



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

Standing Committee

on

Public Utilities

and

Natural Resources

Chairperson
Mr. Jack Penner
Constituency of Emerson



Vol. XLVI No. 12 - 9 a.m., Tuesday, November 5, 1996

ISSN 0713-9454

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
THE STANDING COMMITTEE ON
PUBLIC UTILITIES AND NATURAL RESOURCES

Tuesday, November 5, 1996

TIME – 9 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Jack Penner (Emerson)

VICE CHAIRPERSON – Mr. Ben Sveinson (LaVerendrye)

ATTENDANCE - 10 – QUORUM - 6

Members of the Committee present:

Hon. Messrs. Derkach, Driedger, Findlay

Messrs. Ashton, Dewar, Penner, Pitura, Sale, Sveinson, Tweed

APPEARING:

Ms. Becky Barrett, MLA for Wellington
 Ms. Rosann Wowchuk, MLA for Swan River

WITNESSES:

Mr. Peter Hiebert, Private Citizen
 Mr. Fred Tait, Private Citizen
 Mr. Chris Tait, National Farmers Union
 Ms. Esyllt Jones, Private Citizen
 Mr. Harry Schellenberg, Private Citizen
 Mr. Robert N. Gooding, Private Citizen
 Mr. Jim Still, Private Citizen
 Mr. Bill Martin, Canadian Mental Health Association
 Ms. Heidi Eigenkind, Private Citizen
 Ms. Nalini Reddy, Private Citizen
 Mr. Michael Welfley, Private Citizen
 Mr. Peter Holle, Prairie Centre
 Ms. Elizabeth Johannson, Private Citizen

MATTERS UNDER DISCUSSION:

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

Mr. Chairperson: Could the Committee on Public Utilities and Natural Resources please come to order. We are going to continue the business of dealing with Bill 67, The Manitoba Telephone System Reorganization and Consequential Amendments Act.

I would like to inform the committee that should it be necessary, there will be another committee meeting at 6:30 tonight in Room 254 for the continued consideration of Bill 67. I would also like to remind committee members that we have an agreement to limit presentations to 10 minutes and questions to five minutes. Is that still the wish of the committee to continue in that form?

Some Honourable Members: Agreed.

Mr. Chairperson: Thank you. I have a list of presenters before me. There have been a number of new additions to the list. There have been also some reregistrations, so I will continue with the calling of the list as I have it before me.

Ms. Becky Barrett (Wellington): I am sorry, I may have missed this, but did we agree as we have in the past that we would call out-of-town presenters first?

Mr. Chairperson: Yes, I am sorry.

Ms. Barrett: The second thing that had evolved was, if people registered at the back that they had medical or job constraints, time constraints, that we would take that information and make determinations as to whether we would hear those individuals potentially out of order.

Mr. Chairperson: That is a practice that we had adopted; however I want to caution members that the criticism is still there from those that have been here a long time and have waited a long time for their name to appear on the list. Every time you bring somebody up from the bottom of the list for whatever reasons they are, you do a disservice to those people that have been here a long time. So I just want to remind committee members when they make those kinds of considerations. I will,

however, if I get a request, bring it to the attention of the committee for consideration, but, as I say, I caution that we very carefully consider how we deal with these matters.

I would also like to ask committee that we maintain the decorum that we have had in the last couple of meetings of the committee, and I would like to ask all participants in the back of the room, we ask you to maintain the same decorum. We do not allow any applause or comments from the audience on the various bills, so I would ask that consideration. It is largely for the benefit of the presenters that presenters are extended the courtesy of us listening to the presentations and that we are able to ask questions in an orderly manner.

I would ask members right now—Mr. Sale.

Mr. Tim Sale (Crescentwood): Yes, Mr. Penner.

Mr. Chairperson: The Chair is asking consideration of the committee.

Mr. Sale: I was responding to a comment by Mr. Derkach, which I guess you missed.

Mr. Chairperson: Well, I would have asked Mr. Derkach to give us the same consideration. Thank you.

The first presenter on the list today is the spokesperson for the Keystone Agricultural Producers, and we will go down the list after the Keystone Ag Producers. Is there anybody here representing the Keystone Ag Producers? If not, they will be dropped off the list. There are a number of other people from out of town. The other person is Stewart Hamilton, private citizen, from out of town. Is he here? Stewart Hamilton. I will leave that person on the list just in case they show up. Another person from out of town is a Peter Hiebert. Is Peter Hiebert here? Will you come forward, please?

Mr. Peter Hiebert (Private Citizen): Where do you want me to sit?

Mr. Chairperson: Take the podium there and use the mike at the end of the table. Have you a written presentation for distribution?

Mr. Hiebert: No, I do not. I just have speaking notes.

Mr. Chairperson: Okay, will you continue, please?

* (0910)

Mr. Hiebert: Peter Hiebert is my name. I am from Springfield municipality and therefore also Springfield constituency, and, of course, out of town. I have concerns for rural communities. This puzzles me greatly that we have something like this coming onto our agenda in government because I do not think the government has heard any such sentiment from the rural communities, especially that we are interested in privatizing MTS.

There is not a better telephone system on the planet. We all know it. It does not need advertising on television. We certainly do not need Candace Bergen asking us to choose between that, Sprint or Unitel, and people like that. I know for a fact that Mr. Findlay, the member for Springfield constituency has no such mandate from his constituents, and I suspect that in the next election he will discover what that means

I also want to add a few other things, and one of the things that I would like to refer to is my work. In my work overseas, in development work, in Africa and India, one of the things that we always try to mull over is what is development, and one of the things that we always ended up talking about was helping people to get control over their own environment. I think this kind of concern with regard to MTS is somewhat the same thing.

This is a corporation owned by Manitobans in which they have control, in that regard at least, over their own environment in their own province, and there are good wages to be had here. That is another thing that I think is very important because when we privatize we are also ending up with cheap labour. What I find really puzzling about that is, if you have good wages then you have purchasing power.

I think the Chambers of Commerce of the province of Manitoba should listen to this, purchasing power for consumers, and this is not just with regard to MTS, but other industries where we are trying to downsize wages. When you downsize wages, you do not have purchasing power, and when you do not have purchasing power, what have you got? You have not got business that wants to sell you a product being able to sell you the product, and the chambers of commerce should have an

interest in this, but seemingly we are on an ideological agenda of trying to downsize wages and suppress wages and people having fear for their jobs.

I just do not get it. I do not think the Filmon government has a mandate for this. For example, one of the things that I find so outrageous and maybe some of you can help me with this, but selling part of MTS to Faneuil for \$11 million when you know darn well it is worth a heck of a lot more than that. Now, people who are supposed to have some business acumen are doing this. What in tarnation is going on here? I mean, are there screws loose here, or what? I just cannot believe that we are going to go in this direction.

The other thing with regard to privatizing, I have just come from B.C. I was visiting a widow one evening, and she got a phone call from an AT&T representative, whether she would like to have AT&T services from now on. While we were being interrupted with our visit, she had a long conversation in which this representative introduced this woman to AT&T and she agreed to take the AT&T services. When she got off the phone, she explained to her son and daughter what had happened. They said, look, what kind of services are you getting from BC Tel, and then they sort of examined it a little bit and said, well, it is sort of six of one and half a dozen of the other. Well, in that case, why bother with AT&T?

So she decided to call back the AT&T rep and cancel the commitment. Well, she could not get a hold of the AT&T rep that evening. She could not get hold of that AT&T rep the next day, but, in the meantime, here she was confused because she was trying to figure out, well, what have I done now? I made a telephone commitment to AT&T, but now I do not want it. So here she was on the phone the next day again trying to get a hold of these people so she can cancel that commitment. That is the kind of confusion you are seeding in the province of Manitoba, and I think it is ridiculous. That is all I have to say.

Mr. Chairperson: Thank you very much for your presentation, Mr. Hiebert. Are there any questions or comments?

Mr. Sale: Just a couple of questions. Mr. Hiebert, you mentioned that you had worked overseas. What is your

sense of the role of telecommunications in development? Is it a minor role or a major role?

Mr. Hiebert: I think it has a very important role to play in communications in rural developing countries. I would not regard it as a pressing role, an immediate role, because in a lot of the rural development areas that I worked in, they have much more basic concerns than that and telecommunications is not one of them. I think if they had communication services, in some cases most of the people in rural communities would not be able to afford the services. I mean, it would be very essential to have at least low-cost services presented, and that is another issue that has come up here, of course, and that is the rural communities are going to have to pay a lot more for the services than possibly the cities. Of course, in developing countries that would rule out the services for most people in the rural communities.

Mr. Sale: But then in contrast, the economy that we live in is an economy that, at least in my sense, is utterly dependent on telecommunications because it is structurally a very different economy from the one where rural telecommunications, in particular, in the countries that you worked in were in a pretty primitive state but the economy did not demand high levels of telecommunication services. What would be the contrast, in your view, in terms of the role of telecommunications in rural development in Manitoba?

Mr. Hiebert: Well, I believe very similar. Obviously, there is a money factor. If it costs more, some people are simply going to be ruled out and they are not going to get the services that they require, and certainly if you are going to develop and expand businesses in a rural community, that is also a factor—I think that is being ignored here—it costs you more money. On the one hand, I think the government is continually trying to do this by suppressing wages, and I say, hey, there are other ways in which we can save money and it is right in front of us. If it ain't broke, why fix it?

Mr. Chairperson: Thank you very much, Mr. Hiebert, for your presentation this morning.

We will then proceed to the next out-of-town presenter which is Mr. Fred Tait. Is Mr. Fred Tait here? Welcome, Mr. Tait, this morning. Have you a written presentation for distribution?

Mr. Fred Tait (Private Citizen): No, I have not. I will just speak from these notes, Mr. Chairman.

Mr. Chairperson: Thank you very much. You may proceed.

Mr. Fred Tait: For the information of the other members of the committee, I live in a little community called Rossendale, somewhere between Treherne and MacGregor. We are small-time livestock producers. We sell some forage. I work off the farm on occasion. We are heavily involved in small sawmill operations in the last three years.

In beginning my presentation this morning, I would like to maybe reflect on an action that members of this government have taken in the past to privatize a service that I was previously getting, and that was when you privatized the public insurance section of the Manitoba Public Insurance Corporation, residential insurance division. At that time, my premium to insure my house, replacement value, was approximately \$260—some dollars. I had received considerable discounts because I had been with the corporation since the day it had started selling policies. Upon you selling my policy to General Accident in Ontario, the premium on my house went up 100 percent. Since that, they have gone up considerably. If I remember correctly, my premium last year on my residence was approximately \$800. I compare that to the \$260 I paid when you privatized the corporation, that part of the insurance. Also, I found in the fine print that although initially I was insured for replacement value on my residence, today I am insured only for insured value. So you might think that I probably will be less than enthusiastic about this next step in privatizing services that I receive.

* (0920)

I looked this morning at some of the reasons that have come through the media and through different statements from different members from the Legislature as to why we should privatize the telephone system. We hear that there is a heavy debt. We hear that there is a competitive factor that needs to be addressed. I only have one line running to my farm. The competitive factor is not going to change. The monopoly is going to exist whether it is a public monopoly or a private monopoly. I also note that government has offered to write off a portion of the

debt before they privatize the MTS. I would think that such an act of generosity towards private ownership would certainly have gone a long way to reducing the debt factor in a public enterprise.

My objective this morning is to look at some of the reasons MTS is to be privatized and the impact it will have on me personally. That there will be higher rates is indisputable. How much higher those rates will be is open for debate. If I assume an increase of \$30 a month or a dollar day, \$365 a year, just for some place to—as a basis for discussion. I look at net farm incomes in Manitoba, and I see they are in the range of \$2,400 annually. An additional cost of \$360 is a fair portion of that.

I look at alternatives to raising more income to cover this additional cost. I work off the farm on occasion. If I worked a full year, another 15 cents an hour would probably cover this after taxes. I look at increasing some production, but with a 3 percent margin on investment in farming it would take a considerable amount of investment and a considerable amount of production to cover this increased cost. So I will probably do as I have done in other areas; I decrease my discretionary spending. I will spend less in other areas of the economy and spend more in this communication sector. That is probably inevitable.

There has been much talk in the media. In fact, I heard the minister say this morning, I have heard the Premier (Mr. Filmon) say that ideology is a great defence here for the opposition. But I refer to ideology in the text that John Ralston Saul, the intellectual, wrote in his recent book, *The Unconscious Civilization*. He compared ideology to a religion in that we will accept no other truths, and that is worthy of bearing in mind as I go along here. He pointed out that this ideology in the last 30 years has changed our tax structure in a manner that has created huge pools of wealth in the upper echelons of society.

Those changes in tax structure have also reduced consumer incomes. Consumer incomes have been declining; consumer spending has been declining; the domestic economy has not been healthy. But these new pools, we have found, that have been created were created with the theory that these new pools would go forward and invest and create. Entrepreneurial spirit would be

released. There would be employment; there would be products; there would be services. It did not happen because consumer incomes declined. So an opportunity was needed for these huge blocks of capital. Where would we put them? Publicly owned assets become a very attractive target. They have been well run. They have been very profitable. They are almost exclusively in a monopoly position. What better place to invest capital.

John Ralston Saul goes on further, and he says that friendly governments will undervalue the public assets. They will undervalue the share offering of these assets. When they are privatized, the executive perks and salaries, plus stock options that are normal in private corporate America, in Canada or North America, will be achieved within these former publicly owned institutions. I could not help but read that paragraph without remembering the more recent perks that Mike Bessey achieved from his involvement.

Another critic of the way we function in North America, Noam Chomsky in his work, *Necessary Illusions: Thought Control in Democratic Societies*, pointed out—it was a different context not involving public enterprise—he said, a good apple can spoil a whole barrel. That is the elite opinion within North America. A public enterprise like Manitoba Telephone System provides a very good comparison to what Chomsky is saying. It has provided a quality service at a low cost, the lowest cost in North America, and it has a very high degree of public support. You see that from the attempt to lure away the long distance business from the company on a voluntary basis. It did not work.

So this good apple would be looked at from consumers and other jurisdictions, and they would say, why is it that this province with one million people has a service that is low cost, that is supported by its people and why cannot we have one here just like that? So the reason then becomes, take out the good apple from the barrel.

I have a long history of being a social activist and a community activist, and I look back actually with a lot of good feelings about the time I have met with you, the Chair, Mr. Findlay, different members of caucuses of various people that have governed within this Legislature. I look back on it with a warm feeling because I was participating within the democratic process. Some of the issues were beef marketing,

transportation, grain and hog marketing, safety nets, et cetera. The list went on—the Assiniboine Diversion, et cetera. Initially, I lost many of these battles years ago and now I found in more recent times, the last five to eight years, almost every battle I have been in, I end up on the side of majority of public opinion. You know what, it does not make any difference, majority of public opinion has no influence anymore. So I have trouble with that, as a person who cherishes the democratic process so dearly and has participated in it so willingly and so voluntarily.

Chomsky, again, says that in North America the electorate is regulated to ratifying decisions that have already been made by the ruling elite.

Mr. Chairperson: Mr. Tait, you have one minute left.

Mr. Fred Tait: Okay. Mr. Findlay, I have heard you say that you have not heard anything that has made you change your mind on the need to privatize Manitoba Telephone System. That statement shows a defence from an ideological perspective. It shows a disrespect for democracy and a need to serve elite opinion. I challenge any of you members here today, get your staff on the phone, phone a hundred of your constituents on a random basis. That will give you the basis of how you are going to vote on this issue. The Speaker is going to call out your names one by one, and you are going to stand in this House and determine this issue. You are going to determine whether you are a respecter of democracy and are here to represent the interests of the people who elected you and put you here or whether you are going to respect the ideology that you hold so dear. I see, in the future, a judicial public inquiry into this issue. I see the ghost of Dr. Alexander Kasser; I see the ghost of Churchill Forest Industries here. This may be over temporarily, but it is not over in the longer term. Be conscious of this when you vote.

Mr. Chairperson: Thank you very much, Mr. Tait, for your presentation.

Mr. Ben Sveinson (La Verendrye): Mr. Chairman, I have just a couple of questions. Mr. Tait, you said that MTS was almost a monopoly. Do you realize that 70 percent, approximately, of MTS incoming revenue is under competition today?

Mr. Fred Tait: Yes, I understand that, and that is why you are talking about the long distance competition. I just read something in the last few days that Manitoba Telephone has retained 90 percent of its long distance business. I have been canvassed unendingly over this and I will not transfer, but as soon as the company is privatized I am no longer with MTS with my long distance. I will go elsewhere. I have no commitment anymore.

Mr. Sveinson: I just wanted to be sure that you were aware.

Also, you were saying that if in fact it goes private, MTS goes private, that the rates will go up, that is a given. I say to you this, Mr. Tait, do you think then in fact, I guess, we should take over all businesses, farms and so on, like the NDP tried to do back in the '80s? [interjection] Well, I am asking a question here. I am asking a question here. What you are saying—

Mr. Chairperson: Order, please. Mr. Sveinson, order. Mr. Ashton, order.

Mr. Steve Ashton (Thompson): Mr. Chairperson, why do you not get the member for—

Mr. Chairperson: Mr. Ashton, order.

Mr. Ashton: Mr. Penner, thank you. I heard what you said, and you do not have to berate a member of the committee. I mean, they are talking as much as I am.

* (0930)

Mr. Fred Tait: In answering the second half of your—

Mr. Ashton: I have been heckled in this committee repeatedly and you have not said a word.

Mr. Chairperson: I will not hesitate to remove somebody from this committee.

Mr. Ashton: You do not have that right.

Mr. Chairperson: I do have the right to recommend to the—

Mr. Ashton: No, you do not. You do not understand the committee process. You do not have that right.

Mr. Chairperson: I do have the right to recommend to the Speaker that a person be removed.

Mr. Ashton: Fine, go ahead. For what? For what?

Mr. Fred Tait: In reference to—okay, I got your question. In reference to the second part of your question, the only farmland within my own community that the government had any involvement with— [interjection]

Mr. Chairperson: Mr. Ashton, I remind you that we have had order in this committee, and I intend to maintain order. I ask you to observe the right of the people who present to this committee and that we listen to them carefully and hear what they have to say.

Point of Order

Mr. Ashton: On a point of order. I was being talked to by members opposite. I find it interesting that you are only talking about my comments. I apologize to the presenter if there has been an interruption, but, you know, it takes two people for a conversation, Mr. Chairperson. I would suggest you look on that side of the committee and perhaps call some of those members to order.

By the way, Sir, you do not have the right to eject people from this committee. The role of the committee Chair is to deal with the order and make recommendations to the Speaker, and I would suggest that you also, in calling people to order, not overstate your powers and also perhaps ask that there be some evenhandedness in terms of the members of this committee, because I, in this committee when I sat in here, have had conversations and been heckled by members of the government, and they never once have been called to order in the same fashion you are trying to call me to order. So, Mr. Chairperson, if you are calling me to order, that is fine, but I would ask you to apply the same to government members of the committee.

Mr. Chairperson: I ask only that members of this committee abide by the rules that we have established, and that is that we have decorum in this committee and that we listen to the presenters carefully. I have admonished members on both sides of this table, and I intend to keep on doing that. Thank you. There is no point of order, by the way.

* * *

Mr. Fred Tait: In answer to your question, the second part you dealt with with the government ownership of land in my community. To the best of my recollection, there were two parcels. They were both retiring farmers that transferred them over to a program called the purchase-rental option. One fellow rented, another fellow bought, one became a farmer, one became a statistic. There was no long-term negative impact. As far as your saying the need to regulate all other businesses, no, I say there is no need for that because there is a competitive factor. There is one phone line that runs into my yard. If there were five or there were 11 and I got on my computer each morning and said who is going to give me the lowest rate today, then there is a competitive factor. I can do that with other suppliers. I phone equipment people, I phone the farm suppliers about fuel, about fertilizer, about all these things. There is a competitive factor. Who do I phone to get a competitive system for my phone? Under the present system I can come to committee meetings like this, I can go before the Public Utilities Board, I can defeat people, I can elect people or play a part in that role. Who do I defeat, who do I elect, who do I appeal to under the system you are going to provide for me? Outside the democratic process, what is it?

Mr. Chairperson: Mr. Ashton, one short question.

Mr. Ashton: I, quite frankly, am amazed that the member opposite would talk about the '80s, seems to be talking about farms, businesses. I do not know what planet the member has been from, and I apologize for not waiting until I was recognized to make that comment. I would like to ask Mr. Tait—because you know the one thing that has become increasingly clear is that this is being driven by ideology. The government does not even know the cost of borrowing of the new company, they do not know the tax liabilities, and they have never even once asked their constituents in any form, either through a vote or public meeting. I was in Morden yesterday; I have been in Portage; I have been in various areas represented by government MLAs. Everywhere I have gone people have said the talk everywhere in the community is that they are opposed to selling off MTS. I am just wondering, in your community and people that perhaps you might have contact with elsewhere in the province, is there any evidence of any support for selling off MTS or are people basically as overwhelmingly opposed to selling off MTS as we are finding?

Mr. Fred Tait: Surprising as it is, in a community that has a long history of returning Conservative incumbents to Parliament and to the Legislature, I have not yet talked to one person that has indicated any support for this action. This is unusual. I never remember an issue that has so polarized people on an economic issue as this has. I mean, there have been other emotional issues, but on an economic issue, there has been nothing like this. This may be the threshold one; I do not know. There is a very deep anger. You listen to people talk in coffee shops; you listen to people on phone-in programs; I have never heard such anger.

It is this business that has come out, the decision to privatize MTS now was made long before it was ever made public. It was denied for reasons during a good part of the process. The public accept this as fact now. They feel deceived. They feel betrayed. It causes people to lose confidence in the institution of democracy itself, and if you are going to destroy democracy, be sure you have got something in mind you are going to replace it with, is exactly what is happening here

As I say, I am a volunteer, I do all these sorts of things out of my own expense and out of my own commitment to community and my own commitment to say these are issues we should debate, these are issues that the public should be involved in making the decision. The public has made a decision. That decision is the exact opposite to the decision the government has made. How do I rectify that? Is it like Chomsky said in his book, *Necessary Illusions*, is it that all decisions within North American society now are made behind closed doors by elite opinion and then they ask the electorate to ratify it, and if we refuse to ratify it, they say, well, you just do not understand we have to do this for your good or we have to do this to reduce the debt.

Mr. Chairperson: Thank you very much for your presentation, Mr. Tait. I have allowed, and this presentation has been given overtime because of the disruption that we had. I am going to call next, Chris Tait, National Farmers Union. I understand you are an out-of-town presenter as well.

Mr. Chris Tait (National Farmers Union): Yes, I am.

Mr. Chairperson: Mr. Tait, have you a written presentation for the committee?

Mr. Chris Tait: I have not made copies of it so I can speak slowly from the notes here. I did send a fax here to the clerk, but I do not know if it got distributed, so my apologies for that.

Mr. Chairperson: Thank you. Welcome, and you may proceed.

Mr. Chris Tait: The National Farmers Union is the only voluntarily funded general farm policy organization in Manitoba. The National Farmers Union represents producers in all major commodities throughout the province. The NFU appreciates the opportunity to present our views on Bill 67, The Manitoba Telephone System and Consequential Amendments Act. However, the NFU is extremely troubled by the decision that the government has made to limit hearings only to the city of Winnipeg. According to our information, 40 people specifically applied for legislative hearings to be held in the city of Brandon. It is surprising that a government with such a strong rural base of support would not think that it is necessary to hear from rural Manitobans and to provide them the same opportunity to present as it does to the citizens of Winnipeg.

The decision the government has made up to this point to limit the hearings on Bill 67 to the city of Winnipeg has effectively excluded rural Manitobans from having any input. The National Farmers Union recommends that hearings on Bill 67 be held in a minimum of 10 rural locations so that rural residents may express their views.

Rural Manitobans live in communities where communication services are less available than they are for city residents. Many rural communities have had their post offices closed in recent years, for example. In rural areas where distances are large and infrastructure such as roads is often substandard, having access to adequate and affordable telephone service is critically important.

The National Farmers Union would like to point out that Manitoba has the lowest phone rates in all of North America. As a publicly owned company, MTS has provided rural customers with phone service which is affordable. The argument has been made that MTS must be privatized because of the debt that the corporation carries. As farmers, we recognize the debt is always backed by assets, and the National Farmers Union would

like to point out that the assets of MTS far exceed the debt load.

* (0940)

Privatization should not be seen as the only option available to government to improve the financial stability of MTS. One option would be for the government to issue bonds similar to HydroBonds. Another option would be to consider some form of amalgamation with the publicly owned SaskTel in Saskatchewan. The National Farmers Union believes that government has a responsibility to govern and not simply retreat from its duties when a challenge presents itself. It is also important to note that MTS is profitable. Since 1990, the corporation has earned more than \$100 million in profits.

The National Farmers Union wonders what mechanism the government will implement to recover this amount of revenue if MTS ceases to be a publicly owned company. Rural Manitobans are relieved that the party line system has been replaced with individual line service in most areas of the province. Under the party line system, rural customers lived for generations without the ability to use the telephone when they wanted to, without the opportunity to have a private telephone conversation and were even expected to limit their conversations to five minutes or less. The party line system also meant that rural customers could not own fax machines. Now, without any doubt, the party line system limited the ability of rural Manitoba to develop economically and socially for many decades.

The National Farmers Union notes that Alberta and Saskatchewan both completed the conversion to individual line service through publicly owned telephone companies, and Manitoba's conversion to individual line service is nearly completed. Most other provinces with privately owned telephone companies still have party line service in rural areas.

The National Farmers Union recognizes that a publicly owned company can be used by governments as a policy instrument to ensure that rural residents can achieve a level of service which is comparable to that provided to urban citizens and for that reason, and that reason alone, Manitoba Telephone System should be maintained as a publicly owned company.

Rural telephone customers benefit significantly from the rate rebalancing carried out by Manitoba Telephone System. Rural telephone rates are subsidized up to 47% in some areas of the province. This is another example of how MTS currently serves as a policy instrument to ensure that service for rural Manitobans is comparable to the service provided to urban Manitobans. The National Farmers Union recommends that the people of Manitoba, through their government, retain ownership of MTS.

The National Farmers Union would like to remind the government that privatizing MTS was not part of its election mandate and, in fact, the government stated quite clearly it would not privatize MTS if it were elected. We urge the government not to proceed with any amendments until it is confident it has consulted with rural Manitobans and that any privatization would help, and not harm, rural residents. Thank you.

Mr. Chairperson: Thank you very much, Mr. Tait. Are there any questions?

Mr. Gregory Dewar (Selkirk): Thank you very much, Mr. Tait. Thank you very much for your presentation. You brought to the committee today a perspective that has been unfortunately missing, and that, of course, is from rural Manitoba. The government has declined to hold hearings outside even though we did bring forward a motion when the committee started, and that was to have the hearings held outside of this building in rural and northern Manitoba.

You talked about the fact that MTS rates are affordable. You provided some options, the MTS bonds or amalgamation with SaskTel. You raised the issue of individual line services, which is important, I know, to myself as someone who lives outside of the city, and the fact that because of individual line services you are now able to have fax machines and 911—all because there was a government that pushed telcos in this country to do so. You mentioned the Saskatchewan and Alberta telephones before it was privatized.

Do you have any idea at all—and I want to ask you on behalf of the individuals and the farmers that you represent—do you have any notion or an idea of why this government is proceeding with this privatization?

Mr. Chris Tait: I think it is very difficult to find an answer to that and I think that only the individuals

involved can really answer that. Is it a movement that is coming from the constituents? No, it is not. Is it something that will benefit their constituents? The evidence shows that it will not be.

As a service, like many things, medical care, roads, it costs more money to serve rural areas. That is part of reality. That is why, sometimes, we have learned in Canada, that you cannot just let private enterprise do it; private enterprise will not do it. What they want to do a lot of the time is make a lot more money on the backs of rural people, and for this government, I hope that that is unacceptable.

So I honestly do not know the answer. I hope that these people can look deep into their hearts and figure out why they are making this decision and think very carefully about whether this is the decision that they, in fact, want to make, and does this represent their constituents?

Mr. Sale: Thank you. To what extent are modern telecommunications resources central to modern farming? Is it an option and is it something you can do without if you have to because rates go way up, or is it not an option anymore?

Mr. Chris Tait: For a whole variety of reasons it is critical to have that phone access. Farming, for example, is the most dangerous occupation in the entire country, so if you injure yourself on the farm it is important that you not have a party line and somebody else has taken the phone off the hook and you cannot use the phone at all, for example. It is important that you have access, that you can get through. If we are going to move to a system where some rural people find they cannot afford telephones anymore, for example, that is a serious problem, on a variety of issues.

In terms of running a business, of course, it is very critical in a farm community where you are far away from your suppliers, you are far away from your sources, you are far away from a lot of your markets that you have access to the best possible and an affordable telecommunications system. So certainly that is consistent with a publicly owned one, not a privatized one.

Mr. Sale: This is the last question, Mr. Chairperson. Just at the bottom line, the Conservative government has

made a great deal of hay, as it were, out of expansion of agribusiness and the relative economic health of rural Manitoba at this point. I do not know, not being a rural person, whether it is as healthy as they claim, but they certainly have made great claims about this.

Does it make any sense to you to put in place a higher cost structure for the rural economy? It seems to me that it goes against everything that they have said that they care about, but is there some sense here somehow that I am missing?

Mr. Chris Tait: I do not think that those goals would be consistent. A key part of what we are lacking in many areas of rural Manitoba now is infrastructure; that we have roads which are in poor shape, that we have communities that are losing their schools, we are missing 40 rural doctors, we are missing a significant number of police officers. You need infrastructure in place before you can have economic development and so I think the government should think about that very carefully.

Mr. Chairperson: Mr. Derkach, did you want to comment? Thank you for your presentation, Mr. Tait, this morning. I revert back to the list as presented, and I call No. 2, Mr. Harry Schellenberg.

Mr. Harry Schellenberg, will you come forward, please.

Mr. Sale: For your information, Mr. Chairperson, I think you may have a note from Etyll Jones, who has been here for a number of days and who is employed and has indicated that if she cannot get away by 10 a.m. that she is just going to have to leave. I do not know if Mr. Harry Schellenberg would give leave for her to go before him or not, but they are side by side and she has indicated a difficulty. I think she sent a note to you.

Mr. Chairperson: That decision is not up to Mr. Schellenberg. That decision is up to this committee. If that is the will of the committee, to allow Ms. Jones to present before Mr. Schellenberg, I would consider that. [agreed]

Ms. Jones, would you come forward. Have you a written presentation, Ms. Jones?

Ms. Etyll Jones (Private Citizen): No, I do not.

Mr. Chairperson: Thank you. Welcome to the committee, and you may proceed.

Ms. Jones: Thanks for letting me go.

Mr. Chairperson: Mr. Sveinson and Mr. Sale, I would ask that you extend the courtesy to the presenter, please. Would you proceed, please.

* (0950)

Ms. Jones: I am sure there are a number of members of this committee who are quite tired of listening to people stand up here and complain about the process, but I am going to do it anyway. I have a number of problems with the process, one of them being a philosophical difficulty, and that is not just with the structure of the process itself but also with the attitudes of people on the committee, particularly on the government side, but I am going to talk about the structure first.

I think it is wonderful that we have this process, that we have this public committee process that the government has to go through by law. But for the government to insist that despite all of the difficulties that people have coming here, getting here, staying here through hours and hours of presenting, not knowing when their names are going to be called, for people to deny that that is a problem is a little bit unfair. This is the third day that I have come to speak on this bill and it is a very real problem for me and I am fortunate enough to be able to have some flexibility in my hours of work so that I can make up my time here. I am also a single parent, so on some days of the week it is just not possible for me to sit here until two o'clock in the morning waiting for my name to be called, and neither is it possible for someone to phone me at home and for me to come down. Obviously I cannot leave my six-year-old son alone in my home.

So, again, I just want to state that it is not always possible, regardless of people's commitment to the issue to come down here to speak. I think there needs to be respect for that reality for people.

I do not remember which member of the committee it was yesterday who spoke about the NDP orchestrating dissent to this bill. You know, I find that incredibly condescending, that my desire to speak to this bill would

be considered to be part of some orchestrated attempt on the NDP's side. It is simply not the case. I am not a member of the NDP. I am a member of Choices, Coalition for Social Justice, but it is not Choices that has orchestrated me to be here. I am here because I believe in what I am going to say about MTS.

It seems to me that there has been a consistent problem, not with Bill 67 alone, but with all of the bills that have gone forward this session and in previous sessions by this government. There is a real lack of respect for dissent and that really troubles me because, regardless of what I may think or say, there does not seem to be credibility given to that in some cases. The most blatant example I can think of, of this reality, is the day that I was here listening to presentation on Bill 26. I sat there listening to Rob Hilliard speak—and I am a unionist and I am not afraid to say I am a unionist and I am proud union member. Rob Hilliard is my elected representative, and I am relying on him to take my views forward.

Well, the Minister of Labour (Mr. Toews) leaves the room for Mr. Hilliard's presentation and comes back when he is finished, and that to me sort of says it all about what the government's attitude is, your lack of respect for dialogue and dissent. I hope that at the end of all of this process some lessons will have been learned about that.

To get on to the issue of MTS, I want to talk first of all about service to the poor and then I want to talk about what I think is the economic folly of privatizing a corporation like MTS. I am originally from Saskatchewan and I lived there up until I was 21. I went to university in Saskatoon, and I did not have very much money. My father was disabled and my mother worked in the home to care for him. I had a 14-year-old sister.

I put myself through university, and one summer I had no phone. I do not know whether there are any people on this committee who have lived without a phone, but I was healthy, I was young, I could cope with it. I could go, whenever I needed to, down to the pay phone. I did not have very much money so sometimes even finding 25 cents for the pay phone was not very easy, but I usually managed to do that or I could use my friends' telephones, or whatever.

I also know a number of people who live on social assistance, and this government through Bill 36 has, yet again, ratcheted down social assistance allowance for people to the level now where most people living on social assistance are living between 50 and 70 percent below the Statistics Canada poverty line. So where are people going to find the money to pay for a phone? Even now, given the fact that MTS rates are the lowest in the country, people are really struggling.

As a parent, if I had to live without a phone now, it would be a completely different scenario than it was for me as a 21-year-old university student living without a telephone. I think that needs to be taken extremely seriously by people. From what I have heard people say in these presentations, all the evidence indicates that the rates will go up. I mean, I have never got a call from Sprint or any of those companies, I guess because I do not use enough long distance on my telephone, but the reality is that these rates for local service are going to go up. Are we going to have to pay for each individual call that we make, as they do in United States and in Great Britain, from what I understand? That is going to be a very real problem for people, and I hope that the committee takes that very seriously.

I was here when Diane Frolick made her presentation talking about the situation as an emergency room nurse and the consequences for people of not having a phone, and I think that there is a conception out there that everyone can afford a phone, and that is simply not the case.

I want to talk a little bit about public ownership and why it is a mistake to privatize MTS. It seems to me that since MTS is a public corporation it belongs to me. Even if I had money to buy shares in MTS, which I do not, and I will not have, I do not think that I should be asked to purchase shares of a corporation that I already own through the taxes that I pay to this government every year.

So, I disagree with this concept that everything is going to be fine with members of the public because they will still have control over MTS because they will be given the right to purchase shares. I just think that is completely unrealistic and I disagree with it.

On the broader, economic side I think selling MTS is going to be a mistake for a few reasons, one of them being, first of all, that MTS employs 4,000 people and those are unionized jobs. I do not know what the difference may or may not be between a unionized job and a nonunionized job in the telecommunications industry. I know what it means in some other industries. For most people it usually means a drop in wages of at least 30 to 40 percent when you are looking at a unionized wage rate versus a nonunionized wage rate. It is not only unionized wage rates, it is also the things that go along with being a unionized worker, one of them being pension, benefits and what not.

So if we were to take 4,000 jobs and reduce their pay packet by 40 percent, take away their pension plan, take away their benefits, what kind of economic impact is that going to have on Manitoba? I mean, it seems to me to be a serious question and you cannot just assume that as MTS slowly, kind of falls between the cracks and people in Manitoba lose grip over what happens to MTS, that those jobs are going to continue to be unionized jobs because obviously whoever purchases the corporation is going to be interested only in profit and unionized jobs are going to be the first ones to go. Given the fact that the government has now made it harder to unionize workers in this province by requiring mandatory votes for unionization, I think you are going to have some pretty serious problems on that score.

I do not know exactly what the arrangement is for MTS, in terms of what happens to its profits every year, but I have some understanding of what could be the possibility. I guess either those profits are put back into the company or the company pays royalties to the government which then end up in the government's coffers. In either case, those are assets for the people of Manitoba. They are revenue for the government. They are a source of economic growth for the province, and I think the foolishness of getting rid of those assets is pretty clear to everyone and that is why people are so opposed to this bill. I think that you should reconsider what the economic impact will be of losing the huge asset that is part of MTS.

I am worried, as I have been with health care and with education, that privatization of MTS is just going to be the beginning. Privatization of Manitoba Hydro and other government corporations may be next and further

privatization in the health care system. I do not believe that necessary services should be provided for profit. I think that a phone is a necessary service, and I ask that you withdraw the bill.

Mr. Chairperson: Thank you very much, Ms. Jones.

Mr. Sale: Just one question. You said you were not sure what the difference might be in wages in a nonunion versus a union environment. I give you the example of the Manitoba Telephone System's telemarketing department which was paying about \$16 an hour to highly trained people who were really systems experts who could do telemarketing, but they were marketing the whole range of MTS's products. Faneuil corporation—it is interesting—was given a monopoly to do MTS's telemarketing for nine years at about \$8 an hour and the employees are heads-down, script-driven telemarketers who do not know beans about telecommunications equipment, and whenever they get a question that they cannot answer, they have to refer the caller back to MTS to get what they used to get as a matter of course.

So that is the difference. We have employees, who turn over an average of around 25 percent to 30 percent per year and in some places higher, working for just above minimum wage in jobs that have no benefits and no guaranteed hours. I do not think it takes a lot of imagination to think what their purchasing decisions are based on versus a secure job at \$16 an hour where you are actually a skilled person serving the needs of Manitoba's public. It is not really a question; it is just an observation. You asked for an example. When Faneuil was given that monopoly, Manitoba Telephone's telemarketing department was disbanded, the staff were laid off, the head of it, who had been very successful working on a commission and bonus system around business retention, was forced into early retirement. It was a great victory for the people of Manitoba.

Mr. Chairperson: Thank you very much for your presentation, Ms. Jones. I call Mr. Harry Schellenberg. Mr. Schellenberg, have you a written presentation for distribution to the committee?

* (1000)

Mr. Harry Schellenberg (Private Citizen): No, I do not.

Mr. Chairperson: Welcome to the committee, Mr. Schellenberg, and you may proceed.

Mr. Schellenberg: Good morning, committee. So far you look quite friendly. Manitobans are concerned about the privatization of MTS. The reason for their concerns are many, but I would like to focus on one issue of this whole sale. The government has no mandate to privatize MTS. For this reason the people of Manitoba feel they have been betrayed by the Tory government in the last provincial election. Let me explain.

I would like to focus for a few minutes on what was said in Rossmere in the last provincial election because I think you have heard all the other arguments. I would like to give you sort of grassroots information.

I will basically focus on the MTS sale. I could speak on many aspects, but time does not permit.

During the last provincial election in Rossmere, the privatization of MTS was never mentioned. The closing of the Concordia Emergency was never mentioned; the health superboards were never mentioned; changes to teacher's collective bargaining was never mentioned; the current labour legislation was never mentioned. The privatization of home care work was never mentioned. The selling off of our Winnipeg Jets was never mentioned. In fact, you were left with the impression that the Tories were the only political party that would keep the Jets in Winnipeg. All your election promises have been broken.

Apparently your election strategy in Rossmere was to contact the voters six times, maybe because your candidate was not known, he had left the community years ago, I do not know, but you felt that was your strategy; six times. The first time you filled the mailboxes about your balanced budget legislation at the expense of the taxpayers. You mailed the brochures—you know the trick you played—the day before the election so the voters would receive it on the day the election was called. You never mentioned the MTS sale in those brochures at all.

The closing emergency ward was never mentioned or the Winnipeg Jets were never mentioned in your literature. You did mention later on that you would keep them. You had a plan. I am still waiting for it.

Then you had a call centre downtown, and you phoned every person in Rossmere, but you failed to notify the voters in Rossmere what your secret agenda was. You never once mentioned the MTS sale or all these other things. The Premier spent most of his time in Rossmere. I do not know who gave him room and board, but during the last election he never mentioned the MTS sale or the cuts to health care and all those superboards. In fact, he said he was going to spend thousands, millions of dollars on new facilities in health care. It never happened.

About two days before the election was called, election day, Filmon met his Tory candidate in Rossmere at the Janzen residence on Foxdale, which is not even Rossmere, at a so-called coffee party, had the press there and so forth, got a nice photo opportunity. Again nothing was said about the MTS sale—just said, coffee party we had—or all the other reactionary changes he had in mind for the voters. All your literature never mentioned your secret agenda that you are now foisting on the voters.

You are betraying the people of Rossmere and the people of Manitoba. This is a betrayal and nothing else. I must say that home care workers, teachers, and generally the working men and women of this province are learning all about your agenda, which is really the corporate agenda. Your candidate in Rossmere said he would serve his constituents, you know, the casework and so forth very well, but the people of Rossmere found out that his constituents were not really the people of Rossmere, but that his constituents are his friends, the big corporations whom he is serving at the present time and who put him into office.

I have here something that has been well talked about in the Free Press and papers, with the Tatlock family. The Tories do not have too much time for their constituents like the Tatlock family, whom the MLA for Rossmere and the Minister of Health (Mr. McCrae) have totally ignored. That story is well told, and I will not go into explaining it. Even the Premier (Mr. Filmon) does not have time of the day for the Tatlock family. Mr. Tatlock gave him a letter on November 9 at this coffee party at the Gateway community club, and he has had no answer yet. So I do not want to explain that whole issue but, please, these things are important to people. Do not just represent your friends. You do not seem to listen to the people like Tatlocks or the average constituent.

It was a big investment corporation that told you to Americanize or privatize MTS, not the people of Manitoba, not the people of Rossmere. MTS is here to serve the people and not the pockets of the big corporations.

I have more written here. but I will sort of leave it. If you want to know what I wrote, you can ask me later.

It is time the government started listening to the people and began serving the people and not just their corporate friends. Now, just a little bit about what is going on in Rossmere. You know, that is one reason I am here. The MLA for Rossmere is feeling the political heat of this corporate agenda. You know, he ran on the people agenda, and word is out from him, his family, he will not run in the next election. Now, this is all over the coffee shops. He is talking about quitting politics. Oh, God, his family members are saying that. The old heat is there.

Oh, here, Pat Biggar—I think government should be of the people, for the people, and not just a government for your friends—is an example of the Tory benefiting from corporate agenda, a friend of the Premier. Okay, and she is the one that will deal with the public relations aspect of MTS sale. Why did you not ask me? She will pocket thousands from the sale; she will do well. Just an example. This all fits in with the corporate agenda of the Tory party.

Why did you not inform the public in the last provincial election about the MTS sale and your whole corporate agenda? Because you knew the people would not accept it, you could not win on that agenda. I think it is big business and the Chamber of Commerce types who determine the legislative agenda here.

* (1010)

I would like to point out to Tory MLAs here, I do not think you have much input into the agenda. At your caucus meetings, you stand up for the people that elected you, that is your job, not just be yes-people, okay, sort of stool pigeons for the Chamber of Commerce in the Legislature. Stand right in there. I meet Harold Neufeld every once in a while; he stood in there. I will not say what he said—very interesting—just yesterday.

I heard Darren Praznik on CJOB yesterday, and he said that this legislation had been before the Legislature since

spring. True enough, oh, lots of time. This is true, but the people would like to debate this issue with the government and you have been hiding behind closed doors right here at the field, structured, keep those people away. Do not let them speak, you know, stay in your little seats, be nice little boys and girls. You have been hiding behind closed doors. What the people want is hearings all over Manitoba, to get into discussion with you, a debate with you over this.

Mr. Chairperson: You have one minute, Mr. Schellenberg.

Mr. Schellenberg: I can remember Darren Praznik wanting to have hearings in the past, but today, no, Sir. They want to slip it in through the back door. The Premier (Mr. Filmon) has been hiding. I had a drink there, so take that time off. During the provincial election he paid attention to the people of Rossmere, but once he got what he wanted he forgot about the people.

When the Premier and the cabinet came to northeast Winnipeg, the meetings were private. People are only invited by personal invitation because people have been taking the Premier and the cabinet to task right across Winnipeg. They do not like that corporate agenda. October 9, people got this. I did not get it. You know, personal invitation. Have coffee and conversation, the Honourable Gary Filmon. You got it; I did not. Why do I not get one? See. Let all the people hear you. You see, some people count and some do not.

Mr. Chairperson: Thank you very much for your presentation, Mr. Schellenberg, and I did deduct the drink time.

Mr. Schellenberg: But this is very worthwhile material here.

Mr. Chairperson: Are there any questions of Mr. Schellenberg?

Mr. Dewar: Thank you, Mr. Schellenberg, and welcome back to the Legislative Building. Considering the performance of the current member on this issue, the current member for Rossmere (Mr. Toews) that is, you will soon be back with us on a permanent basis.

You mentioned the election campaign and, obviously, you are quite involved in the election campaign. Are you

suggesting that the current member for Rossmere did not mention at all during that campaign that they had an agenda or they were seeking an agenda to sell the Manitoba Telephone System?

Mr. Schellenberg: Basically, no, not at all. I heard a lot about the Winnipeg Jets. That was well—they were going to keep them. That was on their agenda. You heard Jets, Jets, Jets, you know. That you heard, but he never mentioned that at all. No, not at all.

Mr. Dewar: Can you inform the committee as to why you think that the current member did not raise this issue?

Mr. Schellenberg: Probably he did not know the exact agenda. I think the MLAs here, the Tory MLAs, they knew the agenda when they showed up here. It was put before them by Filmon and his friends. I feel that he really did not know—the he would not even debate at River East Collegiate. He was hiding during the election, just like Filmon and the Tories now are hiding. He was hiding. He would not come out and debate at all. I have never met the man. I have seen him on TV and in the headlines.

Mr. Dewar: Mr. Schellenberg, I understand that you consulted with the constituents and the residents of Rossmere on a regular basis over the past year. Can you enlighten the committee here on the mood of the electorate in terms of the sale of MTS?

Mr. Schellenberg: Well, I speak to people on a continuous basis. They are very upset. I realize that there are some Tories, all due respect to Mr. Penner, the Chairperson here, but people like Mr. Penner have said that nobody comes to him to complain about the sale. They only come to invest. Well, if you only listen to the investors, you will not hear the complaints. If you have closed ears, you will not hear them, but I hear lots of it. Just this morning, I came here and had coffee at Salisbury House on Henderson Highway, and a fellow's wife works there and he says, well, if it is privatized her wage will drop. So you hear all these sorts of things, but the people have no input. The hearings would do it. The hearings would give them a mandate.

Mr. Dewar: You mentioned of course the infamous Barb Biggar and the \$400,000 that this government is spending of our money to tell us that privatization is

good for us. You know, it was revealed earlier on in the hearings that the Save Our System committee in Selkirk is spending \$157, \$157 that was raised by donations at a public meeting. Now, is it your opinion that the \$400,000 would be better spent, instead of on this false advertising, that the money in fact should be spent on holding hearings outside of this building in rural and northern Manitoba?

Mr. Schellenberg: Definitely. Spend it in the community. That is where it should be spent, with the people. That in itself, if they have to spend that much money they know the people are upset. That is how they do it. They are using their own money to persuade them that it is good. That is an admission of guilt, that there is a real problem out there and they do not want to own up to it.

Mr. Dewar: Thank you, Mr. Schellenberg. That is all my questions, and I just know that you will be back with us very soon in this Chamber.

Mr. Schellenberg: I feel I am already back. Totally you know. I am just sorry I did not come to that coffee and conversation party, because I am sure Mr. Driedger would have given me a good cup of coffee.

Mr. Chairperson: Thank you very much for your presentation, Mr. Schellenberg. You are always a delight to listen to.

I have another request from another presenter. Just to ask the question, this person is No. 19 on the list and asks whether it would be at all possible to be heard before 10:30. What is the will of the committee? [agreed]

I ask then Mr. Gooding, No. 19, to come forward. I understand it is because of work reasons, Mr. Gooding. Is that correct?

Mr. Robert N. Gooding (Private Citizen): That is correct. I have an appointment.

Mr. Chairperson: Have you a written presentation for the committee?

Mr. Gooding: No, Sir. I have an oral presentation and actually it will be a very short presentation.

Mr. Chairperson: You may proceed, then.

Mr. Gooding: In very much like in the Province of Manitoba, if we introduce legislation we introduce the terms and we define the meanings of all the terms and why they are important. I want to start out and I want to talk about, what is communications, because it is important. Communications is a sender, a channel and a receiver.

Now, if there is more than one receiver, it is broadcast, as in your television system. MTS is a one-to-one system. It is a sender, a channel and a receiver, a very conventional system, a two-way system too, a duplex system. If any element of the communication systems fails, we do not have communication; if there is no receiver, if there is no channel, if there is no sender.

We want to model this idea of communications into the rest of the world. In the computer world, we call it client server, in the economic world, we call it client server. You go to the restaurant and a server serves you, they have served a product. We purchase information. Money moves from clients to servers and it is very important. That is the only way it moves.

We have to look at what is going to happen to the structure of our communications system if we are not careful. Communications is international in scope. It transcends all the borders. It transcends the city borders, the provincial borders, the national borders. What it really implies is, money will freely move across these borders based on the very fact that communication happened. There is a one-to-one correlation to this idea of client and server. It is important to every political jurisdiction that there is a balance between clients and servers. Otherwise the capital asset of that political jurisdiction will move out of that political jurisdiction. The city of Winnipeg could become impoverished, the province of Manitoba, the country of Canada.

* (1020)

It is critically important to realize that client server and sender, channel, receiver are one and the same thing, and it is a different paradigm than looking at the telephone system as just a telephone. It is not that simple anymore. We are playing with the big boys and the big boys are not looking at my member communicating with me over the telephone. They are looking at my member

communicating with me and the rest of the constituency. He wants to broadcast, he wants to get his message out efficiently.

Well, if we do not have the facilities to have policy in Manitoba, it allows me as a small-business man to broadcast my message efficiently to my entire customer base, to do my customer support on a one-on-one basis with each customer I have. The value of the telephone becomes less valuable to me as fewer people have it.

I am not talking about the telephone system staying at just the telephone where my member and I can talk. I am talking about the telephone system of the future which MTS has the capabilities of providing. We already use MTS to go to Internet servers, and one server serves thousands of people worldwide. We cannot, we absolutely cannot make the mistake of losing this policy tool.

This is a major part of our economy, this is not a small part. If we model this to something that—it was actually the very small part of an economy. For example, Great Britain had a tax on Ireland. It was actually a very, very small tax and actually, historically all taxes were very small relative to people's incomes, but it was the crystallized element that made the potato famine in Ireland possible. Why? Because the net capital asset of an entire country moved out. Inflation set in and it became more advantageous to sell the very feed stock of the people abroad rather than within.

Awful simple decisions that do not understand how capital will flow from them, especially when they flow out of your political jurisdiction. This is a macroeconomic problem. This is not a microeconomic problem, like I deal with in my business every day. This is a macroeconomic problem. We have to be careful to look at it that way and not confuse the tools I use to do my balance sheet with the implications that it will have on society, our political jurisdiction, whether we are focusing on the city, the province, or the country.

I would like to call it and not over dwell on it. I hope that I have made my point. I hope that I have made it clearly. I will leave it for questions.

Mr. Chairperson: Thank you very much, Mr. Gooding. Are there any questions?

Mr. Sale: Thank you, Mr. Gooding. Could you just briefly, generally, describe the kind of business that you are actually in? You obviously use telecommunications in a central way in your business.

Mr. Gooding: I have two businesses. One is Ring computer training centres. In that business, we do needs analyses for companies, and we design courses to be taught in company board rooms. My other business is Ring Communications. I actually happen to be the largest list broker of MTS telephone numbers. I have set up a telemarketing system myself where we have phoned 111,000 households in a period of five weeks in the period of an election, and in the time constraints. I set up data entry systems for Elections Canada where the enumeration was done with the computer for the referendum. I am not a distant person from communications or the education process.

I have also done research in what is called LMCS, local multipoint communication system. That is a new technology where using signals in the 20 to 28 gigahertz range, information can be broadcast to and from a home. In every node in the city of approximately three kilometres in size, you can have seventy-one T1 lines. You may have one or two T1 lines into this building. It is a lot of information capability. The infrastructure of it is different. Within the next two years, MTS will be able to bid on licences to supply that type of service which means everybody in their home-based business—and we are rapidly moving to home-based businesses—will be able to put up their own information server, serve information about the product they are supplying and facilitate the entire transaction.

Now this is going to be done throughout the world. Industry Canada in their wisdom has made sure that Canada is a leader in this technology. There are some problems, that the people who have got it in the first round have unfortunately been broadcasters. There is a problem with the communications technology becoming too much into the broadcast range in that it only facilitates very large companies to communicate with a shotgun approach to everybody. They are not targeting their audience so you get a message, whether you want it or not, that is not directed specifically at you. You want messages that are targeted to the person who wants to buy the product. You do not want the shotgun approach of mass media. There is no control of it.

We are still in the agreements that the Conservative government of a few years ago made with United States, NAFTA. We have given them a lot of rights in the communications industry. If we ever withdraw from our position of having the monopoly of MTS, we will never recover them and we will have no way of having policy control over the broadcast industry.

The broadcast industry in Canada is controlled federally. It is not controlled provincially. It is like the government of Manitoba saying, we are going to give up our policy tools. We cannot do it. I have to apologize, I am a little bit nervous here. It is my respect for the audience; it is my respect for the seriousness of the problem.

Mr. Sale: Just a concluding observation. What I think you are telling the committee, and it is really an important message that you brought us, is that the policy decisions around telecommunications, in which the province now has a major say and will have virtually no or a very minor say in the future if this decision goes through, are not just about telecommunications. They are about the flows of capital and the flows of employment and the use that that capital generates in the economy, and relatively small but critical decisions can crucially influence the patterns of capital flow in an economy and, in fact, could exacerbate the flow out of an economy that is vulnerable.

I think that is really an important point that you have made for us this morning, that public sector influence in those decisions can be good or can be bad, but it is critical, whether it is good or bad, it is critical and thus far in our province, at least apart from some lamentable decisions in the recent few years, we have been well served by the public role in MTS, and I think you are telling us that we will be badly served by exiting.

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

I call next Mr. Dave Roberts. Dave Roberts, having been called for the second time, will be dropped off the list. Dood Bayney. Dood Bayney, having been called for the second time, will be dropped off the list. Russ Wyatt. Russ Wyatt, having been called for the second time, will be dropped off the list.

Jim Still. Will you come forward, please, Mr. Still. Welcome to the committee this morning. Have you a written presentation to present to the committee?

Mr. Jim Still (Private Citizen): Yes, I have 16 copies of my written presentation.

Mr. Chairperson: Thank you. Could it be distributed, please? You may proceed with your presentation.

Mr. Still: As a concerned citizen of Manitoba, I speak in opposition to Bill 67, the privatization of MTS. Such a major decision to sell off our second largest Crown corporation should rest solely on the will of the people of this province whom the government has been elected to represent. Had this proposed sale of the telephones been a part of the Tory election platform in March 1995 and the current government still re-elected, then the acceptance of Bill 67 would have been inevitable. However, sadly, this was not the case as the people of this province were not consulted or notified about the impending sale of MTS prior to the April 25, 1995, provincial election.

I believe Premier Filmon at that time chose to keep his government's plan to privatize MTS secret, probably in concern of voter rejection that would have ultimately cost his government an election defeat. Even with these current legislative public hearings taking place, I believe Manitobans have been effectively shut out of the decision-making process concerning Bill 67. Manitoba Telephone System has proudly served Manitobans since its inception nearly 80 years ago. Most recently we have experienced the lowest residential phone rates in North America, second only to our immediate neighbours to the west, SaskTel, which incidently is also a Crown asset.

* (1030)

Certainly MTS faces serious challenges into the future, such as new services offered by aggressive competitors, AT&T and Sprint. In spite of discounts offered on long distance service by these two private companies, Manitobans have overwhelmingly stuck with MTS for their long distance service. With political will and shrewd capital investment, MTS can remain a sound Crown utility.

Why sell MTS to the people when we already own it? I have fears a private MTS years down the road may very well mean hefty rate increases, a reduction in services in nonprofitable, remote northern regions and a reduction in

a current workforce of 4,000 Manitobans within the province, all to satisfy shareholder returns.

Much of this we are experiencing today with a recently privatized CN Rail; downsizing and equipment abandonment. This, to me, is certainly not a risk worth taking. I strongly urge the government to rescind this bill at this time and, if need be, reintroduce it after the next provincial election, providing all Manitobans an opportunity to express their decision about the future of MTS via the election process. Thank you.

Mr. Chairperson: Thank you very much, Mr. Still.

Mr. Dewar: Thank you, Mr. Still, and thank you for coming out today. You made a number of good points in your presentation this morning. You talked about the government's commitment or lack of commitment, actually, during the election campaign regarding their plans to privatize this public utility. I recall that when the issue was raised before and during and after the election, the Filmon government, government members and candidates across this province denied that there were any plans to privatize. They were re-elected as we all know. Do you feel that this was such an important issue that this would have caused a reconsideration of that electoral victory?

Mr. Still: Without a doubt. It is interesting. This last week, the Halloween week, I was outside still working around my yard, talking to the neighbours in my immediate area, and I happened to speak about the MTS issue. They were all of the same consensus, why are they doing this? Well, in fact, it was their suggestion that prodded me to write this brief up and come and present this to this committee—and I feel, because a few of them in fact did vote—and I live in Rossmere—for Mr. Toews would have voted differently had they known that the MTS plans were on the backburner with this Tory government, so, yes, that, and of course the Jets issue. A lot of young people who really do not care about politics—some of my friends, in fact—and they said the Tories are going to save the Jets, I have got to vote for the Tories.

Regardless of who people vote for, it is a big decision to sell our second largest Crown corporation, and I really do not see any benefits and I would sure like to know why they are selling it. I wish we could get an honest answer.

Mr. Dewar: You also mention the recently privatized CN. Are you aware that this same minister, the Minister responsible for the Manitoba Telephone System (Mr. Findlay), the minister responsible for the privatization of the Manitoba Telephone System, in Question Period, he condemned the federal government for the sale of CN and the negative effects that has had upon northern Manitoba, for example? Are you aware of that? What are your thoughts on that type of action by that minister?

Mr. Still: Well, if those were Mr. Findlay's thoughts at the time, I agree with him. I work for CN Rail and I have seen what has happened, how they are downsizing, how we are abandoning rail lines. I can see the same thing replaying itself with the MTS field, and it is very scary, but why he would have such a different posture on his own Crown corporation, the MTS, when in fact, CN Rail privatizing, I believe it was a mistake. In fact, I am a shareholder, a small one at that, but at any rate it is not doing justice for servicing the remote regions, and I can see the same thing occurring with MTS, perhaps not in the first, second or third year, but down the road, and that, certainly, we do not need to keep this province a strong province.

Mr. Dewar: You live in the Rossmere area. Have you communicated your concerns to your member and, if so, what has been his response?

Mr. Still: No, I have not.

Mr. Dewar: Well, I would just suggest to you that you and your neighbours call up the member and let him know your feelings on this issue.

Mr. Still: I will take that advisement. Thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Still.

The next person I call is James Sanders. James Sanders, having been called a second time, will be dropped off the list. Mark Kernaghan. Mark Kernaghan, having been called a second time, will be dropped off the list. Don Halechko. Don Halechko, having been called a second time, will be dropped off the list.

Now we reach a point in our list, and they are marked by an asterisk. Marilyn Brick, who has been called twice before, was dropped off the list and has reregistered.

What is the will of the committee? Do we call them once and drop them off the list, or call them again twice as if they had not registered before?

Mr. Sveinson: Mr. Chairman, I believe, seeing that they were called twice earlier and now again, I believe that once is sufficient. I think that what we have done in the past where if somebody shows up, we do look at trying to let them present at the time that they do show up, but I think once is sufficient.

Mr. Chairperson: What is the will of the committee? One call. [agreed]

Marilyn Brick. Not seeing her, she will be dropped off the list.

Bill Martin, first time call. Bill Martin, would you come forward, please? I understand we have a copy of your presentation which will be distributed. You may proceed with your presentation. Welcome to the committee.

Mr. Bill Martin (Canadian Mental Health Association): Just a few words about the Canadian Mental Health Association before I begin. I hope you all have heard of it, but if you have not, this is my opportunity. We are a charity. We are probably the oldest health charity in Canada. We have been active in Manitoba, in one way or another, since the 1920s. We provide direct service. We educate, we do research and we advocate. We have advocated changes in the mental health delivery system over the decades that puts us in this position of speaking to gentlemen in your positions, and ladies, over the years.

* (1040)

What I have before you is probably one of your briefest briefs, and because it is brief, I will read it to you. This is a resolution that was passed at the annual general meeting of the Canadian Mental Health Association on September 7.

Whereas the Manitoba government is presently planning to divest itself of the Manitoba Telephone System; and

Whereas a nonpublicly owned telephone system will require rental of telephone lines at a cost recovery rate; and

Whereas this increase in cost will place the rental of a telephone beyond the reach of mental health consumers on limited income and cause hardship which will adversely affect the quality of their lives,

Be it resolved that CMHA, Manitoba Division, go on record as supporting the continued public subsidy of telephone services for mental health consumers on limited income.

I realize that we are just a little bit on the side of the issue. The annual general meeting at CMHA did not choose to comment on whether the company should be owned by anyone. Our concern is the effect that this sale may have, in the opinion of our membership, on people who are mental health consumers who have incredibly limited income.

This government, and I guess the previous government, began a process of mental health reform which, very simply put, has taken people who were very vulnerable, that the state has made a commitment to care for, out of an environment where they were cared for 100 percent of the time. They were in the large institutions at Selkirk and Brandon decades ago and that was just a universal 100 percent support system. There was nothing wanting. The environment was not good for people but, nonetheless, the state looked after 100 percent of the needs of those people. The goal of mental health reform is for people to live in the community and we have proven that people with disabilities can do that.

The problem has been with various deinstitutionalization efforts before that we move people out but we did not move the money, and so people could say, well, if this does not work, we have to rebuild the institutions. In California there is some movement towards that because the state there did not put enough money in the community to provide the support that they did provide earlier on in the institution. We have all seen the stories of the street people in the United States where that has come to be. Now that is not the case in Manitoba or in Canada, although there are some unfortunate trends that are coming that way. I have been privileged to speak with a number of people who have been residents of the large institutions who are disabled with mental illness and who are living in the community, and they tell me stories that they cannot get a decent place to live anymore, that the welfare rates are just not adequate to cover a decent place to live.

They tell me stories of the medication that they take affects their vision, but they cannot get their eyeglasses changed now because the support in the community has been diminished through welfare. They say that there are marvellous new drugs out, and we know of them, that are much better for people to take and have much less side effects. They are willing and prepared to take them, but these medications are not covered under welfare anymore. This leads us to a concern that if telephone rates go up, then perhaps there just will not be an allowance for people to purchase a telephone.

I attended a conference in Buffalo back in 1988 and some of the very cutting edge people from all over North America were there, including some people from Canada. I am pleased to add. They talked about what is it that people need to live successfully in a community if they have a disability like mental illness. They talked about some very standard things like a good place to live, a job, but it was really interesting that several of the speakers said they must have their own telephone. When I came back—part of my job—I wrote this into some of the papers, and actually people said, well, that is not important, and people in the academic system, even, who I would have thought would have really thought this was a wonderful idea. I think the reason that they did not agree with me was that we just took it for granted that everybody will have a telephone.

But then I have talked to some consumers who live in some of the large room-and-board houses here in Winnipeg and these are courageous people who are coping with a very severe disability daily, and lonely, and they do not have access to the telephone in these room-and-board houses. They just do not and so they just do without.

Mental health reform has spent quite a bit of effort in making sure that services are accessible in the community. We have spent quite a bit of money on things like the Clinic Crisis Line, the Warmline service, which is answered by consumers over at the Salvation Army. All of the regions in rural Manitoba have set up telephone services for people who have been patients in hospitals who are now living in the community, and it is 24 hours around the clock that you can pick it up, and if you have been one of these individuals who is on the caseload, then you can be assured that somewhere along the line the telephone will be answered. There is a process for that.

I guess the last thing that I would like to bring to your attention is that it is really a safety issue for people and it is a cost-saving issue. If a person is very anxious, and in my experience people who experience mental health problems or mental illness experience anxiety just the same way as I do and just the same way as all of us in this room do, and if they do not have some vehicle to deal with that anxiety that works, then they end up in emergency and that is a terrible thing to happen because in emergency in Winnipeg you wait for 10 or 12 hours before you can be seen, which is another issue which we should concern ourselves with but it is not today's. This government has done just, I think, an incredibly enlightened thing in opening up the crisis stabilization units so that you do not have to go through that horrible process of emergency. It is less expensive and it is more user friendly, and it is a good thing to do.

Recently, I think I can say that this is the only situation in Canada, if not North America, where a group of consumers have been funded by a government to run a safe house and that is Seneca House, which this government has done. Just admirable, but if we have consumers who cannot phone those services and cannot get to them, then we sort of defeat the purpose. So I do not have any authority to make a resolution or a suggestion to you as to whether you sell MTS or not, but I do make a plea that you raise your welfare rates if telephone rates go up to make sure that consumers of mental health services are able to have a phone, because it is just absolutely essential that they have something that is so universally accessible and they can reach out and make connection with someone. Thank you.

Mr. Chairperson: Thank you very much for your presentation, Mr. Martin. It was truly an enjoyable presentation.

Ms. Wowchuk, I am sorry, I have a minefield here this morning.

Ms. Rosann Wowchuk (Swan River): Thank you for your presentation, Mr. Martin. I know that you have done an awful lot of work to bring the issues that face consumers of mental health and ensure that they have better services. Would you have any idea—and I missed the earlier part of your presentation, so I apologize if you have covered this already—what percentage of your consumers or mental health patients that you work with

would have phones right now, or are there a large number of them who would not have phones at the present time?

Mr. Martin: Thank you. It is my impression that every consumer who lives by him or herself or shares an apartment with someone has a phone. I think that the only consumers now who do not have access to a phone would be those who are living in the old room-and-board houses, which we have been endeavouring to phase out, and they can get at a phone really, but they are intimidated and encouraged not to—in some instances, not in all.

Ms. Wowchuk: Mr. Martin, you talked about the services that are available. You talked about the Klinik crisis line and warm lines that are very effective and provide the opportunity for intervention for people so that they do not end up in emergency. I am a representative of a rural area and I am very concerned that those same accesses are not available to rural people in Manitoba. I talk particularly about the farm and rural stress line that was in place but is not now in place, and the reason it is not in place is because the government has not put in place the funding to see that it carries on.

What do you see as the future of that line, which I think is a vital service, being continued if Manitoba Telephone is privatized?

* (1050)

Mr. Martin: I do not know. I am absolutely and firmly convinced, of course, as you all know probably, that our association believes that the farm and rural stress line is an incredibly important piece but it is not exactly the same piece as the warm line or these lines that are run by government out of the crisis stabilization units or out of the mental health offices around the province. Those lines are set up strictly to someone who already has a diagnosis and the rest of the population for whatever reason, the stigma that is attached to mental illness right now, are afraid of mental illness and they will not approach services that are set up for someone with mental illness.

I think the ideal world would be that we would get the farm and rural crisis line going strongly, and going so strongly that it would not be necessary to have the ones that isolate and stigmatize people who have a mental

illness, so that all of us phone the farm and rural crisis line and talk to a rural resident, if we are from rural Manitoba, and they are able to do that. But that is my vision and that is my dream; I do not know what will happen. I guess if costs go up, then it will be more expensive to maintain the service.

Ms. Wowchuk: I guess that is what I am trying to get at. We hear and read the statistics that tell us that under privatization, if we look at the Alberta example, the rates go up. We have concerns about the impact of these increased rates. We know that the rural stress line would require, I believe it is \$80,000 from the provincial government for it to continue but under a privatized system. I wonder whether you anticipate that rates will go up and, as a result, it will be even more difficult for the rural stress line to survive and bring those services that are desperately needed to not only provide service but open up the whole system so that we are using one service. That is what I am looking for, to you, whether you anticipate that this line—although it is in difficulty now—will be able to survive under a private company.

Mr. Martin: What I read and what I hear leads me to believe that rates will increase for individuals, but I do not pretend to be an expert on that. If those rates do go up, it is going to be that much more difficult to maintain a service like that.

Mr. Sveinson: Mr. Chairman, I have more a statement than a question, but Mr. Martin can respond to it after if he wishes. Mr. Martin, this government is trying to ensure the best service, the most up-to-date service and continued updating of service in this province for the best price, and since deregulation and the fact that we all know that communication systems are changing so very quickly in this world, the fact that 70 percent of the incoming revenues into MTS today is under competition, we feel that this is the best way to do it.

That, indeed, I believe will ensure that the people that you serve and the people of Manitoba will have the most up-to-date service and the best service for the best price in the future. Thank you.

Mr. Chairperson: Mr. Martin, did you wish to comment?

Mr. Martin: I think I could speak on behalf of our membership and say that there was never any suggestion

by our membership as to whether or not this was a good idea to do, or the intentions of government, which I am sure are honourable. Our concern is that based on the evidence that we have that consumers will face more expensive—and I know people who cannot take the bus now. You know, they are very, very close to the edge of living in abject poverty.

Mr. Chairperson: Thank you very much for your presentation, Mr. Martin.

I call next Neva Nicholls. Neva Nicholls has been called for the first time. Seeing her not, she will drop to the bottom of the list. Marilyn Brimson. Marilyn Brimson, having been called for the first time, will drop to the bottom of the list. Brenda Singfield. Brenda Singfield, having been called for the first time, will drop to the bottom of the list. Pavan Sadmirzai. Pavan Sadmirzai, having been called for the first time, will be dropped to the bottom of the list. Jocelyn McGuire. Jocelyn McGuire. It is the third time that she has been called, first time after reregistration; she will be dropped from the list. Bernie Perreault. Bernie Perreault, having been called the first time, will drop to the bottom of the list.

Heidi Eigenkind. Heidi Eigenkind, would you come forward, please. Heidi, have you a presentation for distribution to the committee?

Ms. Heidi Eigenkind (Private Citizen): No, I do not. I am reading from notes or probably talking off the top of my head.

Mr. Chairperson: Welcome to the committee, and you may proceed.

Mr. Eigenkind: Thank you very much. I have been very impressed by the preceding presentations and I know that I will inevitably repeat some of what has been said. But I am presenting today as a private citizen and I am doing this out of a sense of urgency and, to be honest, rage. Someone else this morning has addressed the issue of procedure. I am enraged that as a Manitoba citizen I am being given a small window of opportunity to voice my opinions on what I consider an immensely important change in the culture of Manitoba, the corporate culture or the political culture of Manitoba.

I am certainly not a politician, but I am capable of logical thought, and it would seem to be more logical to

present honestly such an agenda, the privatization of MTS, before decisions have been made, with a lot of time line given to people who have to leave work, leave children, find avenues of transport to get here. If public speaking is difficult for them, find the courage to stand and speak. I mean, the idea that it is easy for people to do this or the assumption that it is easy for people to do this economically, in terms of time, in terms of their responsibilities to other members of their households and even in terms of the ability to speak easily is just astronomical.

So, one, I just want to lay that on the table. If you hear passion in my voice, it is because I am very angry. I feel that I am really being pressured, that all of us are being crowded into a very small period of time and, on top of that, we are being told that our presentations are not good enough to persuade anyone that what has been decided upon behind closed doors, as someone else said this morning, should change. So in a way this is an act of futility, but at least it is a democratic act of futility.

My first point is that as far as I know, MTS, as has been said before, is a public utility. Therefore, no government, of any ilk, no matter who has elected them, has the right to arbitrarily sell it and, therefore, again, we get to procedure. If, indeed, this is what this government wanted to do, it should have been part of their political platform in the last election. If it was not part of their political platform, there should have been a public referendum on this and there should have been, again, an extremely long time line to address this issue.

Last week I was quite ill with a cold and I watched a lot of murder mysteries, and there was one, a Miss Marple Agatha Christie murder mystery, and the title is, They Do It With Mirrors, and I think here something is being done with mirrors.

Secondly, I am convinced by the examples of Britain, Alberta and the United States that the privatization of MTS, contrary to opinions voiced by the government, will lead to a dramatic increase in local rates and, even more so, a dramatic increase in the rural and northern areas.

* (1100)

I live in the south. I profit tremendously from the resources in the north, not personally, because I am on a

subsistence level of earning power, but I know that ethically if I profit by living in the south from resources being brought to the south by people who live in areas where the cost of living is extremely high and where the conditions of living are harsh, I have an ethical responsibility to make sure that whatever is being done to support their living there is being done.

If, in fact, MTS is privatized, it seems to me an extremely arrogant gesture on behalf of southern Manitobans and a betrayal of a social responsibility to those who live in more economically vulnerable situations.

Next, I would like to address the issue of what has been rather cavalierly called political ideology by the government. I am a former English teacher. I am a writer, an editor and a visual artist who uses text a great deal. I am, therefore, not easily swayed by personal redefinition of terms. To say that only one side of this debate has a political agenda is to use the English language in such an irresponsible way as to be ultimately ludicrous. The fact—all political and what unfortunately in a lot of societies the term nonpolitical decisions are made according to political ideologies. The clothing we are all wearing is part of a political ideology. If you do not know where your clothing comes from, that is a political decision. If you do not know who made the cloth, if you do not know what they were paid as workers, that is a political decision, as much as it is a political decision to know those facts.

To say that it is sheer objective business sense that is pushing the privatization of MTS is to show a misunderstanding of the use of the English language. That appalls me in terms, on behalf of elected officials. How stupid do you think we are as citizens?

I get back to, it is done with mirrors. It is also being done with phrasing so I would like to state for the record that I am cognizant of the fact that there is political ideology in all of this, in both sides of the issue, that so-called business sense is in fact a political ideology linked with corporatism. We had a very articulate analysis of Chomsky and of Ralston Saul this morning. There is a corporate ideology that is moving things. Some of us think it is very good. Those people most likely have a much higher yearly income than I will ever have. Some of us do not think it is that good.

Both are part of an ideology and I will just leave it at that because I will probably go on forever about ideologies, if I am allowed to.

The other thing I would like to comment on is the fact that I am being told that as a private Manitoba citizen I will have the opportunity to buy a \$1,000 share. I believe that is the minimum requirement of payment once MTS is sold. Someone has pointed out that is like double-billing me.

I mean, I already own this utility through taxes, now I can actually buy a part of it. The assumption that I would have a thousand dollars to buy one measly share in MTS is an assumption that is based on an economic ignorance of how a large percentage of Manitobans, even southern urban Manitobans live. None of my friends, none of the other artists I know, none of those of us who are working what turns out to be two jobs, part-time jobs that barely meet our bills and the other job that is our vocation, have a thousand dollars to give anything. So, in actual fact, if MTS is privatized, I lose any ability to become part of the decision making. I lose my democratic right to maintain some sort of control over what I have to pay for what I consider an essential service.

I recently moved back to Manitoba after almost two years in B.C. In B.C., I lived on an island for 16 months. I worked very hard to be able to afford to live there with my marriage partner. The telephone was an absolute necessity. It was not even sometimes something that would offer the necessary safety required to people in distress. For instance, we only had an RCMP office that was closed at five o'clock on the island. Any calls after that time would be transferred to Vancouver Island, and if you were in distress, I mean you may as well be dead.

While I was living there, a woman on the island was accosted by someone who came over from the States and turned out to be psychopathic. She managed to save her own life and her child's life—her daughter was 11—by getting somehow the courage and strength to get a baseball bat, which had crushed one of her eye sockets and part of her shoulder, out of this man's hands and escaping to a rowboat with a hole in it and paddling by hand. One of her hands was also crushed so she paddled with one hand to safety. She did not have any way of getting help.

Now, we do not have any islands in Manitoba, but if you are in a northern or rural setting, and you need help now or someone in the family can run to a phone while you fend someone off in order to get help, it is really important to have that phone. It is also important, as the previous presenter pointed out, if you are a person who has difficulty negotiating public spaces, a person who deals with a lot of terrors and phobias—

Mr. Chairperson: You have one minute.

Ms. Eigenkind: —to have access to phones, so I believe that the economic access to telephones in your living space is extremely important.

I also have some knowledge of the types of jobs that this technology is going to give. I have done phoning jobs. I know people who are presently doing phoning jobs. I am a first generation Canadian. My grandmother worked in the sewing factories. I know what kind of job this technology offers me. It offers me a technological sewing factory job. It gives me barely minimum wage. It gives me a boring, often over-regulated industry where it is considered radical to allow people to stand up and stretch in four hours, outside of their 15-minute break. It is also radical to allow people to talk between calls. It is a phoning environment in which AT&T at one point—they no longer do this—had a quota for the first half hour to hour of work. If you did not meet that quota, you were called off the floor and sent home. I have been a unionist. I have also worked in nonunion positions, and there may be problems with unionism but I certainly prefer that to being called off the floor because my phone list that day included people who actually did not want the service I was selling them. So I know the future that this will bring. Thank you.

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

Mr. Ashton: I want to follow up on some of your comments on telemarketing because, you know, I have taken the opportunity to talk to some people who work for telemarketers, and what absolutely amazed me is when I was told, for example, that people were told that they could not go for lunch with other workers because they were a disruptive influence. I assume perhaps, God forbid, they might want to talk about forming a union. I have talked to people about the degree of harassment that

the callers for the telemarketers have to make at the request of the companies to the point where people have threatened to sue them and yelled at them, screamed at them on the phone. This is where they have been phoning the same company four or five times under the direction of the telemarketer.

I want to put that in context of some of the things we are seeing within the telephone industry, which is that the supposed long distance competition, because I have had people complain about, for example, being told that MTS is an American-owned company by telemarketers. Now, that is probably because they are thinking of BC Tel or maybe they know something we do not know here, what is going to happen after the sale.

I am wondering if you can comment on whether you feel there is not a certain phoney element to the competition now which is taking place. I mean, it is one thing to compete on price, but it seems to me that what we are moving to is a situation where there is competition on who can harass people the most and exploit people the most through the telemarketing system.

Ms. Eigenkind: Well, it is a competition-driven—

Mr. Chairperson: I am sorry for interrupting you, because we have to identify a speaker so our recorders can properly identify who to and how we record in Hansard the comments. So proceed please, Ms. Eigenkind.

Ms. Eigenkind: It is a competition-driven industry. I mean, I have had, as I say, personal experience within it and will have shortly again, and I need to say that I am happy that I can actually get a job that pays more than \$5-whatever an hour, but I certainly do not want to weave any fantasies about what kind of job this is. I have had friends who have worked for AT&T and they have actually quit because they feel what they are doing is so unethical. The pressure to harass people into buying, no matter what their situation, no matter whether or not they actually know that their conversation with a phone representative equals their being switched over to another competitor, is tremendous. The calling floor is very cutthroat, and the ethics there are highly questionable. So it is more than price that is being sold; it is harassment.

Mr. Ashton: I want to follow up on some of the comments you made on both the ideological underpinnings and the ethical side of it. One of the concerns we have expressed about the sale is, in this particular case you have three investment bankers that prepared a report. They were paid \$300,000 to prepare that report. Two days after the report was received, the government said, oh, well, we have to sell off MTS. These same two investment bankers—the two of them have since combined—are now going to be issuing the prospectus. We have had that confirmed, as well. They are part of, and the terminology in the trade is, one is the book runner, another one is part of the syndicate. I must admit, it sounded a bit like the Mafia, but this is the terminology of the stock market. I am wondering if you would care to comment on the ethics of having the same companies that you paid to make the recommendation—surprise, surprise, they said, sell it off—now benefiting, being the prime beneficiaries of the sale.

Ms. Eigenkind: I have been very angry at that, but I sort of tried to hit some basic points here. I think it is a highly unethical position for anyone to take. It certainly makes one question the objectivity of the report being written in the first place that states MTS should be sold. I mean, how objective can anyone be if they are going to profit by their own report? I think it is highly unethical.

Mr. Ashton: What particularly concerns me too, and I think you hit the nail on the head when you talked about the role of ideologies, it is clear in this case that the government made an ideological decision. Probably a small group within the government knew about this before the election, and since that time they have been setting up sort of an alleged process. I mean, the fact they did not get MTS to even do a study on privatization indicates to my mind that they did not even want to confuse that process by getting some potentially negative recommendations.

I notice your comments in terms of ideology. Are you suggesting, essentially, that what they have done here is basically an ideological decision rather than a decision based—and, by the way, you are right. I think everybody has ideology in that sense, but what concerns me here is it is almost, in their case, ideology even if it goes against all the facts and ignores half the options.

Mr. Chairperson: Ms. Eigenkind, for a final response.

Ms. Eigenkind: I agree. I consider it an ideologically based decision and, again, I want to repeat what you just said, that ideologies are at the core of much of what we do, and certainly are at the core of most political decisions and political actions. What has really angered me is that there has been an attempt to call ideology a bad word. It has become a dirty word, and it is only being used to taint or undermine one side of the issue. Of course, this is ideologically based. I mean, they would not be a political party if they did not have an ideology.

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

I call next Nalini Reddy for the third time. Nalini Reddy, would you come forward, please. Have you a written presentation for the committee?

Ms. Nalini Reddy (Private Citizen): No, I do not.

Mr. Chairperson: Thank you very much. Welcome to the committee and you may proceed.

Ms. Reddy: I am here primarily because I do not think this government has any mandate to sell MTS. I am opposed to the sale of such a vital part of our province, but what I want to speak to today is what I consider to be the more immediate issue and the issue that we are more likely to agree on and that is that your job is to represent Manitobans' interests, and I do not think you know what they are at this point. I am appalled at how quickly this whole business has come about. Just a year ago, the government was denying that it planned to sell MTS and now here we are on the eve of the passing of such a bill, a bill that would allow this very thing to happen. No one elected you to do this. Why the huge rush?

Imagine yourself in the position of the average Manitoban, that is the average Manitoban who has at least had a chance to even consider the ramifications of such a deal. Your government is elected on a platform that does not include the sale of MTS, and then for months that same government insists that they have no plans to sell such a company. Then all of a sudden the government announces that it does plan to sell MTS and in a matter of months there is a bill going through the House to enable such a move. As far as I am aware, through all of this there have been no public hearings or

other public input seeking forums outside of these here which are required.

Well, take stock of what you have seen and heard this past week and take the number of people who have registered to speak and the things that they have said as some sort of indication of what you would likely hear if you actually sought the input of the citizens of this province. I would like to remind you again, as you have been reminded several times, that the people who are most likely to suffer the most if MTS is privatized are the ones who have the least opportunity to be heard here and that is the people who live outside of Winnipeg, the rural population of Manitoba.

I am not going to get much into the actual merits of maintaining MTS because I know that a lot of well-informed people have already done that. I myself have reason to believe that it is not in the public interest to sell MTS, but I also do not think I am as well informed on the issues as I would like to be. So I am here today because I do not feel that the public has been properly informed or consulted about this very important matter and because the way the government has gone about arranging the sale of this Crown corporation is to my mind suspicious.

Why the haste? Why not consult the public? Why not inform them of the real issues? The sale of something so essential as our telephone system is no minor issue. It is unilateral mandateless actions like this on the part of government that are causing the public in general and young people in particular to lose faith in our system of government and to feel that participation in it by voting or speaking up is fruitless.

Do not continue this trend. Do not push Bill 67 through this session. Inform the public. Find out what they want. Make sure you take the needs of all the citizens of this province into consideration and then act on a mandate that has been given to you by the people you represent. That is your job. Thank you.

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

Mr. Sale: Mr. Chairperson, again and again we have heard from—

Mr. Chairperson: Mr. Sale, could I interrupt you for just a minute. I am going to ask members of the committee to abide by the decorum that we had talked about before and not talk in the committee. If you want to discuss something, move to the back of the room or outside in the hallway. I would appreciate that very much. Mr. Sale, proceed please.

Mr. Sale: Thank you, Mr. Chairperson. Again and again, we have heard those comments that young adults or younger Manitobans are saying that more and more they question why they should bother because the decision has been made. We have seen no evidence here that the government, although we still hope there will be two backbenchers who have some sense of integrity on the issue, is going to move on this and so it does bring the whole process into disrepute.

You are aware that a bill was brought forward in the spring. We have had five months. The Sustainable Development Act generated a 130-page white paper for discussion. This act generated zero, no public hearings outside of the city, no data shared with anybody about anything to do with this sale. You have said it, but I just say back to you that I see every reason why you ought to be cynical, and as an elected person, I think that is sad because I did not get elected to make people cynical.

Ms. Reddy: I have no comments. I agree.

Mr. Ashton: Yes, I wanted to focus in on some of your comments about the process they followed because you are quite right, up until September of last year, September of 1995, the Minister responsible for MTS (Mr. Findlay) was saying that the only people who were talking about privatization were myself as the opposition MTS critic and the NDP, and they actually were interviewing in September and October these investment bankers which are allegedly the basis of this sell-off. But what particularly disturbed me was the same minister approximately in May was already saying, well, it is too late, the decision is made, and this, by the way, was at a time when the only thing they had done was they had announced it. I do not think they had even introduced the bill in the Legislature, and there had not been a single vote—I am not talking about in the election, because we know that—but there had not been a single vote of the Legislature. I wonder if you feel it is appropriate for a government to be saying, oh, well, it is too late, we have

made up our mind—in this case, the cabinet and the government—and run around the province on something as important as MTS essentially saying it does not matter what you say, this is going to go ahead no matter what.

Ms. Reddy: Absolutely not, it is absurd. To push something through the House without proper representation even within the House is absurd, but here we have the worst-case scenario which is where the government has taken on a mandate which has not even been mentioned in the election, was not mentioned after the election and so has no public input whatsoever.

Mr. Ashton: I am wondering if you feel that they should put it to a vote of the people of Manitoba. We have said, ideally it should have been dealt with in the election. We have also suggested there should be a shareholders' vote, which would be all of us in Manitoba because we are all shareholders. Do you think that is what the government should do to have any, I would say—and I hate to use these words but I think it is appropriate—moral or ethical right to sell off MTS? I personally do not feel they have any right to sell it off right now, other than maybe some technical, legal—but do you think that would have been a better way to deal with this than simply this process?

* (1120)

Ms. Reddy: Sure. Frankly, I do not know what the best alternatives would be, but some sort of referendum that involves hearing from the people of Manitoba so that their will is brought forward would be the best alternative.

Mr. Ashton: I realize there is a lot of cynicism out there, and, I mean, it is difficult and I echo the words of the member for Crescentwood (Mr. Sale). I have been an MLA; I have been elected five times by the people of Thompson. I have never seen a situation like this, quite frankly. I am used to fighting fights where the government has been open, honest and told their agenda in the election, and I have done the same. You accept that; those are the political differences.

I am wondering if you do not see some developing trend here, because it is not just this bill, by the way. There are a lot of other bills where the government basically is making very arbitrary decisions and I think centralizing authority in their own hands. Do you think

it is good for the democratic process in Manitoba to have, for example, in the case of MTS—this decision was made by the cabinet, nobody else, 20 people. Is that really good for the democratic process in Manitoba?

Ms. Reddy: Not at all. As I have indicated, I think that is one of the primary reasons why young people are becoming so cynical and refusing to participate by voting or even—I mean it is a lot more widespread than that in terms of the effect that it has, because you see just sort of a general cynicism and a general lack of enthusiasm for the future because, you know, you stand up and make your voice heard and it is not taken into account, so what reason is there to participate?

Mr. Chairperson: Thank you very much for your presentation, Ms. Reddy. I call next Ms. Shirley Nicolson. Having been called for the first time and not seeing her, she will be dropped to the bottom of the list. Marilyn Taylor. Marilyn Taylor, having been called for the first time will drop to the bottom of the list. Evelyn Dilello. Evelyn Dilello, having been called for the first time will drop to the bottom of the list. Michael Welfley. Michael Welfley, would you come forward, please. Have you a written presentation for distribution to the committee?

Mr. Michael Welfley (Private Citizen): I do not.

Mr. Chairperson: Welcome to the committee and would you proceed, please.

Mr. Welfley: I understand much of the cynicism present in people making presentations to you. I do not imagine I am going to change anybody's mind at this table, nor any other presenter. Those members sitting on the government side, I do not imagine have ever voted against a government bill even if they had thought that is appropriate. They could, in fact, be replaced with trained seals and have the same effect on public policy.

The government has lied to the people of Manitoba during the election campaign. They were asked specifically if MTS was on the block, and the answer was a definitive no. There has been no public consultation. There has been no polling, and despite a bombastic propaganda effort led by the government and MTS, they still have not won public support for this bill. The wages of MTS employees will see a downward trend; the service

that MTS provides will see a downward trend. There is nary an example in the western world of privatization of a utility or a public service that has not seen an increase in cost and a decrease in service to the consumer. I do not believe MTS will prove to be an exception.

(Mr. Vice-Chairperson in the Chair)

Those who will gain will be the rich, those who are able to buy shares, and the majority of Manitobans will not be among them. The government excuses for the privatization mainly refer to the debt load. The debt load is largely one of public policy, the subsidization of rural service, the elimination of party lines. This is something that Manitobans supported, and debt is not a burden if it is an investment that provides benefit to the consumer.

MTS makes a profit, as does SaskTel. It is one of a few public agencies that can claim that. The service of MTS has been more than satisfactory, and there is little reason to change. A telephone system is a natural monopoly. If it is not, then some other company would have put up telephone poles a long time ago.

The so-called review that was done on MTS was done by persons and agencies who stand to benefit from the sale. It is very much like asking the foxes to do a feasible study on a raid of the chicken coop. There is little question as to what their reply might be.

The CRTC will regulate the phone rates, yet we can anticipate the cost of the privatization to be reflected in the company's bottom line initially, and it is the public who will pay for this. We also have to wonder whether privatization will affect MTS's ability to service northerners and rural customers to the level they have been accustomed to. Will they provide service to communities that either currently do not have it or communities that do not exist if it provides an economic loss to them? In any rural community surely the answer is yes.

I wonder why the government lacked the courage to address this issue during the election campaign. It certainly is not far off from their publicly proclaimed ideology. I think even most Conservative supporters would be knowledgeable that the Conservative Party would be in favour of privatization and an enemy of that which benefits the average citizen ahead of corporate directors.

The selling off of the cable assets is an example of government mismanagement. They were sold off for a fraction of their worth to friends of the government, and I believe we will find that when all this is said and done that it is friends of the government who will benefit. Who will be buying the shares? It is certainly not going to be the MTS workers. It is not going to be the average citizen. Perhaps it is going to be people at this table, probably not on my left.

The welfare system does not recognize the telephone as a necessity. One of my previous presenters made a good point of that. What sort of rules and regulations will be in place to compel the new private MTS to provide the service that they have done in the past?

(Mr. Chairperson in the Chair)

What regulations will be impressed to protect well-paid unionized jobs who provide good service? Will we see a downward pressure on wages? We can look to the other telephone service providers and find that there is a great differential in the wages they provide to both skilled and unskilled employees, telephone operators on up.

This sale is being rammed through with little public consultation or debate, and it is highly undemocratic. That concludes my presentation.

Mr. Chairperson: Thank you very much, Mr. Welfley.

* (1130)

Mr. Ashton: You reference the Conservative Party, and what I found particularly interesting going throughout the province is there are a lot of people who are Conservatives who do not agree with the government. A lot of that goes on selling MTS, and a lot of it goes back to this gentlemen whose picture hangs here, Sir Rodmond Roblin, who was the one who established MTS. It was the first government-owned telephone company in North America. I am wondering if what has happened perhaps is that the government has changed—certainly from its expressed views in the election—but, in many cases, a lot of Conservative supporters and Liberals, New Democrats and people who are not necessarily affiliated with any political party as you have indicated, still support having publicly owned telephone service for MTS.

Mr. Welfley: The Conservative Party would have a core of support, say 10 to 30 percent who benefit immediately from their policies, those who are more wealthy, have higher incomes, who are involved in the corporate world. It is then incumbent upon the Conservative Party to hoodwink only another 20 percent or so of the electorate. They have been successful in doing that several times, so many of their so-called supporters have been convinced that they are the better party to run the province and yet are unaware of their agenda and what it is they plan to do and what impact it would have.

Sadly, the majority of people do not examine each bill that is presented and are not aware of the nuances and dynamics of everything the government does. I do not suppose that is a reasonable expectation for people who work 40 hours a week and have other concerns and affairs in their life.

Mr. Ashton: Indeed, that is one of the factors I think within politics generally. I am wondering too, you mentioned about people benefiting. It is ironic, too, that the same individual that brought in MTS was defeated in the early 1920s in the biggest scandal in Manitoba history, one of the biggest in Canada. It was actually involving the building of this building. There were numerous kickbacks. There were people that charged the government for building material and costs that were never done.

I was particularly interested, you referenced now with MTS, because I really think that there are going to be some people who are going to benefit and I think in a very unethical way. I have mentioned the obvious ones, the brokerage firms, but I will make a prediction right now that some people will benefit very significantly from this, and I will say that it will probably be people who are very closely connected with the government.

We just had the Winnipeg Jets tax scam this year, which I think was good evidence of the fact that that kind of thing is alive and well. I am wondering what your comment is on the ethical question here. I mean, quite apart from the public policy issue of this government not only breaking its word in the election but involving people like these brokerage firms and others who are benefiting directly from the sale and who are supposedly at the same time the same ones who are paid \$300,000 to, like you said, you know, the fox and chicken. They

brought the foxes in and lo and behold the foxes did recommend the raid on the chicken coop.

Mr. Welfley: I very much share your concerns and do not doubt for a moment that there is some skullduggery involved. Whether that is their main goal, who is to say? They have already proven that with the Faneuil contract that there is a person from the Premier's office who has been given a \$100,000 gift by this company. Whether that is an immediate trade-off or not, who is to say?

Mr. Ashton: Indeed, and the same individual—by the way, this is what makes me suspicious—Mr. Mike Bessey, also, it is interesting, his thesis as part of this book and scholarship deal is on the costs and benefits of the privatization of MTS. It is the same individual by the way who was researcher for the Conservative caucus dealing with MTS issues in the mid-1980s. So I am wondering if you do not see perhaps a little bit more than a coincidence in that fact and that perhaps—Mr. Bessey is very closely connected with Mr. Filmon—this government knew all the way along the plan to privatize MTS.

It knew it could not sell it to the people. That is why it did not commit itself to that in the election, in fact said it would not privatize it, and that they had a private agenda right from the beginning to sell it off as soon as they were re-elected safely with a majority government after the 1995 election.

Mr. Welfley: I would agree completely. Clearly this government has no ethics and is merely trying to implement whatever it believes it can get away with. And due to the fact that it has a large majority, they can get away with an awful lot, and they are hoping that they can get rid of it as quickly as possible so that the public will have three or four years to forget all the damage done. I do not believe that will happen, and this government should receive its reward immediately. But I suppose they will have to wait three or four years to receive its just reward from the electorate and be put in the trash bin of history much like their federal counterparts, the Conservative Party.

Mr. Chairperson: Mr. Sveinson, with a final question.

Mr. Sveinson: It is more a comment than a question. I wonder, where we are hearing so much about ethics and skullduggery going on, I might take you back to when the NDP was in power not too long ago and the fact that they

were buying up businesses and losing money like crazy, investing money in the sands of Arabia. They were buying up farmland through MACC and land banking land all over the province.

Do you think that there was ethics used in all this? Do you think there was some skullduggery going on at that time too?

Mr. Welfley: Clearly, I am not going to defend the MTX fiasco, but it seems strange to me how a government member would point to a previous incompetent act of another government in order to justify their own incompetence. Your argument is very strange. It seems to be, why can I not act against the interests of the citizens when someone else did it at some other time? That is a very weak argument but if that is the best you have got I am glad to listen.

Mr. Chairperson: Thank you very much for your presentation, Mr. Welfley.

I call next Val Chornoboy. Val Chornoboy, having been called for the first time, will be dropped to the bottom of the list. Monica Stringer. I call Monica Stringer. Having been called for the first time, will be dropped to the bottom of the list. Gary Pryce. Gary Pryce, having been called for the first time, will drop to the bottom of the list.

Peter Holle having been called the third time—Peter Holle, will you come forward, please. Have you a presentation for distribution to the committee?

Mr. Peter Holle (Prairie Centre): Yes, I have 15 copies.

Mr. Chairperson: Will you please distribute, and welcome to the committee. You may proceed.

Mr. Holle: Thank you, Mr. Chairman. I am here today on behalf of the Prairie Centre. We represent about 10,000 people across western Canada, and our objective is to promote smarter, smaller and more effective government.

The recent announcement that the Manitoba Telephone System is to be sold reveals a new political maturity on the part of our decision makers in government. The move

acknowledges the reality that politicians and bureaucracies are not well suited to operate sophisticated commercial enterprises.

In the case of MTS, further dilly-dallying on the question of government ownership would have exposed taxpayers to huge and increasing liabilities. Today's telecommunications industry requires heavy investment to keep pace with rapidly changing technology.

* (1040)

Privatization will eliminate the boat anchor of debt financing that comes with government ownership. It will take MTS out of the pockets of Manitoba taxpayers and will free the corporation to raise money in equity markets.

The folks who weep for Crown corporations are a dwindling but vocal species in Manitoba. Once a plentiful breed, Crown corporations popped up as part of the country's building phase. Back then, stock markets were simple, remote and much smaller than they are today. But faced with huge development costs Canadian decision makers sensibly harnessed the collective capital raising power of government to finance these huge infrastructure projects.

In those days, technology moved much more slowly and some could make a legitimate case for a natural monopoly. Their argument rested upon the idea of eliminating duplication, i.e., one large monopoly supplier should run the telephone industry, because it is not economically rational to string two sets of telephone wires when one would do.

Technology has blown the natural monopoly argument out of the water. The computer revolution, fibre optics, digital switching, cellular, Internet have transformed telecommunications into one of today's most competitive industries, where consumers enjoy a fantastic smorgasbord of choices. Continued government ownership would have left MTS exposed to the slow moving vagaries of frugal politicians and archaic bureaucratic cultures, the equivalent of a commercial death sentence.

The sale comes better late than never. It is a prudent political move by the Filmon government. It will remove not only the very real risks inherent in new investments

but also the existing debt liabilities from taxpayers backs. This is important because MTS has the poorest debt-to-equity ratio of any Canadian telephone company. Most important, MTS will move into the tax base where, like other big private sector corporations, it will begin to pay its fair share. Few grasp this major flaw in Crown corporations. For all its assets and its relative size in the Manitoba economy, MTS, unlike private telephone companies, has never paid a cent of income tax.

Not that MTS was a source of big dividends to the government either. Over its entire history MTS paid only \$230 million in dividends. Bell Canada, the country's largest private telephone company, paid more income tax in 1995 alone than MTS paid in dividends over 88 years. The move will mean that MTS will be able to complete a desperately needed and very expensive upgrade of its equipment, which recently was referred to as antiquated by the media, the national media. This should have been done long ago, but fiscal reality limited what government could afford. Now MTS will have a real chance to survive. Consumers will benefit through better and more reliable services.

Crown corporations, state-owned enterprises, government companies, call them what you will, are plodding their way into the history books of the old economy. Constrained by politics they necessarily take a small world view of things by focusing on the local market, competing with other government organizations for limited funding. Most find themselves at the end of the line.

Undercapitalized, small-market players, they necessarily become chronic underperformers. Once upon a time there may have been a place for them in Manitoba's public sector. No longer. I would like to stress that what the Filmon government is doing is in the best interests of MTS. I will leave it at that.

Mr. Chairperson: Thank you very much, Mr. Holle, for your presentation.

Mr. Ashton: Thank you, Mr. Holle. By the way, I do not think—we have had a number of opportunities to be in the same committees and I just want to indicate I do not think we necessarily agreed on things in the past, but I am pleased that following what happened with the taxpayers federation, you are still involved. I happen to

agree with Fred Cleverley's view on that. I thought it was rather unfair the treatment that you received and, quite apart from some obvious differences we have politically, I certainly welcome your input.

I just want to focus on a couple of points here because one thing that is interesting is, you have referenced the tax question, and I realize we have a different view of this, but the government has been trying to sort of deny the fact that there are some significant differences between publicly owned companies and privately owned companies which go into the cost factors dealt with by the regulations.

So what you are pointing out is, and you think it is positive—I think it is going to lead to higher rates, so now I am on the other side, but the fact is that the privately owned company will be paying the corporate income tax, which a publicly owned company does not have to pay.

Mr. Holle: Just to answer, yes.

Mr. Ashton: I wanted to deal with another issue too, by the way, because quite apart from the process that the government has followed, we think it is wrong to say you are not going to do something and then do it. There has been no public input, no vote. We have raised significant questions about not only that aspect but the options the government looked at, and I assume you have had a chance to read the seven-page report from the investment bankers, but they looked at three options. One was capitalization of existing Crown corporations; the second was the status quo; the third was the sale of MTS to an Alberta-style public share issue.

What is interesting is a number of concerns have been expressed about the ability of the new corporation to raise capital. You mentioned about small markets, but we are going to be moving from a publicly owned company with a market of one million people to a privately owned company with a market of only one million people. People such as Ian Angus have expressed concern that that is going to lead to an undercapitalized situation, especially when you consider the fact that most telcos now are moving into bigger structures or certainly alliances.

I am wondering if you have any concerns about that. We, for example, have talked about the SaskTel option—I

mean, the public version of that—but do you feel there may be some risk involved that the private company serving only one million people would be undercapitalized?

Mr. Holle: You talk about SaskTel. I would like to raise this point. I have information that the NDP in Saskatchewan is seriously looking at privatization of SaskTel.

I think what we have to look at here is the role of government. I do not believe that government has a particular special skill at running complicated commercial enterprises. We all want MTS to succeed and prosper, and I am surprised to hear—well, actually. I am not surprised, but apparently the union is supportive of privatization. Why not set it up so that it will flourish in the upcoming economy that we have? I do not know. talking about economies of scale and size—why are we worried about that? All I want is to see MTS do well, and the way you have it succeed is you let it have equity financing, you let it have access to the best people, and if you are concerned about things like costs and that, let the government regulate.

Mr. Ashton: Well, indeed, what has happened in Saskatchewan is they have held public hearings, and three-quarters of the people at the public hearings have said they do not want SaskTel sold off. By the way, we have encouraged the same thing here. I would like to see the government hold public hearings. I would like to see them made before the decision because it is something that should involve that.

I do want to focus on the undercapitalization question, because you know—I will be right up front about this. I obviously do not support the sale and I do not want to see that go through, but I have stated publicly that if it does go through, I wish MTS well. I will still stick with MTS. A lot of people will not, but I will stick with MTS because it hires people here in Manitoba.

Do you not think that is one of the issues that should have been considered by the investment bankers? I mean, is a privately owned company, which, first of all, has to raise capital on the commercial markets at a higher rate—we do not know the exact rate, but it is higher because it is not underwritten by the government. [interjection] Well, it is not underwritten which leads to a reduced rate.

Do you not have some concern that what the government has done here is basically xeroxed what happened in Alberta? That, by the way—we talk about changes—is a five-year-old, six-year-old law now. That was done in 1990, '91.

I have had people phone me, by the way, who suggested—a person phoned the other day who said, I do not agree with you—in my case, you know, being opposed to the sale. They said, on the other hand, I do not agree with the sale either. I do not think MTS is going to be viable. It is going to be less viable than it is currently, and they have not looked at other options even in the private sector. Do you think that there is maybe some legitimate concern there about a company serving a market of one million people?

Mr. Chairperson: Mr. Holle, with a final response.

Mr. Holle: I think, yes, there are some concerns, but, again, we have risks and I think this whole thing is about risk. We need to look at this not from the perspective of MTS necessarily but from the perspective of the economy of Manitoba and the people, the taxpayers of Manitoba. I believe that MTS will survive. It will prosper if you allow it to have access to equity financing instead of debt financing. We are in a rapidly changing world, and we have to look at what is the core business of government. Is the government's role to run complicated technological enterprise?

My point is I do not believe government is well suited to running those types of organizations. I see you as elected officials being the board of directors and involved with regulation and taxation but not to run the nuts and bolts of a complicated company. For the record, there are only two companies in Canada that are still in the public sector. They are in Saskatchewan; they are in Manitoba.

Roy Romanow has shopped SaskTel around quietly. The Germans are now privatizing their telephone company. The Greek Socialists privatized about a year ago. Everybody knows my feelings about New Zealand. The Labour Party there sold off the entire New Zealand telecom to an American Bell company. They were not concerned about ownership. The bottom line was they wanted to have access to the money and also to have good service and low prices, and that is what they have

got. If you ask, for example, in New Zealand, people would never ever dream of having it run by the government again.

Mr. Chairperson: Mr. Holle, thank you very much for your presentation.

I call next Elizabeth Johannson for the third time. Elizabeth Johannson, would you come forward, please. Ms. Johannson, have you a written presentation for the committee?

Ms. Elizabeth Johannson (Private Citizen): No.

Mr. Chairperson: Thank you. Welcome to the committee, and you may proceed.

* (1150)

Ms. Johannson: I am here today to speak to you about MTS and why I think that it is wrong to sell it. I had a friend whom I was trying to convince to come down here with me this morning. I was saying to her, you know, we have to go, we have to tell them what we think. We have to make our voices heard, and she was just, there is no point. She was so disillusioned with the entire process. She had presented to a couple of bills already, and I could not convince her to get down here because she said to me, they are not going to listen. They do not care about what the people have to say. I find that so sad, really, really sad because this is supposed to be a democracy that we are living in, and the government is supposed to be caring about the people and caring about what the people have to say, not just in an election year but every year.

The government should have the best interests of the people at heart, and I do not think that anybody voted for any party thinking that they would make actions that were not at heart what they thought was in the best interests of the people. What comes to mind for me is the famous words of J. S. Woodsworth: what we desire for ourselves, we wish for all. I think that covers so many things, and we have to think like that. We have to think about not just what is going to be good for me, but what is going to be good for the people of this province. Our government, our elected officials have a special responsibility to think in that way, in those terms, not just thinking about advantages for themselves or for the few, but what is going to be in the best interests of the people of the province.

My family has stuck with MTS for our long distance carrier, despite the other telephone companies coming in and bringing in other long distance offers. We make a fair number of long distance calls, but we stuck with MTS even though we might have been saving money by going with a different carrier because we know that when we pay our long distance money to MTS, that some of that money is going to subsidize our local phone in our home and some of that money is going to subsidize rural people's phones. That is important. We have to try and have a situation where everybody has a fair and equal chance at having that telephone in their home. It is especially important for people in rural areas, and they are the ones who are going to be hit the hardest if the telephone company starts trying to make it so that you are paying what it actually costs them for your phone because it is more expensive providing that service in the rural areas.

I have been thinking and trying to figure out why this government wants to make this sale. I have been listening to the arguments and I have been talking about it with my friends. I have heard a lot of arguments about companies that are losing money, and the government cannot afford to lose money, we need to sell off those kinds of companies. But MTS is not losing money. It is bringing money in. It is making a profit. It does not make any sense to me to want to take that away from the people of Manitoba. If you sell MTS, you are stealing from me because I am not going to get anything out of that. I am still going to have to pay my local phone bill, and it is probably going to go up. If other similar cases are any indication, it is going to go up and I will not be getting any money from that sale. Right now, I own a share of MTS. I do not have the money to pay a thousand dollars to buy my share back from the government. Most of my friends do not either.

Earlier this year, our house was robbed and we lost some jewellery that had been my grandmother's. It was of great sentimental value. That can never be replaced. It is gone, and either it has been melted somewhere or someone else who had the money has bought it, but I did not get the money from them selling that; it was stolen from us. So how can this government steal from the people of Manitoba and take that company that the people of Manitoba own right now and sell it off when every indication is that those people are not going to see benefits? They are going to have to pay more for their local phone bill.

I think that the people of Manitoba are realizing this. People have been coming here to speak to this committee and trying to articulate how we feel about it, that we want our government to make decisions that are in the best interests of the people. Every person who voted is striving for that. They all believe in the party that they voted for to try and make decisions in the best interests of the people and to listen to the people when they come here to talk to them. So, please, please, listen to the people who have come here to tell you that they care. They care about this province. They care about providing services for the people of this province, and they have put their trust in you to protect their interests and to be there for them and not to steal from them to give to businesses and the rich people who can afford that thousand dollars to pay for their share.

Mr. Chairperson: You have one minute. Ms. Johannson.

Ms. Johannson: If I saw the charm bracelet that was my grandmother's that was stolen from me in a pawnshop, I do not know how much they would be selling it for but because of our legal system if I could prove that charm bracelet was in fact mine and had been stolen from me. I would probably be able to get it back. But a person who sees that share in MTS being sold that used to belong to them does not have the resources to get it back, does not have that legal system to get it back for them. A huge number of people do not have the money to buy it back for themselves. Thank you.

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

* (1200)

Mr. Ashton: Thank you for your presentation. You know there is a real sense out there of ownership of MTS, which I have found wherever I have gone in the province, and a lot of people are pretty emotional about MTS. I have talked to a person out in Brandon whose grandfather started working for MTS in 1909. His father worked for MTS. He has worked for MTS. I have talked to seniors who have been with MTS. I have talked to a person who was more than 90 years old who remembers when MTS first came in.

There is a lot of emotional attachment to our company. That is what people call it—it is our telephone company.

We have had people before this committee, employees, talk about the best little telco in North America, and I am wondering if this is maybe something the government does not understand or chooses to ignore. If you could perhaps focus in on that because you mentioned about when you own something, you have a pride of ownership in it. We own the telephone company; there is a lot of pride in what we have done. We have some of the best technology, best rural and northern service in the country. We have the cheapest rates.

I am wondering if you could perhaps try once again to persuade the government to understand that. Just in the same way that you do not take something without someone's permission and sell it, that in this case—I really think the analogy of what happened to your own family and the personal effects is very similar—I do not think they have any right to sell it, quite frankly. I am wondering if you can try and convince them of that, something that we have been trying to do since this whole issue surfaced a few months ago.

Ms. Johannson: I would like to thank the members of the government for being here and listening to my presentation. I have been looking at their faces and I think that they have been listening to what I have to say, and I hope that they will take it to heart. I hope that they will take to heart the presentation of every person, every citizen who has come here to try to articulate their feelings about this sale because I really want to believe that they will hear the concerns of the people, that they will hear these people and that they will say the people have come to us and said what their concerns are and what they want and we are going to listen.

Mr. Sveinson: I would just like, Mr. Chairman, to assure the presenter that in fact this government has the best interests of the people at heart. We want to ensure that our people have the best service, the most up-to-date-advanced service in the country, maybe even in the world, for the best price. I could go into many, many things. We do not have the time. At this point I do not have the time to go into all those things, but I have, if you have been here earlier, mentioned a number of times many of the different things that you have to look at, but I do want to assure you that this government is definitely looking at the best interests of the people, and we will keep that in mind all the way through. Thank you.

Mr. Ashton: Yes, I think the presenter was asking the government to listen to the people. I want to ask you, because one of the most frustrating things I find about this is, you know, this is a company that has served us well since 1908. I respect individuals like the person who came in before. There are some Manitobans, not a lot, but there are some who think it should be sold off. What really frustrates me and I think leads to the kind of cynicism you are talking about is the vast majority of Manitobans do not support selling it off. You know what, they have not even been asked, not once. In the election, they were told it would not be sold off. There have never been public meetings other than this committee, and in fact there has been no vote on it. There has been no effort to survey Manitobans as to what they feel about MTS.

I am wondering if you can perhaps try and persuade them, if they will not back off the sale, as an idea, to put it to a vote of the people of Manitoba, either in an election or the suggestion has been made that we have a vote, a shareholders' vote, so that we do not get that cynical process. I am wondering if you might want to explain to the government, too, that that is what any private company would have to do. You cannot sell off a private company unless the shareholders agree. So I am wondering why this government, which likes to use business terminology all the time, who pretend they know something about business, will not even apply the same business principles, let alone democratic principles, to MTS.

Mr. Chairperson: Ms. Johannson, with a final response.

Ms. Johannson: I think that the people that I have seen here that have presented that are in favour of selling, it appears to me that they are people who can afford to buy up shares of MTS if it is sold. Certainly the person who was just before me, he had a very expensive suit on, you know, it was pretty clear to my observation that he was quite well off and could afford to buy shares. The people who are speaking against it, some of them could afford to buy shares, a lot of them cannot, and I think that to say that business—as a private business that MTS would put the interests of Manitobans before profit is being a little naive.

Looking at the way the market works, looking, for example, at the fishing industry in this country, if they had fished the oceans in a sustainable way, they still

could have made a profit, and yet that desire for more profit—making a profit is not enough for most businesses. They have to make more of a profit, even if it means they fished out the oceans, even if in the short term that is only going to last for 10 years, then they will do it because they can have the profit now. Even if they can still make a profit but by making a little less profit they can make it last for thousands of years, they are still going to go for the profit now. That is the way business thinks, and that is why MTS should not be in the hands of people who think in those terms of making profits. It should be in the hands of people whose concern is the good of the citizens, the public good.

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

It is five minutes past twelve o'clock. What is the will of the committee?

An Honourable Member: Committee rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 12:08 p.m.