



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

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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

Monday, November 25, 1996

The House met at 1:30 p.m.

PRAYERS

MATTER OF PRIVILEGE

Rules Interpretation

Mr. Gord Mackintosh (St. Johns): Madam Speaker, I rise on a matter of privilege.

Today, I rise on a matter of privilege further to a decision made by the Chair in this House on Thursday, and events that led up to that decision by yourself. I am raising this at the earliest opportunity which is the first time we have met since the decision and the matter of privilege that was raised on Thursday.

The matter of privilege that is being raised is based on the most fundamental precept and underpinning of parliamentary democracy. It is no less, in paragraph 1 of *Beauchesne*, where it states, the principles that lie at the basis of English parliamentary law have always been kept steadily in view by the Canadian Parliament. These are "to protect a minority and restrain the improvidence or tyranny of a majority"

Those words have been echoed in this Chamber many times, and it is strange that it is in this Chamber, of all the chambers throughout parliamentary democracies of the world, where the Manitoba public and the legislators here have been faced with some of the most dramatic events, whether it be the bell ringing crisis, the French language crisis as it was called or the Meech Lake crisis, for example.

A precedent has been established in this House that is applicable throughout the modern world in parliamentary democracies. I refer specifically to rulings by Speaker Walding and Speaker Rocan, Speakers who recognized what Eugene Forsey reminds us of, that Parliament is not a mere creature of the cabinet, deliberating only when for so long and under such conditions as the cabinet thinks fit, pronouncing or not pronouncing judgment as the cabinet may choose.

In fact, it was George Bain, a respected Canadian political observer, who made a warning about the growing power of the executive, the cabinet, when he said that this power is accountable for the use of more and more drastic measures—the 1983 shutdown of the Canadian House of Commons while the bells rang, for notable example—to focus attention. It has become the case that only if a generally torpid public opinion can somehow be galvanized is there a hope that the gross disproportion of executive power can be redressed.

Speaker Walding specifically, back in 1984, ruled, contrary to the wishes of individuals in his political party, contrary to the wishes of individuals who were responsible for his appointment to the Speakership, disregarding the demands from the front bench, from the House leader of the day, and concluded—when he was asked to turn off the bells that were ringing and ringing and ringing, he said there is no right of government that would see its proposed legislation enacted. There are numerous examples of government bills introduced to the House and not proceeding into legislation. He then replied to a written request by the Premier of the day asking that he limit the bell ringing. He said, the rules and procedures of the Legislature are well known and well established. They constitute a clear set of procedures which the House expects to be enforced by its Speaker with fairness and impartiality.

Speaker Walding went on. He said: Since the House is close to effecting a change in its rules, I am surprised that you, Mr. Premier, would request that I contravene the existing rules and procedures at this time. Any unilateral action on my part could only be a betrayal of the impartiality of the Chair and would seriously undermine the integrity of the Speakership.

* (1335)

I was thinking yesterday how many millions and millions and millions of people we have on this earth, how people are just passing through and very few individuals who come into being have a role to play that will have meaning in future years, let alone generations. Once in a while, individuals indeed are given a rare opportunity to serve their community, to serve the

institutions that have proven to serve us well. You, Madam Speaker, are one of those. I ask you to reflect on your decision of Thursday last, but I think it is a time that we also reflect as members of this House and particularly members of the government reflect on what took place.

It is our belief that what took place on Thursday was the Chair not merely filling a gap in rules. You made a ruling and in your ruling you are required to set forth authority. You failed to do so, any authority that was on point. You cited a ruling by Speaker Fraser of the House of Commons bearing on nothing that is before this House. The circumstances were entirely different, but you seem to be relying on his words, which include the following: The House is nevertheless facing an impasse which it has been unable to resolve for itself. When circumstances change and the rules of procedure provide no solution, the Chair must fall back on its discretion, and so on. If those are the conditions precedent for the Speaker doing as you did, those conditions were not met in this Chamber. I asked Madam Speaker what impasse this House was facing. You did not address that. There are many options available to the government in the circumstances. First of all, I noticed that Speaker Walding when the bells were ringing summoned the House leaders to his office to attempt a resolution of the matter. Even such a self-evident attempted solution was never pursued.

But I now want to enumerate what options were available to the members of the government and to you and what must have been considered before you made that terrible ruling on Thursday. Very briefly, there was a memorandum of understanding entered into by the House leaders in this Chamber. The memorandum of understanding was dated in December of 1995 and I often hear people—and I think it was last Thursday—talking about an agreement that has been broken. Well, if the memorandum of understanding is what was being referred to, that memorandum of understanding is no longer applicable to the members of this House. This is no longer in force.

The memorandum of understanding is no longer in force because the government made sure of that, because in the memorandum in the preamble it states: "It is herein agreed between the Government of Manitoba and the Members of the Opposition, that the rules and procedures governing the operation of the Legislature of

Manitoba will be amended as soon as possible to encompass the following changes." What the memorandum of understanding's role was, was simply to say, here are some ideas; let us go and put these into the rules. Once the rules were put into effect, the memorandum of understanding lived no longer. There is no memorandum of understanding.

There are now rules of the House that were agreed to by the rules committee in March, several months after this memorandum was concluded, and which were subsequently agreed to by members of this House. From the time of the memorandum of understanding to the adoption of the new rules, there were significant changes in how the ideas were to be expressed. One of the most obvious was that, while the memorandum of understanding said all bills so introduced will proceed to a vote on third reading and royal assent not later than the final day of the fall sitting, words to that effect are not found in the rules.

* (1340)

Now, Madam Speaker, I, as one member of this Assembly, am entitled to rely on these rules, as are my constituents. The rules were agreed to by the House leader personally, by the members opposite, by the Premier (Mr. Filmon). I am entitled to rely on the rules. What does the rule say? Rule 102 says very clearly that all government bills will normally—normally—receive a vote on third reading not later than the fall sittings of that session. It does not say that there shall be third reading. It said, will, which is not mandatory. It does not say all will receive a vote on third reading and royal assent. It just says, normally.

Well, it is interesting. I believe it was just two weeks ago that you gave effect to the word "normally" when you said that the House did not finish its deliberations after eight weeks, because the word "normally" is used in the section saying, the House will normally sit eight weeks. Why is it that shortly, a few days later, you did not give effect to the word "normally." We are not in a normal situation, and you know that and you said so in your ruling with regard to the eight-week session.

What did the government want? It wanted that section written in there that normally all third readings will be held the last day of the fall sittings. In exchange for their

right to continue the session on a simple notice of motion, they specifically insisted on the rules being drafted to allow them to sit beyond the normal fall sittings. Why is that? Because they know that things are not often normal in this House. They know that they were bringing in controversial legislation, I suspect, and they wanted to preserve that right. So what have you done, Madam Speaker? You threw out Rule 102. You have supplanted and in fact abrogated a rule, and not just one, I suggest.

Now the government has not come to the opposition seeking an agreement. Not once did they come to this side saying, hey, we have some very controversial legislation before this House and we have time constraints that we are concerned about because we, after all, are minions of the marketplace and we have to get this bill ready for all our friendly stockbrokers. They did not do so. As I said, they did not seek an extension of the sittings.

Madam Speaker, the government did not move closure. It is not unprecedented that closure be moved in this Legislature. In 1929 it was moved and again, many, many years later but recently during the French language crisis, it was moved I believe not just once but twice.

They have the option of the previous question, a form of closure. They have the option of speed-up, something that was brought in every year in this House till about 10 years ago. In fact, the government can move a motion to change how the House conducts its business in any way it sees fit. It can restrict debate in any way it sees fit. It can have sittings anytime. It could start it at midnight if it wanted on an ordinary motion and the majority vote of this House. These rules are not the Constitution. They can be varied by simple motion.

But what did it do? It did something heinous. It put you, Madam Speaker, in a position where your oath has been violated and where you, in that chance in your lifetime, that rare opportunity to continue to pass on to future generations a system of government that protects the rights of minority, put you in a position of breaching your place in history, of abrogating your responsibilities to the members and to the people of Manitoba.

People often think that they are electing a government, but they are not. They are electing a Legislature. A Legislature is not accountable to the government. It is the other way around. The government continues only so long as it has the confidence and support of the Legislature, and the Legislature is given certain tools in order to check the power of the executive and the cabinet to make sure there is not tyranny and dictatorship. What the government did last week and what you ruled, Madam Speaker, has eroded those tools, taken those tools away from the public of Manitoba. It has detracted from our ability to make the government accountable to the people through the members of this Chamber.

What happened last week, Madam Speaker, is an ominous sign of a new power of the Speakership only in the province of Manitoba in Canada, because how can we now rest assured that the Speaker will respect the rights of the minority, because as I said, not only have you not had a gap, there were rules fully in place that covered all the situations, but you supplanted the rules and made up rules of your own and the government sadly requested that you do so.

In the future, how can we rely on the rules to which we are entitled to rely on? How can we ever again trust the office of Speakership unless this ruling is expunged?

It has often be said, but I think we must reiterate—and it was said on Thursday by the opposition House leader—the Speaker is the servant of the House, not its master. You are here to enforce the rules and procedures established by the members. No one has given the Speaker the authority to make rules up, especially when they contravene not just what happened in Erskine May in Britain, not just what is in Beauchesne, but what is in our own rule book. It is only the House that has the right to determine its procedures and ensure the functions.

You know, Jeanne Sauve, the former Speaker of the House of Commons, was one of the first ones in modern day to have to face the serious difficulty of reconciling bell ringing, and I think it was well put. Philip Laundy, the former table officer in Ottawa, once argued: A discussion of the Speaker's impartiality normally lays stress on his duty or her duty to protect the rights of minorities. This is a duty of which no Speaker can ever lose sight, but impartiality also implies a regard for the rights of the majority as well as minorities, and in a

modern Parliament no Speaker can ignore the claims of a hard-pressed government striving to achieve its legislative program.

Certainly, Madam Speaker, you took that fully into view. But then what did Madam Sauve respond? Did she do as you did? She acknowledged that she was obliged to protect the minority against oppression and, indeed, to protect the majority against obstruction. She admitted, however, she could not turn the bells off, because she could do nothing to reconcile those two obligations and still remain impartial.

Madam Speaker, as a result of the situation you were put in and the expectations you had of your office and neglect of what your oath required of you which you agreed to, this institution has been undermined. It has not just been undermined since last Thursday up until whenever. It has been undermined seriously, perhaps in perpetuity.

* (1350)

The government, I am sad to say, I believe perceives this Legislature as a mere inconvenience to its exercise of power, and because of the legislation that is before this House and which has led to this dire situation, it has shown, I think, to Manitobans just how powerful are the forces of Bay and Wall Streets because they have now got their sticky fingers on the very tenets of parliamentary democracy.

So, Madam Speaker, in light of this threat, in light of the difficulties that each member of this Chamber will have—and I warn the members opposite that they are in government only temporarily, and this ruling and the situation you were put in also threatens their ability some day. We believe that there should be a rethinking of what has gone terribly amiss and that members of this House have something much greater to uphold, have something much greater to attain than see a particular bill pass in an undemocratic and, I would suggest, illegal way.

I therefore move, seconded by the member for Thompson (Mr. Ashton), that this matter be referred to the Standing Committee on Privileges and Elections.

Hon. Jim Ernst (Government House Leader): Madam Speaker, a question of privilege is a very serious

matter and one that ought not to often appear in a Legislative Assembly. While the member for St. Johns has brought forward a matter of privilege not substantially different from that of the member for Thompson last Thursday, nonetheless it is a very serious matter and one that should not be considered lightly.

Madam Speaker, the member for St. Johns, I do not believe, has made any kind of a prima facie case at all with respect to a matter of privilege, but nonetheless I would like to comment on a few of the things that he raised here.

He indicated, first of all, Madam Speaker, with respect to Beuchesne Citation 1, to protect a minority and to restrain the improvidence of a majority. I refer him to the very next words in Beuchesne Citation 1, “to secure the transaction of public business in an orderly manner” That also is a principle of Canadian parliamentary law.

Madam Speaker, he referred also to Speaker Walding, particularly in the 1983 French language debates where he cited that Speaker Walding told the then-Premier of the day he would not contravene the rules, and that is exactly as he should have. However, in this case it is not contravening the rules; it is enforcing the rules. It is enforcing a rule that every member of this House voted on back on April 2, 1996. We agreed collectively and we all knew what the principles were behind that, notwithstanding the fact that the memorandum of understanding was supplanted by the rule. The fact of the matter is we all knew what the principles were behind it: introduce legislation in the spring; vote on it in the fall. That was the principle. The trade-off, as it were, to provide for early notice of legislation, because historically, prior to that, bills were introduced and in a matter of two or three weeks were at third reading stage.

* (1355)

We, Madam Speaker, in that agreement said, we will introduce all of our legislation in the spring. It was all introduced prior to June 6. There were several months available then to the public, members of the opposition and others to review that legislation so that when the House resumed its fall sitting, everyone would have a fair understanding, everyone would have had the opportunity to consult with whomever they wished in order to

understand, in order to get opinion, in order to determine how they would address the debate on that particular piece of legislation or, for that matter, all pieces of legislation that were introduced there. But the rules are different. They are not the rules that Speaker Walding ruled on. Madam Speaker, the ruling that you ruled on was one that was adopted by this House on April 2.

Madam Speaker, the member for St. Johns (Mr. Mackintosh) said we did not discuss this with the opposition, this controversial piece of legislation. I can think of at least six or seven occasions I raised with the opposition House leader the question that they were not debating Bill 67. For the first four weeks or so of the session, Bill 67 was not debated. We had one debate on September 16, the next on October 15. I raised the issue with him knowing that time was running out. The opposition House leader told me that they would have the bill into committee 10 days before the November 7 anticipated date of concluding and in his view that was plenty of time. So let them not raise the question with respect to the fact that there was not opportunity. There was. There was also encouragement on my part on a number of occasions to get on with the major pieces of legislation, to get them into committee. I have told you what the reply of the opposition House leader was.

Madam Speaker, the member for St. Johns is quite right when he says that we have to rely on the rules, but reliance on the rules is not just for the opposition, it is also for the government. It is also for the members of the Liberal caucus. All of us in this House have a right to rely on the rules and when we rely on those rules, we also have a right to expect them to be enforced. When the mechanism for enforcement of those rules is absent, I submitted last Monday that it was in your purview to establish a way of dealing with it. It was not a question of leaving it until Thursday afternoon at three or four or five o'clock to determine that but also to determine it in a point so that all members of the House would have ample notice so that there would be sufficient time to do those things that the members of the opposition, the members of the Liberal caucus want to do in their consideration of this bill, whether it be amendments to be entered into or other things.

The fact of the matter is though, that when we deal with this kind of legislation, very often—we had a very large legislative agenda this year, some 77 bills. We had a

number of discussions. Several of those bills passed in the spring sitting because of an agreement by all members of the House who felt it was important to pass those early. Madam Speaker, in order to expedite the business of the House, what happens is that the opposition House leader and myself agree each day as to the bills that the members of the opposition wish to have called in order to debate or pass or do whatever they wish to do with those pieces of legislation, and that is a convenience that has arisen as a result of the large legislative agenda and the fact that there is not much point in calling every bill on the Order Paper if they are only prepared to debate two or three or four of them.

Madam Speaker, as a matter of trying to expedite the business of the House, normally that is what I do. The member for Thompson (Mr. Ashton) sends me a list of the bills he wishes to have called that day, I call those bills, they get debated, and whatever happens, happens to them, but as a matter of expediting House business as opposed to anything else. I did on a number of occasions encourage him to call that bill, Bill 67. I have listed earlier what the result of that was.

Madam Speaker, I think you did the appropriate thing in making your ruling last Thursday, when in fact you saw that there was a gap—the terminology that you used in your ruling—in the rules, one where members of this House have an expectation that if they put a rule into a place, they have a right to expect it to be enforced. They have a right to expect it to come forward for consideration and not hide behind the variety of procedures and other wrangles that can be brought up in order to delay consideration of any piece of legislation. I see no prima facie case for point of privilege at all by the member for St. Johns (Mr. Mackintosh).

* (1400)

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I, too, was wanting to put a few words on this very important motion that has been brought forward.

Madam Speaker, in Beuchesne's, and I have used this citation in the past and I will repeat it once again this afternoon, and that is Beuchesne's 33, which states that the most fundamental privilege of the House as a whole is to establish rules of procedure for itself and then to enforce them.

Madam Speaker, what we all have before us is in fact provisional rules which were adopted by each and every member of this Chamber. What I have seen, and tried to sit back in as objective a fashion as I can, is a bit of an art of politics in one sense where we have the official opposition who was wanting to do what it could to prevent the sale of MTS. Even though it was not a clear victory, forcing the government to bring in closure would have at least been something fairly significant because governments in Manitoba have a tradition of not bringing in closure.

The government has a valid argument when it argues and articulates that there was an agreement in principle. I know of that, I participated in those discussions and there is absolutely no doubt that there was an agreement. The rules were supposed to reflect what those discussions that we had were. Unfortunately, the rules do not reflect exactly what we had requested the rules to do. I cite, for example, within the rules it says, whether it is the throne speech, the Budget Debate, the Estimates, it has a mechanism from within the provisional rules that allows for if the time comes to an end, the agreed-upon time such as the Estimates, that all questions would then be put.

Madam Speaker, that sort of a rule was not put in place for the bills. Now, was that something that was overlooked? I think that many in the Chamber would argue that, yes, that in all likelihood was overlooked.

Having said that, I think that it is important. You know, I listened to the member for St. Johns (Mr. Mackintosh) articulate about Speaker Walding. The first thing that came to my mind about Speaker Walding was that was under the old rules, that we are under the provisional rules.

I listened and read your ruling, Madam Speaker, about Speaker Fraser, a very unique situation. What I take out of Speaker Fraser's ruling—and that particular Speaker was not censured for the decision that he made—was the fact that at times there is a need for the Speaker to go beyond the standing order. I would hazard a guess that if you look at all the different Commonwealth countries, it would indeed be extremely rare. This is the first time where I have seen it in the Manitoba Legislature in over eight years.

Madam Speaker, when I look at the rules, even though the agreement was that all legislation would pass by the third Thursday or the last Thursday in November—and

that is specified in Rule 3. The member for St. Johns (Mr. Mackintosh) did make reference to a latter rule, I believe it is 103, that says, would normally pass. There is very little doubt in my mind, in the minds of my colleagues, that all the legislation was to indeed have passed.

Where we are a bit at odds is, did you act prematurely? I would argue that you did act prematurely, prematurely in the sense that if the government this Thursday decided to introduce closure and was frustrated by the combined opposition to see the MTS privatization bill pass, then, Madam Speaker, through the interpretation of the rules, you could interpret that all the legislation was to pass, there was an agreement by all members of this Chamber that every piece of legislation was to pass and the minority in this House was trying to frustrate the rules or frustrate the process in order not to allow the government to accomplish its agenda.

Madam Speaker, I believe that the government did not use all the tools that it had at its means, in particular the motion of closure, to rush through Bill 67. Had they used those rules, had they exhausted the current provisional rules and then you would have come down with the motion—or not necessarily a motion—or put the question—and I am not too sure exactly how that would work—then I believe that you would have been right on in your ruling. But, because you did take it upon yourself to go beyond the standing orders, I think that there is some merit to reflecting on the ruling.

The fear that I have is that, even though it might sound as if I am being supportive to a certain degree of what the New Democratic caucus is proposing, I would not go as far to say that the Speaker should be censured for this particular action, primarily because there is no doubt in my mind that, as provisional rules and the making up of those rules, this is a bit of a learning curve for everyone inside this Chamber. The unfortunate thing is that we might not see these provisional rules in the future as a direct result. I believe that Manitobans are far better served with these provisional rules than we were served under the old rules.

So, to a certain degree, I can sympathize, but I do not necessarily agree with the ruling of the other day. Yet, on the other hand, I do not believe, Madam Speaker, that

you should be censured for the actions that you had taken. Thank you.

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I first wish to deal with the technical question as to whether indeed this is a matter of privilege and like to echo the comments made by the member for St. Johns (Mr. Mackintosh), which, I think, indicate very clearly this is a prima facie case of privilege, in particular, the rights of all members of this Legislature. I think it is appropriate and important that this matter of privilege was raised by the member for St. Johns in his capacity as an individual member of the Legislature and while as opposition House leader I know I speak on behalf of all our caucus, what we are in today is a situation in which members not only of the opposition collectively but members of this House individually have had their privileges violated by an unprecedented action that was taken on last Thursday.

I cannot stress how important that is because I believe that you need only look further to Beauchesne 33 which outlines "The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them." No one looking at this matter objectively can do anything other than be of the view that in the provisional rules circumstances were anticipated which would not be normal and that mechanisms were put in place or left in place from the original rules which would allow for anyone in that circumstance to deal with that situation. Madam Speaker, it is interesting to note that on a more limited debate such as throne and budget speech, we do have set time for votes. Why was there no time set aside for votes on third readings? Because our rules, specifically Rule 2.(4), made specific provisions for circumstances which were not normal, in fact, had a specific provision in place for having the ability to extend a sitting.

I note that the member for The Maples (Mr. Kowalski) has brought forth such a resolution, but one should note that it basically is the option of the government because the only option that we in the opposition have to move such a motion is in private members' hour and being No. 75 on the list of private members' resolutions, I think we would be here probably in June before it came up in the normal rotation. So the primary responsibility for that rests with the government House leader. Other provisions were kept in place. If this ruling that we now

have was to be part of the rules, we would not have had any other reference to moving the previous question. We would not have reference to closure still within the rules, but those provisions are in the rules. So what we have here is not a situation where the House made rules and they are being enforced; what we have now is a situation where the Speaker has made rules at the request of the government, in this case the government House leader.

Well, Madam Speaker, what I find most unfortunate about this circumstance is the degree to which the government seems to be willing to go to vent its frustration about what has happened in this House related to the Manitoba Telephone System. The government House leader now wants to get into private discussions that took place in terms of the ordering of business and I could refer the government House leader to Beauchesne Citation 200 which I think very clearly indicates the government House leader is responsible for the ordering of business. I would point out to the government House leader that even though we request items be considered, that is not always taken into account. In fact, most recently these last two weeks, we have attempted to have our Opposition Day motion debated in this House and the government House leader has refused. I will not comment on which bills we called or did not call.

* (1410)

I would note that this was a rather unusual session in the sense that the government early on in the session, until it was put on the front page of a local newspaper, said they were not going to be speaking to bills. We debated significant bills. I am wondering if the government House leader would really have suggested that we call the MTS bill earlier and not debate other bills. I am wondering how he can explain what difference it would have made when the amendments, the government amendments for a \$1.5-billion sale of a public asset for which they have no mandate, were moved on the Tuesday evening, 48 hours before they expected the session to end.

Madam Speaker, if that is not an abnormal circumstance, I do not know what is. I would point at other ministers who incidentally gave notice of the intent of moving amendments. I sat in on the Minister of Education (Mrs. McIntosh) on at least one bill, where the Minister of Education gave notice of that. I sat in a

situation where the Minister of Labour (Mr. Toews) actually debated whether he should or should not move in a certain amendment, but not even that courtesy was extended to us. I received, from the government House leader, half an hour before the infamous all-night sitting, a copy of the amendments to the bill.

I just want to focus in on how important the bill was, because this is critical in dealing with how normal the circumstance was. We are dealing with a \$1.5-million asset. We are also dealing with pensions, employee pensions, the value of which is about \$700 million. I mean, it depends on the calculation, about \$700 million. Amendments were brought in 48 hours before the original time, which the government expected this matter to be over, on a \$700 million pension plan which affects probably close to 6,000 Manitobans, current retirees and MTS employees.

If you think that is abnormal, there was a memorandum of understanding that was discussed throughout that last Thursday, which all the other bills were dealt with. Every single other bill was dealt with and, at the same time, a memorandum of understanding was negotiated. I commend the Minister of Finance (Mr. Stefanson) and the Minister of Northern Affairs (Mr. Praznik) for their roles, but I want you to recognize this occurred and was not completed until 10:30 in the evening. In fact, I want to note for the record that at least one employee group was not involved in those negotiations until that very day.

Was that a normal situation? I think not, Madam Speaker. But what is most unusual about this was after the Thursday sitting in which we did have some dispute over the time to be set aside for the further meeting of the committee, we came back in on the Friday, the Premier (Mr. Filmon) had already decided to rip up the rules agreement. He was accusing the opposition of breaking its word. He was the one who said, everything is off.

Madam Speaker, what happened on that Friday? The bill was amended. Significant amendments were passed, amendments that had not even been on the table on Thursday, and further protection was put in place for employee pensions and retiree pensions. Now what is interesting is when you move into what has happened in the next few weeks, I would have thought that the government would have recognized what we had said right from the beginning, that this was not a normal

circumstance. Instead, they came in Tuesday and they did something I did not expect to see. What did they do? They adjourned the House. Why? Because they could not get the leave provisions accelerated for consideration of Bill 67.

I want to note that because I want you to follow through what has happened the last couple of weeks, because it relates directly to the ruling you brought in on Thursday and why we are into this mess. What did we do? Did we, and I think the term is oft used, obstruct the House? Did we come in and move adjournment? The government moved the adjournment motion. They could have brought in the Opposition Day, something which is our right. It is interesting, our right under the provisional rules, but they would not even do that.

Madam Speaker, it did not stop there. The next thing I know, the government, aided by some of its allies in the media, were talking about wasting \$10,000 a day of the public money. We were not ringing the bells. There was no legislative paralysis. All we were doing was asking for the normal provisions of the Legislature for notice to apply to Bill 67. Nothing more than that.

Madam Speaker, I have before me the Order Paper, because I found this perhaps indicative of the kind of mood that has set into the government. It was somehow a waste of government money. What day are we sitting in today? Day 86 of the session. That is not even above the average number of days, and for the government to suggest that we are wasting the people's money—by doing what? Debating and trying to persuade the government to either amend the bill or drop the bill when 68 percent of Manitobans oppose it. I say that is good use of the taxpayers' money.

But I want to go one step further because I think people remember what happened. We had a week of normal business of the House—normal business, nothing abnormal. We brought in 39 amendments once the notice provisions were up on the Monday, and if you look at the amendments, they are substantive amendments. They deal with issues such as pensions still, because that matter has not been resolved. They were substantive amendments. The government even passed one of the amendments we brought in. Supposedly when the bill was all set to go on November 7, they passed an

amendment last Monday, one of the amendments that we had moved.

Well, I want to deal with what happened that week. Did the government House leader say there was some kind of legislative paralysis? No. When he moved the matter of order, he could not, and the reference in this case to Speaker Fraser I find to be the most bizarre thing I have ever seen, because if you are going to use a precedent, make sure it applies. Beauchesne 328, which outlines the ruling of the Speaker, dealt with a situation in which there was legislative paralysis, not a case here in Manitoba where we had normal functioning of the House. We were debating the report stage of Bill 67. We were following the rules. There was no legislative paralysis and yet the government House leader said, well, we need this new mechanism; we have to rely on Beauchesne 328. Madam Speaker, you accepted that argument. That was a wrong precedent. Not only was it a wrong precedent in terms of this House, it was wrong in terms of the rules.

The government has had opportunities, and I note for the record, since the government House leader wishes to put on the record private conversations we have had, and I am not saying breaking any confidentiality, but, you know, I have not been contacted by the government House leader, who is responsible for dealing with government House business, since November 7. Does it not occur to anyone across the other side that there was a problem? This is a major bill. You have 68 percent of Manitobans do not want MTS sold off. What did they expect would happen, that we would sit back and not debate this bill, not bring in the amendments that are needed? No way would we do that. But if I can appeal to them in terms of the rules, because they are clearly wrong on the rules, Madam Speaker, you have through your ruling last Thursday, invented rules. There is nothing in this set of rules, provisional rules or the old rules for any time for a recorded vote on any set item. There are provisions in here, and the member for St. Johns outlined those provisions.

But what does it take to get the government to see what it is doing. It seems to be willing to do almost anything, to blame someone else other than itself for the predicament it is in. They had choices. They could have sat down as governments normally do in these matters, assess the situation, recognize this is not normal. They

could have talked to the opposition. They did not. They could have used the mechanisms available to them under the rules. They did not. They could have even listened to some words which were actually read some time ago, and I remember an opposition leader talking about trampling on democratic rights and freedoms and trying to work by a manipulation of the rules rather than let debate take place. He, of all people—I wonder if it is probably—driving, I think you know what I am referencing here, said that—he accused the government of the time of not allowing the public to be heard. He said the government was ramming through an initiative that 80 percent of the public opposed. Does that sound familiar, Madam Speaker? Those are the words of the then-Leader of the Opposition and now Premier (Mr. Filmon), the one that has led the way in bringing us to this impasse while you had to enforce closure.

I want to deal with how odious the situation we are in today is. What I wanted to do after an obviously very difficult Thursday is reflect on the ruling that was brought down. I want to note that it is very clear we will not be able to even have the majority of our amendments introduced on report stage because your ruling states that on Wednesday, that is it. If it has not been moved, it is dead—cannot move it.

You know what is interesting, Madam Speaker, it was phrased in terms of allowing the House to decide the matter. I mean, according to the government House leader, and I hope that when he was referencing that, that he is not suggesting the ruling is necessarily something that follows what he wanted. I hope that the government House leader or others on the government side have not written the script for this, because what we end up with on Wednesday, after concurrence motion at four o'clock, according to this supposed rule, when is the vote supposed to take place on third reading? And let us recognize that 24 hours notice is required for third reading, and I can put on the record that under any circumstance we would require that notice. We are going to follow the rules, the real rules of the Manitoba Legislature.

I want to deal with what we were faced with and the exact interpretation of when those votes will take place. I want it on the record because I want the government House leader, after he reflects on what has happened in this House, I want to see if he will stand up in the House

again and say, it was a courtesy to give members of the opposition time to debate the matter. Concurrence takes place at 4 p.m. There is a recorded vote. Normally that will be at the end of the day. We might get half an hour of debate on third reading. When is the vote scheduled according to this so-called set of rules? Madam Speaker, 2:45 p.m., Thursday, November 28.

By my calculations, and if you look at normal Question Periods, normal proceedings, I think we will have 15 to 20 minutes to debate the third reading of a major bill, probably the biggest bill in Manitoba, certainly in terms of financial implications, in decades. We will have 15 to 20 minutes to debate that bill on third reading. That is not acceptable. That is not democratic.

* (1420)

Madam Speaker, if I cannot appeal to the government using the rules, which clearly do not include any of these provisions, they are not going to listen to Beauchesne or any other precedents we have in terms of that, if they are not even going to listen to their own words, I would ask that they do one thing and that is talk to the average Manitoban. Ask them if they think that MTS is worth debating and worth fighting for, because I will tell you one thing and this may come as a surprise to members opposite because they have not gone out of their way, they have not had a single public meeting on MTS, they have never ever, ever raised it in an election, and I realize that they do not want necessarily to hear what the people of Manitoba are saying.

I will tell you what they told me this weekend, and they told every single one of our caucus, they said, keep up the fight. The vast majority of Manitobans do not want the Manitoba Telephone System sold off. Keep up the fight. That is why I urge you to accept this matter of privilege. It is the one recourse we have left. If we do not have the rules we can rely on, if we do not have your office, if we can at least get it into some committee of this Legislature, some body that can consider this matter, we can ensure a democratic process. I want to put on the record again, on behalf of every one of our MLAs, something that I stated last Thursday, and I want to say it in a fashion that is as calm and collected as possible. I want to say to the government that what it has done calls into question the legitimacy not only of our functioning in this House but of the sale of the Manitoba Telephone System.

You do not, you should not and I say to the government, you will not be able to sell off a telephone system that is a public asset, one of the largest financial public assets we have. You have no right to do it in this undemocratic way. I want it on the record, because you have no democratic legitimacy and no support from the people of Manitoba for what you are doing.

Mr. Gary Kowalski (The Maples): I would like to put a few words in regard to this very important matter. I have had to think long and hard on this one. I have had to wrestle with both my values and my conscience as to how to vote on this, and I have voted with my convictions. I may not be right. I am not arrogant; I am humble enough to believe that I can be wrong, but I voted with my convictions.

I am not a lawyer, as is the member for St. Johns (Mr. Mackintosh). I am a police officer who for 25 years has maintained rules, who has interpreted the rules in the form of the laws of Canada. Sometimes when I have taken my interpretation to court I have been wrong. Sometimes I have been right. So I have learned to be humble and not self-righteous and not arrogant in my interpretation of the rules to know that sometimes people wiser than myself—or maybe I have not taken all things into consideration, but in this matter, I have read the rules and I read your ruling

I have a strong conviction that what has happened here is that the provisional rules fell short. We know what the intent was and, unfortunately, when we drafted the rules it did not give a mechanism in which the matter could come to a vote. What I see your ruling as doing is giving a way for this matter to come to a vote. The member for Inkster (Mr. Lamoureux) said possibly you did that prematurely. I would argue that why do we have to wait till the eleventh hour? Why can we not conduct business in a planned, civilized manner? So I do not see this as doing it prematurely, I see it as looking at what was coming. It was inevitable what was going to happen.

The member for St. Johns talked about that letter of understanding, that agreement was no longer valid. Well, I remember when I was on the Winnipeg Police Association and we were in contract negotiations. During those negotiations we had a stenographer present during all the discussions. Out of those discussions, quite often there would be a letter of understanding

drafted to state what the agreement was in those negotiations. From that letter of understanding, a contract was written, signed and agreed to. Later in the year, after the contract had been signed, things occurred which we had not considered or that the contract was not too clear of. What is the first thing we went to? We went to see what was the intent in the letter of understanding, and if the letter of understanding was not clear we even went back to the stenographer's notes on what the conversation was and what we agreed to.

Now there is no doubt in my mind—it is common sense, and as I say, I am not a lawyer, I am just using common sense and my understanding—that everybody in this House knew what we were agreeing to in December when we signed that agreement that at a certain point all the legislation would come to a vote. Unfortunately, when we drafted the rules we did not do it as well as we could have. But do you know, that is interesting because—although I will not comment on Bill 67 but—how many bills have passed through this Chamber that have been perfect? Is there a single bill that could not have been improved if we would have spent more time on it, and is there a single bill that there was not another word to say about it?

But we decide in a civilized manner through agreements between House leaders how much time to spend on each bill, and eventually it comes to the point where we make it into law. But do you know what? We could amend those laws. In a civilized democratic process, there comes a time for the debate to end, and there comes a time to put the matter before the Chamber for a vote.

If the official opposition were looking for opportunities to bring all their amendments forward, let us look at who controlled when that bill went to committee. Who controlled that? Who had the opportunity to put up all their members as speakers, to allow their speakers to speak for five minutes or maybe they could have put a speaker on every other bill just as long?

So it was a strategic maneuver to say when that bill went to committee, and they decided at what point that bill would go to committee and how much time it would have. They decided. So if they want to be pointing a finger at why we do not have enough time, why did they not speak to that bill first and put it through the

committee at the earliest stages in the session if it was that important?

Then when the government offered to sit the following day on November 8 to continue the debate, if they really wanted to debate it, why did they not give leave to allow that? We have had since November 8 to debate. Why have we not? We have been offered to sit on Fridays. The government has asked leave to waive private members' hour. So the assertion that we are limiting debate, well, you have limited debate on that bill by not taking advantages. You have limited the bill. You have limited the bill on a number of occasions by using the tactics, and they are tactics. They are rules that we use, whether you use grievances each day. We have so many hours each day to sit. Do you want to use those hours to debate Bill 67? Well, then why are you bringing up grievances, matters of privilege, if you really want to debate Bill 67, if that is your real purpose?

So as I said, I vote with my convictions. I believe as a point of honour that we decided that all legislation would come to a vote by the third Thursday in the month, and I will stick to that intent. No matter what the lawyers and others interpret, I know what was meant.

Mr. Doug Martindale (Burrows): Madam Speaker, I would like to speak briefly about the matter of privilege that was raised by the member for St. Johns (Mr. Mackintosh) and of course indicate my support for everything that he said in his very articulate speech.

I would like to begin by briefly rebutting something that the member for The Maples said. There has been discussion by the government and the member for The Maples about the way in which bills are debated, and implying that it is entirely up to the opposition as to what bills they call and how long they speak and how many speakers they put up on a bill and implying that the government has no role in this whatsoever. Well, I have been here for six years and I remember a very good government House leader, the former member for Morris, Mr. Clayton Manness. He was a good House leader. He was very fair, but he could also be tough when the occasion demanded it. I can remember him giving the opposition warning that if they did not put up speakers he was going to deny leave, and he was fair because he gave us a week's notice. He said, if you do not start putting up speakers, we will deny leave.

*(1430)

If the government was anxious about getting Bill 67 to committee, that was something that they could have used. Surely the government House leader knew that. The government House leader, currently, was here when the former government House leader was here, probably heard him say that. They could have said, if you are not going to put up speakers on Bill 67, we will deny leave. Basically, that forces the opposition to put up speaker after speaker in order to continue debate on that one bill or they lose the bill, and the government chose not to do that. So they should not blame the opposition for the timeliness in which they put up or do not put up speakers on Bill 67.

I was part of the ad hoc committee that drew up the new rules. As the government well knows, it was a lengthy process. It took about five years, and it was an on-and off-again process. We met for a number of years and the government said they were not going to proceed, and then the government called us back again and we did proceed. We came to a memorandum of agreement, and a very interesting thing happened. As the government members well know, whenever the ad hoc committee had a proposal they took it to caucus, and we took proposals to our caucus and it went back and forth. We thought that we had agreement on everything in our caucus, and I am sure the government thought they had agreement on everything in their caucus. But what happened when we got to the formal rules committee was that there were changes, for example, on committees, on private members' hour and how private members' bills and resolutions would be selected. We thought we were going to proceed the way we had agreed to, but all of a sudden we discovered there were people that had legitimate concerns about it. We got bogged down in the formal rules committee of the House and we dropped the whole procedure, a whole new procedure on choosing private members' bills and resolutions for debate and votes at the very last minute.

I think if we were to compare the memorandum of understanding with the rules that were put into place by this Legislature, you would see that there is a difference there. So I would suggest that, as the member for St. Johns (Mr. Mackintosh) said, the only thing that governs our deliberations now are the rules that we have agreed to

and that they take precedence over any memorandum or understanding that was previously in place.

This government had a number of other levers at its disposal in addition to the one that I mentioned about denying leave. They certainly could have had agreement by the House leaders. They certainly could have used closure, and they chose not to. That was their choice. They could have used closure. We would have debated one bill until two o'clock in the morning and it would have been all over. In fact, we anticipated we—our supporters wanted us to keep this going for six months and we said, we will keep it going as long as possible, but the government has a majority and the government will decide when this is over. In fact, the Premier (Mr. Filmon) said, let it go till Christmas, and we anticipated that at a certain time we would no longer be able to put up more speakers because the government would use the rules to bring in closure.

The government could have brought in speed-up. Speed-up was referred to by the member for St. Johns (Mr. Mackintosh). I would point out that means that the House could sit in the morning, the House could sit in the afternoon and the House could sit in the evening. I believe the rules say at what hour the evening sitting begins. It does not say what hour the evening sitting ends. The government could have kept us here till midnight, till 6 a.m., debating one bill, and certainly they would have exhausted all the amendments very quickly had they done that, but they chose not to have speed-up, Rule 75(4), extended sitting hours.

And finally, the government could have used Rule (4)(b), the motion to extend the session. The government chose not to extend the session. They could have used their majority. In fact, we are into a very unusual situation here because the government has a majority. The government can use the rules to do what they want to do simply by having a vote and extending the session. The government can use their majority to do almost anything within the rules, and they will call for Yeas and Nays or we will call for Yeas and Nays and we will certainly lose the vote because the government has the numbers.

They chose not to do that and that is why we are calling this "cowardly closure," because the government did not use all of the means at its disposal and there were many.

We have listed at least four things that the government could have done which they chose not to, and the fifth one being to deny leave to let a bill stand. So there were at least five things that this government could have done, and they chose not to exercise any of them, much to our surprise.

We have been telling our supporters for weeks that we did not think it was going to go on very long. We knew about the deadline. We knew that it was going to be—[interjection] We could not trust this government.

An Honourable Member: We were right about that one.

Mr. Martindale: And we were right about that. So what happened while we were still here debating amendments and even approving an amendment—in fact, I happened to be in the Chamber when the Minister responsible for the Manitoba Telephone System (Mr. Findlay) stood up and agreed to our amendment. We were very surprised that they should do that, although I guess we should not have been because the amendment came from the mission statement of the Manitoba Telephone System. It was a good amendment and we supported it, and I think neither the government nor the Speaker can say that we have been obstructionist. We have been willing to continue in an orderly way to debate the amendments. We are prepared to debate third reading.

We have called for Opposition Day. The government is the one that has denied us the opportunity to speak on Opposition Day. The government is the one that adjourned the House after Question Period, an extremely unusual thing to do, not to let debate continue on a bill after Question Period. The government could have chosen to do many, many things at its disposal, but it did not. In fact, it went the opposite way and brought in some bizarre things like adjourning the House.

* (1440)

I would invite any of the members opposite to join us on the matter of privilege and put their remarks on the record.

In conclusion, I would like to support what our member for St. Johns (Mr. Mackintosh) has said, and our House leader, and refer this to the rules committee. I think this can be solved by the referral because we will

have people there who are familiar with the rules. Perhaps a compromise can be worked out. Perhaps we can make suggestions for revising the provisional rules for the next time and I think that if this happens, cooler heads will prevail and we can come to an amicable resolution. In fact, that is probably the most appropriate place where a compromise agreement on how to end this session might take place.

As the House leader on our side suggests, maybe that is the place to get an agreement on how to extend the session and when to extend the session so the government has some idea of when their bill is going to be passed. Surely the investment dealers, the brokers and their stockbroker friends want to know when this bill is going to be passed and, at this point, I do not think the government can give them very serious suggestions as to when it will pass. I think it would be in everybody's best interest if we could come to a compromise, if we could agree on how the bill is going to pass and when it is going to pass in a way that respects the rules of the House and does not attempt to get around the rules of the House and find some extraneous way for the government to get out of their predicament. Thank you.

Madam Speaker: I will take the point of privilege raised. It is a serious matter and I will consult with the authorities, take the matter under advisement and report back to the House.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Manitoba Telephone System

Mr. Doug Martindale (Burrows): I beg to present the petition of Donna Ansell, Diane Webster, Mike Sotas and others requesting that the Legislative Assembly of Manitoba request that the Premier (Mr. Filmon) withdraw Bill 67 and not sell the Manitoba Telephone System.

READING AND RECEIVING PETITIONS

Manitoba Telephone System

Madam Speaker: I have reviewed the petition of the honourable member for Burrows (Mr. Martindale) and it

complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

Madam Speaker: I have reviewed the petition of the honourable member for Swan River (Mrs. Wowchuk) and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Yes.

Madam Speaker: Yes? The Clerk will read.

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

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

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

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

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

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

* (1450)

ORAL QUESTION PERIOD

Manitoba Telephone System Privatization—Wood Gundy Role

Mr. Gary Doer (Leader of the Opposition): My question is to the First Minister.

The legitimacy of this government to proceed with the sale of Manitoba Telephone System is in great debate. This government did not promise to sell the telephone system during the election campaign, in fact, made the opposite promises in town hall debates, in all-party debates in many communities across Manitoba. Further to that, the government has hired brokers to do the independent evaluation and now we are in possession of letters from the same brokerage firm—Wood Gundy being one in particular—that did the independent evaluation that is now out soliciting Manitoba investors to buy the shares in the Manitoba Telephone System.

I would like to ask the Premier, does he feel it is appropriate that Wood Gundy would be the lead brokerage firm for the sale of the Manitoba Telephone System shares and also was in a capacity of providing a so-called independent review of the sale of the Manitoba Telephone System, and would the Premier look at prohibiting the Wood Gundy corporation from selling

shares and being the lead brokerage firm in terms of the integrity of this decision?

Hon. Gary Filmon (Premier): Madam Speaker, I am in possession of a copy of a letter from the member for Thompson (Mr. Ashton) to the Manitoba Securities Commission referring the letters that have been referred to by the Leader of the Opposition to that commission. Obviously, this is a quasi-judicial body and they are the ones who ought to review the conduct of the brokerage firms and those involved in the letters of solicitation or the letters of promotion that were involved, and these are matters that should be in their jurisdiction and should not require or mandate interference from the government on those issues.

Mr. Doer: Madam Speaker, Wood Gundy, a company well known to this government, a major contributor to the party opposite, is a company that this government hired to do the so-called independent evaluation. The Premier has the authority to prohibit a company that did the so-called evaluation from being a company that is the lead brokerage firm in terms of selling shares to the investors in Manitoba. He has the authority to do so because, according to the Financial Post, this company will be the major link between the seller, the government, and the investors. So it did the evaluation and now it is the lead brokerage firm that stands to make millions of dollars from its decision to recommend to the government that it sell the Manitoba Telephone System.

In order that this decision can be made in the most ethical way possible, will the Premier do the ethical thing and prohibit this company from both being the evaluator and the seller of shares, an authority that he has the power to proceed with?

Mr. Filmon: Madam Speaker, Wood Gundy have been lead brokers for the province since the 1960s. They were lead brokers for the province in the Schreyer years. They were lead brokers for the province in the Pawley years. They were lead brokers in terms of the funding for Limestone, establishing the funding for Limestone, and they made significant contributions to the New Democratic Party in those years. Wood Gundy's record in leadership as the lead underwriter for the province is one that has resulted in it continuing to be in that role for many, many decades over many different administrations in the province. It is for that continuity that they continue

to be in that role. This is not something that has been picked out of the blue or a special commitment to this government or a special commitment to Wood Gundy. They have been the lead brokers for three decades, and that is why the member opposite, choosing to make politics over this or trying to create a phoney issue, makes absolutely no sense.

Mr. Doer: Madam Speaker, indeed, I think the Premier did pick this company out of the blue because it was one of the companies chosen by the Premier—and disclosed by the opposition last December 16—to effectively break the election promise of the Premier and the members opposite, to provide for an evaluation of the sale of the Manitoba Telephone System which is, of course, very unlike any other decision that the Premier had cited because this is a broken election promise.

I would like to ask the Premier: How much money will Wood Gundy make from the evaluation of the sale of the Manitoba Telephone System, and what is the projection of how much Wood Gundy will make from the sale of shares to the investors? Does he not see the conflict between Wood Gundy's role to evaluate and Wood Gundy's role in terms of getting commissions from the people of Manitoba and the investors of this province?

Mr. Filmon: The matter of what fees they get is dependent on the proportion of shares that they sell. Commissions are paid based on the selling of shares, so I cannot predict that at this time.

Manitoba Telephone System Privatization—Wood Gundy Role

Mr. Steve Ashton (Thompson): I asked the Premier on Thursday in regard to the obvious difficulty where you have Wood Gundy on the one hand being the broker that recommended the sale now being the lead broker on the sale itself, and prior to the issuance of the prospectus, putting out letters encouraging people to invest in that based on information that they probably are one of the few, supposedly, that would have access to it.

I want to ask the Premier, first of all, whether there has been any investigation of the clear potential conflict here when you have this web of different roles. Now I am not talking about the Securities Commission. I have filed that letter. I am asking, has the Premier ensured that

Wood Gundy is dealing up front with this, Madam Speaker, with what is obviously a multimillion-dollar share issue in terms of their dividends alone?

Hon. Gary Filmon (Premier): Madam Speaker, I indicated on Thursday that it was appropriate for that matter to be referred to the Securities Commission, so we take it out of the realm of being a political football or a political issue and put it where it belongs as an appeal to the quasi-judicial body, the Manitoba Securities Commission.

But, you know, this matter keeps getting raised over and over again as members opposite one by one lose the legitimacy of their arguments that they put forward in opposing the sale of the Manitoba Telephone System. One has to wonder why now they attack Wood Gundy, a brokerage firm that has had a relationship, as I said earlier, that dates back to the 1960s and a firm that was so trusted by the New Democrats when the Pawley administration approached Wood Gundy in those days to undertake an assessment of project financing for Limestone. They provided that assessment and were paid to do that and then afterwards were asked to be the lead broker at a heavy commission to raise the money. They saw no difficulty with that. They felt that the relationship was a good relationship, and they had trust and confidence in Wood Gundy.

Now a similar process is gone through and all of a sudden it is illegitimate, Madam Speaker. It does not make sense, but then again neither do most of the arguments that are put forward by the member for Thompson.

Mr. Ashton: Madam Speaker, the NDP government of the day did not ask Wood Gundy to recommend—

Madam Speaker: Order, please.

Privatization—Commission Rate

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

Mr. Ashton: Madam Speaker, I want to ask the Premier as a supplementary, what commission agreement has been reached—and if the Premier cannot answer that, perhaps the Minister responsible for MTS—with Wood

Gundy, and in fact with the two brokers who will be the two lead brokers on this? What is the commission rate?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, as I referred earlier and to earlier questions from the member opposite, we have indicated that some \$300,000 was paid for the services so far, but the actual end result of what the commissions will be, there are industry norms and those fees are being negotiated at this moment, but there are industry norms that are in place.

Mr. Ashton: Madam Speaker, I want to ask a final supplementary. Is the minister then saying that they have appointed these two brokers as the lead brokers, but they are still negotiating the commission rate that they are going to receive?

Madam Speaker, can we please finally get some real information on how much these brokers are going to be paid, the commission rate, the exact commission rate?

Mr. Findlay: Madam Speaker, there are industry norms. The idea is to negotiate them down at this point.

* (1500)

Manitoba Telephone System Privatization—Commission Rate

Mr. Tim Sale (Crescentwood): Madam Speaker, just so that we can finally get this information, would the Minister responsible for the Telephones please tell us what those industry norms are? What is the bracket, 3 percent to 5 percent, 2 percent to 3 percent? What is the bracket? What are the negotiations? Finally give us some truthful answers.

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have a schedule of what those range of rates are based on other offerings and dispositions that have taken place within Canada. I do not have that here with me. I will undertake to provide that information to be absolutely certain that we give the members of the opposition and the public the exact information on what those ranges are.

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

Mr. Sale: Madam Speaker, the question of the identity of the lead brokers and the commission rates is surely a question that has already been decided. If a draft prospectus was ready to be put before the commission more than a week—more than two weeks ago, surely the Minister of Finance knows the answer to the question. Will he get up and answer the question in the House? What is the commission rate for the lead brokers and who are they now that two of them have amalgamated? Is it the same group? How much are they going to make?

Mr. Stefanson: Madam Speaker, I indicated in response to the first question that we do have that information. I do not have it here at my fingertips here in Question Period, and I will undertake to provide that information to members of the opposition. It is that simple. The information on the range of commission rates is available and I will provide that to the members of the opposition.

Privatization—Faneuil ISG Inc. Agreement

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

Mr. Tim Sale (Crescentwood): On a new question, I want to ask the minister responsible for the prospectus, which appears to be, although we are not quite certain about this, the Finance minister, why in the draft prospectus that was leaked to the media were two current members of the telephone board apparently going to be appointed to the new board as well, Mr. Thiessen and Mr. Spletzer, identified as having received \$146,000, equivalent to the salaries of assistant deputy ministers working for a full year, to look at from a position of no particular expertise the Faneuil deal which was not even a deal the telephone system wanted but was being forced on them by Mr. Bessey, Mr. Benson and the Premier (Mr. Filmon)?

Why do they have to pay these two people \$146,000 of ratepayers' money to do something they are not particularly qualified to do?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, when the issue of the Faneuil opportunity came to Manitoba Telephone System, the executive at the time requested that a committee of six people, three board people, three executive people, be

assigned to do the due diligence on the process of analyzing the Faneuil deal. The board and the executive decided on that committee of six. These two members that the member opposite mentions were on that particular committee, and it was felt that they should be there because of their business experience in the process of doing the due diligence. This process actually took 15 months, a long period of time, much longer than anybody anticipated at the beginning, but they did an extensive, very good due diligence. I would recommend to the members opposite that had they done that on MTX, they would not have got into the mess they got into.

Mr. Sale: Madam Speaker, could the Minister responsible for Telephones tell us why the draft prospectus does not reveal that the Faneuil deal is not a seven-year deal but a nine-year deal, not a \$47-million telemarketing deal but a \$67-million deal?—because the cancellation provisions of the deal require essentially five years notice to cancel—nine years not seven, \$67 million not \$47 million. Will the draft prospectus be corrected to reveal the true information about the cost to us as ratepayers and to the Manitoba Telephone System of this Faneuil deal?

Mr. Findlay: Madam Speaker, Faneuil is certainly one of the key individuals involved in the telemarketing industry in Manitoba which has brought over 80 companies to Manitoba which involved over 5,000 jobs in the province of Manitoba, many millions of dollars of activity on the telephone network in and out of the province of Manitoba. It is a growth industry in Manitoba. Faneuil brings a certain level of expertise to the province of Manitoba. The MTS agreement is one major part of their business, but at this stage it is only about 25 percent of their business activity and 75 percent of its business activity with other companies, most notably companies outside of Canada, outside of Manitoba, which bring foreign business to Manitoba to be done in Manitoba and significant stimulation to the Manitoba Telephone System long distance network.

Vehicle Licensing Bilingual Plates

Mr. Neil Gaudry (St. Boniface): Ma question est pour le ministre de la Voirie et du Transport. Ayant appris hier que la nouvelle plaque d'immatriculation des automobiles ne sera pas sous forme bilingue, le ministre

peut-il confirmer aujourd'hui cette décision et en donner les raisons?

[Translation]

My question is for the Minister of Highways and Transportation. Having learned yesterday that the new automobile licence plate will not be in bilingual form, can the minister today confirm this decision and provide the reasons for it?

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, we introduced the licence plates about two months ago. Certainly there were requests on the part of SFM to consider adding another word to the licence plate, Bienvenue. We have certainly considered that. Over the course of time we have met twice with SFM, once on November 12 and once this morning. We have received a lot of input from Manitobans and made the decision that the plate should stay as initially announced because we are not a bilingual province. We are a province that has a French language services policy and the legal interpretation is that the plate, as initially released, was legally correct and served the needs of Manitobans. All MLAs on this side have received a lot of input on the plate and it is not an easy decision; it is a tough decision, and we think it respects the will of the majority of Manitobans.

Mr. Gaudry: Ma deuxième question est pour le ministre responsable des Services en langue française. Je demande au ministre d'expliquer à cette chambre, de quelle manière la décision du ministre de la Voirie et du Transport est-elle conforme avec les politiques des services en langue française actuellement en vigueur?

[Translation]

My second question is for the Minister responsible for French Language Services (Mr. Praznik). I request that the minister explain to this House how the decision of the Minister of Highways and Transportation is in accordance with the French language services policies currently in place.

Mr. Findlay: Madam Speaker, the French language services policy relates to activities in the Legislature, activities in the courts, and this is not deemed to be a legislative action.

Mr. Gaudry: Ma question est pour le Premier ministre (M. Filmon). J'ai l'honneur de déposer ici dans cette chambre un grand nombre de pétitions, au-delà de 1700 signatures en faveur d'une version bilingue de la nouvelle plaque d'immatriculation manitobaine. Le Premier ministre accepte-t-il de réétudier ce dossier personnellement en considérant ces pétitions afin d'être fidèle à la reconnaissance du fait français au Manitoba à laquelle le Premier ministre s'est identifié depuis 1988?

[Translation]

My question is for the First Minister. I have the honour of tabling here in this House a large number of petitions, over 1,700 signatures, supporting a bilingual version of the new Manitoba licence plate. Will the First Minister agree to re-examine this matter personally, taking these petitions into consideration so as to be faithful to the recognition of the French fact in Manitoba with which the Premier has identified himself since 1988?

Hon. Gary Filmon (Premier): Madam Speaker, indeed, the member is right. I did function as the Minister responsible for French Language Services during the early part of our mandate in government and indeed I have been very proud to work with the SFM and our Francophone community to bring in a series of changes that I think have been very positive for Manitobans and particularly with respect to the French language services that we enjoy in Manitoba.

As the member knows, all laws and regulations are now enacted in both French and English. French and English, as a result of the Supreme Court ruling that we had in the '80s, have equal access in the Legislature and before the courts, and capacity exists to ensure that this is the case. As well, virtually all government publications are available in French and English, often in bilingual single publication. All forms required by legislation regulations are available in a bilingual format. The province enacted legislation that created the Division Scolaire Franco-Manitobaine to enable Francophone school governance consistent with Section 23 of the Charter.

In co-operation with our Francophone community, health care institutions including hospitals and nursing homes have been identified as candidates for the

provision of French language service, particularly within the designated French language service area. Approximately 20 such institutions provide French language service for patients. The government has not only improved the provision of French language services but has implemented an active-offer policy whereby designated offices in the designated areas actively offer service in French. Francophone civil servants and French-speaking civil servants have been able to avail themselves of special improvement courses to ensure the improvement of the French language capability among French-speaking civil servants, and the government has actively supported the establishment of the Association of Bilingual Municipalities. As well, the government has actively co-operated with the Francophone Chambers of Commerce in Manitoba. We have done—

Madam Speaker: Order, please. The honourable member for Thompson, on a point of order.

Point of Order

Mr. Steve Ashton (Thompson): On a point of order, Madam Speaker.

The Premier is very clearly just reading from his briefing book, and if he would have cared to perhaps listen to the question from the member for St. Boniface, the question was very specific, the series of questions was very specific, related to the licence plate.

I do not know, perhaps the Premier misunderstood, but I would ask that you call the Premier to order and ask him to answer the very serious question put forward by the member for St. Boniface.

Madam Speaker: On the point of order raised by the honourable member for Thompson, I will take the matter under advisement so I can review Hansard and report back to the Chamber.

* * *

* (1510)

Madam Speaker: The honourable First Minister, to complete his response.

Mr. Filmon: In conclusion, Madam Speaker, it is very clear that this government has acted on a wide range of policy decisions with respect to French language services. As has been said by the Minister responsible for Transportation (Mr. Findlay), Manitoba is not an officially bilingual province. The only officially bilingual province is New Brunswick. Our requirements are the mere opposite of those of the government of Quebec and on their licence plate it says Quebec, Je me souviens. It is in French only and reflective of the fact that they have exactly the same constitutional requirements as we do.

Home Care Program Privatization—Nursing Services

Mr. Dave Chomiak (Kildonan): Madam Speaker, one of the other areas for which the government does not have legitimacy on its agenda is the moving towards privatization of home care. One of the areas of home care privatization that the minister has refused to answer in this House is whether or not the nursing portion of Home Care, that is, the portion provided by the nurses from Continuing Care—R.N.s and LPNs but specifically R.N.s—to Home Care are going to be privatized.

Can the minister confirm that the 71 remaining R.N.s at Home Care, Continuing Care, have been told that their jobs will no longer be with the government after April 1 of next year and that the jobs will be privatized and apportioned out to the private sector?

Hon. James McCrae (Minister of Health): Madam Speaker, with the agreement of the Manitoba Government Employees' Union as a result of last spring's labour dispute, we have agreed that 20 percent only of home care services in the city of Winnipeg would be subject to competition. There are activities underway now to ensure that requests for proposals and tender calls are being done in an appropriate and proper fashion.

Mr. Chomiak: Madam Speaker, is the minister today saying that only 20 percent of the nursing component of Home Care provided by Continuing Care—approximately 71 nurses, R.N.s, and about 70 to 80 LPNs—only 20 percent of that is going to be privatized and not 100 percent?

Mr. McCrae: Madam Speaker, you will recall that last spring we were responding to complaints over many

years going all the way back to the report commissioned by the New Democratic Party, the Price Waterhouse report, with respect to standards, with respect to consistency of service, with respect to quality of service, with respect to efficiency and it is toward that end that we are embarking on the changes that we are embarking on.

We have, unlike the New Democrats, always put the needs and concerns of the clients of the program first. The honourable members opposite get all hung up over their philosophical New Democratic 50-year-old issues. The world is changing. It would be good if New Democrats would too.

Chief Executive Officer Advertisement

Mr. Dave Chomiak (Kildonan): Madam Speaker, will the minister who refused to answer the first two questions I asked, perhaps attempt to answer a third question and be straight with the people of Manitoba?

Will the minister explain who the chief executive officer for Winnipeg Home Care was advertised for in Saturday's Free Press, but if they are not going to a nongovernment organization, a government private agency that is going to be looking after all home care since this CEO that has been advertised for is going to look after \$60 million of home care and 16,000 clients, who and what that position is?

Hon. James McCrae (Minister of Health): Madam Speaker, I am glad the honourable member called attention to the rather large number of clients we serve in the city of Winnipeg, the rather large amount of money that is being expended on the Home Care program, because it serves to demonstrate once again that expenditures in Home Care have been rising very, very significantly and we expect will continue to do so because Home Care is the cornerstone of that shift that we keep talking about away from total reliance on acute care services and in favour of services in the community.

So the honourable member raises the question respecting an advertisement for an executive director of Home Care services. He knows that in future the regional health authority for Winnipeg will be responsible for Home Care and other health services, and this executive director of Home Care will in the interim report to the government and in the future will report to

the regional health association which will govern health care services in the city of Winnipeg. It is in response to reports going all the way back to the New Democratic-commissioned report from Price Waterhouse which, while it called for user fees and cuts in services, we have not responded to that part.

Manitoba Telephone System Privatization

Mr. Leonard Evans (Brandon East): Madam Speaker, in the last annual report of the Manitoba Telephone System, a statement is made by the CEO which reads: In 1995, MTS successfully met the challenges of the evolving telecommunications marketplace. The corporation maintained its customer base in an increasingly competitive marketplace, expanded and upgraded its networks, and added new services while continuing with its efforts to cut costs, streamline operations and position itself for the future.

He said further, briefly: In regard to 1996, we are optimistic that we will deliver a year of solid performance while contending with evolving developments in competition, regulation, markets and technology.

My question to the Minister of MTS: How can he in all conscience maintain that a publicly owned MTS cannot meet the challenges in the future in the telecommunications industry?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, there is no question that the Manitoba Telephone System has done an excellent job of meeting the needs of Manitobans since 1988. They have made, as the members opposite recognize, \$160 million, an average of \$20 million a year, as opposed to '86 and '87—and the member for Concordia (Mr. Doer) smiles—when they lost \$48 million. That is quite a turnaround and that turnaround—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Findlay: Madam Speaker, the member for Thompson (Mr. Ashton) from his seat clearly identifies again—he refuses, as the member for Brandon East, to

identify the issues that have changed regarding the telecommunications industry in Canada, the degree of competition that is out there—

Madam Speaker: Order, please. The honourable member for Thompson, on a point of order.

Point of Order

Mr. Steve Ashton (Thompson): Madam Speaker, from my seat I said, MTS is doing a good job. Let us keep it.

Madam Speaker: The honourable member for Thompson does not have a point of order.

* * *

Mr. Findlay: Madam Speaker, again, he does not identify that things have changed, the degree of competition that is out there. The degree of debt that they carry is still very high according to industry norms. The corporation needs to adapt to the changing needs, needs to be more aggressive, more quickly responding to the niche market opportunities that are out there, and the degree of competition gives a better service to all Manitobans.

Telecommunications Industry CRTC Regulations

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

Mr. Leonard Evans (Brandon East): Madam Speaker, will the minister not recognize that the telecommunications industry is still not a perfectly competitive industry, far from it, and in fact it has many elements of monopoly? This is why the CRTC, the Canadian regulatory agency, is still there regulating that industry, so it is a monopolistic type of industry still.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, the CRTC is the regulator, has been the regulator as a Crown corporation, will continue to be the regulator of MTS in the future, as it is with the telephone companies across Canada and all the other companies that are in the private sector. They have a mandate of affordable service to all constituents within the areas in

which those telephone companies serve. As I said the other day, CRTC has just reconfirmed their intent to be sure that rates are kept affordable and that service is extended to all Canadians.

Manitoba Telephone System Privatization

Mr. Leonard Evans (Brandon East): So is a regulated industry, Madam Speaker. Will the minister acknowledge that regardless of whether MTS is privately owned and financed by share capital or whether it is publicly owned and financed by bond capital, that the cost of finance will be borne by the customers or the consumers of MTS services and not the taxpayers as has been implied previously by members of this government?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): As a Crown, the government guarantees the debt of MTS, and in the future government will not have that guarantee to deal with. As the member opposite may wish to identify, the actual borrowing rate of MTS in the future will be lower than it is today, contrary to what all those members opposite have been saying. All across Manitoba, the cost of borrowing to MTS will be lower in the future.

* (1520)

Manitoba Telephone System Privatization—Impact on Rates

Mr. Doug Martindale (Burrows): Madam Speaker, I have obtained the prospectus from Tellus, the Alberta company, formerly the Alberta Government Telephone system—

Hon. Gary Filmon (Premier): Are you going to buy shares?

Mr. Martindale: No, Mr. Premier, I am not buying shares.

It is very interesting but disturbing reading to see the kinds of revenue that they get, 11.25 to 12.25 percent return on investment, and the kinds of increases that have been authorized, for example, \$32 million in 1993, \$65 million in '94; \$2 rate increases for January '96 and '97,

unspecified increase for the next year, and \$4 to \$4.48 per month on residential rates approved in 1996 and \$2 to \$9 per month on business rates.

I would like to ask the Minister responsible for the Manitoba Telephone System if these are the kinds of rate increases that Manitobans can expect after MTS is privatized.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, the answer is no. The CEO of the Manitoba Telephone System has very clearly put on the record that the applications for rate changes are already in place, the \$2 rebalancing of January 1, '96, '97 and about \$2 in '98. Those are already on record as part of CRTC's decision in rate rebalancing for all telcos under their jurisdiction. The answer is no.

Mr. Martindale: I would like to ask the minister then what the difference is between a privatized Manitoba Telephone and a privatized Alberta Government Telephone system especially in relation to the return on investment, and why we cannot expect similar increases. In fact, some of the services that MTS provides now are free. Can we expect that there is going to be a charge of \$3.65 or \$4 a month for services now provided free because it is going to be privatized?

Mr. Findlay: The member refers to Alberta. Clearly, the issue is they made a mistake in the original determination of—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Findlay: They clearly made a mistake on issues relating to what future tax deductions would be. When an auditor came in and did the assessment, the change in rates happened. We did not make that mistake whatsoever. We already have the tax ruling, and it is favourable to the assumptions established by MTS and the Province of Manitoba.

Privatization—Call Trace Service

Mr. Doug Martindale (Burrows): I would like to ask the Minister responsible for the Manitoba Telephone System if he can assure Manitobans that one of the

services that is provided free now, call tracing, will not have an increase, such as happened in Alberta where the residential rate is \$3 a month for call trace or 35 cents per use, a very valuable service especially used by women who feel that their lives are in danger. Can the minister assure Manitobans that this charge will not come into effect when the company is privatized? If he cannot give us that assurance, why are they privatizing the Manitoba Telephone System?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, tariffs on all services that MTS, in the past and in the future, what the set rates are, is something that is negotiated between them and the CRTC. The CRTC ultimately makes those decisions.

Manitoba Telephone System CanTalk Agreement

Ms. Diane McGifford (Osborne): Madam Speaker, CanTalk, a Winnipeg-based, Canadian-owned company, offers a broad range of language services using fax, telephone, E-mail and the Internet. Furthermore, it is allied with not-for-profit translation and interpretation services like the International Centre and with Manitoba businesses.

I want to ask the Minister responsible for MTS to explain whether MTS is working, has worked or plans to work with CanTalk.

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, I do not have that information. I will inquire and get back to the member.

Manitoba Telephone System CRTC Application

Mr. Steve Ashton (Thompson): Madam Speaker, just a few minutes ago the Minister responsible for MTS, in response to a question from the member for Burrows (Mr. Martindale), stated that it would be no increase as a result of the privatization.

I would like to ask if that means that MTS has withdrawn its application to CRTC for this exogenous factor which has been subject, of course, to much discussion about Mr. Nugent and others. Have they now

done that, given the fact that last Friday, it is our understanding, is the date on which they had to make revisions or either withdraw that application?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Madam Speaker, it is my understanding that they have sent further information to CRTC to correct the record in terms of the misinterpretations, to identify that the cost of interest will be lower and that a tax ruling had been obtained.

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

Mr. Ashton: Madam Speaker, I did not ask whether any political damage control was done. I asked the minister, was the CRTC application put in by MTS dating back to June and resubmitted in November, is that application still before the CRTC which would allow rate increases because of the exogenous variables?

Mr. Findlay: Madam Speaker, the application was with regard to rate capping. That is in a policy of CRTC starting January 1, 1998. MTS continues to supply information as it is available to them, and the exogenous factor may be up or down depending on factors that may unfold, and with a lower interest rate, I call that down.

Mr. Ashton: Madam Speaker, the final supplementary on this question. Can the minister then make it very clear that he has not withdrawn the CRTC application, the exogenous factor is still there and that in fact he cannot, as he did in Question Period earlier on today, say that there will not be rate increases when the CRTC application is still there from MTS which allows for those kinds of rate increases?

Mr. Findlay: Madam Speaker, I have already indicated to the member, CRTC has a rate cap hearing underway. MTS continues to file information as it becomes available to them to allow CRTC to make decisions on the basis of the most current possible information that they can supply to them.

Dauphin River Ice Blockage

Mr. Clif Evans (Interlake): Madam Speaker, I would like to ask the Minister of Natural Resources, in

conjunction with the Minister of Highways (Mr. Findlay), with respect to a situation that I have been notified of this morning and this afternoon, that there has been heavy not only flooding but heavy freeze-up on the Dauphin River.

I am just wondering whether either minister's office has responded to this very serious situation and how.

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, in fact, after I entered the House, I got a fax and information that we had an ice blockage on the Dauphin River, and there is the community of Dauphin River Indian Reserve that has been isolated. Staff are on the site and on the job and looking to see whether blasting would resolve the issue. It is very unusual to have an ice jam this time of year, but with the heavy water situation that is out there, we are on top of it, and we will try and keep updated with whatever activities take place.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Manitoba Telephone System

Mr. Mervin Tweed (Turtle Mountain): While they continue to avoid debate on Bill 67, members opposite have been saying a great deal about the role of Crown corporations within the province of Manitoba, but what they have failed to note, Madam Speaker, are comments made by the New Democratic Party that support our government's decision.

For example, the NDP have in the past compared Crown corporations to a car. They stated: As many of us, if even we have a car, in many cases we like to hang on to it. We have some kind of feeling that it was a special one, that it was made just for us even if it gets to be 10 or 20 years old in some cases, and we drive it and drive it because we think there is no better car. Well, human nature being what it is, sometimes people do not make the decisions as quickly as they should to get out of a messy situation.

As well, the NDP have noted that there are many aspects of the mandates of the Crown corporations that have to be reviewed from time to time. They cannot just be left there to stalemate and perhaps become outdated,

not relevant to the current situations, and so they have to be reviewed from time to time. These comments voiced by members of the New Democratic Party describe exactly the current debate occurring in this House.

MTS has fulfilled its mandate of universal service. However, as MTS requires a tremendous infusion of capital to modernize its services and remain competitive, we cannot allow it to become outdated.

The current situation MTS finds itself in is very different from that of 80 years ago.

As much as the NDP would like to remain mired in the past, our government has reviewed the situation and has made a decision in the long-term best interests of all Manitobans.

I would encourage, Madam Speaker, even appeal to the members opposite to think about these comments put forward by their colleagues and to vote for the future and not the past. Thank you.

Manitoba Telephone System

Mr. Leonard Evans (Brandon East): It is indeed regrettable that this government is defying public opinion and insists upon pushing through legislation to privatize the MTS.

I would remind the members opposite that a recent survey indicated that 67.3 percent of Manitobans were opposed to this and 78.1 percent of rural Manitobans were against the sale of MTS. The town of Killarney is against the sale of MTS or is concerned about it. The City of Brandon wanted public hearings before a decision was made, and the Manitoba Wheat Pool, the Union of Manitoba Municipalities, seniors groups, many, many groups in Manitoba are opposed to this sale. The government has no mandate. It did not make it an issue in the last election. It did not hold public hearings. It has no basis, no public support for this.

Frankly, Madam Speaker, the government's economic rationale is faulty. The member from Killarney or Turtle Mountain talked about the need for capital infusion. The fact is that MTS, as a publicly owned operation, is able to acquire new capital. Its being financed by bonds is not unusual. This is the way publicly owned utilities are

financed. As a matter of fact, the debt burden has come down, but, regardless, that cost is in the rates, and Manitoba's rates are very, very low. It is very easy to get out of debt or to sustain more debt through higher rates. The fact is, it is the consumers that ultimately pay.

As I pointed out earlier, this is a very limited competitive situation. It is still a monopoly, monopolistic, and it is still regulated by the CRTC, so the area of competition is extremely limited.

Madam Speaker, I appeal to this government to stop going against the majority wishes and to withdraw Bill 67.

Sharp-Tailed Grouse Conservation

Mr. Edward Helwer (Gimli): Madam Speaker, until recently Manitoba has had a reputation for enjoying one of the healthiest populations of sharp-tailed grouse or prairie chickens, as they are more commonly known, in North America. Due to the changes in the habitat, sharp-tailed numbers have declined significantly recently, and they will continue to do so until habitat restoration measures are taken to halt this unfortunate occurrence.

On Monday, November 18, I had the pleasure of presenting a cheque to the Sharp-tailed Plus Foundation Inc. President, Mr. Ernest Schnell, under the Special Conservation Fund of the Department of Natural Resources. The provincial grant will assist with the sharp-tailed grouse habitat improvement project in the Sandridge Wildlife Management Area.

Madam Speaker, on July 8, 1994, in Vita, Manitoba, an agreement was signed establishing the nonprofit volunteer group dedicated to restoring sharp-tailed grouse. This agreement is quite significant since it is the first of its kind to be aimed at the restoration of this species. Sharp-tailed grouse enjoy the open grass and brushland typical of Manitoba's aspen parkland but, due to fire suppression, this type of habitat has been lost.

Currently there are three projects taking place across the province, in the towns of Vita, Lundar and Plumas. Sustainable farming initiatives that are occurring in these areas such as rotational grazing, brush control, haying techniques and edge management will not show final results for another two years. However, these initiatives

are showing positive results in terms of profitability. These initiatives will change land management, involve farm productivity and maintain open grass and brushland habitat and create a suitable environment for the species and improve our land for agriculture at the same time.

Madam Speaker, I would like to applaud the Sharp-tailed Plus Foundation for their efforts in sustaining an appropriate environment for the species and for dedication to this very extensive project. Thank you.

Manitoba Telephone System

Ms. Rosann Wowchuk (Swan River): Madam Speaker, having sat through the hearings on Bill 67, the Manitoba Telephone privatization bill, it is obvious that Manitobans do not support this government. The recent CBC-commissioned poll confirms that the majority of Manitobans, particularly those in rural Manitoba, do not want to see that utility privatized. I have to wonder, then, where the member for Morris (Mr. Pitura) has been when he says, and I quote, that after the hearings—I think after going through the hearings and hearing what people are saying, I am probably as convinced as I ever was that the direction we are going in is the right direction for all Manitobans if we want the mandate of health care and education and family services.

Where has this member been? He says he sat through hearings and he is convinced. Madam Speaker, 185 people presented; only three supported the government. This member has not been listening to the people of Manitoba, nor has he been listening to his constituents who say, and I quote, I do not think there is justification for privatization, says resident Bill Toews. I think it is ideological, and I think perhaps the government did not read the public's view on this one. I sort of take exception to a rural MLA stating the majority of his constituents support what they are saying, he added, noting that rural Manitobans have a very real sense of control over rural utilities.

Madam Speaker, he goes on to say he is very concerned about what this government intends to do with Hydro. But it is not only the member's residents of Morris who are concerned with what this government is doing. The member for Turtle Mountain (Mr. Tweed) should take note to what his constituents are saying, and I quote from a letter from a Turtle Mountain constituent, there is no

case for private companies offering better results and being more competitive. The list of failures and/or troubles of companies is just staggering, and also one cannot see how a new owner can operate without generating profit margins to satisfy the shareholders.

Madam Speaker, there are constituents right across southern Manitoba, the UMM, Pool delegates, seniors, all are opposing this government. This government should wake up and smell the coffee. Rural Manitoba does not support you on this one.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, could you call report stage on Bill 67.

REPORT STAGE

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

Mr. Steve Ashton (Thompson): Madam Speaker, I wish to move further amendments in report stage.

I move, seconded by the member for Concordia (Mr. Doer),

THAT Bill 67 be amended by adding the following after Section 5:

Shares issued to eligible voters

5(1) One voting nonparticipating preference share of the capital stock of the corporation as deemed to have been validly issued to each adult resident of Manitoba eligible to vote in a provincial election on January 1, 1996, for which shares of designation rights, privileges, restrictions and conditions shall be as follows:

- (a) the shares shall be designated as Class C preference shares;
- (b) the stated capital of each share is deemed to be zero dollars per share;
- (c) each share shall have one vote in respect of all matters to be decided by the shareholders' corporation;

(d) the share shall carry no right to dividends, participation and profits or participation in a distribution of assets to the corporation; and

(e) the shares shall be nontransferable.

[French version]

Il est proposé d'amender le projet de loi 67 par admonction, après l'article 5, de ce qui suit:

Émission d'actions aux électeurs admissibles

5.1 Une action privilégiée non participante avec droit de vote du capital-actions de la Société est réputée avoir été dûment émise à chaque résident adulte du Manitoba qui, en date du 1er janvier 1996, avait le droit de voter aux élections provinciales. La désignation, les droits, les privilèges, les restrictions et les conditions se rattachant à cette action sont comme suit:

a) l'action est désignée action privilégiée de catégorie C;

b) le capital déclaré de l'action est de 0 \$;

c) l'action donne un droit de vote à l'égard de toutes les questions devant être tranchées par les actionnaires de la Société;

d) l'action ne donne pas à son titulaire le droit de participer aux dividendes, ni aux profits, ni à la répartition de l'actif de la Société;

e) l'action est incessible.

* (1540)

Madam Speaker: Order, please. The amendment proposed by the honourable member for Thompson is out of order. According to Beauchesne—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. According to Beauchesne 698(5) it contravenes the principle of the bill.

Mr. Ashton: Madam Speaker, if I could ask for a clarification of your ruling, in what way does this

contravene the spirit of the bill? This bill establishes classes of shares. This is a class of share. It is not in any way, shape or form a negation of the principle of the bill which in and of itself establishes shares for the Manitoba Telephone System. On what basis, Madam Speaker, does this contravene the principle of the bill?

Madam Speaker: I have been advised that the reason the amendment has been in violation of the principal bill is, the second clause of Bill 67 states that: "WHEREAS it is in the public interest of the province that shares of The Manitoba Telephone System be offered for sale to members of the public;"—5(1) "... be validly issued to each adult resident of Manitoba eligible to vote in a provincial election on January 1, 1996."

My understanding and the advice I received is the difference between "selling" and "issuing."

Mr. Tim Sale (Crescentwood): Madam Speaker, let me attempt to clarify the intent of this amendment and ask you to hold your ruling in abeyance.

There is nothing in this amendment to this section which takes away in any way from the shares that are being offered under another section of the bill. This is an intent which was accepted by Legislative Counsel in drafting this amendment. What we are issuing here is an additional class of shares. We are not preventing the issuance of shares on the market under other sections of the act; they are still there to be issued in exactly the manner that the act pretends to issue them.

Madam Speaker, this would simply create three classes of shares instead of two. There is a special share being created for the government which we accept and which some of our amendments speak to, but which we accept. There are shares being sold to the public to sell the corporation to effect the sale, which we accept. We are simply proposing to issue another class of shares with no par value and no market value to all those who are legally resident in Manitoba and entitled to vote in an election. We are not, and I underline this, we are not suggesting that shares ought not to be sold under Section 12 of the act or ought not to be defined as shares for sale at a market price under other sections of the act. This is not replacing; this is adding a class of shares.

I would ask you to reconsider your ruling on that basis, please.

Madam Speaker: Order, please. The best advice I have received is that the amendment is out of order.

If the honourable member for Crescentwood (Mr. Sale) does not concur with the ruling of the Chair, then the honourable member for Crescentwood can challenge the ruling of the Chair.

Mr. Ashton: Madam Speaker, 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.

Formal Vote

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

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

Order, please. The question before the House is the sustaining of the ruling of the Chair.

Division

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

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Ernst, Filmon, Findlay, Gaudry, Gilleshammer, Helwer,

Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Pitura, Praznik, Radcliffe, Reimer, Render, Rocan, Stefanson, 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, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk (William Remnant): Yeas 29, Nays 22.

Madam Speaker: The ruling of the Chair is accordingly sustained.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I was paired with the member for Emerson (Mr. Penner) so that he may be in attendance at a funeral.

Point of Order

Hon. Jim Ernst (Government House Leader): On a point of order, Madam Speaker, since you have had limited time today to debate these issues, government resolutions up under Private Members' Business, we would be prepared to waive private members' hour today. In addition to that, we are prepared to sit from seven until eleven o'clock this evening in order to continue debate on report stage amendments.

Madam Speaker: Is there leave to waive private members' hour? [agreed]

Is there leave to sit this evening from 7 p.m. to 11 p.m.? [agreed]

* * *

* (1640)

Madam Speaker: To continue Orders of the Day, Report Stage, Bill 67.

Mr. Sale: Madam Speaker, I move, seconded by the honourable member for Dauphin (Mr. Struthers),

THAT Bill 67 be amended by adding the following after subsection 2(2):

Certain agreements terminated

2(3) All agreements between The Manitoba Telephone System and The Manitoba Trading Corporation

(a) relating to the Master Agreement effective August 24, 1994, between The Manitoba Telephone System and Faneuil I.S.G. Inc.; or

(b) otherwise relating to the business and affairs of Faneuil I.S.G. Inc., or any subsidiary or related company;

are terminated.

Certain agreements amended

2(4) All agreements between Faneuil I.S.G. Inc. and The Manitoba Trading Corporation are deemed to be amended so that

(a) every reference to "The Manitoba Trading Corporation" shall be read as a reference to "Manitoba Telecom Services Inc.";

(b) Manitoba Telecom Services Inc., shall be deemed to have been the party to the agreements at all times; and

(c) all necessary modifications as circumstances require are deemed to have been made.

Master agreement amended

2(5) The Master Agreement effective August 24, 1994, between the Manitoba Telephone System and Faneuil I.S.G. Inc. is hereby deemed to be amended as required to conform with subsections (3) and (4).

Transfer of assets and liabilities

2(6) All assets acquired by The Manitoba Trading Corporation under and all liabilities of The Manitoba Trading Corporation provided for in the agreements described in subsection (4) are transferred to the corporation.

Rights and obligations terminated

2(7) All obligations, duties, rights and privileges of

(a) the Crown in respect of the Master Agreement effective August 24, 1994, between The Manitoba Telephone System and Faneuil I.S.G. Inc.; and

(b) The Manitoba Trading Corporation in respect of any agreement described in subsection (4);

are hereby extinguished.

[French version]

Il est proposé d'amender le projet de loi 67 par adjonction, après le paragraphe 2(2), de ce qui suit:

Résiliation de certaines ententes

2(3) *Sont résiliées les ententes intervenues entre la Société de téléphone du Manitoba et la Société commerciale du Manitoba:*

a) à l'égard du contrat-cadre entré en vigueur le 24 août 1994 entre la Société de téléphone du Manitoba et Faneuil I.S.G. Inc.;

b) qui ont autrement trait aux affaires de Faneuil I.S.G. Inc., de ses filiales ou de ses sociétés liées.

Modification de certaines ententes

2(4) *Sont réputées modifiées les ententes intervenues entre Faneuil I.S.G. Inc. et la Société commerciale du Manitoba de façon à ce que:*

a) tout renvoi à la Société commerciale du Manitoba soit interprété comme un renvoi à la Manitoba Telecom Services Inc.

b) la Manitoba Telecom Services Inc., soit réputée avoir été partie à toutes les ententes;

c) les adaptations nécessaires soient réputés avoir été faites.

Modification du contrat-cadre

2(5) *Le contrat-cadre entré en vigueur le 24 août 1994 entre la Société de téléphone du Manitoba et Faneuil I.S.G. Inc. est réputé avoir été modifié de façon à être conforme aux paragraphes (3) et (4).*

Transfert de l'actif et des obligations

2(6) *Sont transférés à la Société commerciale du Manitoba a acquis en vertu des ententes visées au paragraphe (4) et les obligations que cette dernière a contractées en vertu ces ententes.*

Extinction des droits et obligations

2(7) *Sont éteints les obligations, les droits et les privilèges:*

a) de la Couronne à l'égard du contrat-cadre entré en vigueur le 24 août 1994 entre la Société de téléphone du Manitoba et Faneuil I.S.G. Inc.;

b) de la Société commerciale du Manitoba à l'égard des autres ententes visées au paragraphe (4).

Madam Speaker: Order, please. The amendment as proposed by the honourable member for Crescentwood (Mr. Sale) is out of order according to Beauchesne's 698(1). It is beyond the scope of the bill.

Point of Order

Mr. Sale: On a point of order, Madam Speaker, it is inconceivable to me how we could have rulings on complex amendments of which Legislative Counsel provided drafting advice and answered questions about scope in detail on every last one of these amendments. The section of the bill being amended is, Rights and obligations continued. One of the very major rights and obligations in regard to this whole privatization issue is their relationship with third parties. What this amendment did before you ruled it out of order was to provide an orderly mechanism for the rights and privileges in regard to the Faneuil deal to be continued in the new company.

We went into great detail with Legislative Counsel on the appropriateness of this amendment and its legality under the rules of the House. This is corporate legislation. This is precisely why these amendments from government and this bill should not be jammed through with no appropriate consultation, because this is a very complex matter involving a deal worth over \$100 million and obligations that are currently now on the backs of the people of Manitoba in excess of \$20 million.

The government argued long and loud that Manitoba Telephone System should be privatized in order to reduce the risks to the public. The whole purpose of this

amendment was to reduce the risk to the public of Manitoba by transferring the obligations from the Manitoba Trading Corporation, a private body, to the Manitoba Telecom system, the corporate body. This amendment is not only in scope, it has been tested by Leg. Counsel and it furthers the intent of the legislation and does not in any way detract from it.

I put it to you that your ruling is simply wrong on the technical merits of the issue and wrong in principle. You are now preventing debate of important issues. You are standing in the way of this side of the House making important contributions to this bill. You are no longer impartial. You have no place in that Chair.

Mr. Ashton: Just in regard to the ruling, I wonder if I could have some clarification, Madam Speaker. You are saying that this is beyond the scope of the bill. This bill sells the Manitoba Telephone System, in Clause 2 continues the corporation, and in 2(2) the rights and obligations. This amendment deals with rights and obligations, in this case specifically outlining the rights and obligations related to Faneuil.

I am wondering, Madam Speaker, on a bill which sells the entire company of MTS, including the rights and obligations, how it is not in order to add an amendment—which I believe is in keeping with Beauchesne 567—which is adding an item which increases its acceptability, and I would point out that it does not violate 570, 571, 572, 573, 574, 575, 576, 577, 578 or 579. It is not a matter that deals with a foreign proposition. This is inherent in the bill and I cannot understand, and I ask for clarification, how an amendment as specific and as related that has been cleared through Leg. Counsel to specific provisions that continue the rights and obligations of MTS, how can this be out of scope?

I would ask for that clarification, Madam Speaker, because if you are not prepared to at least take this under advisement, we will indeed be challenging your ruling. But I want to make sure I understand that your ruling is that it is not in order to define the rights and obligations which are going to be extended under this act. Surely, that is within the scope of the bill to sell off MTS.

Mr. Lamoureux: Madam Speaker, if I, too, just may add just a few words to the point of order that is being

raised, my interpretation in the past has been that Legislative Counsel has been there to assist in the drafting of amendments, drafting of legislation and so forth.

I myself have used the Clerk's Office in terms of providing or requesting recommendations on things that we might want to do. I am wondering if the member for Crescentwood (Mr. Sale) could comment whether or not he has sought the advice of the Clerk's Office in terms of the scope, because it seems to me that if we are going to be standing up challenging the Speaker's ruling on everything that she does, I would assume that she is at least taking into account the concerns expressed from the Clerk's Office. I would be interested in knowing if he has done likewise, or is he basing his arguments strictly on Legislative Counsel? From my interpretation, it was there to help us or to assist us in the drafting, not necessarily telling us whether or not it was in order inside the Chamber.

Madam Speaker: Order, please. On the point of order raised by the honourable member for Thompson (Mr. Ashton), the honourable member does not have a point of order. The honourable member referenced Citations 567, 568, 569 on page 175 of Beauchesne. Those citations refer explicitly to amendments on motions, not relative to amendments on bills.

The best advice I have received is that this amendment is out of order based on Beauchesne 698 because it is beyond the scope of the bill.

* * *

Mr. Ashton: Madam Speaker, my understanding is that this is your ruling, not a ruling based on advice. I therefore 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.

Formal Vote

Mr. Ashton: Yeas and Nays, Madam Speaker.

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

The question before the House is shall the ruling of the Chair be sustained.

Division

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

Yeas

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

Nays

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

Mr. Clerk: Yeas 31, Nays 21.

Madam Speaker: The ruling of the Chair is accordingly sustained.

Mr. Steve Ashton (Thompson): Madam Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk),

THAT Bill 67 be amended by striking out subsection 4(1) and substituting the following:

Services of corporation

4(1) The corporation or an affiliate of the corporation shall continue to provide affordable, accessible and high quality telephone service to all residents of the province regardless of their geographic location, and at equitable rates throughout the province, on such terms and conditions as may be approved from time to time by a regulator of competent jurisdiction.

[French version]

Il est proposé d'amender le projet de loi 67 par substitution, au paragraphe 4(1), de ce qui suit:

Mission de la Société

4(1) *La Société est tenue, elle-même ou par l'entremise d'une personne morale de son groupe, de continuer à offrir des services téléphoniques à prix abordable, accessibles et de grande qualité à tous les résidents de la province, indépendamment de l'endroit où ils se trouvent, et à des taux équitables partout dans la province, selon les modalités qui sont approuvées par un organisme de réglementation compétent.*

Motion presented.

Madam Speaker: The amendment is in order.

* (1720)

Mr. Ashton: Madam Speaker, if at first you do not succeed, try, try again. I want to indicate that not only is this in order, but surely this is one that can be added to the growing list of amendments we have passed to Bill 67, because I want people to compare the amendment with the current 4(1). If anybody has any concerns about the impact on rural and northern service and affordability of service for people throughout this province, not only based on geography but based on income, they should be very concerned about the current 4(1) because does it make any reference whatsoever to affordability, accessibility, high quality service and service being made throughout the province? I want to read you the current section because I think this will explain to members opposite why we have to have this provision in the bill.

Services of corporation, the current section states that the corporation or an affiliate shall continue to provide access to telephone service to residents of the province on

such terms and conditions as may be approved from time to time by a regulator of competent jurisdiction.

I ask the question, to members of the House, what comfort can they take in a provision of this act that says, the corporation shall continue to provide access to telephone service? I mean, you do not have to live in Tadoule Lake, Shamattawa or York Landing to be concerned about this. All this says, basically, this gives up any policy mandate for the new corporation, any public-service mandate and throws it right onto the regulator.

I want this to be clear on the record too, because there is a difference with public ownership, and I will tell you what I use as a basis for that, Madam Speaker. It is the submission that was made to the CRTC by the Manitoba Telephone System November 13. I am not talking about the submission made by one Mr. Nugent, the honest Mr. Nugent, somebody who put his personal and professional reputation on the line by refusing to say anything other than what I believe is the truth, what was in the document filed by MTS.

What is interesting, though, about the document is, the document says—this is MTS going into privatization. It says that the Manitoba Telephone System has extended rural and northern service far more than any other company in Canada. In other words, the publicly owned Manitoba Telephone System, as a matter of public policy, has extended rural and northern service, more quickly, more extensively. That, by the way, is something we are proud of in this Manitoba Legislature, one of the reasons we want MTS kept publicly owned.

You know, Madam Speaker, one of these telephone systems is not like the other. I mean, you know, there is a song of that nature, is there not? Yes. You know I think even kids who would know the song from Sesame Street would understand that the real problem across the way is, the government is the last one in Manitoba to understand there is a difference. They do not believe the opposition when we say it. They do not believe the many groups out there like the UMM and MAUM and MSOS. They do not believe the Manitoba Pool. They do not even believe the counsel for MTS, Mr. Nugent, and after the Premier's (Mr. Filmon) comments last week, I just say, I am sure glad I am not one of the Premier's friends because, if that is the way he treats his friends—well,

pardon me, we know how he treats people who are not his friends politically, but that is another issue.

But the bottom line is, what did they say to the CRTC? They said, we have a more extensive role in northern service as a matter of public policy. We are the only ones in Canada to have extended as a matter of public policy in that way, shape and form. That is how we got rid of the party lines in Manitoba, Service for the Future, a \$620-million investment in rural and northern Manitoba. That is how we got service in communities such as Tadoule Lake and Shamattawa.

They asked for some of those costs to be able to be passed on by the private company. In fact, they were dealing directly with the schedule of rates and the rate-capping regime to make sure that those costs are passed on by the private company. But what is interesting, what kind of guarantee is there in this bill? What is there in the way of protection for rural and northern service?

You know, Madam Speaker, I want to refer—actually, I forgot to mention one authority here for the need for rural and northern service to be included and the possibility it could be included. You know who I am going to refer to? The three investment brokers. Because on April 30, when they filed their document with the Treasury Board, with Mr. Benson and Messrs. Stefanson and Stefanson and Mr. Filmon and all the other large group of four or five that made this decision, what is interesting is, they said that protection could be put in for accessibility of service for rural service, and I can provide the document to members opposite who may still not have seen it. Because it is interesting, the stockbrokers said, you know, you can build in some protection of service. So what did the drafters of this bill do? They brought in this completely ridiculous 4(1) which says, the corporation should continue to provide access to telephone service.

What do they expect? I mean, why is this even in there? What are they going to do, not provide telephone service? I mean, what are they going to do, shut down all the lines? Madam Speaker, even the most vociferous critics of MTS, of which there are many in this province, would not suggest that they would rip out the phone lines, you know, that the new shareholders of the company would direct the company not to provide telephone service, but that is what is in here. I mean, that

is the only protection for Manitobans. You sell the company to this new private operation, there will still be telephone service. It does not say anything about the cost. It does not say anything about accessibility. It does not say one thing about making sure that people in Morris, Manitoba, or Thompson, Manitoba, or Dauphin or Swan River or Morden or Roblin, any of those communities will have any guarantees of the kind of commitment to service we have had on our public phone system that gives people in rural and northern Manitoba the same kind of phone service, the same access, the same affordability that applies to all Manitobans, Madam Speaker. That is not in this bill.

So I look forward to the government members, and, in fact we will be debating this later on tonight. I look forward to their contribution because I note that the government House leader (Mr. Ernst) said about a week ago that they were going to debate us one-for-one on MTS. I have seen members like the member for Turtle Mountain (Mr. Tweed) who seems to have substituted now two-minute member statements for debate. I want to hear where the member for Turtle Mountain is going to stand on this bill. I want to see if he is going to vote for accessibility no matter where you live in the province, to make sure his constituents—I want to see what he is going to say to people in Killarney, Boissevain. I want to see what other people in southwest Manitoba are going to say, in Arthur, Virden. I want to see what they are going to say to the people in their own constituency who are saying one of the reasons they do not want MTS sold off is because they know a publicly owned company is committed to rural and northern service. That is what this amendment is about.

I want to stress the operative words again: “affordable,” “accessible,” “high quality,” regardless of where you live. I want to know on the government side, what are they opposed to, affordable? Do they want to go the same way as Tellus in Alberta, which is looking at doubling the rates, more than doubling for rural Albertans? I commend the member for Burrows (Mr. Martindale) for tracking down the prospectus. If you want to know what a private phone company looks like, look at the Tellus prospectus. Look at it, and if you think that is a model for Manitoba, take that prospectus around and take the \$190 million rate increases that Tellus has brought in, take their rate schedules and show them what your model, your ideological model, is bringing to this province, because this is exactly what you modelled this

share offering, this Bill 67 on, Alberta. [interjection] Four thousand.

You know, you look at it, it is interesting, Madam Speaker, because they have an opportunity here to look at that, affordable, accessible, high quality throughout the province. I want to tell you what has been happening in Alberta, because they have laid off 4,000—in fact, closer to 5,000—of their employees. What was the first thing they did? They shut down phone centres in rural Alberta. They shut them down. That is what people have to be concerned about. Now, if that is their blueprint, let them be up front about it, let them put it on the record, but that is why I say you have a choice here, affordable, accessible, high quality throughout the province. I want to stress that the real issue is the future of phone service.

If we have a phone service in place in Manitoba that is privately owned, I will say on the record, you will never see the kind of investment we have made in rural and northern Manitoba since 1908, and you most definitely will not see the service for the future investment. Why?

Because every other private company in the country had that chance and they said no. Go to northern Ontario or northern B.C. and find out what kind of rural and northern service they have in their communities, the party lines, the cost, the lack of accessibility. Madam Speaker, the bottom line is that under a private company you do not have the commitment to affordable, accessible phone rates throughout the province, and I will deal with this further when we come back at seven o'clock because I have a lot more to say about this very, very important amendment.

* (1730)

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Thompson (Mr. Ashton) will have 31 minutes remaining.

The hour being 5:30 p.m., as previously agreed, I am leaving the Chair with the understanding that the House will resume at 7 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, November 25, 1996

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