of the jobs at MTS have to be in Manitoba under a private company that may save a few cents here or there by contracting out or transferring those jobs. And who could blame a private company?

An Honourable Member: There will not be any more research and development.

Mr. Ashton: Research and development, yes. I mean, we can run through the list. You start seeing what can happen. Now, this is particularly applicable to rural and northern Manitoba. You do not have to ask me. I mean, when I went into Morden, as a good example, do you know what? We had one of our biggest rallies to save MTS in front of the phone building in Morden. What did people in Morden say? They said, we are concerned about rates and other issues, but they said, we do not see how long a private company will maintain jobs in Morden, Manitoba. Do you know what people are telling me? They said, it is already bad enough, some of the cuts taking place under MTS with this government, but they said, we see a position where we may have a hollow shell in Morden.

I ask, let us take Minnedosa, for example, how long are the jobs going to last in Minnedosa, the operators? Dauphin is already in the position. There is a lot of concern, the amalgamation that is going on there. I mean, how many jobs will be left in the Dauphin phone service? How about Neepawa, Manitoba? How long will the jobs be in place in that community?

Anybody that has any kind of a regional phone office, I ask this question because I have raised this with MTS employees and some fairly senior officials. Do you know what is interesting when you talk to people about what could happen? People say, look, we can probably see there might be an office in Thompson and Brandon. You have to have regional offices of some nature. You ask the question, how many jobs? Not necessarily anywhere near the same number of jobs. The same thing in Brandon. How many of those jobs will be maintained in Brandon? A good point. I mean, it is the major employer in Brandon, a significant employer. They are very, very worried. This is nothing we have raised. This is something that has been raised with us. You know

anytime the government does not like what it hears, it accuses somebody of fearmongering.

Are the employees fearmongering when they wonder what will happen? Let us go one step further. If we pass this amendment, will that not lay to rest a lot of the fears of employees in rural and northern Manitoba? Let us go one step further. You know, it is not just the employees. Why do you think so many rural municipalities and towns and villages and cities have passed resolutions opposing the sale of MTS? What was the big issue? Well, No. 1 was rates; No. 2 is employment.

What I find interesting too is the Chamber of Commerce, one of the three out of 185 presentations, the presenter for the Chamber of Commerce came in and said, well, our executive decided we are in favour of the sale of MTS. I sort of said, well, it is a real surprise. I asked the presenter if he was aware of any resolutions by chambers opposing that, and he was not. Well, it is interesting that the Dauphin Chamber of Commerce passed a resolution opposing the sale of MTS. Why?

Because those business people, small-town Manitoba, main-street Manitoba, not Bay Street, main-street Manitoba, they know who buys the cars and the groceries, who goes to the general store. They know that the MTS employees are a part of their community, and they want to keep it that way. Do you know what? They think the best way of keeping it that way is through public ownership.

An Honourable Member: Question.

Mr. Ashton: I know the Deputy Premier (Mr. Downey) wants to get this to a vote soon, I hope, so that he can vote in favour of it, but I have a few more comments to put on the record at seven o'clock. Thank you.

Mr. Deputy Speaker: When this matter is again before the House, the honourable member will have 25 minutes remaining.

The hour now being 5:30, as previously agreed, I am leaving the Chair and will return at seven o'clock.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, November 26, 1996

CONTENTS

ROUTINE PROCEEDINGS			
Presenting Petitions		Vehicle Licensing Gaudry; Filmon	5291 5292
Manitoba Telephone System		Bilingual Province Gaudry; Filmon	5291
C. Evans	5285	Home Care Program Chomiak; McCrae	5292
Dewar	5285	Members' Statements	
Jennissen	5285	Vansco Electronics McAlpine	5294
Maloway	5285	Victorian Order of Nurses Chomiak	5295
Reid	5285	Literacy Programs Dyck Kowalski	5295 5296
Hickes	5285	Public Education—Symposium Friesen	5296
McGifford	5285		
Cerilli	5285		
Friesen	5285		
Struthers	5285		
Wowchuk	5285		
Lathlin	5286		
Guaranteed Annual Income Martindale	5285		
Reading and Receiving Petitions			
Manitoba Telephone System			
Ashton	5286		
Martindale	5286		
Oral Questions			
Manitoba Telephone System			
Doer; Filmon	5287		
Ashton; Findlay	5288		
Sale; Filmon	5289		
L. Evans; Stefanson	5293		
1996 Summer Olympic Games Barrett; Filmon	5290		