



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**

---

**31-32 Elizabeth II**

---

*Published under the  
authority of  
The Honourable D. James Walding  
Speaker*



MG-8048

**VOL. XXXI No. 100B - 8:00 p.m., TUESDAY, 5 JULY, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virten	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, Hon. John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Hon. Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 5 July, 1983.

Time — 8:00 p.m.

## ADJOURNED DEBATES ON SECOND READING

### BILL NO. 48 - THE ELECTIONS FINANCES ACT

**MR. SPEAKER, Hon. J. Walding:** Order please. When we recessed for the supper hour, the question before the House was Bill No. 48, and the Honourable Member for Thompson has 35 minutes remaining.

**MR. S. ASHTON:** Thank you, Mr. Speaker. When I spoke on this bill prior to the adjournment, I was attempting, in the short time that I had, to refute some of the arguments that members of the opposition have put forward in opposition to this bill, Mr. Speaker. In doing so, I attempted to refute not some of their specific complaints about the bill, because actually when one comes down to it that really isn't the emphasis of the debate they put forward in this House on this bill, but rather some of their general themes, if you like.

Before the adjournment I had mentioned, in particular, the general theme that this was somehow a dramatic new departure which was predicated on some attempt by the NDP to snatch money from the taxpayers of the province. I indicated at that time, Mr. Speaker, there was a decided inconsistency, the argument put forward by the members opposite in this regard.

First off, as I mentioned earlier, this kind of legislation is not new in Canada. It's been enacted in a number of provinces, Mr. Speaker, and really if one looks at the legislation here in Manitoba, one will find that the supposedly more controversial aspects, as far as the opposition is concerned, are not that new either.

If one looks at the situation in other provinces, Mr. Speaker, one will find that there are limitations, first of all, on the election expenses, which candidates and parties may incur during an election. The only jurisdictions which don't have such a limitation are Alberta, B.C., Prince Edward Island and Newfoundland, and the others of course do, Mr. Speaker.

If one looks at it, one will find that the proposals in this particular bill are not out of line with the restrictions in other provinces such as New Brunswick, for example, where there's a party spending limit of 85 cents per voter and a candidate spending limit of \$1.50 per voter. There is also a limit that each candidate must spend between \$7,500 and \$20,000, which is obviously somewhat different, Mr. Speaker, than the legislation here and I would suggest somewhat further developed than the rather modest proposals before us today.

But I think, Mr. Speaker, that the similarity with legislation in other provinces is nowhere more apparent than when one looks at the other major part of the bill, which is in terms of the reimbursement by the province for election expenses incurred by both provincial parties or individual candidates.

As I indicated, Mr. Speaker, only the provinces of Alberta, B.C., Newfoundland and Prince Edward Island

have no reimbursement systems and the other jurisdictions do; including the Tory province of Ontario; the Tory province of New Brunswick; and the Tory province of Nova Scotia, and that, of course, Mr. Speaker, is not to mention the federal jurisdiction.

The Canadian Government has adopted such measures, and I might add with the support of the federal Conservatives, Mr. Speaker, with the support of the federal Conservatives. So where is this bill, Mr. Speaker, where is it a radical departure from current practice in other jurisdictions? Well, I would submit to you, Mr. Speaker, that it isn't. That argument put forward by members opposite has no basis, in fact. It really is an attempt, Mr. Speaker, as they have done with other bills, to muddy the water, so to speak. It's an attempt not really to debate the issues, but to attempt to score some political points with the general public. But you know, Mr. Speaker, I have greater confidence in the general public than do members opposite. I am sure that if they have the opportunity to see the facts on this particular bill, they're not going to buy the attempt by members opposite to muddy the facts, Mr. Speaker. If they had the opportunity, I am sure they will consider this to be a reasonable bill that is in line with what has been introduced in other jurisdictions.

But, Mr. Speaker, the inconsistency doesn't stop there. I could accept, coming from members opposite, knowing that they tend to like to ignore what is happening outside of Manitoba; knowing that, I could accept perhaps that they are unaware, Mr. Speaker, that they are ill-informed with regard to the situation in other provinces. I could accept that, but there is an even greater inconsistency in their arguments, Mr. Speaker, because their arguments fly in the face of what they did when they were a government here in Manitoba.

You know they've gone to great lengths, Mr. Speaker, to try and establish that they did not introduce public funding of political parties here in Manitoba. They have gone to great lengths to try and establish that, Mr. Speaker, and they have thrown in a number of interesting argumentative techniques. I won't call them debating techniques, Mr. Speaker, I wouldn't consider them to be of that level, if one really looks at it.

They have attempted, for example - I noticed the Member for Sturgeon Creek launched an attack on this bill and then became somewhat defensive in regard to the program that they introduced. He suggested that it was a voluntary program, Mr. Speaker. Well, clearly that is not the case. It is a voluntary program only in as far as people are able to select whether or not they are going to participate in the tax credit aspect. But really, Mr. Speaker, one could also call our program voluntary. You know, the Member for Sturgeon Creek indicated he was going to raise all the money for his election locally. If that means he is not going to accept any money from this act, then I suppose he is entitled to do that. One can be voluntary in that sense, Mr. Speaker. One can be voluntary in receiving or not receiving money from the province just in the same

way that one can be voluntary in, first of all, not giving to a party; but, second of all, you can give to a party and not submit your receipts. You don't have to, Mr. Speaker; you don't have to as a party even. As the Member for Springfield points out, the party doesn't even have to submit receipts; but really, Mr. Speaker, that same kind of voluntary aspect can apply here if one is really to be serious about it.

You know, the fact is that the program that the member has introduced was not voluntary for the average taxpayer. If I as a taxpayer did not support the Conservative Party or the NDP, that wouldn't stop me from having, through my tax revenues, to finance the tax credit system, Mr. Speaker. That wouldn't stop me at all; it wouldn't be voluntary as far as I was concerned. I would have no more choice in regard to that matter than I would in regard to any other government tax measure, tax credit or expenditure, and that's an important point, Mr. Speaker. It's a really important point to make because that is the whole basis of the argument that members opposite have put across to suggest that their program was fundamentally different from ours, that their program was okay and that ours is somehow an attempt to grab money from the taxpayers of the province. Well, the fact is, Mr. Speaker, that doesn't wash.

As I said, and I will repeat it for the Member for Sturgeon Creek and for other members who try and make a distinction, that program previously was not voluntary; this program is not voluntary in the same way. They are both the same, Mr. Speaker. But, you know, the Member for Sturgeon Creek tried another argument. He said, well, you know, if you are so much against our program, why don't you take it out. Well, we're not arguing against their program, Mr. Speaker. We're not arguing against the program they introduced in 1980. It was incomplete, certainly. I think that has been established by members on this side of the House. It did not go as far as we would like it in a number of important directions, but we didn't disagree with them and that's an important point again to make, Mr. Speaker. One does not have to be against their program to point out that it is similar to ours. You know, the same basic principles that they had started to establish in Manitoba by introducing public funding of elections apply also to our legislation as well.

So, Mr. Speaker, in reviewing the arguments from the members opposite, I think it's clear that there is nothing more than a pretty shoddy attempt to score political points. There is not any real attention to the substance of the issue, and for a few minutes, Mr. Speaker, for the benefit of those members opposite who haven't taken the time obviously to look through this bill, I will outline some of the broad general details of the bill; and I would particularly like to do that for the Leader of the Opposition who demonstrated his ignorance of this bill so amply on the day it was introduced, when he got up and suggested that this bill would somehow result in funding for, and I quote, Mr. Speaker, "left-wing kook parties."

Well, the Member for Morris obviously hasn't read the bill, Mr. Speaker, because it clearly would not do that. Anybody who reads this bill, Mr. Speaker, will see quite early on that there is a requirement that a candidate or a party receive 10 percent of the vote for them to be eligible for reimbursement under this act.

Now, can the Member for Morris explain to me, to use his Leader's term, one "left-wing kook party," Mr. Speaker, that will receive funding under this act? Well, I don't think he can, and I believe he knows it, Mr. Speaker. But, once again, it's good if you want to score political points out with the general public. You don't explain the bill; you just throw up a red herring, in this case a decidedly red herring, Mr. Speaker, and suggest, oh, look, your taxpayer money is going to go to finance these kind of parties.

Mr. Speaker, for those members of the opposition who obviously have not read the bill, basically it would do the following. First of all, it would ease the requirements by which political parties could become registered — (Interjection) — Mr. Speaker, the Member for Flin Flon asked me to explain to one specific member of the opposition that again. I think, Mr. Speaker, I have reiterated it often enough; I mean, the bill is here for anybody who wants to read it. Anybody with any common sense and good judgment can realize that, Mr. Speaker, and I know that the Member for Minnedosa does have some common sense and good judgment. I will, therefore, leave it at that, Mr. Speaker.

As I said, that one aspect is easing the requirements by which political parties can become registered. The second is that procedures for recording and disclosing contributions received by candidates and registered political parties are tightened. I would hope, Mr. Speaker, that there would be no opposition to either of those particular proposals.

The third, Mr. Speaker, is that limits are established for both the total overall election expenses and advertising expenses of candidates and parties. Now, as I mentioned earlier, Mr. Speaker, that has been the case in a number of other provinces for quite some time and I would hope that members would support that. I say I would hope they would support that, Mr. Speaker, because from their comments in debate there really isn't that much evidence that they do. They really have, by and large, ignored that aspect of the bill. We all know, of course, that they have had restrictions only on advertising under their election expenditures. They had requirements only be a limit on advertising.

I know some members of this House on our side have gotten up and shown the list of contributions, Mr. Speaker, from corporations that members opposite received. Some have recited the amount of money that members opposite have spent in their campaigns, Mr. Speaker, and I suppose from that, one could develop an argument that members opposite really aren't in support of restriction of election expenditures because that would severely curtail their ability to use this funding to gain electoral advantage. I suppose one could develop that argument.

I know some of the Conservatives in Thompson, Mr. Speaker, might be a little concerned about limits on expenditures, because during the last election they outspent me 3 to 1 in the constituency of Thompson, Mr. Speaker. I don't believe that I over spent, but I certainly didn't under spend. I got my message out, obviously - I'm here today - I got that message out. But the Conservative candidate in Thompson outspent me 3 to 1, and I could take from that, Mr. Speaker, from your silence on this issue, that perhaps they would be opposed to it. I don't know, some Conservatives in Thompson might object to the fact that their freedom

to try and pump money into a failing candidate's campaign, Mr. Speaker, as was the case then, if that would limit their freedom there, they would be opposed to it, but I will give them the benefit of the doubt. Their silence on this issue, I think, perhaps could be read to say that they're not opposed to it; I will give them the benefit of the doubt on that, Mr. Speaker.

But then we get to the real crux of the bill and that is that a system of limited direct public financing be established, and particularly, Mr. Speaker, candidates who receive 10 percent or more of the votes in their constituency of registered political parties would receive 10 percent or more of all the votes cast province-wide will be reimbursed for 50 percent of their total election expenses. That, Mr. Speaker, is clearly the crux of the so-called debate, the arguments from members opposite. They say they object to that.

Well, Mr. Speaker, do they not see some of the positive reasons why that was put forward? Do they not see some of the positive reasons? The Attorney-General outlined in his introductory remarks some of the reasons why we are looking at public funding of elections while other Canadian jurisdictions, and in fact many American jurisdictions, Mr. Speaker, have introduced public funding of elections.

Well, the reason is, Mr. Speaker, first of all, that elections can be very very expensive businesses. There's no doubt about that and that is not a barrier for some. For those that have the money, it's not a barrier, Mr. Speaker, but it is a barrier for many people. It is a barrier for many individuals who don't have the means, Mr. Speaker, to put millions of dollars into election campaigns. It's also a barrier to many political parties which don't have the funding that some parties receive from the corporate sector. Mr. Speaker, it's a barrier to those parties and that is one of the principles in which public funding of elections has been brought in, in these other jurisdictions; that is, by having the public funding of elections, we broaden democracy. We make it available to more people. We mean that more people can run, Mr. Speaker, not only to win, but to run in the democratic process to establish their point of view, because surely that is one of the roles of democracy.

You know, when we talk about limits on expenditures, Mr. Speaker, when we talk about the other aspect of the bill, the 10 percent requirement in terms of votes, I think we have to, you know, look at the kind of balance we're establishing. You know, the argument can be made, Mr. Speaker, that we don't want to finance fringe parties, but to a certain extent some of these parties, which receive a small percentage of the vote, are perhaps fringe parties in the eyes of some but are very seriously those people that participate in those parties, Mr. Speaker. They feel they have a point to get across.

So, I must admit, Mr. Speaker, that I feel a certain amount of hesitation, even when we get to talking of a figure of 10 percent, because if one looks at the last election, for example, the Liberal Party, a party with a tremendously long political history in Manitoba, received only 6 percent of the vote as a party. Yet, those many people, that 6 percent who did support the Liberal Party, I'm sure would argue that they ran a good campaign, that it was a good thing they ran because they presented their point of view.

There was also the other party, the Progressives, a much more recent phenomenon. I'm sure members of

that party would suggest that they, too, have a right to put that point across. So in accepting any figure, Mr. Speaker, I think one must accept that it's relative and I hope members opposite would.

You know, the important — (Interjection) — well, Mr. Speaker, the members opposite are discussing amongst themselves in rather animated fashion, they say about my future, Mr. Speaker. You know, I notice in that regard that they have had very little impact in Thompson, not only for the last year-and-a-half in which I have been in, for about the last five-and-a-half years. They talk big in this Chamber, Mr. Speaker, but when it comes to my constituents, I can assure them they have absolutely no impact and if they are going to attempt to influence my constituents with arguments such as they have put forward on this particular bill, they've got another thing coming.

Mr. Speaker, the important point though is that there is a positive principle behind this bill and that is to open up the democratic process. It is to allow for people to participate in elections, for parties to run proper campaigns, Mr. Speaker. It sets, first of all, a limit so that process is not abused, Mr. Speaker, so that there is not an abuse of the electoral process via those who have the wealth and attempt to buy election results, but it also sets something of a floor with the subsidy from the province so that a proper election campaign can be waged.

I would suggest to members opposite that they really look at what democracy is all about. It is more than just having an election, just saying, we issue a Writ of Election, there will be an election on November 17th or whenever. There is more to it than that, Mr. Speaker. There is a whole process of discussion, of debate, of a government and an opposition being accountable to the electorate, of an electorate expressing their views on various issues. That's all part of it, Mr. Speaker, and if we just have the writs of an election issued and just leave the system at that then I think we're missing a good part of it, and I would say that one must not look just at the end result of it. It's not just a matter of having a government elected or having MLAs elected.

You know, I would say, Mr. Speaker, that candidates who ran in Morris, for example, who did not win, or in Inkster and who did not win, for those are two, which would be considered safe seats on either side of the House - just picking those for representation - I would suggest that it was a positive aspect for democracy that a New Democrat ran a campaign in the Morris constituency and similarly that a Progressive, a Conservative ran in the Inkster riding. I would consider that positive. What this bill does is it helps build upon that by ensuring that those who perhaps don't have the access to the finances that some candidates, some parties do have, can get their point across, Mr. Speaker, and can make that democratic process work.

So I think in looking at it, Mr. Speaker, once again, as I have attempted to demonstrate in a number of other bills, one can say that the members opposite are attempting to develop a consistent theme on this and other bills. It starts, Mr. Speaker, not so much on the specifics of the issue but some suggestion that there is a sinister motive, a negative motive behind the government for introducing this bill. I think I have indicated, Mr. Speaker, quite clearly tonight that there is no sinister or negative motive behind this bill.

What we are doing is not out of line with other jurisdictions. It's not out of line with the approach taken by members in this House. It is a positive attempt, Mr. Speaker, to ensure that we have an open and accessible democratic process; that we have a democratic process that is not dictated by finances, one's access to finances, and is not dictated by your ability to receive campaign contributions from specific individuals or groups, but is determined by your ability to run a credible campaign as defined by the fact that we are providing funding for not all groups but those that are having a significant impact on society. It is defined, Mr. Speaker, by the absolute necessity not of one running a campaign but running a good campaign, because without good campaigns we cannot have the full and open democratic system we desire.

I will say in conclusion, as I have said in response to those, Mr. Speaker, who like to throw challenges across the floor about my status in the next election, you know I look forward to an open and a hard-hitting campaign in Thompson. I really do, Mr. Speaker. I have been acting in a bit of a vacuum the last few years, as I'm sure many members of this House have been acting, because in my area of the province there are Conservatives, Mr. Speaker, as in there are people in the constituency are Conservatives, but there sure as hell aren't any of these guys up there. You know, they haven't done anything more in opposition than they did in government, which was basically to ignore my area.

I look forward to them running a campaign, Mr. Speaker. They may need all the help they can get in running a credible campaign. I am, in fact, positive of the fact that they will not be able to out-spend me 3 to 1 next election. A lot of people aren't going to contribute to them after the way they have been handling themselves, Mr. Speaker. But in all seriousness, I look forward to a good campaign in my constituency, Mr. Speaker, as I'm sure do most in this House because that is democracy itself. It is not whether one wins an election, Mr. Speaker, strictly; it is how one wages the campaign, Mr. Speaker, and also how one conducts oneself for four years.

I would suggest, as I have done a number of times in this Session, Mr. Speaker, that the members of the opposition attempt, when we have debate on bills such as this, to first of all read it; to second of all debate the contents of the bill; and third of all, stop trying to bring in red baiting, stop trying to bring in attempts to smear the government, accuse it of having sinister or negative motives, but recognize that we are trying to do something positive. If they don't agree with it, let's hear that, Mr. Speaker. Let's cut out this red baiting sort of thing. Let's cut out the talk about theft, Mr. Speaker. Let's cut out that kind of stuff. I don't think that is called for in this House. I think what we need is some good constructive debate from all members of this House, particularly from members opposite.

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker. I would like to add my comments to this debate, Mr. Speaker, but I think I'll do that another time. I move, seconded by the Member for Swan River, that debate be adjourned.

**MR. SPEAKER:** Order please. If the honourable member wishes to adjourn the debate, he should not make any remarks in advance of that. It could be construed as being part of the debate.

**MOTION presented and carried.**

### **BILL NO. 69 - THE MARRIAGE ACT**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Community Services, Bill 69, the Honourable Member for Emerson.

**MR. A. DRIEDGER:** Mr. Speaker, we have checked over this bill and we are prepared to let it pass on to committee.

**QUESTION put, MOTION carried.**

### **BILL NO. 72 - THE WILD RICE ACT**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Natural Resources, Bill No. 72, the Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Speaker. We also have reviewed this bill, and we are not prepared to let it go to committee.

Mr. Speaker, in looking over Bill 72, The Wild Rice Act, I think there has been a consensus possibly on both sides of the House for some time that a bill was required to sort of regulate the wild rice industry. There have been many problems within the industry for a period of years.

I think it's not that many years ago, maybe 10 years ago, when the wild rice industry possibly was producing more, maybe three and four times as much wild rice as we have at the present time. Certain regulations and lack of regulations over the period of years have created certain problems, and I think an act is necessary at this time to govern and regulate the activities of the wild rice industry; but the fact that an act has been presented to the Legislature here does not necessarily mean that everything is going to be copacetic at this stage of the game, and there are things that I would flag at this stage of the game regarding the wild rice industry. I would like to express some of the concerns that some of the operators have expressed and some of the concerns that I have, for example, and I think others have on this side of the House regarding the act.

One of the concerns that has been - the Minister, when making his opening remarks or giving the introduction of the bill in second reading, indicated the control under the mechanical harvesting, and some of the operators that are in this business feel some concern because, first of all, you have the licensing aspect of it and then you have the permit that is required for mechanical harvesting. The Minister indicated that this was, to a large degree, to control the poaching of wild rice. I personally feel that there might be some concern in that direction, but the permit system, I don't think, will necessarily regulate any poaching.

First of all, if we look at the wild rice industry as it has been established over the years, I think the name

"wild rice" really is a bit of a misconception in the public's eye, because people seem to think that the wild rice grows by its own natural state, and people just naturally go in and they harvest it and are making big money on this wild rice. That is actually, in my mind, a misconception.

Most of the wild rice that is being harvested in this province, and it used to be more at one time than it is now, basically has been seeded. What is involved in the harvesting of wild rice, is that you have operators and the licensing system for operating on certain lakes has been not regular, it has not been regulated properly, there's been a lot of confusion on that. But the people that are operators, and I'm not talking aside from the reserves that have certain blocks that they operate on, I'm talking of the operators that fly into certain lakes and not all lakes are suited for wild rice. Basically you have to have a lake that is a relatively low level lake, but at the same time you have to have a regular flow or regular depth of water in there. So what many of these fellows that are operators do, they fly in, they build up dams to some degree to control the level of the lake, then proceed to buy seed or get seed that they have harvested the year before and they seed these lakes. The whole process is quite a costly operation and it is quite an investment, because many of these lakes are not accessible by road. Basically, they're just accessible by air in many cases, and when you take the investment of moving in mechanical harvesting equipment, there seems to be a feeling that all you have to do is drive down a lake that has got wild rice in there and beat it into your canoes. A certain percentage of that is happening at the present time yet, but the industry has gotten to that point where the mechanical harvesting makes it more economical to do it. At the same time though, the capital investment in terms of harvesting wild rice is substantial when you consider the equipment, the work that goes in, the seeding of these things, so I think that the need for some regulation in the wild rice industry is definitely there.

Some of the concerns that I'd like to flag at this stage of the game are the terms and the aspect of licensing, for example. There is provision there to designate large lakes, let's say, or large areas with lakes in them for certain people that can then have the control of it in that area. One of the regulations or one of the things within the bill is the requirement that you have to be a resident in the last year within a certain area before you can qualify for a licence. Depending on how the blocks get set up or the areas get set up, it can create a real hardship, because we have operators that live, for example, their residence might be part-time in wintertime in the City of Winnipeg and maybe have out camps, for example, if they're airplane operators and they have a camp in the Pine Falls or in the general area, and then they fly into these lakes. So the interpretation of residence within an area is what creates some concern for operators.

I'm glad the Minister is here, so that he can probably take note of some of these things, and the interpretation of residence within a block area could possibly create some problems.

It is a matter of major concern, because I happen to know, personally, quite a few of the operators that have a substantial major investment in equipment, aside

from airplane, the harvesting equipment, the seeding equipment, the work that they do in terms of damming some of these lakes.

The other area I want to flag with the Minister is that according to the bill, there's a limitation of eight production licences per individual. Now, I'm wondering how the Minister is interpreting eight production licences per individual; how does this apply for example in terms of the reserve people? Can they have only eight production licences, or does each individual on the reserve qualify for eight individual licences?

So there's some - and I'm saying this without being facetious - bringing in a bill the first time that the industry is going to be regulated to some degree, and very often these bills have some flaws in them, and we're trying to draw some of the concerns forward to the Minister. We have checked with many of the operators to some degree, and by and large they agree for the necessity of the bill. They have some concerns, as I'm expressing now, and there is some possibly other members will express as well.

The other thing that creates some concern, and not necessarily because I hold this Minister suspect to some degree, but we have The Water Rights Acts in front of us and invariably all the authority flows back to the Minister in terms of transfer of licences. There is no transfer of licence. If the licence terminates, and if you had built up a substantial investment over a period of years with various lakes and equipment, the moment you give that up, you cannot turn around and sell it. Your licence terminates; you then go to the Minister and apply again and if it happens that the Minister . . .

**A MEMBER:** If they cancel barbecues, they'll cancel licences, Al.

**MR. A. DRIEDGER:** Well, this is why I flag the concern about the Minister having total authority, which brings me back to the major concern I want to raise with this bill, is that the Minister is the overall authority again. He issues the licence; he cancels the licence; he is the total authority. For the individual that will be affected wrongly, there is no appeal system.

**A MEMBER:** No, he hits you with a sledgehammer.

**MR. A. DRIEDGER:** There is no appeal system and invariably one of the concerns that has been raised in this House with much of the legislation that has passed, is that somewhere along the line, aside from the Minister, there is provision for an appeal system, to a body or an authority, other than the Minister and that is not here in this case.

For example, if you have a problem with any municipal problem and you don't agree with the regulations the way they are and the Minister's decision, you appeal to the Municipal Board, and the Municipal Board then makes a decision; so you have the avenue of an appeal. In this particular case, there is no avenue of appeal to anybody and if this Minister decides he does or does not like somebody and regulates a licence or some of the regulations, because they're all based on the authority of the Minister, if he does like or not like somebody, he can cancel a licence or a permit. He can totally wipe out an operator in the wild rice industry

and it is a very lucrative business, the wild rice industry. There's a tremendous potential there and I think the need is there that if we cultivate it, because other provinces are doing it at this stage of the game, Mr. Speaker, and where we used to be one of the main producers, I think, other provinces are already getting ahead of us in this thing.

I think the need is there, but I don't know whether the Minister, in presenting this bill, has checked with the way other provinces do it; whether this is how they do it; whether the operators out there have an avenue for appeal or not. But it does create a great concern, Mr. Speaker. For example, an operator that has basically maybe got two airplanes, plus the harvest equipment, etc., etc.- everything rests in this Minister's hands, or the subsequent Minister.

As I say, I think maybe if we - maybe it's a personality difference that I have with this Minister, but he seems to feel he should control everything. The same thing with The Water Rights Act, the licensing of water systems, for example. Everything is his. He wants to control the whole thing, but at least in that there is an appeal system; in this there is none, and the operators are a little cautious after looking at this bill, because if they raise any objections and this Minister takes exception to it, where do they go to when the Minister says your licence is cancelled? He also has the authority to issue permit. Nobody can handle wild rice without a permit; nobody can handle wild rice without a permit issued by the Minister again.

If I was the Minister I'd probably want it the same way because I'd have total control of the industry, then nobody can sell wild rice outside of this province unless through what he designates as the authority to handle the wild rice.

The other thing is it opens the avenue and possibility that he can designate a production unit or processing plant and we've gone through that a few times, I think, two or three times, where there have been special groups in areas designated for processing plants and it hasn't worked out.

With the philosophy of this government, the concern I have, Mr. Speaker, is that, not possibly quite initially but the provision is there for this Minister to designate who is going to be processing, who is going to be harvesting, who is going to be handling, hauling and selling and that opens the avenue for the Minister to total jurisdiction over the whole industry, regulate it as he wants and that is the thing I object to.

I, personally, would suggest that . . .

**A MEMBER:** I agree with you. To a point of order, your colleagues are making so much noise I can't hear you.

**MR. A. DRIEDGER:** Oh, I don't think that's a problem at all. I think if the Minister wants to he can hear well.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please.

**MR. A. DRIEDGER:** If I might suggest to the Minister that there is some avenue for an individual who feels that he is not dealt with fairly, that he can appeal to somebody else because there is nobody else at the

present time, it's all straight flow out from the Minister's responsibility and there is no way that he can appeal other than through the political system and there should be some provision that an individual who feels that his licence has been cancelled, that he's been accused and there's a lot of this going on because the Minister himself raised a concern about poaching, you know, the mechanical poaching of lakes that were not licensed or the people did not have a licence on it. If there was some avenue where an individual felt that he could appeal his case and say, other than take it to court, or he could go to some tribunal whether it be - well, I don't know whether it would fall in the jurisdiction of the municipal board, but maybe under the Manitoba Marketing Council because I don't know whether the classification - the difficulty we have with wild rice is, it's hard to establish whether it should be under Natural Resources or whether it is the Agricultural system that it should fall under. We know it's under the Natural Resources at the present time, but it is a commodity that is marketable. It is actually not quite like the forestry aspect of it because people have to develop it and cultivate it in terms of lakes just like you have an agricultural product.

If the Minister would consider establishing some other source than himself where if the Minister cancels my licence or does not give me a permit to handle the rice or sell the rice that I could appeal - if I feel wrongly dealt with - I could appeal the Minister's decision to some other authority than himself. That is the avenue that creates concern.

So, Mr. Speaker, with those remarks by and large, as I indicate, we want to compliment the Minister for bringing in an act to regulate the industry and we think - except that we are raising some of the concerns that are going to be raised and the licensing aspect of it is one and I have indicated the others.

So, Mr. Speaker, we'll be watching this very closely and sincerely. I wish I had more confidence in the Minister how he's going to handle this and that's why I have raised some of these concerns.

Thank you.

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you very much, Mr. Speaker.

I want to make one or two comments on Bill 72, The Wild Rice Act; Loi sur le riz sauvage, and back up some of the remarks that have been made by my colleague, the Member for Emerson, because I have spent considerable time in the North and prior to that a number of years ago I worked for some years in Lac du Bonnet where I guess that was the main wild rice area in our province.

Some years back, Mr. Speaker, I think we produced about 70 percent of the wild rice in North America and that has been dwindled down to probably about 30 percent now and if this act that the Minister has brought before us is going to do something to bring us back into some prominence in the production of wild rice, which is a very valuable resource and commands a very high price on the commercial markets, then we will certainly support any efforts that the government might direct towards this end.



Our main concern is, as my colleague from Emerson has stated, how the Minister will administer this act, because the particular act that we are speaking to now, Bill 72, Mr. Speaker, there is a tremendous amount of power in the hands of the Minister.

We're just not too sure how that act is going to be administered; how he is going to issue licences; how he going to issue harvesting rights; how he's going to allow those people to be rewarded that want to go out and seed and cultivate some of the lower level lakes that are very productive in wild rice; what control he's going to have and what leeway he's going to give people that want to invest and harvest this natural resource that, as I said earlier, commands such a high price on the world markets, especially the markets to the south of us.

We're going to be watching with interest, Mr. Speaker, the developments in the wild rice industry over the next few years because the wild rice industry for those who want to become involved in expanding or seeding and cultivating new lakes just doesn't happen overnight, and there have to be some guidelines laid down that those people are going to have an opportunity to invest and they will need some lead time of some years to allow for various weather conditions, crop failures, changes in levels in order for their efforts to be rewarded, and it would be very very sad if the Minister, after some years were to revoke a licence before the licensee that had invested considerable sums of money in seeding and probably in some harvesting equipment if he didn't have an opportunity to recoup his losses in this particular area.

So, we're going to be watching, Mr. Speaker, very very carefully on how the Minister handles the regulations that are within his grasp in this particular act because there is a great natural resource out there that can be, I think, built up to the benefit of not only the Native people, but to others who want to take the risk and take the initiative to go out and develop new areas and new markets. I hope the Minister will take the remarks of my colleagues on this side of the House that we're not going to oppose the bill on the grounds of mere opposition to it. We're going to be watching it very carefully and we're prepared to allow the bill to go to committee and hear what representations may come before it because there are people out there that are vitally interested in the wild rice industry in this province.

As I said before, it's a very valuable natural resource that has been allowed to fall into disarray or disrepair and we have lost a great portion of that market that was traditionally a Manitoba wild rice market, and I think for no other reason than it was not administrated properly, people weren't harvesting it properly, there was bootlegged rice going hither and yon.

We don't want the Minister to think that he has the exact right now to become a tyrant in the trade and to manipulate it completely. He has to allow some leeway in the harvesting and in the marketing.

Mr. Speaker, we'll be watching very closely on how this act is administered, and I will allow my colleague from Lakeside to add his remarks to the debate.

**MR. SPEAKER:** The Honourable Member for Burrows.

**MR. C. SANTOS:** Thank you, Mr. Speaker. I'd like to reply to the member's concern about their lack of

confidence in the fact that the Minister may exercise too much power in the administration of the act.

I think that power in government and power in public officials is important if purposes and objectives are to be accomplished. It would be a pathetic kind of system where those who are in positions of authority are powerless to achieve the objectives and goals that they are trying to pursue.

According to Woodrow Wilson, there is no danger in power, provided that the exercise of power be not irresponsible. Therefore, we should not fear those who are in positions of power, provided that we lay down the institution of safeguards and institution of arrangement that will upset any kind of abuse of power so that the arrangement that we have designed, according to the policy of the act, would be such that the power will be exercised in a very responsible manner.

I have the fullest faith and confidence that all those who have accepted the appointment as members of the Cabinet will presumptively exercise their power in a very responsible manner, because it is to their very own self-interest that they should exercise that power in a responsible way. The moment they exceed the limits and bounds of this power, they are not only endangering their own respective particular position, but also the position of the very government that elected them. Again, I repeat: There should be no danger in power, provided that those who exercise power exercise it in a very responsible manner.

But, then, we come to what kind of person will exercise power in a responsible way? I say no system of administration, no system of government can be any better than the kind of people who run the system; and, in the administration of laws, we should not only be focusing on the political level of government. All the more so, we should focusing on the bureaucratic administrative side of government. Those people who have never presented themselves to the public for endorsement, but who have been placed in positions of authority and power without the assumption of the electoral system, are often the more powerful elements in our system of government. Therefore, we should be very careful in observing the rules and regulations of our Civil Service in the matter of competition, in the matter of promotion, in the matter of appointment, in the matter of all the personal processes in our Civil Service.

Again, I say, inasmuch as the spring can rise no higher than the source, no system of government can be any better than the bureaucracy who runs as a system of government. It is often the case that the political officials at the policy-making level are indeed prisoners sometimes of those who possess information in our governmental system, and those who have the necessary information and data and facts are those who truly exercise power in a very silent way.

I have the fullest confidence that the system that we have designed in our parliamentary system is a workable system and that those whom we have designated as members of our Cabinet will exercise their power responsibly, and I expect this, and I express this hope particularly on the part of the members of this government, because they are there at the sufferance of the public; the electorate, for watching their political performance. We will see to it that we will perform our

duties as public officials with a view to the public interest and the public welfare in the best way that our conscience dictates us.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Thank you, Mr. Speaker. My comments will be brief, Mr. Speaker, on this act. I do want to address a few comments to members of the House and, indeed, to those honourable members of the fourth estate who sit and report on us from time to time.

I was prompted to do this by the fact that when my colleague, the Member for Emerson, just a few moments ago agreed to the passage of a particular bill involving The Marriage Act, that solicited some surprise and laughter from honourable members opposite. Of course, that shouldn't, because, Mr. Speaker, of the 120 or 130 - I haven't counted - bills that will be presented to this Legislature, Her Majesty's Official Opposition will concur and approve of 70, 80 or 90 of them.

While, of course, I accept the fact that attention is drawn to the fact that when there is acrimony in the House, when there is heavy rhetoric flowing in the House and when we're fighting with each other in the House, in my judgment, not too much attention is paid to how well democracy actually works. People of Manitoba think Conservatives are always fighting the NDP, and I think there is a responsibility on those honourable members of the fourth estate, who view us from on high, to do a count from time to time and to recognize that the opposition does work with the Government of the Day. We offer our valid, constructive criticism of bills and then we agree to pass them.

In this case, this Minister isn't our particularly favourite Minister, but he is presenting three bills in this Session; The Crown Lands Act, which we agree and support with; The Water Rights Act, which we agree and support with; and this act, The Wild Rice Act, which I am now telling him, and as my colleagues have told him, we agree and will support with him. That's three out of three; we're approving them all.

Now, we don't like it, Mr. Speaker, when he bashes barbecues and destroys roadside parks. We don't like it when he cancels contracts and fires people on no notice. We don't like it when he burns American flags. So on those issues, we'll have issue with him; but, Mr. Speaker, let the record show that we in the opposition are doing our job in offering constructive advice to bills like the bill that's before us.

Well, Mr. Speaker, the bill that's before us, of course, is The Wild Rice Act, Bill 12, and the . . .

**MR. SPEAKER:** Order please, order please.

The Honourable Minister of Natural Resources on a point of order.

**HON. A. MACKLING:** Yes, Mr. Speaker, I did not rise and object to the irrelevant comments of the Member for Lakeside when they were particularly irrelevant. However, I think that he must withdraw any suggestion that I burned a flag.

The only member of this House who took any pride at seeing a flag burned was his leader, the Leader of the Opposition. I categorically object to anyone carrying

on that kind of conduct. For the honourable member to suggest that I participate in that, that is something that is so false, he must withdraw it. In a bantering way, to suggest that I had destroyed a barbecue somewhere is false also, and he should withdraw that.

**MR. SPEAKER:** Perhaps the Honourable Member for Lakeside would wish to clarify his remark.

**MR. H. ENNS:** Mr. Speaker, I have no difficulty in withdrawing that remark. The honourable member was associated with a demonstration that took great pleasure in burning an American flag.

As for his remarks about somebody else not being concerned about burning a flag of a state government that today accepts genocide of eight to 11 to 15 million peoples as a way of settling problems, I have no problems with burning that flag or associating with anybody burning that flag. I have no problems with a state that will import 60,000 slave labourers today in 1983 to work on a natural gas pipeline. I have no problems with denigrating that kind of a flag.

If the honourable member wants to wave that flag, as we dubbed them a little while ago - back in the days when I used to read comics, I can remember a cartoon strip that was called the Katzenjammer Kids. Well, now we have the Hammer and Sickle Kids. If they don't use a sickle to cut down grass, they use the hammer to knock down barbecues.

So, Mr. Speaker, let the Honourable Minister defend that position.

**HON. A. MACKLING:** The honourable member, Mr. Speaker, is completely out of line in suggesting that I or any of my colleagues are involved in breaking down things. I would like the honourable member to withdraw that suggestion.

**MR. H. ENNS:** Mr. Speaker, I would like to proceed with my remarks on Bill 72.

Mr. Speaker, the very brief history of the wild rice industry, of course, would lead one to the immediate conclusion that this is an industry that has indeed suffered by government intervention. The wild rice industry, as my colleague, the Member for Minnedosa has indicated, prior to massive government intervention was in healthier state in this Province of Manitoba in terms of production and in terms of our share of the North American market. Mr. Speaker, if we were only concerned about the production of wild rice, then I would leave it at that and say, government, keep your hands out of the wild rice industry, let's allow those persons who are prepared to work in the industry to develop that industry. But, Mr. Speaker, that of course isn't our sole objective in the development of the wild rice industry.

We do, and I think all of us in this House, certainly members of the opposition, as I know members of the government, recognize that this particular resource ought to be used in a way that will bring about the maximum benefits to our Native brothers, who are all too often in a position not to partake in the economic growth of the province. So there have been attempts made in the past decades to focus this industry to the Native sector of our society.

Unfortunately, the track record has been less than successful. In fact, the decade of the '70s under the previous NDP administration, under the Schreyer years, is a series of disasters in the wild rice industry, where co-operatives were developed, where processing plants were developed, and the net result, Mr. Speaker, was in a substantial outlay of public money with little real or substantial development or growth in that particular industry. Well then, Mr. Speaker, that was the situation that we inherited when my colleague, the Member for Turtle Mountain, that or myself became Minister of Natural Resources some short years ago. Mr. Speaker, we could not, of course, turn the situation around, but we were at least prepared to act.

I would like to at this stage acknowledge the work of one, Harold Ross, who spent a great deal of time in getting to know what the industry was all about; in looking at it from a non-vested interest. He had no particular interest in the wild rice industry, but as a seasoned and veteran member of the extension staff of the Department of Agriculture had the capacity to look at the industry and to, in fact, deliver - not to me although I commissioned the report, to the present Minister, because the change of government intervened prior to the commissioning of the report and it's presentation - what I believed to be some excellent recommendations, many of which have been embodied in this legislation that's before us.

So, Mr. Speaker, we support this legislation. We are going to watch the administration of this piece of legislation under this particular Minister. We hope that this Minister does not repeat the errors that were made by some of his colleagues in the previous NDP administration of the '70s, and that is to put the cart a long way in front of the horse. Let's worry about getting the production of wild rice to an acceptable level in Manitoba before we get involved into sophisticated processing firms or co-operatives to handle the product. If you haven't got the product, no amount of processing facility will ensure its eventual success. I echo the concerns that were expressed by my members that spoke previous to me, the Member for Emerson, the Member for Minnedosa, that we will be watching very carefully the administration of this act.

Mr. Speaker, I know that it's not within the rules to refer to specific sections. I also acknowledge that perhaps other legislation, legislation that maybe even I brought into this House at other times, have these kinds of clauses to it, but I suppose it's the nature of this government, the nature of the kind of authoritarian, centralist people that we have opposite to us that make these kinds of statements and clauses unacceptable to me, and I wish to put on the record that if I have the privilege of writing legislation in the future that I would try to avoid.

I refer to such kinds of clauses that begin with, "No person shall engage in the development and production of wild rice . . .", "No person shall engage in the seeding of wild rice . . ." In other words, the emphasis says, no Manitoba citizen, no person shall do something unless the government or the Minister gives assent.

Why not, Mr. Speaker, do it the other way around and simply say, any person that engages in the production of wild rice shall live under the clauses of this act. It takes some of the negativism out of the

wording of the act, Mr. Speaker. I may even wish to make a few amendments at committee in that respect, although I suspect that it will fall on deaf ears.

Mr. Speaker, it's the same way that they approach the whole issue of ownership of land. The whole problem about Bill 3, one of the more contentious pieces of legislation that we have before us, is that they start from the position that nobody in Manitoba shall own farm land. That is exactly the way it reads. Read the bill. The act says, "No person shall own farm land unless . . ." "Why not start the other way? That, by the way, is philosophically the big problem between us on that issue.

I make the assumption, as do most free Manitobans, that owning farm land is not something for the Legislature to decide. It is something that we take for granted, something that has always been there. I'm prepared as an owner of land, or I'm prepared as a harvester of wild rice, as a developer of wild rice, to live within any reasonable regulations or directions that enact such as Bill 12 from time to time lays out. I'm prepared as an owner of land to live with certain planning restrictions, zoning restrictions, land use restrictions, but I don't like to start the premise that I can't own land unless somebody tells me I can.

So, Mr. Speaker, with those few comments, we commend the bill to the House and that's not my role to do, pardon me, I take that back; we acknowledge that the bill has the possibilities of bringing some order into the wild rice industry. We have some catching up to do in the wild rice industry. It will depend to a large extent on how well the bill will be administered. Mr. Speaker, it will be the intention of the opposition to support the bill throughout its passage in committee and final reading of the bill.

**MR. SPEAKER:** The Honourable Minister of Natural Resources will be closing debate.

**HON. A. MACKLING:** Mr. Speaker, I rise with some measure of delight to record the very positive things that some members opposite have said about the leadership of this government in taking on difficult areas of administration and producing legislation with which they find comparatively little fault and that is a matter of public record. — (Interjection) — Now, the Honourable Member for Emerson, if you say something nice - well, let's just talk about what was said nice here about this Minister. This Minister involved, you say, in flag burning. That is a falsehood and I have called upon members opposite to retract, and it is with begrudging attitude that they finally said, well, that Minister was only associated. Then they stand and say how proud they are to be associated with someone who delights in flag burning. Mr. Speaker, that kind of praise for my efforts, I don't appreciate.

Then the honourable member says, well, he's involved in knocking barbecues, destroying things. I wasn't personally involved. I have indicated I'm going to look into those matters. I have some information now. I will give a full account to the Legislature tomorrow, Mr. Speaker, but to have to accept the kind of negative carping from honourable members, and, Mr. Speaker, the Member for Pembina excels in nonsensical derisive comment. Mr. Speaker, that man, who has such ability,

such promise to do something with himself, destroys himself by the idle chatter that he pursues, without ceasing, in this Chamber. The honourable member loses all credibility, Mr. Speaker, when he carries on the way he does. He's capable of much more, but he's destroying his credibility, Mr. Speaker. So the longer he continues to conduct himself in that manner, the longer or the deeper he digs himself in the oblivion of the Conservative Party.

**A MEMBER:** Al, this bill hasn't gone to third reading yet.

**HON. A. MACKLING:** Well, we'll deal with the bill on third reading too.

Mr. Speaker, the Honourable Member for Emerson, the one area of concern he had that I thought had some merit was in connection with the concerns about appeal, and he knows, as honourable members opposite know, that I have a very great concern in respect to the power of government in respect to the individuals, and I'm concerned about the rights of appeal and they've heard me talk on that issue, both in this House and in Committee.

I am going to indicate, I indicate to you now, that I am concerned and I've asked my staff to look at a mechanism to establish what I would consider to be a Natural Resources appeals tribunal, to look at areas where ministerial judgment is exercised and there would be some opportunity for an appeal from that decision. My staff liked the idea and they say that they're going to try and develop something that I can then present to my colleagues. I don't know whether I convinced my colleagues, but I like the idea of there being some board, some tribunal, some further reference from the ministerial decision, because I, for one, would like to have that buffer that would be there from the attack that you know it's a cold political decision one makes.

In respect to the hiring - well we'll talk about that tomorrow, I'll answer that question - but it's significant, Mr. Speaker, that we're employing people right across Manitoba and it's significant it's the Honourable Member for La Verendrye who gets up, who's concerned about his constituents in a Jobs Fund, an initiative that is going on by this government, hiring people, putting people to work and then he says these people are laid off. Well, Mr. Speaker, it's significant they were hired in his constituency in a time when there is fiscal constraint. — (Interjection) — Oh yes, now they start to realize, Mr. Speaker, that we don't play favourites, that we hire people wherever the work can be obtained and the people are there to be hired. Mr. Speaker, that is a matter of significance.

Honourable members are carping from their seats, Mr. Speaker, and then the Honourable Member for Lakeside, again, you know, in his wide ranging debate on this bill starts to talk about ownership of land. Well, Mr. Speaker, what is the record? The record is that for years and years people who owned and operated commercial resorts wanted to be able to own their land. Well, the previous administration didn't give them title to their land, but this Minister, this government, is selling Crown land to commercial resorts, something that they wouldn't do. They talk about our philosophy, our dogma; they were the people who were dogmatic.

They refused to facilitate those people, Mr. Speaker, those people that wanted to have title to their land so that they could arrange financing.

They in their four years couldn't do it, Mr. Speaker, but this Minister and this government has been in office less than 18 months and we did it. — (Interjection) — Well, Mr. Speaker, now the honourable member wants to get the bill passed in a hurry, because he doesn't like the kind of fact that I put on the public record.

Mr. Speaker, these are the kind of carping negative criticisms that you get, not from a constructive opposition but from an opposition that's uneasy and troubled. Mr. Speaker, I am proud to see this bill go to committee and I will be happy to hear the observations by those in the industry who are concerned about the mechanics of the bill, so that I can better appreciate whether or not the plan that we have to facilitate the industry is workable. We believe it is but we want to hear the kind of criticism suggestions that we may hear at the committee stage.

Mr. Speaker, therefore, I am delighted that the opposition is now prepared to see this go to committee.

**QUESTION put, MOTION carried.**

### **BILL NO. 78 - THE MANITOBA TELEPHONE ACT**

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Government Services, Bill No. 78, the Honourable Member for Pembina has 23 minutes remaining.

**MR. D. ORCHARD:** Well, Mr. Speaker, I want to add a few more comments to those that I had started to address to this bill some two or three weeks ago.

It's interesting, Mr. Speaker, to refresh the Minister's memory that here he is bringing in a bill which is going to legalize, now, activities of the telephone system that have been going on since the change in the government. — (Interjection) — Yes, the Minister points out I said that last time, but I think it's important that this Minister realize how badly out of touch with the Telephone System he is, and that he realize what exactly he is bringing in when he asks us to pass Bill 78, because I'm convinced, Mr. Speaker, that the Minister doesn't know what this bill is going to do to the province, what this bill is enabling the Telephone System to do. I think he has been bamboozled and has a lack of knowledge as to what he is proposing here.

Now, I made a couple of points the other day about the issue which is conferred in this bill in terms of the ownership of all of the electronic devices which allow the delivery of pay television, cable television, etc. This is not Telephone System equipment, this is telecommunication system equipment. That equipment, the encoders, the decoders, the inside wiring and all of those devices are currently under the ownership and control of the licensee. That is the way the CRTC, which is the grantor of those licences, wishes it to remain.

But this Minister is bringing in a bill which contravenes the Federal Government ownership directive given by the Canadian Radio Television Commission. He is saying that, no, we don't care what the grantor of licences of the pay television companies and cable television

companies in Manitoba wish to have as a condition of licence. We are going to overrule that and we are going to bring in an act which requires the Telephone System to own all of the devices from the signal head-end right to the customers television set.

Now what this act boils down to, Mr. Speaker, is an expropriation act, because under this bill the commission shall own and control, etc., etc., all apparatus etc., etc., for the delivery of telecommunications. This bill amounts to defacto expropriation of the existing assets owned by the cable television companies in the Province of Manitoba.

The Minister may not realize that's what he's bringing in but that's what this bill brings in. It is offset, Mr. Speaker, by a clause in the bill which says that the exception may be an agreement drawn up between the Telephone System and the licensed deliverer of cable television.

But I maintain, Mr. Speaker, that the objective of this bill is not to have the present ownership system continue. The purpose of this bill is to allow the Telephone System to gain entire control over the cable system in the Province of Manitoba; be it in the City of Winnipeg, east or west of the Red River; be it in Brandon; be it in Dauphin; be it in Thompson. Well, Thompson's not that good an example because I believe the telephone company owns it up there, part of it up there already.

But, Mr. Speaker, this bill amounts to confiscation of assets, and expropriation of assets without compensation. This bill contains no grandfather clause which says that those companies that presently are in business and own the encoders, the decoders, the inside wiring, the devices necessary to deliver television signals are exempt from this legislation. No, this legislation has no such grandfather clause except exempting the existing ownership in the Province of Manitoba.

This bill blanket gives to the telephone system the right to expropriate all of that equipment. It does it without any reference to how compensation is determined. There's no reference to compensation in this bill. The Minister is bringing this in and his remarks make no reference whatsoever to that, Mr. Speaker.

That is why from time to time, when Ministers bring in bills in this House, that we view them with a jaundiced eye, as do now the people of Manitoba, because these people the way they operate is by not telling the entire truth to the people of Manitoba when they're doing something. This bill is the first example from this brand new Minister. It's the first legislation he's brought in and he did it in a not very straightforward and truthful manner in his introductory remarks, Mr. Speaker, because he didn't tell the people of Manitoba the true implication of this bill.

This is the only jurisdiction that I'm aware of in Canada which has got this kind of draconian legislation for the ownership of the telecommunication delivery equipment that is presently owned by the cable companies.

This bill confers on the Manitoba Telephone System a monopoly control of the telecommunication system, the coaxial cable system and all of the interrelated parts necessary for the delivery of pay television, cable television, and new variety of services which may from time to time be offered to the consuming public, such as teleshopping and a number of other theoretically soon-to-be-available telecommunication services. This

bill confers a second monopoly on the Manitoba Telephone System.

It's interesting, Mr. Speaker, when you read this bill and you compare it to what is presently in the act - and if I may, Mr. Speaker, I will read from the act, not from the bill - but under Section 39(1), which deals with the process by which the telephone system must set its rates, "Approval of rates by the Public Utilities Board, Section 39(1), Rates for telephone service supplied by the commission shall be approved by the Public Utilities Board under the Public Utilities Board Act." I'll repeat that - "Rates for telephone service . . . " There is no reference whatsoever in the existing Telephone Act to allow reference of rate setting on telecommunications services to the Public Utility Board. That means, Mr. Speaker, simply that not only does this bill confer a monopoly position on the Telephone System, it confers that monopoly position to the Telephone System without having the obligation to go to the Public Utilities Board to adjudicate rates to make sure that they're in the public interest, as is necessary and appropriate anytime you have any service delivered by a monopoly.

Now, Mr. Speaker, I believe that any reasonable person in the government, if they were aware that that was what was in this bill, might be somewhat troubled by that, and I hope that they give it very serious consideration as this bill goes into committee stage. I hope they listen quite intently to what the Minister's responses are to the fact that monopoly position is conferred and there is no requirement in the existing act to refer to the Public Utilities Board or to any other agency to adjudicate what rates the users of the coaxial cable system for delivery of service are going to be charged. Now that is not a normal situation.

Monopolies have been conferred by government. It was a Conservative Government that created the Manitoba Telephone System in the first place; but at the time they created the monopoly, they also created the checks and balance in the public interest where they had the requirement that rate applications be referred to the Public Utilities Board to protect the public interest.

That does not exist in telecommunications, and if we are to believe the current line of thinking in the electronics world - a growing and burgeoning, an innovative world - if we are to believe the proponents of this new electronic age that we are entering, many many services, new and unthought of, will be delivered by this telecommunications system. The traffic on it will increase dramatically over the next number of years, and this government has departed from a policy position of the previous Progressive Conservative Government, from one whereby we believed it was in the best interests of Manitobans for the Telephone System to own the electronic highway on which they would rent capacity to those licenced suppliers of services, and that was all, that the Telephone System would have the electronic highway.

This government, this Minister, this New Democratic Party, have said no, that is not good enough; we want total control of the system in a monopoly position and we don't want it referred to the Public Utilities Board for rate adjudication. We will let the Telephone System theoretically set their own rates. And how does a licenced cable television signal deliverer negotiate with

the Telephone System to set rates without reference to the Public Utilities Board? I suggest, Mr. Speaker, and I believe you had personal experience with the Telephone System, that that will be a difficult thing to do. It has every potential of being a very unfair system, but that's what this act confers onto the Manitoba Telephone System.

The Telephone System can charge what they will for delivery of telecommunication services. There is no obligation, in my understanding, of providing any particular level of service for what they charge, and having the system proceed in this way, with the Telephone System in complete control of it, I maintain will do no one in the Province of Manitoba a great deal of good, because the members in the New Democratic Government believe that the Telephone System contains all of the wisdom, all of the innovation, all of the new ideas that are necessary to bring Manitoba into the electronic age. Do they seriously and honestly believe that there is no room for participation by the private sector in delivery of these new services? Because, Mr. Speaker, that is what they are saying with Bill 78, that the Telephone System must have a monopoly.

Well, I don't agree, and that is why our government established, as I've said earlier this evening, control of the electronic highway with the telephone company, with reference to the Public Utilities Board, to establish rates for anyone wishing to rent a channel or two channels or five channels on the coaxial cable in the City of Winnipeg or anywhere else in the province, and those people who are granted that spectrum for a given rate would own the necessary equipment on each end of the coaxial cable and they would be allowed to deliver that service to the customer and hopefully make a profit and bring innovative new services to the Province of Manitoba.

Now, the wisdom of the New Democratic Government says that only the Manitoba Telephone System appears to have the wisdom necessary, the innovation necessary, the drive necessary to do this in the Province of Manitoba. I think Manitobans don't believe that. I think Manitobans would want to have the private sector involved. I don't think Manitobans have been terribly dissatisfied presently with the cable companies who have delivered cable television at a very economical rate in the City of Winnipeg for a number of years. I don't think that Manitobans and Winnipeggers are dissatisfied.

I have had complaints about the telephone service, and now this government is conferring more monopoly powers on the telephone service to take over the cable system. I believe it is a wrong step; it is ill-considered. It has been brought in by a freshman Minister who didn't appreciate what he was being sold by the senior management at MTS and he doesn't know what he's doing. That, Sir, is dangerous. That is where Crown corporations can get governments into a tremendous amount of problems. The new services — (Interjection) — Well, the Minister of Government Services says from his seat, "Don't worry about that."

I do worry about that because we have seen already how ministerial and government interference in the Telephone System have caused layoffs of summer students last summer, a reduction in employment, a reduction in capital investment, a rate increase, an increase in the surcharge to some 22 or 23 percent

on overdue bills. We've seen all of these things happen, adding additional cost to the user of the telephone service in the Province of Manitoba while this Minister has been in charge of it, and he says don't worry about the implications in this bill. Well, I suggest, Mr. Speaker, we are going to worry about it.

We've seen this Minister being bamboozled by the Telephone System on their \$500 flat rate for the installation of private lines in rural Manitoba, which was simply a deprivation of service to some rural customers to provide an increased service to another rural customer. One against the other; that's as simple as that policy was, and this Minister accepted it, approved it and allowed MTS to implement it. And he says, don't worry about the implications for Manitobans in this bill. He says, in effect, that he can handle it. Well, he hasn't proved to date that he can handle the Telephone System, that he knows what's going on, that he appreciates the problems he's getting into, and he's saying, trust me. Well, I don't trust him. I don't trust his ability. I know the kind of influence that he's got put on him and I don't think he can cope with it, and this bill is evidence of that, Mr. Speaker, ample evidence of that.

It's not as if, Mr. Speaker, the co-existence between the cable companies and the telephone company have been peaceful over the last number of years. I believe the greatest dispute that I inherited when I was given responsibility for the Telephone System was the dispute between the cable companies and MTS and it was a power struggle; MTS wishing to get more power over the cable companies. For what purpose? It was never clearly evident to me because I don't believe they could deliver the service more economically, more efficiently or in a higher quality fashion, but yet they were wishing to gain more control over the cable companies.

A dispute between one cable company in the City of Winnipeg and the Telephone System has caused residents east of the Red River to be deprived of the opportunity to sign up for pay television. Once again, a dispute over a power struggle in the ownership of equipment which this Minister is now legitimizing in this bill. And he says, don't worry about it, Mr. Speaker? You better believe, Mr. Speaker, that we are worried about it on this side of the House, because we don't have confidence in this Minister that he knows what he's doing. We do have some idea of what this bill will do for the Manitoba Telephone System. I think we have a better understanding of it on this side of the House than the government does. I am quite sure I've got a better understanding of it than the Minister has, and he says don't worry about the implications. We have already had the Telephone System, because of government interference, go to a rate increase and another group of policy changes which have impacted cost-wise on the people of Manitoba.

Passing of this bill, Mr. Speaker, not only brings the Telephone System in a head-on confrontation with the cable companies which will end up with legal battles, I predict, which are going to be costly to the Telephone System, which are going to cause rates to be required to go up; but this bill is also going to put the Province of Manitoba, the Government of the Province of Manitoba at legal loggerheads with the Federal Government. We are going to have simultaneous court action on this bill: The Federal Government fighting

the Provincial Government; the provincial Crown corporation, MTS, fighting the cable companies.

Who, Mr. Speaker, is paying the litigation costs to satisfy this monopoly power struggle that is being conferred on the Telephone System by this bill? No one has to have that question answered for them, because it is you and I, Sir, and every other Manitoban who is either a telephone user, a cable television user, or a taxpayer in the Province of Manitoba. What is it giving to the people of Manitoba in terms of improved service, in improved quality of service, in lower cost service? Absolutely nothing, Mr. Speaker. It will not give one Manitoban a service they do not now enjoy with better quality. As a matter of fact, this bill has every opportunity to cause a decrease in service, a decrease in quality of service and an increase in cost for that very same decreased, lower quality service.

Because as I have said at the start of my remarks, this bill confers monopoly power to the Telephone System on the telecommunications industry in the Province of Manitoba. It excludes and freezes out the participation of the private sector. It freezes out and excludes competition in delivery of new services, and it embroils the province in a legal battle with Ottawa and it embroils the Telephone System in a legal battle with the cable companies, all at great cost to the taxpayers, the telephone users, the cable company users and at no benefit that I can perceive of whatsoever to any Manitoban.

Mr. Speaker, this bill, No. 78, a seemingly innocuous bill, is once again a demonstration of the incompetence of this government, of the kind of legislation that they bring in without understanding, without consultation, without discussion and without knowledge of what they are doing. This, Sir, is truly the most incompetent government that has ever governed or purported to govern in the Province of Manitoba in recent history and maybe since this province was founded. This bill is one other exemplification of that incompetence and that lack of understanding as to what they are doing.

We, Sir, are going to oppose this bill, because it is not in the interest of Manitobans. It is not in the interests of telephone customers, cable customers or taxpayers. Those three groups of people we intend to represent in this Chamber by opposing this bad bill brought to us by an incompetent Minister in an incompetent government.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Cultural Affairs.

**HON. E. KOSTYRA:** Thank you, Mr. Speaker. I didn't intend to speak on this bill this evening, but after listening to the comments - and I was looking forward to the comments from the Member for Pembina - I feel compelled to speak to it, because I was expecting to hear some constructive comments with respect to this bill and some suggestions that might strengthen it, but what we heard was a classic speech of philosophy with respect to public utilities in the Province of Manitoba.

I would like to deal for a few moments with some of the arguments that have been made with respect to this bill. The member has suggested that this bill does not serve the public interest, that this bill limits

competition in the telecommunications field. I would like to just indicate that I believe that those arguments and the alleged facts behind those arguments are simply not true and don't hold any water.

This bill does serve the public interest. If one was to take the argument of the member to the extreme, we would have, Mr. Speaker, a situation in the Province of Manitoba like that that was occurring in the province at the turn of the century where we had competing lines going down streets, competing hydro-electric lines where there was competition in the hydro-electric field. We had . . .

**MR. D. ORCHARD:** You don't understand it, if you say that.

**HON. E. KOSTYRA:** I do understand, and I'll illustrate that to you in a minute if you have figured out why you have two ears and one mouth.

We'll go back to a situation when we had competing telephone lines going down a street. In fact, there was at the initial stages of the development of telephony in this province a whole number of companies attempting to provide competitive service. It was certainly recognized by the government at that time, a government that wasn't of the political stripe of the members on this side of the House, that there was a need for a public utility in a number of fields including the telephone system and, somewhat later, the hydro-electric field.

If we were to take the argument with respect to one aspect of this bill and that being the decoder devices that are located in a customer's home, and the member has argued and suggested that they ought to be in the hands of the company that's supplying the service. Well, I'm not certain, Mr. Speaker, where and how the telecommunications industry is going to develop in this province, but it is certainly within the realm of possibility in the near future that we're going to have a number of additional services, a number of additional companies that would like to provide services in the telecommunications field into people's homes.

Now, are we going to allow a situation where one company is going to have the monopoly, is going to have the decoder device in the home and if another company wants to come in and provide additional service, then that customer will have to buy another decoding device from that company and so on and so on and so on? Or are we going to have a situation, Mr. Speaker, that's going to serve the public interest wherein we are going to recognize that the decoder device is an extension of the electronic highway that's owned and operated not for profit, for the use of all Manitobans?

In my view, Mr. Speaker, this bill as being an extension of that basic philosophy wherein we do have in this province - I thank God for that - the infrastructure, the system owned and operated on behalf of the people of the province. For the member to suggest that this provision is not in the public interest is simply not true. It is indeed in the public interest and in the long-term interest of the people of the Province of Manitoba, because I think it is important that that device, that that extension of the electronic highway that is already owned and operated for the people of the province be

owned and operated for the people of the province so that it's not in private hands, and that won't, Mr. Speaker, limit the possibilities for private companies to use that system. Indeed, it could open it up for a number of competing companies to use that system, but if we go the other road of having each company installing that system in each person's home, you are going to limit competition, Mr. Speaker, you will limit it by doing that. I suggest that the approach that's being taken by the Minister with respect to this bill is one that is going to serve the public interest.

The member made comment about the situation east of the Red River, wherein the residents there do not receive pay television service, and he alleges that's because of the high-handed attitude of the Manitoba Telephone System.

Well, Mr. Speaker, I've had the opportunity of meeting with the Minister responsible for the Manitoba Telephone System and representatives of that particular company that licence to provide service in that area to see if we could find a resolve to the situation that exists at the present time in respect to providing a service on that side of the river to see if there was some kind of compromise. One of the arguments that was put forward by the company is that they have invested a large amount of money in having the devices manufactured and purchased for their use in the homes on that side of the river to provide the pay television service.

So, I raised with the representative of the company, well, is there a compromise insofar as what if the government, or what if the Crown corporation, purchased that equipment, paid you the costs that you paid for purchasing that equipment and then it was owned, utilized and installed by the Manitoba Telephone System, and then you could make use of that; the answer was no, that they wanted control and ownership of that equipment. For what purpose, Mr. Speaker? To limit, I would suggest, the possibilities of further competition and further services that could be made available in the future.

So there is considerable provision in this bill that is going to protect the public interest. We have been able to build in this province and . . .

**MR. SPEAKER:** The Honourable Member for Pembina on a point of order.

**MR. D. ORCHARD:** No. I just wonder if the Minister might permit a question on his last statement.

**MR. SPEAKER:** The Honourable Minister of Cultural Affairs.

**HON. E. KOSTYRA:** There'll be time for him to ask questions when I conclude my remarks.

Mr. Speaker, I would suggest that it's very important for the development of the overall system in the Province of Manitoba to have that ownership rest within the public domain, so that there are the facilities available that will provide for a number of services that can be made available to the citizens of the province and that can be made available to other companies that may want to provide a whole number of services that may be available in the near future.

The member suggested that there was going to be a major confrontation with the Federal Government over this legislation, and I fail to see anything in this legislation that would cause that. Indeed, we have had the opportunity just recently to meet with the federal officials, the Federal Minister, in fact, himself, the Federal Minister responsible for telecommunications policy. He indicated to us in those discussions that he was willing to explore areas of mutual co-operation to see if we can reach some understanding over the needs of the people of the Province of Manitoba in an area that there is a lot of jurisdiction with the Federal Government, because the Federal Government is embarking on a policy in this country, Mr. Speaker, in the telecommunications field that does cause us, in a province like Manitoba, a great deal of concern.

They are developing a policy with respect to greater competition in the telecommunications field because of the particular problems that exist in larger provinces in this country; in fact, provinces that are served not by a utility that is owned or operated in the public interest, but one that is a private company in the Province of Ontario, and they have embarked on a policy to see if they can provide greater competition in services to try to ensure that residents and businesses in that province, and other provinces similar, have better service at lower cost.

But that kind of policy, Mr. Speaker, that kind of competition does not serve a province like Manitoba well, because what could happen is we could have a situation in the telecommunications field where a company would be prepared to compete to provide services in a city like Winnipeg, because of its dense population that is easily serviced, is serviced at a cost that would provide a reasonable return on profit.

On the other hand, Mr. Speaker, we have areas in this province that cannot be served adequately and cannot be served adequately by a policy that allows for free competition, because what will happen is that the densely populated areas, the areas where there is heavy emphasis on business, will find that they'll be able to make use of the competition, to use the competing companies, but those companies will not be interested and will not be prepared to look at less populated areas of the province, in fact, areas of the province that are represented by many members opposite. What you will have then is that the Manitoba Telephone System will have to be put in a situation where it will have to provide the services to those areas of the province that there is no interest by a private company, a private concern, at a higher cost than it can provide service now. As the member is aware, there is such a thing as rate averaging, as providing basic services at somewhat equal cost to people in various parts of this province.

We see that happening right now in the United States, wherein they have allowed a number of firms now to get into the long-distance telephone field where they now can control and have access to the systems in the various cities that exist, but are the ones that control the long distance and provide very competitive rates.

But if that extension of what's happening with respect to competition in the United States is allowed to develop, as I'm afraid I see it developing here in Canada, then it'll work to the detriment of a province like Manitoba, because we are a province that has a



population that is scattered all over the province. Indeed, there are still parts of Manitoba that are only now receiving the basic telephone service that exists for most residents of this province.

I had the occasion just recently of being in the remote communities in Northern Manitoba, of Tadoule Lake and Lac Brochet, and they've just this past winter, Mr. Speaker, received the first telephone service that they have ever had. So there are still communities, still people in this province that have not had access to dial telephone systems.

So that kind of policy that does exist in the United States, that is being developed here in Canada will not serve the interests of Manitobans, will not give Manitobans the opportunity of having equal or near equal service in all parts of the province at a rate or rates that would be competitive to those people that live in densely populated areas of this province. I think that should be of concern to all of us, Mr. Speaker. It certainly is of concern to me even though I represent an area that would not be affected; in fact, it could be argued would benefit by that kind of competition, because I am concerned and want to ensure that all Manitobans, whether they live in the densely populated urban centres like the City of Winnipeg, or if they live in the small villages and hamlets of this province or the remote communities, that they have access to services.

So I believe, Mr. Speaker, that this bill does provide provisions that do and will work in the public interest. It does provide for a natural extension to the electronic highway that the Member for Pembina talked about; that this is merely an extension of public ownership of that electronic highway, which will provide and allow for use by many companies that may want to provide telecommunications services to homes and to businesses in the province. It will provide for those companies to have access to that electronic highway and not leave that entirely in the hands of one or two companies, because I don't think we can have a situation, Mr. Speaker, where we are going to have one company controlling one box and another company coming in with another device in your home, which will limit and not provide for true competition.

So in concluding, Mr. Speaker, I think that this is an important bill. It's one that enshrines the basic principles that have governed the operation of our major public utilities in the province, and one that is going to ensure that the Manitoba Telephone System is in a position to continue to provide services to all Manitobans at a rate that, hopefully, will be moderate and one that will provide for services to people in all parts of the province at rates that are somewhat equal.

So I support this bill, and I commend the Minister for bringing it forward.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, the Minister indicated that he would answer a question when he finished his remarks. I would ask the Minister if he has made himself knowledgeable of Public Notice CRTC 1983-82, Ownership of the Equipment for the Delivery of Pay Television Services by Licensed Cable Television Undertakings, in which the last paragraph says - all

the paragraphs are important, but the last paragraph is probably the one that the Minister should make himself aware of - "The Commission further considers that the operation of decoders for the delivery of pay television services to subscribers must remain under the unequivocal control of the licensee."

I would ask the Minister simply: How does that directive from CRTC, which has licensed the pay television deliverer on the east side of the Red River with the statement made by the Minister, that they would not negotiate properly, in his estimation, as to the ownership of encoders and decoders necessary for the delivery of pay television, when in fact ownership of those were a requirement of the licence; that they could not be owned by MTS, they must be owned by the cable television company?

**HON. E. KOSTYRA:** Mr. Speaker, I am aware of the dictum that was quoted by the member from the CRTC. I would make a couple of points in replying to the question.

First of all, the discussion that I alluded to in my remarks was held at a time somewhat before that particular dictum came out from the CRTC.

It's also interesting and somewhat ironic that that dictum would come out within a short period of time prior to the date being set for a court appearance with respect to the situation that existed - it was before the courts - between the Manitoba Telephone System and the cable company that was licensed east of the river. So that's the second point I would make, Mr. Speaker.

The third point is that I raised, and then the Minister responsible for the Manitoba Telephone System raised concerns with the Federal Minister with regards to the position of the CRTC. It was certainly indicated to us that was done without the knowledge or approval of the Federal Government by the CRTC and, secondly, that is one area that the Federal Government would be willing to explore with us with respect to the ownership of that particular equipment.

**MR. SPEAKER:** Are you ready for the question?

The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Mr. Speaker, there are only four minutes left. I would just like to take this occasion then to thank the Honourable Member for Pembina for his comments on the bill.

I was not totally surprised with the position that he has taken with regard to the ownership and control of the security and control devices, which is one of the issues that is addressed in the bill. I think the Honourable Minister of Cultural Affairs has addressed the issues clearly on that and the position that this government has taken with regard to the ownership. We feel it is in the public interest and the interests of the citizens of Manitoba to have the provision for the ownership of the control devices dealing with pay television in the hands of the public telephone system because this will allow for competition, rather than the opposite that was suggested by the Member for Pembina that this would prevent competition.

What it will do is give the opportunity for other potential providers of service to have equal opportunity to provide that service on the electronic highway that

has been acknowledged as necessary to be owned and controlled by the public corporation, in this case the Telephone System, over the years by various governments. This is another part of that public highway.

I don't know whether the Honourable Member for Pembina is suggesting that it is more feasible and more efficient and more in the interests of competition to have separate bridges, so to speak, to this highway by every user or by every provider of services for this highway. If that is what he's suggesting, I would have to disagree. Maybe he hasn't got a position on it, but I certainly have to say that is not an efficient way. Certainly if there is going to be a bridge or access to the electronic highway, it has to be one that will provide access to all potential users of that particular highway. The problem with the position put forward, of course, is that it does not allow for that by the Honourable Member for Pembina.

So with that, I want to close, Mr. Speaker, in saying that we are confident that despite the fact that the CRTC has issued an order that this can be discussed and amiable conclusions to the issues that are outstanding can be reached, and also that they can be reached with the negotiations with the cable companies as well with regard to this particular issue.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Are you ready for the question? The question before the House is the second reading of Bill No. 78. Those in favour, please say, aye. Those opposed, please say, nay. In my opinion, the ayes have it and I declare the motion carried.

The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Yeas and nays, Mr. Speaker.

**MR. SPEAKER:** Call in the members.

Order please, order please. The question before the House is the proposed second reading of Bill No. 78.

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

### YEAS

Hon. Messr. Adam; Messrs. Anstett, Ashton; Hon. Messr. Bucklaschuk; Messr. Corrin; Hon. Messr. Cowan; Mrs. Dodick; Messrs. Eyer, Harapiak, Harper; Hon. Messr. Kostyra; Messr. Lecuyer; Hon. Messr. Mackling; Messr. Malinowski; Hon. Messr. Pawley; Ms. Phillips; Hon. Messr. Plohman; Messrs. Santos, Scott; Hon. Mrs. Smith; Hon. Messr. Storie.

### NAYS

Messrs. Blake, Downey, Driedger, Enns, Gourlay, Graham; Mrs. Hammond; Messrs. Hyde, Kohnats, McKenzie, Mercier, Orchard, Ransom, Steen.

**MR. CLERK, W. Remnant:** Yeas 21; Nays, 14.

**MR. SPEAKER:** The bill is accordingly carried.

The time being 10:00 p.m., this House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Wednesday).