



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, November 12, 1996

The House met at 1:30 p.m.

PRAYERS

House Business

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, on a matter of House business.

We are in a situation, a rather unusual situation in terms of business of the House. I want to indicate in terms of House business that we believe that Chapter I, Rule (4)(b) has not been followed in terms of the sitting today, and if there is any deemed leave or agreement assumed by the government, that I want to indicate on the record very clearly that we have not given any agreement. We have not even been consulted about this House sitting, nor have we given leave. We feel that the appropriate mechanism for having a sitting today would have been to follow that rule, and that does call into some question the proceedings today and throughout any time period in which that Rule—and I mention again—(4)(b) which does require a motion to extend under our rules the session. We believe that should be followed.

I can indicate, Madam Speaker, there has been no consultation, no discussion and no leave given by the opposition, and we believe this does call into question the proceedings of the House and any decisions it might make.

Madam Speaker: Order, please. On the point raised by the honourable member for Thompson, I believe that it is with relation to the interpretation of the ruling.

Rule (3)(a), and I will read: “The fall sittings of the House will normally be eight weeks or part thereof in duration . . .” recognizing that eight weeks indeed has lapsed. However, what is key to the ruling is the further portion of that rule which states: “and will conclude no later than the last Thursday in November.”

The House did not pass a motion to state that it would conclude on November 7; it was contained in our

directive letter from the honourable government House leader and is a political agreement.

* (1335)

Mr. Ashton: Given the very important nature of any decisions we make in any sitting, Madam Speaker, particularly this sitting, and given the provisions of (4)(b) which are very clear that the session can be extended only by motion or—in fact, that is the only way in which it can be extended—I would therefore challenge your ruling.

Madam Speaker: May I speak to (4)(b) prior to accepting the challenge.

It states specifically: “While the House is in spring or fall sittings, if a motion to exceed the concluding dates”, and once again it is the interpretation of “the concluding dates specified in sub-rules (2) and (3) is passed by the House.” The concluding date as stated in Rule (3)(a) specifically states: “will conclude no later than the last Thursday in November.”

Mr. Ashton: Madam Speaker, given the very serious nature of the issues involved, I challenge your ruling.

Madam Speaker: The ruling of the Chair has been challenged.

Voice Vote

Madam Speaker: All those in favour of sustaining the ruling of the Chair, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Mr. Ashton: On division, Madam Speaker.

Madam Speaker: On division.

ROUTINE PROCEEDINGS**PRESENTING PETITIONS****Guaranteed Annual Income**

Mr. Doug Martindale (Burrows): Madam Speaker, I beg to present the petition of Jimmy Carrasco, Wilms Carrasco, Jorge Barahona and others requesting that the Legislative Assembly urge the Minister of Family Services (Mrs. Mitchelson) to consider withdrawing Bill 36 and replacing it with improved legislation which provides for a guaranteed annual income that allows people to have adequate food, clothing, housing, child care and health care, that this annual income increases as prices increase and that this new legislation also provides for the creation of real jobs with a goal of creating full employment so that individuals on social assistance can find safe, meaningful work of their own choosing that allows them to meet their needs and the needs of their families.

READING AND RECEIVING PETITIONS**Manitoba Telephone System**

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

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

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

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

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

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

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

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

Selkirk and District General Hospital

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

An Honourable Member: No.

Madam Speaker: Dispense.

THAT in the first issue of Health News the Minister of Health stated that they must continue to meet the needs of Manitobans and their families today, tomorrow and in the coming century; and

THAT the residents of the communities surrounding the Selkirk and District General Hospital vitally depend on the services at this hospital; and

THAT further nursing cutbacks to the Selkirk and District General Hospital will jeopardize the quality patient care and safety we are now receiving; and

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba urge the Premier to halt the proposed nursing deletions at the Selkirk and District General Hospital.

* (1340)

Manitoba Telephone System

Madam Speaker: I have reviewed the petition of the honourable member for St. James (Ms. Mihychuk). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

Some Honourable Members: Yes.

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

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

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

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

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

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

House Business

Hon. Jim Ernst (Government House Leader): I wonder, Madam Speaker, if there might be leave to report to committee on Public Utilities and Natural Resources.

Madam Speaker: Is there leave to report the Standing Committee on Public Utilities and Natural Resources?

An Honourable Member: No.

Madam Speaker: No. Leave has been denied.

ORAL QUESTION PERIOD

Manitoba Telephone System Privatization—Postponement

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the Acting Premier. Over the

weekend, all of us had a chance to return to our constituencies and listen to the public of the province of Manitoba.

Madam Speaker, across this province members on our side have heard from many Manitobans that are opposed to the government proceeding with the privatization of the Manitoba Telephone System, and they want us to ask the government whether they will listen to their constituents, listen to the public of Manitoba and stop this broken promise in terms of the Manitoba Telephone System and put the privatization of Manitoba Telephone System on hold as the people would want, as opposed to the extremism of the Conservative Party.

Will the Deputy Premier agree to put this commitment to privatize the telephone system on hold today?

Hon. James Downey (Deputy Premier): Madam Speaker, not unlike members of the opposition party, our caucus members as well—and I had the opportunity to be in my own riding as well. It is not quite like the Leader of the Opposition has indicated.

Number one, there are issues of concern out there dealing with other matters, but this one does not happen to be on the highest of priority as it relates to the general public. It is in the political agenda of the members opposite. I can assure you, after the full case is known, people understand clearly what is being carried out by this government which is truly in the best interests of the people of Manitoba. The general reports that I am getting are to proceed with the activities that were embarked upon.

* (1345)

Mr. Doer: One would have thought with your \$400,000 Barb Biggar-Gary Filmon advertising campaign, you would have your so-called issues out before the public.

Privatization—Referendum

Mr. Gary Doer (Leader of the Opposition): I would like to ask the Acting Premier, if he is so sure of himself and the Conservative 31 members are so sure of themselves, will they put this matter to a referendum?

People across this province are telling us that they want to have a say in the future of the Manitoba Telephone

System. They want to have a say through a referendum. Will this side trust the people, as we do, and put this matter to a referendum rather than making a unilateral decision as they are proceeding to do with the privatization of the Manitoba Telephone System?

Hon. James Downey (Deputy Premier): This bill was introduced in the Legislative Assembly the spring of this year. We have had all summer to debate and to discuss the issue of the Manitoba Telephone System sale. We have had several weeks in which we could have been debating this particular bill prior to this particular time as we approach the middle part of November.

I believe the public have expressed themselves through each member. Our caucus members certainly have had the opportunity to be expressed to them how they feel. We continue to be accessible to our members, and I can assure you that we believe that it is in the public interest to proceed on the path that we are embarked upon. Thank you very much.

Mr. Doer: The Deputy Premier will know that last-minute amendments to this bill were still being proposed and entered into by the committee on November 8. Many people that are discussing this issue with us feel this government is arrogant and out of touch.

Apparently, there is a public opinion poll being released today that is consistent with the Manitoba union of municipalities where 78 percent of people living in rural and northern Manitoba are against the position of this government to privatize the Manitoba Telephone System.

Will this government, with so many members from rural and northern Manitoba—well, rural Manitoba—and this caucus with members from rural and northern Manitoba, can we come together and agree that if we cannot have a referendum, they should not proceed with this arrogant, unilateral proposal to privatize our telephone system?

Mr. Downey: I do not accept the comments that the Leader of the official opposition makes that we are an arrogant government. In fact, I will repeat, the legislation was introduced in the spring of this year. We had several weeks in which we could have been debating it in committee, and, yes, there were proposals made as it

relates to amendments during committee stage, which I understand were agreed and accepted by the government and agreed to by those people who will be affected.

This government is listening to the people of Manitoba. This government is proceeding on a path that we believe is in the interests of Manitoba in the long term, and as the public understands the resources that it will take to continue to own the company by the Province of Manitoba, as they realize the situation that we are facing, with 70 percent of the business that the telephone company now does will be in a competitive field, they have no trouble in accepting the position that we take. Thank you, Madam Speaker.

Manitoba Telephone System Privatization

Mr. Steve Ashton (Thompson): The people of Manitoba do understand the issue, and I want to apologize for having used a poll result that was out a couple of weeks ago in which 62 percent of Manitobans said they were opposed to the sale. The most recent information is actually that 67 percent of Manitobans oppose the sale of MTS. In committee, three out of 185 presenters supported the sale. That is 182 against.

I am wondering whether the Deputy Premier or anyone over there will care to recognize that they have made a serious mistake here, that they did not promise to sell off MTS in the election and that in fact people do not support it. Will they do the right thing and put the issue of the sale of MTS to a vote of the people of Manitoba?

Hon. James Downey (Deputy Premier): Madam Speaker, we have, we believe, presented the legislative package in ample time for the public to understand. Last spring it was introduced to the public of Manitoba. We have had several weeks this fall of which there were opportunities to have committee hearings, of which we did not hear them until the latter part of what was to be the conclusion of the session. We have listened to people who have phoned us, pro or con, and I can tell you that the majority of people that we have talked to in the last short time, that I have talked to in my riding, have not been opposed to the position that we have taken.

We believe strongly that the evidence that was presented during the committee stage or during the

Premier's comments last week as it relates to public companies versus private companies, that the concern about rates going up is not justified, as the members are putting forward. There is a mechanism to protect the public as it relates to rates. We believe strongly that it is the right thing to do on behalf of the people of Manitoba and they can say their position. I would hope that we would get on to further debate in this House, so they could further try to make their case.

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

* (1350)

Mr. Ashton: Madam Speaker, I am wondering when the government will stop echoing Brian Mulroney and the GST, when they said very much the same thing a few years ago, and recognize that not only are two-thirds of the people of Manitoba against the sale but that 67 percent, according to this survey, do not believe anything the government has to say about rates, that Manitobans know it will lead to higher rates. When will they recognize reality?

Mr. Downey: Madam Speaker, the member refers to polls and, of course, one has to appreciate the fact that they have had polling done. I am not privy to the information which he is referring to in any detailed way. Again, let us recall why we are doing this.

The Province of Manitoba has guaranteed some \$800 million in debt to the Manitoba Telephone System, and we believe it is time to consider the position the province has as it relates to that debt that we are guaranteeing on behalf of the telephone system and convert some of that debt to equity.

As well, we know that there will have to be a considerable amount of investment capital put into the Manitoba Telephone System. Every department, the Minister of Health (Mr. McCrae), all my colleagues in Education continually need capital to do the work in their departments and it is a matter of choosing whether or not it should continue to be put into a telephone system or whether it should be used in other purposes. Thirdly, there is no evidence that the rates will increase because of the privatization of the telephone company. There is no

evidence. In fact, in some jurisdictions, the rates are lower where they are privately owned companies.

So, **Madam Speaker**, based on that, we feel that it is the right decision on behalf of the people of Manitoba.

Mr. Ashton: Madam Speaker, as a final supplementary on this question, I would like to ask the Deputy Premier when he will recognize that the only right thing about this is right wing and, in fact, what the government is doing is choosing to listen to investment bankers on Bay Street ahead of Main Street Manitobans who overwhelmingly do not want MTS sold off.

Mr. Downey: Madam Speaker, I do not think the member can refer to this as a right-wing agenda. In fact, it is not that many months ago that I read in The Globe and Mail that the New Democratic Party of Saskatchewan were looking at their options as it related to their position as to whether or not they should continue to own their telephone company as well.

Madam Speaker—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Privatization—Independent Commissioner

Madam Speaker: The honourable member for Thompson.

Mr. Steve Ashton (Thompson): Thank you, Madam Speaker. On a further question—

Madam Speaker: On a new question.

Mr. Ashton: On a new question, Madam Speaker. Indeed, in Saskatchewan they had public hearings, and I would appreciate it if the government would do the same here.

There is another dimension to the sale, and that is the whole series of questionable business dealings and contracts which just coincidentally seem to be benefiting a significant number of people with Tory connections. We have seen members of the board paid \$146,000 in legal fees. We have seen the same investment brokers

that recommended the sale now being the key people involved in the selling off of MTS.

I want to ask the Deputy Premier or the Minister responsible for MTS (Mr. Findlay) whether they will recognize that the way in which they are dealing with the sale of MTS is nothing short of scandalous, and appoint an independent commissioner to look at the many unethical dealings that are being used right now in terms of our Manitoba Telephone System. When will they get to the bottom of the unethical dealings?

Hon. James Downey (Deputy Premier): Madam Speaker, I can appreciate the philosophical approach that the member for Thompson brings to this Legislature and how entrenched he is or how dogmatic he is politically as it relates to his socialist views. One would expect nothing less from the member for Thompson in his approach to this whole issue.

Madam Speaker, I do not accept any of the allegations that the member makes about the scandalous approach in which this is taken. Everything has been done aboveboard in the interests of the people of Manitoba. We believe that the privatization of the Manitoba Telephone System will be in the best interests of the people of Manitoba.

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

* (1355)

Mr. Ashton: Will the government look at the ethics of having, for example, Wood Gundy, whose Manitoba vice-president Bob Vandewater is a former president of the Conservative Party, a former Tory candidate, being the firm that was paid \$300,000 to recommend the sale and is now the lead broker in the sale which will net it commissions in the millions of dollars? Will the government recognize that this is scandalous and unethical and appoint an independent commissioner to deal with the lack of ethics of this government in the handling of MTS?

Mr. Downey: Madam Speaker, I do not accept for one minute the allegations that the member for Thompson makes. In fact, all of the individuals and companies that he refers to have a reputation to look after. They also are

governed by the Securities Commission. If the member has some specific information or detail that he believes should be brought to the Securities Commission as it relates to this activity, I would invite him to do so.

Mr. Ashton: A final supplementary: When will the government realize that we are questioning the ethics of this government in the terrible way they are selling off a fine company that served us well since 1908? When will they understand that they cannot use it for the private gain of them and their political supporters, that it belongs to all Manitobans? All Manitobans own MTS.

Mr. Downey: Madam Speaker, again, I do not think we need a lesson on this side of the House as to why the company was publicly owned to start with. As for the provisions of services outside of the city of Winnipeg, that has been accomplished. We have just completed a major private line system to all of the citizens of the province of Manitoba. That will not be taken away.

We believe, strongly believe, that it is no longer in the public interest to continue to own it, in fact, very much the opposite. We believe the time has come when the Manitoba Telephone System will provide better service, that the mechanism will be there to protect people as it relates to their rates. That is why I am quite confident in recommending to my constituents and to my colleagues that we are on the right path. Thank you.

Manitoba Telephone System Privatization—Easements

Mr. Dave Chomiak (Kildonan): Madam Speaker, my question is for the Deputy Premier or the Minister responsible for Telephones.

Thousands of Manitobans have given up property and access rights to the Crown, to the government, through MTS, in the form of easements and caveats. These agreements for rights and for access were given by the public on the basis that MTS was a Crown-owned corporation. Now that the government is privatizing MTS and this property will fall into the hands of private investors, can the minister indicate what consideration is being given to the public and the rights of many thousands of Manitobans who have given up rights of property and access to this company? What

consideration is being given to those rights of those Manitobans?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, I think I noticed in the comments and petitions raised in front of the House today that there is giving credit to the Manitoba Telephone System giving 88 years of excellent service to Manitobans. In the environment that we are in today with things changing so drastically, we have to be able to be sure that that can continue. What we are doing is creating an environment where it can continue logically, economically and responsibly.

The member raises the question of easements. Within the bill, if he reads the bill, you will notice that the easements continue under the new company.

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

Mr. Chomiak: Madam Speaker, how does the Minister of Telephones—

Some Honourable Members: Oh, oh.

* (1400)

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

Mr. Chomiak: Thank you, Madam Speaker. How does the Minister of Telephones justify giving all of these public rights that were given to the Crown, to a Crown corporation, to private companies? How does the minister justify taking that and giving it right into the hands of a private company, when it was given in the first instance in all cases for public consideration to the Crown?

Mr. Findlay: Madam Speaker, in order for any company, public or private, to deliver its services to the citizens who want those services, they have to have some place to run their poles, their lines, their tubes, their pipes.

An Honourable Member: Just like the gas company.

Mr. Findlay: Just like the gas company, they have easements, as Manitoba Telephone System must have easements to run its lines, to serve the public. It is very simple. It is very straightforward. It is very responsible. They will have easements in this province as they have easements in Ontario, B.C., all the Maritime provinces, that are currently privately owned.

Mr. Chomiak: Madam Speaker, will the Minister of Telephones, who has made sure that the brokers are paid, he has made sure that Barb Biggar and her advertising campaign is paid, he has made sure that everyone who is connected with that deal are paid—what will he tell the private citizens who gave up right to their access? Will they be getting back anything from this private company for giving up access to their land and their property on the basis of a private company that is going to make money on their backs?

Mr. Findlay: Madam Speaker, as I have already indicated, in order to provide the services, the easements must be in place. Whether you are a private company or a public company, whether it is electricity, whether it is telephones or whether it is gas, those easements are necessary to run the lines if the services are going to be provided. We have a high level of service in Manitoba now, and we are preparing for a high level of service in the future.

I think the members opposite should pay very close attention to what happens in terms of the change of thinking that happens when you are in government. They should read Bob Rae and pay attention to what he is saying. For Bob Rae, who came in with the idea that the world could be handled from a social point of view, today has done a complete reversal of thinking. He uses the comment, nothing is like it used to be. He recognizes the reality that governments must be responsible in the handling of the fiscal affairs of the province, and that is precisely the agenda we are on.

Manitoba Telephone System Privatization—Distribution of Sale Proceeds

Mr. Kevin Lamoureux (Inkster): Madam Speaker, the member for Kildonan brings up one of the reasons why it is important to have public hearings. The issue that he brought up was actually first brought up at the public hearings by the member for The Maples' (Mr. Kowalski) father, an excellent point and something that did need to

be addressed by the government. We anxiously await their final say on that particular comment.

My question is for the Deputy Premier. The government made a promise not to actually sell MTS and now that they have broken that promise there is going to be a great deal of money coming to the government. The question specifically to the Deputy Premier is, what is this government's intentions to do with that money? Would they consider, for example, reinstating the promise or the commitment of the capital for health care throughout the province of Manitoba as a way to compensate for their incompetence in the selling off of MTS?

Hon. James Downey (Deputy Premier): Madam Speaker, as it relates to any specifics to the member's question, I will not be able to deal with, other than that I do know that any surplus funds will be put in the provincial Stabilization Fund. But what some of the constituents are having a difficult time figuring out is, what is the position of the Liberal Party?

The newly appointed Leader of the Liberal Party says in principle she supports it, yet the members of the Legislative Assembly, from what I am hearing, are opposed to it. It would be helpful probably if they would speak clearly as to what their position is as a provincial party.

Madam Speaker: Order, please. The honourable member for Inkster, with a supplementary question.

Mr. Lamoureux: What would be helpful is if the Deputy Premier would give a straightforward answer to a question—

Madam Speaker: Order, please. The honourable member for Inkster, to pose a supplementary question which requires no postamble.

Mr. Lamoureux: My question to the Deputy Premier is, given that they have broken a promise on the capital health care expenditures, will the Deputy Premier agree today to fulfill that promise, that commitment to Manitobans on health care, and give that money from the proceeds that are going to be received from the sale of MTS?

Mr. Downey: I do not accept the preamble from the member that we have broken a promise on capital

expenditures as it relates to the health care. What we have had to do, because of his colleagues in Ottawa who have reduced our funding by some 220 millions of dollars, is we have had to rethink and relook at all of the expenditures of the Province of Manitoba, and maybe he would approach the federal government and suggest maybe they should reprioritize how they are dealing with the expenditures, particularly the transfer payments to the Province of Manitoba.

Madam Speaker: Order, please. The honourable member for Inkster, with a final supplementary question.

Mr. Lamoureux: Will the Deputy Premier acknowledge today that the proceeds from the sale of MTS are going to be going into an election readiness fund for the next provincial election?

If this government wanted to do something beneficial for the province of Manitoba, they would reinstate the capital dollars that are required to get the health care programs off the ground, they would invest in education in the province of Manitoba and start investing in Manitobans as opposed to trying to politicize the proceeds of the sale of MTS—shameful.

Mr. Downey: It is obvious that the Leader—I am sorry, the member for—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Downey: As I said at the outset, the Leader of the Liberal Party seems to have a different position from the member for Inkster and his colleagues who are sitting in the Legislature. If they would come clear as to what their position is, then we may have a little bit of an opportunity to judge as to whether or not we have their support or whether we do not.

The answer to his direct question—and I know he wants an answer to that question: Is it to be used for a next election?—is no.

Manitoba Telephone System Privatization—Easements

Ms. Rosann Wowchuk (Swan River): This weekend, Madam Speaker, we listened to people across the

province and they all told us the same thing: This government has lost touch with the people of this province, particularly with the sale of MTS.

Thousands of people in this province and in rural Manitoba have signed easements with the government to allow a Crown corporation to provide services to people in the area. This is not going to be a Crown corporation anymore. Can the Minister responsible for MTS tell us whether these people who gave up their property will now receive payment and a share of the profits of this private company?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, I have already replied to the members opposite. The easements obtained in the past by MTS continue on into the future under the new ownership, a broadly based ownership—

Some Honourable Members: Oh, oh.

* (1410)

Madam Speaker: Order, please.

Mr. Findlay: Madam Speaker, very clearly, we have provided for a very broadly based ownership of Manitobans, and if the member opposite is advocating further cost for MTS to provide telephone service to Manitoba, there is only one way it can be collected and that is for higher rates.

If the member opposite is asking for that, she is advocating higher rates to recover those costs. But this government, in the process of drafting the bill, has indicated very clearly, easements of the past continue into the future.

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

Privatization—Public Hearings

Ms. Rosann Wowchuk (Swan River): Thank you, Madam Speaker. Why is this government taking away peoples' rights? Why will they not hold public meetings and consult with the people who have signed these

easements rather than including it into the bill and without anybody having any say on it?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, I want to remind the members opposite that Bob Rae said, nothing is like it used to be, and that applies exactly in this case. We have an era where—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

The honourable Minister responsible for the Manitoba Telephone System, to complete his response.

Mr. Findlay: Thank you, Madam Speaker. As I indicated, Bob Rae said, nothing is like it used to be. Manitoba Telephone System is not in a natural monopoly anymore—high level of competition, debt load is immeasurably high. It is guaranteed by the government. In looking at the overall fiscal challenges of government, we must reduce our debt load problems. We must deal with the Manitoba Telephone System in the most forthright way possible, to position them to be strong, competitive and viable into the future. We must do this because in the broader picture, it gives the Manitoba government and the Manitoba Telephone System both better economic prospects for dealing with the challenges that lie ahead of us in terms of running the province responsibly.

Ms. Wowchuk: Madam Speaker, the Premier's promise is still a promise. He said no.

Madam Speaker: Order, please. The honourable member for Swan River, to pose a supplementary question which requires no postamble.

Ms. Wowchuk: Thank you, Madam Speaker. I want to ask this government, this Minister responsible for Manitoba Telephones, what are they afraid of? If they are prepared to go out and have public hearings on their prebudget meetings, why are they afraid to go out to listen to Manitobans and hear what they have to say about the sale of MTS? What are you afraid of?

Mr. Findlay: Madam Speaker, I will contend that there is no government that has had more broadly based

meetings with the public than this government in Manitoba.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister responsible for the Manitoba Telephone System, to complete his response.

Mr. Findlay: Madam Speaker, in these meetings of various shapes and forms, whether they are individual meetings with constituents, caucus meetings, cabinet meetings with leaders of communities, the message has been loud and clear: Be responsible in how you run government. Do not get into the debt fiascos of the NDP of the past. The dealing with the debts and deficits in this country are a serious issue.

I again want to read some comments of Bob Rae. Bob Rae has some advice for New Democrats and he states: Embrace the deficit as a serious worry for New Democrats. Be bold. I ask them, be bold, have them recognize the reality.

Bay Line Rail Network Government Support

Mr. Eric Robinson (Rupert'sland): Madam Speaker, residents of Churchill have heard many promises of better times over the last several years turned into ashes, from more than 500,000 tonnes per year through the Arctic Bridge announcement that was made back in 1993, in January of that year, and later that year of course by the federal Liberals, of a million tonnes to go through the Port of Churchill. Regrettably, the only consistent thing about these commitments has been the lack of results. Earlier this year, the Legislature passed an all-party resolution that was supported by all members of this House.

I would like to ask the Minister of Northern Affairs—and certainly he indicated his support for the Gateway North transportation system, considering the comments that he made today celebrating the possible sale of CN in northern Manitoba to OmniTRAX of Denver—what happened to the commitment of this government to a Bay Line network from Yorkton, Saskatchewan?

Hon. Darren Praznik (Minister of Northern Affairs): First of all, I think it is important for members of this House and the member for Rupert'sland to fully appreciate that the railroads in northern Manitoba are owned by the Canadian National which was—I hate to even remind the member for Inkster (Mr. Lamoureux)—privatized by the Liberal government in Ottawa. It is governed by federal legislation which, as the member well knows because we have been part of the lobbying efforts to ensure that we did get some results on the Bay Line, allowed for CN to basically abandon most of that line.

What we all fought for over the summer and in talking with northerners—and I know the member for Flin Flon (Mr. Jennissen) was part of the meetings that we had here in the building with representatives of CN—was first and foremost to ensure that they were able to put together enough of a bundle of lines that they were able to attract an operator to that system who could take over those lines, who wanted to make money, who wanted to make them work and who could provide the level of service on the rail lines and the port that would make the thing work without public subsidy into the future.

We were fortunate to, I understand, have four companies come forward to CN that we have heard about. We have not been part of those negotiations as the member can appreciate. It appears from the story in the Free Press today that they have reached an arrangement with one of those operators and the details. We will all have to wait for their public announcement.

* (1420)

Port of Churchill Upgrading

Mr. Eric Robinson (Rupert'sland): I would like to ask the minister what guarantees he might have to share with us today in his efforts of last year that the port would receive upgrading before it is sold off.

Hon. Darren Praznik (Minister of Northern Affairs): Again, as I know the member is cognizant that the port is owned by the Government of Canada, the railroad is run by Canadian National and governed by federal jurisdiction, so the ability of any provincial government or this Legislature to significantly influence what is

happening now is very minimal. I know the member for Flin Flon (Mr. Jennissen) is aware of that as part of our meetings.

What we want to ensure, most importantly—and I think if this story turns out to be true, the name of the operator is not as important as the fact that we have someone, we have a company which is prepared to take on that network, including the port, to make it a viable operation for northern Manitoba. That is what is so critical.

We should just remember that a few short months ago we in this House and we in this government and the people of northern Manitoba were facing a situation where we were going to see the lines abandoned, Ruttan Mine facing closure, a threat to Flin Flon and only one bidder whose financial package was not in place at the table. So today we have come a long, long way, Madam Speaker.

CN Rail Rail Line Abandonment

Mr. Eric Robinson (Rupertsland): On the same issue to another minister, the Minister of Transportation: Given that CN is still committed to dumping the Cowan, Erwood and Winnipegosis lines in the Parkland, as well as the Steep Rock line, can the Minister of Transportation tell the House what will happen to these lines now that the November 2 deadline has expired?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, in the course of events regarding rail lines in Manitoba, as the Minister of Northern Affairs (Mr. Praznik) has indicated, there were serious concerns as to the future of the operation of those lines. When we met with CN we were adamant that they offer the lines to other operators who felt that there was an economic opportunity, as all members of this House saw with regard to the lines in the North. In the process of that meeting we asked them if they would make sure that they would offer all lines up for abandonment to alternate operators who might come forward. It is my understanding that has taken place. The process after the private sector says yea or nay, then federal governments, provincial governments and municipal governments have an option on those particular lines.

Madam Speaker: Time for Oral Questions has expired.

Introduction of Guests

Madam Speaker: I would like to draw the attention of all honourable members to the loge to my left, where we have this afternoon Mr. David Orlikow, the former member for St. Johns.

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

MEMBERS' STATEMENTS

Referendums

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, it would appear that members opposite have had a tremendous change of heart when it comes to referendums. Lately, they have become proponents of referendums. The NDP seem to have forgotten that when they were in government, without referendum, without vote, they increased taxes through enhanced old taxes or new taxes 22 times in five years at the expense of all Manitobans.

Just last week the member for Thompson (Mr. Ashton) publicly advocated for the government to spend some \$40 million on a referendum, money that would be better spent on health, education or family services, our government's priorities. His comments are in direct contrast to the member for St. Johns (Mr. Mackintosh) who during debate on balanced budget legislation criticized the idea of referendums as expensive. The member for St. James (Ms. Mihychuk) during the same debate questioned whether Manitobans could understand the complexity of referendum issues. The member went on to state, government needs to be flexible to look at the longer cycle, not to be held by the confines of legislation which do not allow duly elected representatives to do what is best for Manitobans.

The member for Brandon East (Mr. Leonard Evans) even went so far as to agree with a statement by the Premier (Mr. Filmon) that declared, "We are in office with a mandate to exercise our judgment and to make decisions on a whole range of issues under new and changing circumstances." This is exactly what the situation with Manitoba Telephone System is, new and changing circumstances. The member for Crescentwood (Mr. Sale) stated unequivocally, "We are not supportive

of tax referenda.” However, he appears to be in favour of referendums on the issues that offer his party the opportunity to grandstand at the expense of all Manitobans.

Madam Speaker, I, for one, am somewhat confused as to exactly what the NDP want, though I do suspect they are even more confused.

Remembrance Day—Cecil Rhodes School

Ms. Becky Barrett (Wellington): Madam Speaker, Friday, November 8, 1996, was an historic day for the community of Weston and Cecil Rhodes School. An honour roll plaque, listing 753 former students of Cecil Rhodes School who served in the Second World War, was unveiled at a special Remembrance Day service. In 1995, the 50th anniversary of the end of World War II, Ron and Margaret Alexander, long-time Weston residents and Brian Crow of the Winnipeg School Division No. 1, looked for a plaque hung in 1942 honouring 338 students who were then serving in the Armed Forces. When their search proved fruitless, they, along with Legionnaires Roy Clark, Tom Crothers, Gordie Hamilton, Jessie Napper and Bill Nicol, decided to put up a new plaque. By mid-summer 1996 the list had doubled to 753 names.

Students in the industrial arts program at Tec Voc, under the direction of Len Spiller and Terry Pearson, made the new plaque, which was unveiled during a very moving ceremony at Cecil Rhodes School. I know all members of the Legislature will join me in congratulating Mr. Jim Duncan, principal of Cecil Rhodes, the students and staff who participated in the ceremony, the community members who attended and those through whose efforts the contributions of Cecil Rhodes students will never be forgotten.

Veterans' Powwow

Mr. David Newman (Riel): Yesterday I had the honour of attending the Indian and Metis Friendship Centre of Winnipeg's eighth annual veterans powwow. The honourable member for Rupertsland (Mr. Robinson) was the master of ceremonies. I was extremely touched by the impressive respect paid to the veterans by the people in attendance. Notably I would like to emphasize the role and numbers of the youth in attendance as one is not

accustomed to seeing our young members of society in such abundance at these kinds of events.

The highlights of the day for me included two moving events. One was the friendship dance. This dance appropriately and powerfully symbolizes, with brilliant colours and an abundance of joy and fellowship, an approach to avoiding armed conflict in the future. The strong message of universal brotherhood and sisterhood was delivered to young and old alike in a warm and friendly manner.

The second very moving occurrence was the way in which respect was bestowed on the veterans. The veterans sat in the middle of the dance floor during a lull in the ceremonies and the hundreds of people present, one by one, came forward and shook their hands. The honourable member for Rupertsland appropriately stated that these veterans are warriors who have earned and deserved the respect of all.

* (1430)

My participation in this event also gave me an opportunity to spend a moment with another honourable member, the honourable member for Point Douglas (Mr. Hickes), who generously explained to me several of the traditions in and around the ceremonies. The additional insight he shared was enriching for me in terms of culture and knowledge of the traditions and the significance of the day.

I would also like to thank Cindy Monkman, the powwow co-ordinator, the Indian and Metis Friendship Centre, through its president, Nelson Sanderson, and all those who were involved in recognizing the sacrifices for freedom paid by these veterans. My participation in this event certainly served to enlighten and enrich my knowledge of the aboriginal culture and emphasized how different cultures learn and prosper by participation and sharing with the various groups that make up this great society. Thank you.

Aboriginal Veterans

Mr. George Hickes (Point Douglas): I am proud to be able to put a few words about the formal recognition and remembrance that we participated in on November 8 and November 11, to thank all the veterans for their

commitment and courage, on behalf of the citizens of Canada to the veterans, especially the aboriginal veterans.

Few Manitobans are aware of the full extent of the losses which were endured by aboriginal veterans and the difficult situations which many aboriginal veterans faced when they returned home to Canada. Unlike many of the soldiers they fought alongside, aboriginal soldiers were not always treated as heroes upon their return to Canada. After sacrificing years of their lives to fight for this country, aboriginal soldiers returned to Canada with nothing. Stripped of their aboriginal status after volunteering for the forces, many aboriginal veterans were unable to even return to their own communities following the war.

Without a chance to return to the life they had lived before going off to war, these same veterans remained unrecognized and unaccepted by the nonaboriginal community for years. Clearly, for aboriginal veterans their sacrifices did not end once they had returned to Canadian soil.

Madam Speaker, while nonaboriginal veterans were eligible for land grants provided by the Government of Canada after returning from the war, aboriginal veterans were never offered these same land grants. Many people are still unaware that in order to serve in the Canadian Forces, to serve their country, aboriginal soldiers were forced to give up their treaty status and their rights which went along with their status. In going off to war, aboriginal soldiers put more than their lives on the line. By giving up their status as aboriginals, they put their own cultural identity in jeopardy in order to serve their country.

In his presentation to the Senate committee, Sam Sinclair, the president of the National Aboriginal Veterans stated: I remember while in service we were treated as equals because one bullet can kill you as well as another person. Once we returned home, we were treated as nobodies again. People were denied jobs. We thought that some of us were equal and qualified for these jobs. We were denied at other levels involving land, education, health and responsibilities all the way down the line. Because people were not told exactly what their rights were as aboriginal veterans, they did not know what was available to them.

Since the earliest battles on the Plains of Abraham, aboriginal people have served in defence of our country, and I believe it is time that these veterans were afforded the recognition and respect which they deserve and hopefully will come in the near future. Thank you, Madam Speaker.

Manitoba Telephone System

Mr. Kevin Lamoureux (Inkster): I just wanted to take this opportunity to express some concern on behalf of the Liberal members of the caucus with respect to Bill 67 and the selling off of Manitoba Telephone System.

We very much want to see an opportunity to be able to have some sort of debate or discussion on this particular piece of legislation and detect it in terms of denial of leave and are somewhat concerned in terms of the urgency in which the government is prepared to see this bill passed and the possibility of even going into closure because of the inability of different parties coming together and achieving an agreement, because we do have very strong thoughts that we would like to be able to express on the record with respect to this and are very concerned in terms of the direction.

I will get, hopefully, the opportunity to expand at great length as to why we have found ourselves sitting here today. I do believe in principle that there is a need for us to understand what has taken place over the last few days of this session, and I do plan to focus some of my attention on that once we do get to the debate on Bill 67, in hopes that we will get the opportunity to debate this very critical, important debate.

I look to both the opposition House leader and the government House leader in trying to come up with an agreement that would facilitate debate. No matter what their partisan positions might be with respect to what has happened in the past, we do believe there is a need for third reading debate and hopefully we will see that. Thank you, Madam Speaker.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, despite their huffing and puffing and political posturing, the members of the opposition obviously do not want to debate Bill 67 by denying leave

today. Therefore, I move, seconded by the Minister of Environment (Mr. Cummings), that the House do now adjourn.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. It has been moved by the honourable government House leader, seconded by the honourable Minister of Environment, that the House do now adjourn. Agreed?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Some Honourable Members: No.

Madam Speaker: No?

Voice Vote

Madam Speaker: Order, please. There is a motion on the floor. The question was called. It is not debatable. All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

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

Mr. Steve Ashton (Thompson): Yeas and Nays, Madam Speaker.

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

The motion before the House is that this House do now adjourn. All those in favour of the motion, please rise.

* (1520)

Division

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

Yeas

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

Nays

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

Mr. Clerk (William Remnant): Yeas 27, Nays 23.

Madam Speaker: The motion is accordingly carried.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I had paired with the Premier (Mr. Filmon) in order that he may be at the funeral for a great Canadian, the former Premier of P.E.I., Joe Ghiz.

Mr. Gary Kowalski (The Maples): Madam Speaker, I was paired with the Minister of Rural Development (Mr. Derkach), who is on a very important trade mission to Ukraine.

Mr. Neil Gaudry (St. Boniface): I was paired with the Minister of Finance (Mr. Stefanson).

Madam Speaker: This House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, November 12, 1996

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