



REC-28491

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

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**STANDING COMMITTEE**

on

**INDUSTRIAL RELATIONS**

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40 Elizabeth II

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*Chairman*  
*Mr. Jack Penner*  
*Constituency of Emerson*



**VOL. XL No. 7 - 10 a.m., SATURDAY, JULY 13, 1991**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

| NAME                       | CONSTITUENCY       | PARTY |
|----------------------------|--------------------|-------|
| ALCOCK, Reg                | Osborne            | LIB   |
| ASHTON, Steve              | Thompson           | ND    |
| BARRETT, Becky             | Wellington         | ND    |
| CARR, James                | Crescentwood       | LIB   |
| CARSTAIRS, Sharon          | River Heights      | LIB   |
| CERILLI, Marianne          | Radisson           | ND    |
| CHEEMA, Gulzar             | The Maples         | LIB   |
| CHOMIAK, Dave              | Kildonan           | ND    |
| CONNERY, Edward            | Portage la Prairie | PC    |
| CUMMINGS, Glen, Hon.       | Ste. Rose          | PC    |
| DACQUAY, Louise            | Seine River        | PC    |
| DERKACH, Leonard, Hon.     | Roblin-Russell     | PC    |
| DEWAR, Gregory             | Selkirk            | ND    |
| DOER, Gary                 | Concordia          | ND    |
| DOWNEY, James, Hon.        | Arthur-Virden      | PC    |
| DRIEDGER, Albert, Hon.     | Steinbach          | PC    |
| DUCHARME, Gerry, Hon.      | Riel               | PC    |
| EDWARDS, Paul              | St. James          | LIB   |
| ENNS, Harry, Hon.          | Lakeside           | PC    |
| ERNST, Jim, Hon.           | Charleswood        | PC    |
| EVANS, Clif                | Interlake          | ND    |
| EVANS, Leonard S.          | Brandon East       | ND    |
| FILMON, Gary, Hon.         | Tuxedo             | PC    |
| FINDLAY, Glen, Hon.        | Springfield        | PC    |
| FRIESEN, Jean              | Wolseley           | ND    |
| GAUDRY, Neil               | St. Boniface       | LIB   |
| GILLESHAMMER, Harold, Hon. | Minnedosa          | PC    |
| HARPER, Elijah             | Rupertsland        | ND    |
| HELWER, Edward R.          | Gimli              | PC    |
| HICKES, George             | Point Douglas      | ND    |
| LAMOUREUX, Kevin           | Inkster            | LIB   |
| LATHLIN, Oscar             | The Pas            | ND    |
| LAURENDEAU, Marcel         | St. Norbert        | PC    |
| MALOWAY, Jim               | Elmwood            | ND    |
| MANNES, Clayton, Hon.      | Morris             | PC    |
| MARTINDALE, Doug           | Burrows            | ND    |
| McALPINE, Gerry            | Sturgeon Creek     | PC    |
| McCRAE, James, Hon.        | Brandon West       | PC    |
| McINTOSH, Linda, Hon.      | Assiniboia         | PC    |
| MITCHELSON, Bonnie, Hon.   | River East         | PC    |
| NEUFELD, Harold, Hon.      | Rossmere           | PC    |
| ORCHARD, Donald, Hon.      | Pembina            | PC    |
| PENNER, Jack               | Emerson            | PC    |
| PLOHMAN, John              | Dauphin            | ND    |
| PRAZNIK, Darren, Hon.      | Lac du Bonnet      | PC    |
| REID, Daryl                | Transcona          | ND    |
| REIMER, Jack               | Niakwa             | PC    |
| RENDER, Shirley            | St. Vital          | PC    |
| ROCAN, Denis, Hon.         | Gladstone          | PC    |
| ROSE, Bob                  | Turtle Mountain    | PC    |
| SANTOS, Conrad             | Broadway           | ND    |
| STEFANSON, Eric, Hon.      | Kirkfield Park     | PC    |
| STORIE, Jerry              | Flin Flon          | ND    |
| SVEINSON, Ben              | La Verendrye       | PC    |
| VODREY, Rosemary           | Fort Garry         | PC    |
| WASYLYCIA-LEIS, Judy       | St. Johns          | ND    |
| WOWCHUK, Rosann            | Swan River         | ND    |

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON INDUSTRIAL RELATIONS**

**Saturday, July 13, 1991**

**TIME — 10 a.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Jack Penner (Emerson)**

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Ducharme, Manness, McIntosh,  
Mitchelson, Praznik

Messrs. Ashton, Edwards, Ms. Friesen,  
Messrs. Maloway, Penner, Mrs. Render

**Substitutions:**

Hon. Mr. Enns for Hon. Mrs. McIntosh (1245)

Mr. Chomiak for Mr. Ashton (1317)

Mr. Plohman for Mr. Maloway (1317)

Mr. Reimer for Hon. Mr. Ducharme (1407)

Mrs. Carstairs for Mr. Edwards (1758)(0006)

Mr. Ashton for Ms. Friesen (2336)

**WITNESSES:**

Louis Lapointe, Dauphin & District  
Co-ordinating Committee

Arden Campbell, Private Citizen

Bruno Zimmer, Private Citizen

Dennis Atkinson, Private Citizen

Charles McCormick, Private Citizen

Juli Antle, Private Citizen

Dennis Moser, Private Citizen

Andrew Couchman, Private Citizen

Brian Havelock, Private Citizen

L. Bouma, Private Citizen

Len Kolton, Private Citizen

Al McGregor, Manitoba Association of Crown  
Attorneys

Rob Hilliard, Private Citizen

Jan Chaboyer, Private Citizen

Wade Cudmore, Private Citizen

David Fleury, Private Citizen

Patrick McDonnell, Private Citizen

Allyn Taylor, Private Citizen

Lynne Bobier, Private Citizen

Gerald Joyce, Private Citizen

Linda Keeper, Private Citizen

Barry Wadsworth, Private Citizen

Donna Finkleman, Private Citizen

Jeffery Dunn, Private Citizen

Barbara Featherstone, Private Citizen

Steve Hamon, Private Citizen

Jane Ricketts, Private Citizen

Ernest Gallant, Private Citizen

**MATTERS UNDER DISCUSSION:**

Bill 70—The Public Sector Compensation  
Management Act

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**Clerk of Committees (Ms. Bonnie Greschuk):** Will the Committee on Industrial Relations please come to order. I have before me the resignation of Mr. Laurendeau as Chairperson of the Standing Committee on Industrial Relations. The floor is now open for nominations.

**Mrs. Shirley Render (St. Vital):** I would like to nominate Jack Penner as Chairman of the committee.

**Madam Clerk:** Mrs. Render has nominated Mr. Penner as Chairperson of the committee. Are there any further nominations? Since there are no further nominations, will Mr. Penner please take the chair.

**Mr. Chairman:** Thank you. If it is the will of the committee, I would like to call—there is one out-of-town person, and I think it is normally the procedure that out-of-town persons be allowed to present first. We have one presenter from Dauphin. Before we start the committee, I would like to ask committee members to maintain order, please; also when we ask questions of presenters that the questions remain on topic. Also to the presenters, I would ask that they direct their comments to the bill, for we have many presenters, and we would like to hear them all.

So with that, I would like to call Mr. Louis Lapointe forward, please. Louis, have you a prepared statement that you would like to distribute?

**Mr. Louis Lapointe (Dauphin & District Co-ordinating Committee):** No, I do not, Mr. Chairman.

**Mr. Chairman:** Would you proceed, please.

**Mr. Lapointe:** Mr. Chairman, I am very pleased to have the opportunity to address this committee here this morning in the city of Winnipeg.

I am here to represent the Dauphin & District Labour Co-ordinating Committee and our 1400 members. We come out from rural Manitoba against our will, quite frankly, and I will be presenting my brief as shortly and as compactly as I can.

\* (1005)

We have entitled our brief "Debating Treachery," a brief presentation of arguments against the implementation of Bill 70, deceptively entitled The Public Sector Compensation Management Act, to be presented in hearing format Saturday, July 13, 1991, on behalf of the Dauphin and District Labour Co-ordinating Committee.

In opening, I must say to the government members of this committee that those of us from rural Manitoba wishing to make presentation to you have been disenfranchised by your unwillingness to meet in hearing session outside of the perimeter of the city of Winnipeg.

Your government has been entrusted with the representation of all the people of our province and, as such, have a responsibility to ensure that all have equal access and opportunity to address issues and matters of legislation that impact not only our lives but the continued existence of our neighbourhoods and our communities.

Your neglect of that reality makes it necessary for us to call on your resignations from any formal involvement in the outcome of these proceedings by abstaining from any vote on this matter, either in committee or in the Legislature. We are here in condemnation of the weak-wristed defence of our province by our provincial government unwilling to do battle with their federal political counterparts when it comes to the extreme downsizing of federal transfer payments.

Rather than govern this province, this particular government has chosen to attack one particular sector of our society, working people, in particular,

working people who have rightfully organized to overcome this kind of treachery.

A provincial government news release of June 3, 1991, entitled "Bill to Maintain Public Sector Wages" states: "Everyone must share in that goal" of providing "the foundation for economic renewal of this province."

Why then has this government reneged on its agreement towards the phasing out of final offer selection and deliberately caught some of our members in a disastrous situation? What this government has done to the operating engineers is no less than outright theft. Those of you responsible for such action should not enjoy the protection of legislative privilege but be charged accordingly.

The unreasonableness of this government in not allowing the dispute settlement processes such as arbitration to run their natural course while, at the same time spending our tax monies to enhance the financial well-being of their corporate friends at Royal Trust, is just exactly what we have come to expect from your particular political bent.

Your government bias towards undue support of the corporate sector is outlined clearly in its continued support of the free trade agreement at the cost of hundreds and hundreds of jobs to working Manitobans. Wake up and smell the stench, folks. Your government is suffering from intellectual and political gangrene. Your government's attempts to carbon copy the infamous anti-inflation board, a federal design, has proven only that you intend to manage only one sector of the economy, ours.

Your political unwillingness to address our ability to earn financial return for our labours in any reasonable fashion leaves us with a deep-seated mistrust of any representation your government can make on our behalf to the people of Manitoba. Your government should resign itself to the fact that it no longer represents the will of working Manitobans. Your government cannot, through its own actions, continue to legislate in a fair and reasonable manner. Your authority, while affecting us drastically, deserves no respect.

We pay the brunt of the taxes that allow you to continue to insult our membership and attack our way of life. In no uncertain terms, we are displeased with your bill to maintain public sector wages.

The Public Sector Compensation Act will become known as the most intrusive and insidious labour

legislation ever tabled and debated in the history of the Legislature of the province of Manitoba. Will you sleep well in that thought?

\* (1010)

It is clear to us that this offloading of federal responsibility has allowed your government the opportunity of an all-encompassing attack on provincial labour legislation. This is an act of treachery, and your government will be remembered for it.

Submitted: Dauphin and District Labour Co-Ordinating Committee.

I await your questions, Mr. Chairman.

**Mr. Chairman:** Thank you very much.

**Mr. Steve Ashton (Thompson):** Mr. Lapointe, by the way I thank you for coming in from Dauphin. I would just like to note for the record—and I have a follow-up question in that regard—the fact that we had moved a motion at the first committee hearing to allow for out-of-town presenters to be able to make presentations in areas closer to them than the city of Winnipeg. There were close to a hundred people on this list from outside of the city of Winnipeg. Yesterday we ran through about 70 or 80 names in a row, which were dropped to the bottom of the list from areas outside of the city of Winnipeg, unable to make the hearings. You are one of the few that has been able to make the hearings.

The question I have, though, is do you feel if the hearings on Bill 70 had been held in areas throughout the province that there would have been more presenters than even have registered for the committee? One presenter yesterday said part of the problem was if there were a hundred on the list without any promise of hearings, there would have been probably considerably more, several hundred more if there had been hearings.

### Point of Order

**Hon. Harry Enns (Minister of Natural Resources):** Yes, I believe it is a point of order because I think it should be pointed out that in the 15 years that the NDP government ran this committee, this committee never moved outside of the city of Winnipeg.

**Mr. Ashton:** Mr. Chairperson, first of all, I have been in legislative committees that have been outside of the city of Winnipeg when the NDP was

in power. This, to the member, should understand—

**Mr. Chairman:** Order, please.

**Mr. Ashton:** —there are 700 presenters. This is one of the most significant bills that a government has introduced in the last 25 years. You may wish to distract from the fact but I asked a very straightforward question, if I may continue, Mr. Chairperson.

**Mr. Enns:** I am just pointing out that in 15 years that you ran the committee you never moved outside.

**Mr. Chairman:** Mr. Ashton, Mr. Enns, I will recess the committee if you will not—

**Mr. Ashton:** Mr. Chairperson, I take objection to comments from members opposite asking me to ask questions and get on with it when I am being interrupted by points of order and constant heckling from members across the way. I would suggest that you talk to your own member before lecturing me on asking questions.

**Mr. Chairman:** Mr. Ashton, will you direct your questions to the presenter, please.

**Mr. Ashton:** Mr. Chairperson, I indeed will and I quite frankly take objection to the fact that throughout this committee hearing members of the government have heckled and obstructed not only myself, but members of the public making presentations. I would suggest a recess, Mr. Chairman, if members of the government cannot control themselves.

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**Mr. Chairman:** Mr. Ashton, did you have a question of the presenter?

**Mr. Ashton:** I did indeed have a question, Mr. Chairperson, which I had basically placed before the presenter and that is whether there would have been more presenters from Dauphin who would have registered if there had been a committee hearing in Dauphin.

**Mr. Lapointe:** Mr. Chairman, I can tell the committee that on a personal basis we polled our membership and we would have at least 75 presentations made to this committee had the committee come outside the city of Winnipeg to rural Manitoba. Dauphin, The Pas, Thompson and Brandon, in particular, would have probably been good sites to come outside of the city of Winnipeg.

**Mr. Chairman:** Mr. Ashton, would you please direct your questions pertinent to the bill?

**Mr. Ashton:** Mr. Chairperson, the questions I am asking are pertinent to the brief made by the presenter. That has always been the tradition. He made specific comment on the fact that he is from outside the city of Winnipeg, and I had two very -(interjection)- well, the traditions of this committee have always been to ask questions on the presentations. In this case, the presenter made a comment on the process followed on this. I have one brief follow up on that and I have other questions. I was just asking the presenter if he knows how many people from Dauphin will, in fact, be able to make presentations before this committee.

\* (1015)

**Mr. Lapointe:** Mr. Chairman, I am not aware that anybody else who is registered is going to be able to make it in the scheduling of the committee hearings. The problem is that this time of year many of our members are away on vacation. They have been caught, quite frankly, out of town in many instances and a lot of them are not even aware that the hearings are going on. We have tried to contact the ones who have registered and so far have had no success in getting them back to the province to attend the hearings. Legitimately I can say that we have not had a fair opportunity to be represented through this hearing process by the fact that it is not in our community. If it had been in our community and if it had been scheduled well enough in advance, these people would have made sure that they were in the area to make presentations.

**Mr. Ashton:** Indeed, Mr. Chairperson, I think some members of the committee do not understand the fact that when people are on vacations, a lot of times they are not only out of town, but out province and are not able to attend. I have some difficulties with making legislation, quite frankly, in July and August and expecting committee hearings when, indeed, many working people are taking their holidays.

I have a further question to Mr. Lapointe as well and that is based on the suggestion by the government that somehow this bill is supported by public servants. The Minister of Labour (Mr. Praznik), who is here, has indicated that -(interjection)- Well, I can show him the exact quote. He made the quote in this committee. -(interjection)- I was not standing in the press conference. I was

sitting here in this committee listening to the Minister of Labour who said that public servants were quite happy to make the sacrifice, to share in the burden. I am wondering, knowing that you yourself are one of those public servants, and we know what your reaction is to this, how about the other people that you work with? Do they support the government in saying that there should be a public sector wage freeze.

**Mr. Lapointe:** Mr. Chairman, there is absolutely no support for this kind of legislation within the government service at all. I will tell you that people who work for the provincial government have their heads down, quite frankly, and are absolutely afraid of another round of layoffs, so they will not make any public comment. The Labour minister certainly is not going to get any comment from a provincial government civil servant that they do or do not support this kind of legislation.

We do get the commentary from our membership, and I will tell you, our membership does not agree to this kind of legislation no matter what the political stripe of any particular government that would try to legislate it.

**Mr. Ashton:** Indeed, Mr. Chairperson, I appreciate that comment because the fact that layoffs had just been announced in the government, and it has been referenced by other individuals who indicate that is one of the factors many people are not making public comments, although privately, obviously, they are opposed to the bill.

I have a further question, Mr. Chairperson, and it relates to some of the concerns people have expressed about the impact this will have on future collective bargaining. Quite frankly, many presenters have come before this committee and said they do not trust the government whatsoever in the future, given the fact that it has legislated a one-year freeze after the collective bargaining process, and many contracts have been proceeding for six, seven, eight, nine months and after, as you said. In some cases, final offer selection decisions had either been brought down or were in the process of being brought down.

I just want to ask you in that context what impact this is going to have on collective bargaining in the public sector? I will tell you what the Premier (Mr. Filmon) said a few weeks ago. He said this was a temporary pause. Do you view it as a temporary

pause, or is it going to create further difficulties in the future?

**Mr. Lapointe:** Mr. Chairman, we see it in the public sector, in the public sector unions, as the worst kind of intrusion into the collective bargaining process since 1919. That has been said; that has received ample enough media coverage. What we see happening is such a distrust in the manner in which we will carry on our bargaining process, that we do not see that we will ever, ever be able to recover the ground that we have lost by this kind of legislation.

If this legislation is in fact enacted, it will take us back to the dark ages in terms of the collective bargaining process. We cannot allow that to happen. We cannot stand by and allow it to happen without saying something about it and without fighting the good fight. Obviously, that is what we have to do. We have to fight the good fight.

I mean, we are out there in Manitoba. We are working. We are doing the job that is asked of us, and this legislation comes in and takes away all of our rights, not just some of them. As a matter of fact, it extended farther than just taking away our bargaining rights. It took away from some of our brothers and sisters the contracts that they had already won through final offer selection or through an arbitration process.

\* (1020)

It is obvious to us that there is a distrust out there of the way in which the government intends to carry on collective bargaining. We do not believe that they ever will go to the bargaining table in any fair or equitable manner. We do not believe that we will ever be able to negotiate a contract that will not be affected by this kind of legislation in the future.

**Mr. Ashton:** I want to go further, too, because one question I have asked of previous presenters is in terms of the impact on labour relations as a whole. In this province, traditionally, we have had one of the lowest strike rates. In fact, we have traditionally had the second lowest strike rate in the country, second only to Prince Edward Island which is very limited in terms of the number of unionized workers.

The question that I have put to other presenters and I will put to you as well is: Do you feel that the passage of Bill 70 would worsen that situation? Would it lead to greater labour unrest? What impact would it have on overall labour relations in the province?

**Mr. Lapointe:** Mr. Chairman, that would be pure speculation on my behalf, but I can tell you what my feeling is, and my feeling is that when you implement this kind of legislation, what you do is you gain the ire of organized labour in the province of Manitoba, and what you are going to do is cause worker unrest in the province of Manitoba.

When you advertise publicly that you have opened the doors to business in the province of Manitoba and, at the same time, bring in legislation that is going to cause worker unrest in the province, then I do not see the two ever meeting clean.

**Mr. Ashton:** I have just one final question, and you made the brief in the context of representing the Dauphin labour co-ordinating committee. One question that I have put to other presenters is more on a personal basis. If you had the chance to talk directly to some of the members of this Legislature on this committee or generally about Bill 70, and recognizing that it would only take one or two government members, for example, to vote against the bill or to abstain for this bill not to pass, and if you were talking to somebody who might still have an open mind on the government's side or might be considering voting with their conscience; what would you say to them on a personal basis about the impact of Bill 70? What would you say to them to get them to change their vote, to vote against Bill 70?

**Mr. Lapointe:** Mr. Chairman, I would say to a member of the Legislature who intends to vote in support of this kind of legislation that what they have done to myself and my members is taken away our rights. Now they are going to do that by way of legislation, so they think that is all right and that is okay, you see, because we are the lawmakers, therefore we can make any kind of a law, and you have to live with it. The problem is, that is right, we have to live with the law and the effect that is going to have on us is a mistrust of governments forever and a day.

We are never going to trust a government in terms of labour legislation or allowing us the freedoms that we have fought so hard for in the past. Our forefathers have fought for these rights. This government has chosen to take those rights away, and we are not happy about that. We would tell any member of the Legislature that we would be proud to support them if they would withdraw any support of this bill.

**Mr. Paul Edwards (St. James):** I am very pleased to have this presenter before us, not only because he comes with the experience in labour relations, but because he is from out of town and I thank him for making the effort.

I will not get into the debate as to whether this committee has or has not travelled the province. I will only say that this particular government—I have not been around for all these years as these two have—wants to decentralize things this government does, as you know, except democracy. Apparently, that is where they draw the line. They do not want to take this committee to the people around the province, and I think that is regretful.

My question to you, sir: Did you poll your membership or how did you canvass this issue with the organization that you represent? You have brought to us conclusions drawn you say by members. Did you canvass the members in any organized fashion? If so, was it both those affected by this legislation as well as those not affected?

**Mr. Lapointe:** Actually, it was. Actually, we represent a full spectrum of labour organizations, so we have affiliates both from the private and public sector. What we did was a letter campaign to our total membership of all our affiliates asking for a response to Bill 70 and how they thought that we as a committee should address Bill 70. By far and large, the biggest question they had for us is: Will the committee hearings be held outside of the city of Winnipeg or, once again, are we going to be affected by perimeter vision?

\* (1025)

**Mr. Edwards:** Can you tell us if your members, even who were not directly affected by this bill, did they respond in the same fashion as those who were? Were they interested in this bill as it generally affects labour relations, even though it did not perhaps affect their wage rates?

**Mr. Lapointe:** Absolutely. The private sector affiliates that we have were wholly in support to do battle against this kind of legislation. They felt that it was all intrusive and they feel, without a doubt, that sooner or later the legislation is going to be expanded to include those people who are organized in the private sector and be even far more reaching than that, to include people who are not organized.

**Mr. Edwards:** Just one further question. We have had a lot of talk on this committee from presenters

and members of the committee about free collective bargaining. It is a word that gets used a lot. What it means to one person, it may not mean to another, but from your perspective, you have talked about the result of this legislation in terms of wages. You have also talked about the process and the bad faith of the process. I distinguish between those two parts. I think you did. It seems to me that parties can disagree. They generally do. They go into negotiations and they disagree, and then each party has its normal opportunities to strike or to lock out, and there are those things come up, but there is generally an understanding that we are playing by a certain set of rules.

To me, and I want your reaction, the far more lasting and really more damaging in this legislation than the actual result—and I do not say that the actual result of zero percent is a minor effect, it is a very dramatic effect. We have heard from many, many people, single parents, who tell us of the effects of zero percent—but the long-term ramifications of a breach of this magnitude of good faith appears to me to probably, as you have indicated, leave us in a situation where any government in the future, certainly this one, is going to have a heck of a hard time negotiating simply because they have shown such bad faith in the past.

What is your reaction to that assessment of the impact of this bill?

**Mr. Lapointe:** Mr. Chairman, I can tell you that most of our affiliates—and because I am involved in the community and what not, I sit in on conciliation meetings and what have you from time to time. As a matter of fact, I had one this week. I will tell you that there is a general mistrust now of any kind of a process.

We have dispute settling mechanisms that have been developed and entrenched in law for years in this province, and now our people are saying they cannot trust that law, they cannot trust that legislation, and they cannot trust the governing party to uphold that kind of legislation. There is a general feeling of mistrust that nothing good can ever come out of this kind of legislation. Thank you.

**Mr. Chairman:** Thank you, Mr. Lapointe. We will move on to the next presenter. The next presenter is No. 1, Mike Zubriski.

**Mr. Ashton:** Mr. Chairperson, —

**Mr. Chairman:** Yes, Mr. Ashton?



**Mr. Ashton:**—know there are some other out-of-town presenters. I know at least of one individual, Arden Campbell, from—

**Mr. Chairman:** I understand that there is at least one other out-of-town presenter. He is from Portage la Prairie. He had not registered previously. There are many others who had registered a long time ago. What is the will of the committee? Is it the will of the committee to hear the person from Portage.

**Some Honourable Members:** Yes.

**Mr. Chairman:** Agreed. Okay, then I will ask Mr. Arden Campbell to come forward please. He is city workers of Portage la Prairie. Mr. Campbell, have you a written presentation.

**Mr. Arden Campbell (Private Citizen):** No, I do not, Mr. Chairman.

**Mr. Chairman:** Thank you. Proceed.

\* (1030)

**Mr. Campbell:** Thank you, Mr. Chairperson and members of this committee for allowing me to speak this morning without preregistering. I just got back off holidays, found out about this proposed legislation and have not had time to get a brief together, but from what I have read and seen of the bill, I felt that I should come and express the feelings of myself and my fellow city workers in Portage la Prairie.

This legislation is a step backwards—a long way back. It would take away what workers have earned and fought for for years in a very short period of time. Portage la Prairie has been devastated by the closing of the CFB Southport by the federal government and the loss of the Campbell Soup plant. We do not need anything further to hurt the economy of Portage la Prairie.

A large number of the jobs in Portage la Prairie that help to support the economy, the dollars come from provincial and municipal workers. We have the Manitoba Developmental Centre, the provincial government building. I do not know exactly what the number of provincial workers is, but there are a lot of them.

I do not think that there is any way that this bill can be amended to allay workers' fears. There is no way it could be amended. The only way I can see to amend it is to throw it out. There is no way to improve it.

It is taking away more rights than I ever thought could be possible. I will answer any questions that any member of the committee has.

**Mr. Chairman:** Thank you, Mr. Campbell.

**Mr. Ashton:** I appreciate your coming, and I know this had come up before from a previous presenter, but is it safe to assume that there are many other people who you work with and perhaps know, through your involvements in Portage, who have also been on vacation and, in many cases, either were not aware that this bill had been introduced or only recently become aware of that fact?

**Mr. Campbell:** There are a lot of people who are on vacation who I know would be here today if they knew about the legislation or had the opportunity. I think that the timing of this bill is—I have no other way to put it—sneaky.

It is getting slid in right when the government knows that people are on holidays. It looks to me like the government is trying to slide an unfavourable bill through the Legislature, unaware. A lot of people come back off holidays and find that their worker rights have been seriously eroded while they are on holidays. A nice way to return to work.

As the last speaker said, a lot of people in the rural communities—I have not done a poll but I know of at least 20 other people who would give presentations if this committee had come to Portage la Prairie. Even though some of them are not on holidays, they are unable to travel to Winnipeg because of other previous commitments on days that the hearings are being held. If a date had been set for hearings in the rural areas, such as was done in relation to the Meech Lake Accord, I am sure you would find that you might get even more presenters with time to have made a brief, come out and give a presentation. You might find that you would have an even larger turnout than some of the ones you get here in the city, if it had been taken to the rural area. If it is not too late, I think that this committee should seriously consider going to the rural area. It would go along with the government's wishes to decentralize. This would be a chance to prove that the government is serious about decentralization and giving consideration to the rural areas in this province.

**Mr. Ashton:** I appreciate that suggestion. I would like to go further. You referenced in your brief about the difficult times Portage has gone through in the last number of years through plant closures and the

situation at CFB Portage and made reference to the fact this would further impact. Were you referencing this case to the lost wages of public sector workers who will not be in the Portage economy?

**Mr. Campbell:** This legislation would seriously affect the whole community economy if wages were frozen for any period of time or rolled back as the legislation will allow for. That is taking a lot of dollars that public sector workers spend out of the local economy.

**Mr. Ashton:** I appreciate that perspective, too. I would like to ask a further question about the impact you feel this is going to have on labour relations, generally. As I mentioned to a previous presenter, we do have one of the best climates of labour relations. How do you think the passage of Bill 70, which essentially suspends collective bargaining rights for as many as 48,000 Manitobans, is going to impact on the climate of labour relations in this province?

**Mr. Campbell:** It could have nothing but a detrimental effect. Relations have been, I feel, improving over the years and as I said earlier, it is just another step backwards. It will take us back to earlier years of confrontation that was before any of our time, that none of us have seen—like Mr. Lapointe said, back to 1919, and start all over.

**Mr. Ashton:** I am sorry, there are various side conversations at the table which make it difficult to hear the presenter. I have a further question to the presenter, Mr. Chairperson, and it relates very specifically to the fact he is in the constituency of the member for Portage (Mr. Connery). I have asked this question to other presenters, not selecting the member for Portage's constituency in particular, but as I indicated previously, it would only take one or two government members to either abstain on the vote on Bill 70 or vote against it for this bill not to pass.

What I would like to ask is, apart from your perspective here representing the city workers in Portage, if you had the chance—by the way, the member for Portage was on the committee yesterday so he has been attending these hearings—to talk to him directly in the hope that he still might be voting with an open mind, voting based on his conscience on this issue and not just following the party line, Mr. Chairperson, what would you say to him on a one-on-one basis to try and persuade him to vote against Bill 70?

\* (1040)

**Mr. Campbell:** I would take the time, if he had it himself, to point out to him the bad points that I find with it, and other people in the community. I have not had the opportunity to talk to him personally yet, but I most certainly intend to and I do intend to try to persuade him to vote against it.

**Mr. Ashton:** I thank the presenter, and I know that in Portage some of the people out in Portage were amongst the first to be protesting against this bill. So I know there is a lot of discussion on it. I have read into the record, incidentally, the Portage Daily Graphic editorial and various comments that were out several weeks ago which actually were against Bill 70, but I hope you will go back to those people who perhaps might have been here otherwise, and I can say from our perspective that your input was very helpful.

**Hon. Darren Praznik (Minister of Labour):** Mr. Campbell, I just wanted to make a comment with respect to your statement that this bill was being snuck in. It was over five weeks ago that it was introduced in the Legislative Assembly. I know at that time the Manitoba Federation of Labour certainly made their membership well aware of its existence. So I just wanted to point that out in case you were unaware of the date that it was introduced.

**Mr. Campbell:** Five weeks ago was prior to some people going on holidays, but a lot of people had already started holidays shortly after university students got out. This type of legislation I think would get a lot better hearing from a lot more people and have a lot more input if it had been presented in September when everyone is back in school. Parents and teachers are all back.

**Mr. Chairman:** Thank you, Mr. Campbell, for your presentation. We will move to the next presenter, Mr. Mike Zubriski, No. 1 on the list. Is Mr. Mike Zubriski here? Number 2, Bernard Christophe. Is Bernard Christophe here? Is Mr. Bruno Zimmer here? Have you a prepared presentation?

**Mr. Bruno Zimmer (Private Citizen):** No, I do not, Mr. Chairman.

**Mr. Chairman:** Thank you. Would you proceed, please.

**Mr. Zimmer:** Mr. Chairman, members of the committee, I am here as a private citizen and also as a representative of my local union, United Food and Commercial Workers Local 832—

**Mr. Chairman:** Mr. Zimmer, please. Could I have order in the committee, please? If you have things that you want to discuss, I will adjourn the committee for a few minutes so you can discuss those issues and then we will proceed.

**Mr. Zimmer:** As I said, I am here as a private citizen and also as a representative of my local union, United Food and Commercial Workers Local 832. We represent approximately 13,000 members in this province, of which 1,700 members are directly affected by this disgusting bill.

What I am afraid of, Mr. Chairman, and having seen the action of this government so far, is that they will not stop where they have started, and restrict workers of their collective bargaining rights. We have a card here, I am sure you have seen it, and it says, Bill 70, the death of collective bargaining. Even though we have only 1,700 members which is a small percentage of our local affected directly by this bill, the other 12,000 members are disgusted by this government's action and they have expressed their disgust by signing these cards. We have approximately 7,000 of these cards signed. It says: I have had enough. Withdraw Bill 70. Stop attacking Manitobans. I will not vote for anyone who takes away my rights.

As a private citizen, members of this committee, Mr. Chairman, I find this bill not only disgusting but also hypocritical. We have seen again and again Tory governments in this country and Liberal governments voicing their concern about workers' rights in other countries, such as communist countries, dictatorships, left or right wing—I do not think there is much difference anyway, they are dictatorships. When workers fight for their rights for collective bargaining, when workers fight for the right to have a union, our government politicians, Tory and Liberal, get up and say, those poor workers in those countries do not have any rights.

Well, I guess it is different when it is in our own backyard, when we can restrict workers in this country, in this province, can restrict their right to collective bargaining.

It was said before that perhaps this government thinks unions are not responsible, they are not realistic enough. Well, I think this province has a pretty good record due to some good labour legislation and some common sense shown by employers and unions and employees, that they can reach agreements fully realizing the economic

situation out there. We can reach agreements at the bargaining table without interference, without anybody else telling us what to do. Unless we seek that advice, unless we seek conciliation, we are quite capable of doing that. That is why we find this bill totally disgusting, taking away the rights of the workers in this province.

It has only started, that is what I am afraid of. Public sector employees, I guess, are the favoured whipping boys because there is sometimes a tendency that people will say out there, well, the public sector, they are overpaid anyway and when their wages go up, my taxes go up.

I think that is the whole reason behind this government starting out with the public sector. Only remember a few years ago, federally, when the government promised there would be no wage guidelines, there would be no ceiling on wages. At that time we had a federal government in Ottawa—before we knew it we were all restricted in our negotiations, but that was on wages only. This bill goes even further. It goes as far as saying you cannot meet; you cannot bargain, not for only wages but you cannot bargain for working conditions; you cannot bargain for workplace safety and health. It restricts the whole process of collective bargaining, Mr. Chairman.

We are told that it is because of the recession; the government has not got any money; it is good for business that we restrict 48,000 workers to not even get an increase in wages to meet the cost of living. While this government sits idly by watching major layoffs and plant closures, they have the nerve of restricting other workers and strip them of their bargaining rights. I find it totally disgusting.

I find Bill 70 scary and typical of this government's approach to labour relations. This bill and this government does not even pretend to seek co-operation from labour. It seeks only to give the government dictatorial powers, to give the government total and absolute control over labour relations. It prevents employees and employers, even if both sides wish to discuss any issues of common concern, Bill 70 removes that right from employees and employers.

\* (1050)

It must be realized that this bill does much more than just freeze wages of workers. It freezes all terms of the collective agreement. It is scary that this bill will give this government broad powers that

will reduce the standard of living of nearly 48,000 Manitoba workers, but what is even worse is that clause in Bill 70 which gives the government the power to extend the provisions of the bill to thousands of workers, perhaps every worker in this province.

This could be done for the length of time the bill will remain in effect, extended without public discussion. It could all be done by the Conservative government behind closed doors, in backroom meetings. The scope and duration of Bill 70 can be extended without legislation, debate or public accountability on the floor of the Legislature, and we all know what kind of deals the Conservative government has come up with in the past when it comes to their corporate friends.

Even these committee meetings are typical of the way this government likes to do things. If the government had any choice, it is clear they would prefer not to have them at all. They would be clearly much happier if they could consult only with their friends, the rich and famous, and ignore the wishes of the average working Manitoban who is affected by this bill.

Since the government must have these, by legislation, they try to make it as difficult as possible for the average person to give presentations. You do not have committee meetings during the day if you want workers to attend. You have them mostly in the evening and do not schedule them during the day.

**Mr. Chairman:** Mr. Zimmer, I want to remind you that I will not condone the criticism of this committee or their actions. I will allow you to address the bill. However the committee is, I believe, very much in tune with what is going on here, and is very concerned about the, and also wants to listen to the, concerns of the workers and the citizens. So I believe the committee has your concerns at heart and is truly here to listen.

### Point of Order

**Mr. Ashton:** Mr. Chairperson, I appreciate, as Chair, that you are trying to put that forward. Some of us on the committee itself have been critical of the functioning of the committee. I really feel that we should not be preventing members of the public from making comments of that nature. I found the presentation of this presenter to be very valid and relevant, and I do not think he said anything out of what is the normal tradition of this committee.

**Mr. Chairman:** Mr. Ashton, you do not have a point of order. Proceed, Mr. Zimmer.

\* \* \*

**Mr. Zimmer:** Well, I am just going to close very briefly. People may say that Bill 70 does not affect them because they are not employed in the public sector. We feel strongly it will eventually affect every worker in this province. It may be specifically discriminatory towards the public sector worker, but many other workers will suffer in the long run.

It will certainly make it more difficult when we sit at the bargaining table with the private sector employers. In fact, I guess there is probably only one good thing that Bill 70 could maybe, possibly accomplish, and that is that it has united the labour movement in this province like it never has before. That is my presentation for this morning.

**Mr. Ashton:** Mr. Chairperson, I wanted to focus on a number of points raised by the presentation, but I wanted to begin with by focusing on your comment about the fact that this bill goes beyond simply freezing wages, and in fact freezes all contract conditions for one year. Obviously, given the Draconian nature of even a wage freeze, a lot of people have been focusing in on that.

As someone who has been involved in the negotiation of many contracts, can you perhaps give members of this committee some idea of the type of negotiations that are going to be impacted? I can only assume that contract language, et cetera, all aspects of the contract were included, because there might be a fear on the part of government that some of those might be, in some way, shape or form, indirect remuneration. I am wondering if you can give us some indication of the type of thing that might otherwise in a contract be renegotiated in terms of contract language, working conditions, et cetera, that under Bill 70 will now be frozen along with wages for a period of one year.

**Mr. Zimmer:** Well, we have obviously not only monetary items at any bargaining table, such as workplace safety and health issues, worker's right to refuse dangerous work, which is partly in the legislation but we are now incorporating it into our contracts. We are negotiating union representatives' access into the workplace, the right for a worker to be recalled after he or she has been on workers compensation and sick pay, the right to

grieve, perhaps streamlining of the grievance procedure.

So there are dozens and dozens of items which can be renegotiated in any agreement, language items that possibly have not proven very effective over the last term of the agreement. We meet with all committees, we go over the collective agreements and we find out where there are loopholes and insufficient language. We then go to the employer requesting that these provisions should be revised.

**Mr. Ashton:** Do you see any reason why, even if this government is going to take the step of freezing wages as part of its overall political agenda, that those other contract items should be prohibited for renegotiation during the period of the application of this bill?

**Mr. Zimmer:** No reason at all why there should be a restriction on those items. I mean, I am talking about the bill as a whole. That bill should be defeated, but I cannot—it is beyond me, the reason why all negotiations should be held for one year long. It just beyond my belief why that law should be passed in this province.

**Mr. Ashton:** I have a further question. Many of the people I have talked to are saying there is chaos out there in the bargaining sense. People have gone through this bill, and there are many sections of this bill that are unclear in terms of its application, whether for example it is strictly a one-year freeze or whether it will be extended by a stroke of the pen. That impacts also in terms of bargaining, because people are saying that if they cannot bargain for this past year, during its application, the question is coming up as to whether they can bargain for—well, it would have been the second and third year of a contract.

I am wondering if you are experiencing the same sort of concerns, if you are hearing the same type of concerns about what is happening and what the general sense is out there amongst unions representing public sector workers about exactly where they go from here even if Bill 70 is passed—by the way, we of course are going to oppose it as much as we can—but if it was to pass, where collective bargaining would go over the next period of time.

**Mr. Zimmer:** Well, we are not quite clear what the final outcome of the bill is. We do not see any reason why we could not be bargaining for a second

or third year of the agreement, have free collective bargaining for a second and third year and not sit at the bargaining table now and make those provisions, but I guess we will have to see the outcome of the bill, what the final outcome is.

**Mr. Ashton:** Another concern that has been expressed to me is the fact that this bill essentially does not allow for the maintenance of benefits for workers in the sense that if you have a dental plan, for example, and the rate goes up, under this bill it would not be considered. Yet, I understand essentially in terms of the Civil Service, those who are under the Civil Service component, their benefits are being maintained on a parallel track by the government. So those who are outside of the Civil Service but still in the public sector generally, which would be people represented, for example, by the UFCW, the 1,700 workers, if their benefit required an increase in premiums, they would not be included.

I wonder if you have any comments on the impact that could have out there in terms of the benefits of those public sector workers?

**Mr. Zimmer:** In our local union, what we call trustee welfare plans, trustee dental plans, and the employer pays a number of cents an hour into a trustee plan to maintain or to keep up the welfare plans. These plans are being reviewed every year annually or every two years when agreements open up and sometimes, as you said, Mr. Ashton, to maintain the same benefits.

\* (1100)

We all know that the cost of living is going up, we know that the dentists are raising their fees every year, doctors are raising their fees every year. In order to maintain the benefits, we might need another cent or two an hour to maintain a certain dental plan or certain health and safety weekly indemnity plan or whatever plans we have, so in order to maintain the same benefits, we require more money to be put in because the costs are going up, and that is prohibited under this legislation.

**Mr. Ashton:** So in other words, in order to ensure that benefits would not in fact be reduced, the government would have to, you know, pass this legislation, amend it to allow for public sector workers to have some increase in premium payments even just to maintain existing benefits.

**Mr. Zimmer:** That is correct. Otherwise, the benefits would be reduced. If that extra money cannot be put into the fund, then the benefits would be reduced and, of course, benefits reduced, taxes go up, everything goes up, and our recession is fought on the backs of the workers.

**Mr. Ashton:** I suspect, Mr. Chairperson, that these are many factors the government did not consider in the drafting of the bill. I hope they will note the comments of people such as yourself that this is in fact far more than a wage freeze. I mean, that is serious enough but it is having greater implications.

I am wondering just in a general sense, though—I mentioned about the reports I am getting of chaos in the bargaining sense out there—if you are indeed picking up the same sort of concerns and comments, because I am getting many calls from people asking me what the bill means, and quite frankly I do not know.

I have gone through it many times and it is a very confusing bill, it is a very Draconian bill that allows a lot of things to be done by regulations. Of course, the regulations are not part of the bill, and it could be a one-year freeze, it could be more. It could go beyond the public sector into the private sector.

What is the sense you are picking up from the people you are in contact with about how this is going to impact on them?

**Mr. Zimmer:** Well, they are very suspicious, very scared, that in fact the standard of living will be reduced through government legislation, and what they ask is, how can they do this? Well, they are doing it to the workers. The Tory government is doing it to the workers, and I guess we can tell them, remember when next election time comes around, remember who did this to you, the Tories.

**Mr. Ashton:** Well, indeed, and it will cost many Manitobans a significant amount of money. We have heard people here who are earning \$21,000 a year after 17, 18 years service. Nurses' aides, for example, are going to be losing a thousand dollars out of their own pocket, a woman yesterday who had to recently declare personal bankruptcy. That is before this freeze. So I understand the concerns.

Just one final question, and I have asked this to other people though, if you had the chance to talk to people individually in the Conservative caucus, recognizing of course that our caucus has been opposed to this bill from Day One, who might be thinking of voting with their conscience, might be

willing to either vote against the bill or even abstain and, of course, one or two abstentions or votes against the bill from the government side would defeat the bill, what would you say to them on—put them on a one-to-one basis outside of sort of the formal presentation to get them to persuade—

**Mr. Zimmer:** Well, if I had to talk as a private citizen to my member of the Legislature, I guess I would have to talk to Mr. Filmon, and I do not know whether he has enough of a conscience to vote against this bill. I do not think so. However, if I talked to my members, I would urge them to talk to their member of the Legislature, and if they are a member of the government, then I would urge them, point out to them the injustices in this bill and would ask them to vote against the caucus, against their own government. If they have a conscience, they should do so.

**Mr. Praznik:** Mr. Zimmer, I have to just comment on the consistency of your position and your union over the years, because you made reference to the Anti-Inflation Board legislation back in the '70s. When the then NDP government of Mr. Schreyer brought our province under that legislation, if I am not mistaken, your union and your position was very much opposed to that and has remained consistent over the years. That is certainly noted when the similar type of legislation or similar type of practice was brought in by a New Democratic Party government. I just wanted to comment.

I also want to thank you for your observations with respect to some of the areas that certainly may require some amendment. My colleague Mr. Manness, whose bill this is, has indicated already that it was certainly not the intention of this legislation to include some of those areas that you referred to with respect to dental plans, et cetera. I believe he has indicated some willingness to look at an amendment to those particular areas. I just wanted to make that comment.

I would also note, since the president of the Federation of Labour has talked about the Labour-Management Review Committee meeting of a week or so ago that she initiated, that some of those things were discussed there. I think there was a willingness on the part of the management caucus to come forward with a recommendation for some amendments for clarification that labour would not agree to, but we are certainly prepared to look at those types of things.

So thank you, and thank you for your consistency.

**Mr. Chairman:** Thank you, Mr. Zimmer. We will proceed to the next presenter.

No. 4, Mr. Roger Dheilly; No. 5, Mr. Dennis Atkinson. Mr. Atkinson, would you come forward, please? Have you a prepared presentation?

**Mr. Dennis Atkinson (Private Citizen):** No, I do not, Mr. Chair.

**Mr. Chairman:** Would you proceed, please?

**Mr. Atkinson:** Mr. Chairperson, committee members, I have been involved in the collective bargaining process now for some 18 years, and I recall the AIB restrictions in the mid-'70s and the 6 and 5 guidelines in '82 and '83.

Collective bargaining is the type of process where there are undoubtedly restrictions within the process itself, depending on the viability of a business, the ability of the employer to absorb increased costs.

Throughout all those years of collective bargaining in the last 18 years, even when we had restrictions, there was still collective bargaining taking place. I can tell you that has almost stopped now.

I am dealing with a personal care home at the present time. That employer does not know what to do in terms of collective bargaining. Collective bargaining has essentially stopped. He is told in that personal care home there are two contracts, one for the nurses and one for our bargaining unit members, those being the dietary, housekeeping and the personal care attendants. That employer is able to negotiate now still with the nurses for wage increases. Those nurses will receive wage increases in their new collective agreement. However, the dietary aides, the housekeepers and the personal care attendants will not receive any wage increase. They do not understand that. They do not understand how in a given workplace two groups of people can be treated differently.

It pleases me that the minister indicates that there may be possible amendments to the benefit side of things. We have an example in this personal care home, the dental plan that is costing the employer 17 cents an hour. To maintain the level of benefits that they are presently receiving is going to require within the term of the new collective agreement 3 cents, and only 3 cents, and at the present time, the way the legislation reads, we will not be able to

maintain it. In fact, this is not just a freeze in wages, but in fact amounts to a decrease in their benefits.

This bill has far reaching implications. We are looking at the private sector. I just completed a collective agreement in the private sector for a plant just near the Saskatchewan-Manitoba border, the ratification vote, and we were able to negotiate a wage and benefit increase for employees. At the ratification vote, we got to discussing this bill and its implications, the implications that they too may be included and that their contract may be included down the road.

\* (1110)

Well, there are many of the workers there, because it is a plant right on the border, who live in Saskatchewan, and their comment was, well, I live in Saskatchewan, it does not really matter, I am okay. In fact, a lot of them were actually looking forward to the change in government that will be happening there shortly I would assume. So they say, well, it is not really going to affect me. I said, well, surely it could, because if, in fact, your contract is going to be swept under with this legislation, then it does not matter where you live, because you are earning dollars in Manitoba, regardless of whether you are living in Saskatchewan, you will be included. So they are prepared to sign. So you may, if you ever get these cards, see signatures and addresses from Saskatchewan. Do not be surprised because they have some concerns, too, even though they reside in Saskatchewan.

In closing my comments, I have never seen this kind of an attack, as I said, in the 18 years that I have been involved in the collective bargaining process. Even under AIB and the six and five guidelines, we were able to negotiate. We had parameters, like we have in every collective bargaining scenario, the ability of the employer to pay, but we were always able to negotiate, and that at the present time has all but stopped for personal care homes and for other public sector areas.

Those are my comments, Mr. Chairperson.

**Mr. Ashton:** Mr. Chairperson, in those particular situations, I was wondering if you could indicate to members of the committee, in the personal care home situation, the type of wages of some of the people who are being impacted by this bill. I mean, are these highly paid individuals, or are they earning a fairly average, in fact in some cases, perhaps even low wage in a relative sense?

**Mr. Atkinson:** I guess it depends on how you look at it. I believe that nurses with their contract are earning an average of \$15 to \$16 an hour. The personal care attendants under our contract are averaging less than \$9 an hour. So you can see that there is quite a difference in terms of wages. I am not sure just whether some people may view \$9 an hour as a high wage. Those people work awfully damn hard in those personal care homes and, as I say, there is certainly an unfairness in the fact that in those personal care homes those people at \$9 an hour will not be able to negotiate a wage increase. However, the nurses who are getting a substantially higher wage will, in fact, be getting increases and negotiating that.

It is also unfair, I think, in the sense that the province, this government, has increased and allowed an increase in the charges that a personal care home may charge residents, and I believe that increase was limited to 3 percent. So prior to this legislation being tabled, we felt that we would be able to negotiate some of that 3 percent that the personal care homes were going to be able pass on to residents, that we would receive something from that 3 percent. Well, now we cannot receive anything of that.

**Mr. Ashton:** Nine dollars an hour is what, \$17,000, \$18,000 a year? It is certainly not what would be considered a huge wage, particularly when many of the people, as we have heard, are often supporting a family on that. In fact, I am wondering if you could give us some idea of who we are dealing with here. We have seen a number of presenters come forward, as you, who have been nurses' aides working in personal care homes, single parents living below the poverty line on the current wage and faced with falling even further behind. We even had somebody yesterday, as I said before, declared personal bankruptcy before this legislation came in. I am wondering if you could give us some idea of who those people are working in those personal care homes.

**Mr. Atkinson:** Mr. Chairperson, following the announcement of this legislation, we called a membership meeting to explain to those workers the implications of the bill, at least to the extent that we were aware. There were a lot of questions that were unanswered. A lot of those people expressed a real concern. A lot of them are single parents. A lot of them are the primary source of income, wage earners for their families; and at \$9 an hour, they

were looking forward to something that would maintain their ability to deal with the increases in the cost of living, because in the instance in this personal care home, their previous wage increase was only 3 percent. They were hoping to make up some sort of cost-of-living increase in this new collective agreement, and unfortunately there is a lot of disappointment.

We are talking about, out of the 90 employees there in that bargaining unit, 84 of them are women. I would say of the 84 that are women, there are 32 who are single parents and the only source of income, and they are going to have a very difficult time without any kind of an increase in maintaining what they have in terms of standard of living right now.

**Mr. Ashton:** Let us put it into perspective, as well, because for somebody earning \$17,000, \$18,000 a year, assuming inflation at 5 percent, 6 percent, if they were to receive nothing more than a catch-up increase in the current contract, that would have been perhaps, what, \$1,000 a year?

**Mr. Atkinson:** Any kind of a catch up—I mean, we are talking about these people have been falling behind for the last three years. Given the kind of increases that this province has told personal care homes they can have in terms of charging residents, we know the kind of restrictions that we have at the bargaining table. These people need an increase. They need an increase just to maintain what they have had in that past, and they are falling further and further behind. Now \$1,000 may not be sufficient in most cases.

**Mr. Ashton:** So you are suggesting, even to catch up, say, in the last three years you would be talking significantly more than \$1,000.

**Mr. Atkinson:** Exactly. We need more than that.

**Mr. Ashton:** The reason I am asking that, Mr. Chairperson, is because I am trying to get the committee members, particularly those who might be supporting this bill, to understand who it is affecting and how it is affecting them. In this particular case, those people working in those nursing care homes are essentially going to have well over \$1,000 taken out of their pockets, effectively. This is a government, incidentally, by the way, to the presenter, that has talked about this bill being an alternative to raising taxes, and I do not accept that trade off.



I am wondering how the reaction is of people who are faced with that when I cannot think of a more exorbitant tax than this public sector employee tax of this government which, in this case, is taking well over \$1,000 out of a single parent's pocket earning \$17,000, \$18,000 a year? What is the reaction of those people to the fairness of this government, and I use that in quotation marks, in doing that?

**Mr. Atkinson:** I can tell you, there is a lot of anger out there. There was anger expressed at that membership meeting where we attempted to explain what we were aware of in terms of this legislation—real anger. I mean, people are not just angry about the fact that their wages are being frozen, that there is a likelihood that their benefits will deteriorate unless this legislation is changed. They are angry because they cannot do anything about what they have lost in the past and what they require right now just to maintain their standard of living. They are really angry about that.

**Mr. Ashton:** Indeed, we have seen that at this committee and I do not blame people. I have a further question. As you mentioned in terms of benefits, and I asked the previous presenter about the reports I am getting in terms of the general chaos out there, I am wondering if there are any other provisions of this bill that go beyond the basic wage freeze, which is obviously bad enough, but other provisions of this bill that you are concerned, about whether it be the benefits that were mentioned or contract language, what the other provisions of this bill are that are creating problems out there for the bargaining process and are directly impacting on individuals?

**Mr. Atkinson:** Well, whether you look at the present clothing allowance in some of these collective agreements where, obviously, the cost of clothing has gone up, and people need so many cents per hour on the clothing allowance as an increase just to maintain and buy these uniforms. There are other areas too in terms of the job classifications, in terms of restructuring certain classifications where the job has changed, the content has changed and an upgrading within that. I mean, it is unclear right now. The employer and us at the bargaining table—we do not know if we can do that or not. Those things are really muddy, and it is unfair, very unfair. I mean, if people are told and if it is a legislation that is going to continue the way it is, that if people are told that their job cannot be reclassified because it would mean an increase,

because their job is changed, and they cannot do that, it is a sense of frustration and anger on the job. Many of them are saying, what the hell is going on?

**Mr. Ashton:** Indeed, I want to focus in on those type of points, as well as about a principle, because we have certainly identified, and have through our questions, and will be identifying serious faults in this bill even if it was meant, you know, for principle we do not support. It does go a lot beyond that. You mention in terms of reclassifications. Of course, once again, within the Civil Service, that continues to happen. We have had many senior positions reclassified just in the last number of weeks. So there is a concern in the units you are dealing with about whether those individuals can reclassify.

\* (1120)

**Mr. Atkinson:** That is right. I mean, we are not talking about your normal merit increases, we are talking about something where the content of the job has changed, and going in at the bargaining table the employer has agreed that, yes, we will change that classification. We will upgrade it and we will pay more for it. This legislation is tabled and now we are told, the employer says I do not think that we can do that now because that denotes an increase. This employee now who is doing that job, and the job cannot be changed back, and they are told, no, you cannot get an extra 25 cents an hour. The job may be worth that. The employer has agreed it is worth that, but we cannot get that for you.

**Mr. Ashton:** I think what is developing here, and I say this through you to the government, and I have a question as well, is that there are so many different groups of employees affected by this, so many different circumstances, it appears to my mind that government has charged in and is having implications it did not expect, because, for example, government workers directly do have some protection on their benefits. That has been budgeted for, although not wages, and are allowed to reclassify. There have been, as I said, many reclassifications of individuals. So what you are saying is that employers, in the area you are dealing with, are, because of the legislation, saying they are not going to be in a position to provide even what the Civil Service has. So, in effect, the employees you are dealing with are putting forward positions, based on the bill as they understand it, that are even worse than the main-line Civil Service where it is bad

enough but where things such as benefits and reclassifications are not being affected.

**Mr. Atkinson:** It is definitely worse. I mean, you have employers who are willing and have agreed at the table that, yes, we would like to change this job and we would like to pay more for it, but we do not think we can. Now, that is at the bargaining table and the worker involved certainly does not understand, and as a result, the frustration and anger.

**Mr. Ashton:** Well, I am hoping once again that the government will take another look at this act not just in terms of the principle, obviously would like to see it defeated, that would be the easiest way to solve the problem, but in terms of solving problems such as that. I just want to ask you a question in terms of who these employers are. Who are we dealing with in this particular case?

**Mr. Atkinson:** In this particular case we are talking about a personal care home in St. Vital.

**Mr. Chairman:** Thank you. We will proceed to the next—

**Mr. Ashton:** Just one final comment, I appreciate your comments today both on the principle of the bill and also in terms of the specific problems that people are encountering out there. As I indicated before, we are getting reports of chaos literally out there in the bargaining. I am hoping that your comments will persuade the government if not to defeat this bill at least to recognize it as having that kind of impact. So, thank you very much.

**Mr. Chairman:** Thank you, Mr. Atkinson.

I call next No. 6, Bernie Atamanchuk; No. 7, Charles McCormick.

Mr. McCormick, would you come forward, please. Have you a prepared text that you would like to distribute?

**Mr. Charles McCormick (Private Citizen):** No, sir, I do not.

**Mr. Chairman:** Would you proceed, please.

**Mr. McCormick:** Thank you. Good morning, ladies and gentlemen. Let me first start by reading the preamble of The Manitoba Labour Relations Act. It is not a long one. It is only six lines: "WHEREAS it is in the public interest of the Province of Manitoba to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between

employers and unions as the freely designated representatives of the employees;"

That must mean something to the citizens of this province, to the workers of this province and to the employers of this province. Your "public sector castration act," better named than The Public Sector Compensation Act, has emasculated the right of collective bargaining of 48,000 public employees in this province and that is a disgrace. It is an absolute disgrace to say to the public sector employees in this province that any collective bargaining agreement that expires between September of '90 and September of '91 is automatically renewed for a year and cannot be renegotiated.

(Mrs. Shirley Render, Acting Chairman, in the Chair)

Do you have any goddamn idea what you have done? Do you know that you have dashed the hopes of workers in the public sector by freezing their wages, by not allowing them to at least negotiate compensation for the cost of living? I happen to be a member of several unions, United Steel Workers and United Food and Commercial Workers. I negotiate collective bargaining agreements for workers in the so-called public and private sector. I can tell you that the Tory government will sow what it reaps when it attempts to rape the collective bargaining process of almost 50,000 workers in this province. They will not forget, and the entire labour movement will not forget.

It scares the hell out of me to think that part of this bill gives to the government a residual right to extend its impact beyond the public sector. I have not heard anyone from the government's side say, do not worry, do not worry, we are not going to go beyond the public sector. You should not have gone into the public sector. You should have encouraged what The Labour Relations Act provides for, free collective bargaining, honest collective bargaining and open collective bargaining.

Let me say one thing. A lot of people have come up here and talked mistrust and not being able to trust the Conservative government of this province. I have no wonder why that is so except to take the word of the Premier (Mr. Filmon) of this province when he said in the Legislative Assembly of this province on November 6, 1990—in response to a question from Mr. Ashton, the Premier said—and

they were talking about the nurses' negotiations. He said: "the fact of the matter is, there is no threat, there is no club and there never will be from this Government. We will act in good faith at all times in the open free collective bargaining process with all of the employees with whom we have to negotiate."

Now I would not call the Premier of this province a liar, but I wonder sometimes whether he and the truth have ever formally met. I appreciate that all governments wrestle with financial constraints. You would have to Albert Einstein's idiot brother not to understand that. But the question is, how do you try fairly to solve your financial difficulty. The answer is not to ride on the backs of honest, decent working people who happen to belong to trade unions. That is not the answer, no more so than it is the answer to the old Trudeau six-and-five operation.

\* (1130)

The minister made reference earlier on to the action of former Premier Schreyer in endorsing the Trudeau six-and-five operation. Well, I happened to be around here at that time, and I know that we brought 700 people and invaded this building on a particular day and called the Premier to task out on the rotunda. I mean he did not go gracefully, so do not try to draw any analogy from that. I mean, we are consistent and I understand your point of consistency. Our job is to represent working people. Our job is not to represent the business community or the Chamber of Commerce. They have their own spokespersons, and our job is not to represent the NDP. Our job is to represent our members.

We have approximately 12,000 members in Local 832 of the UFCW, probably about 3,000 of them, approximately, in the public sector, so-called public sector. We represent employees of the Thompson Hospital, the Flin Flon Hospital, some nursing units, some health care units, as my colleague talked to you about earlier.

They have a great deal of difficulty in understanding why the government would want to go and freeze their wages. It is simply wrong. It will have an economic impact in this province, and you have to be a jackass or a fool not to understand that, that if you freeze the wages of some 50,000 workers, they will not have extra money to go out and spend in the community. Less money will be spent and, undoubtedly, jobs will be lost. I mean, is

that your way out of your economic problems? If it is, you are on the wrong track.

If the government were to say, we will not ever extend this bill beyond the public sector, that would ease some minds. It would not solve the problem. We are still waiting for the government to clarify its position on whether or not it retains the right to extend this legislation to others other than the public sector. The legislation should go in the garbage can where it belongs, never mind some commitment not to extend it.

The kind of impact it will have on collective bargaining in this province, it should come as no surprise that employers, acting in their own best interests, attempt to negotiate a deal that is best for them, and they will use whatever kind of backup they can find. We are finding employers saying, wait a minute you guys, the government just froze the wages of civil servants. Well, that is good for the province, so we are going to do the same with our workers. They are following this sick pattern that the government is leading.

They are trying to stuff your policies down our throats and it ain't going to work, not in the private sector because we have a solution to the problem. It is called work stoppages, in a free collective bargaining sense which, regrettably, the public servants will not have.

I wonder again, and I do not like to repeat myself, I wonder if the Premier meant what he said on November the 6th of 1990, or was he just fooling the people of the province of Manitoba? Somebody should be able to answer that question. Was he lying then or is he lying now?

Most wage-control programs in the past, over the last 20-some years that I have been around have at least recognized the need for workers to keep up with the cost of living—most of them. I mean, what you have done is taken away improvements to wages and benefits in collective bargaining agreements that were either freely negotiated or imposed by arbitrators in that process.

How in God's name can you do that in good conscience? I mean, that somebody should stand up and say, yes, we are going to roll back the engineers, we are going to freeze that, we are going to take it away from the casino workers. What kind of people do you believe the workers of this province see you as being? You should really think about that when you go to sleep at night.

(Mr. Chairman in the Chair)

They go into an honest free process. They have a strike at the casino. They go to final offer, is my recollection, and they get a settlement and you are going to roll it back on them? Bullshit! Think about it, what you are doing to the workers of this province.

That is the end of my brief few words.

**Mr. Chairman:** Thank you very much, Mr. McCormick.

**Mr. Praznlk:** Mr. McCormick, I would reiterate to you, you posed the question in your comments, and I would reiterate to you very strongly that it was never the intention of the government—my colleague the Honourable Clayton Manness who introduced this bill has made that clear, that it is not applicable to the private sector and if definition is so required, we are certainly looking at that at the amendment process. I say that to you very clearly.

You also made the statement about this bill operating with respect to freely negotiated or arbitrated or selected contracts. The intention of this bill and what it affects, in essence, are those who were arbitrated or selected or are in the process of selection or arbitration, but not those negotiated at the bargaining table and that is why the MNU is excluded from that.

I also just wanted to make the comment to you generally that the point you have made and others have made with respect to free collective bargaining and bargaining at the table, it is a very valid point. I just—perhaps you were not here yesterday when Mr. Sid Green spoke—and I, sitting here as Minister of Labour and listening to these comments and getting to perhaps certainly a philosophical question about labour relations and The Labour Relations Act and the importance of free collective bargaining, the comments of Mr. Green, perhaps a pox on all of our houses, that we have moved generally over the last decade or so farther and farther away from that by imposing a host of mechanisms for third-party selection.

Perhaps the reason why we are all here today, and I do not put blame on any one individual or group, is because we have drifted into that. Certainly, whenever you can bargain at the table, that is the place it should be. I would agree with that statement wholeheartedly. Regrettably, what led up to this, of course, was government finding itself in the position where third-party decision making was in essence what was guiding the agreements

that we could not afford. It was not bargaining at the table per se but third-party selectors making those decisions that would have to be lived with. Perhaps the lesson in this for all of us, on both sides of the table, is the need, really, to be at the table as opposed to other mechanisms of settling our differences.

**Mr. McCormick:** Mr. Minister, I do not want to get into a philosophical debate with you, but if I hear you correctly, you are really saying you are not in love with the necessity to introduce this legislation, and you would rather not have to do it. Well, if that is your God-damned conscience, vote against the bill. I am sorry, I should not have sworn. I apologize to that.

**Mr. Chairman:** Mr. McCormick, I would ask that you watch the kind of language that we use around the table. We are rather sensitive to using parliamentary and debatable public language. Thank you.

**Mr. McCormick:** I take notice of your direction, Mr. Chairman. I am sorry for the words I used, but I get a little heated when we are talking about this.

The reality is this. Whether you like it or not, every time you try to cap the free will of workers to freely negotiate their collective bargaining agreements—and in law you have the right to make the law to do it, no one denies you the right to make the law; we disagree with your making the law and the reasons for it—but all you do is put a lid on the pressure cooker. Sooner or later, the law is going to go away, and the lid is going to come off and you are going to be back where you were.

Intrusion in the collective bargaining process is sometimes, depending on where you sit, a good or a bad thing, but I cannot recall any New Democratic Party government freezing workers' wages in this province. I have been around a long time; I cannot recall them doing that. They found better ways to solve the problems. I mean, go back to the drawing boards and use your God-given gray matter to solve the problem. Do not do it on the backs of the workers. It is not right.

**Mr. Praznlk:** Just further to your comment, yes, I do not think anyone here on the government side is enjoying this legislation or ever wanted to see it introduced.

**Mr. McCormick:** I do not know. I do not think that is true at all.

\* (1140)

**Mr. Praznik:** I make this comment to you that the idea of free collective bargaining where two parties are at the table and settling their issues without third-party intervention, unless it is agreed, of course, is where we would all like to be in. I think Mr. Green's commentary yesterday was probably one that we should all have a look at. If you ask about conscience, I guess what drives members here, and I just say this to you because it has not been said, is the Newfoundland example and what has happened in other provinces.

We know there is anger there, we know there is frustration, and we know there is pressure building up. We just have to ask ourselves how much greater it would have been if we would have had to fund a settlement in the public sector, as Newfoundland had to do, with the massive kind of layoffs, not of eliminating vacancies as we did primarily in Manitoba in this budget round, but with real people. I just give that to you by way of some explanation.

**Mr. Jim Maloway (Elmwood):** Thank you for your presentation, Mr. McCormick. I had to wonder at the comments the minister just made, basically apologizing for doing this and suggesting that he did not want to do it, when in fact, most of his colleagues over here not only relish the thought of doing it, but in fact think it does not go far enough. In fact, many of us think that this is just the thin edge of the wedge, that in fact next year this government will be moving in leaps and bounds toward repealing more labour legislation. That is a fact, Mr. Chairman.

### Point of Order

**Mr. Praznik:** The member is, first of all, off Bill 70, secondly, is making assumptions as to the intentions of the government in the long haul that are not relevant to the bill, and he says, are fact, when they are just his speculation out there. I would call him to order and get onto questioning with Bill 70.

\* \* \*

**Mr. Maloway:** I will ask a question, but I did want to say that I do talk to the members opposite. I know what their true views are on these things. So the minister cannot hide the views of his caucus.

Mr. McCormick, my colleague the member for Thompson (Mr. Ashton) asked a question earlier of previous presenters dealing with the fact that this government does have a razor-thin majority, and we know from past experience what can happen to

governments with razor-thin majorities. Perhaps some effort should be made at looking at where the weak points are in the government, and perhaps one of two members of the government can be appealed upon and persuaded to either abstain or vote against the legislation. Do you have any comments about how feasible that is and whether representations have been made or could be made?

**Mr. McCormick:** I cannot get into the minds of the members of the Conservative Party or the Liberal Party or the New Democratic Party for that matter, but I would say to them that when you are voting on this bill remember one thing, that to vote in favour of the bill essentially means that you are dashing the hopes of ordinary working Manitobans. You are restricting their economic livelihood, you are going to pass a law which will make it unable for them to provide the standard of living they want for their children and you are going to pass a law, which means that they will lose to inflation, which is currently running at some 6 percent. Now, if you in good conscience can raise your hand and say, yes, you are in favour of that, then God love you.

**Mr. Chairman:** Mr. Maloway, before you proceed with the questioning, I indicated last night, and I know you were not here at the committee at that time, to the committee and presenters very clearly, that I would entertain questions that are directly related to the legislation and also responses directly related to the legislation. I would ask that we proceed in that manner today. I will not condone a line of questioning outside of the legislation. I cut that off last night, and I will do so again today. So, Mr. Maloway, continue please.

**Mr. Maloway:** Perhaps, Mr. McCormick, you could give us some idea of the type of workers who will be directly affected by this legislation, some examples of several typical workers in your units that you are familiar with their circumstances, because I think that there are people in the public, and even people on the government side of this committee who do not really quite understand what sort of workers are involved here. Perhaps they confuse them with the doctors, but I mean the doctors are not included in this legislation, and perhaps if we could sort of offer some advice and some clarity to the members of this committee, particularly on the government side, as to what sort of workers are affected by this legislation, it might be helpful.

**Mr. McCormick:** Well, sir, they are not doctors and they are not judges. They are people who work in

the St. Boniface General Hospital. They are orderlies. They are nurses' aides. They are people who work in CSR, the sterilization area. They are people who care for the sick and elderly in our hospitals. There are cooks, janitors, dishwashers, ordinary people, ordinary workers, nurses' aides, people who care for the sick and the elderly in this province. On average, they make anywhere—a rough guess would be—from \$8 an hour to, I would say, \$13, \$14 an hour. I do not have the range of spectrums. I have not brought the collective bargaining agreements with me, but they are not judges, they are not doctors, they are not making \$100,000 a year or \$50,000 a year. In many cases they do not even make the poverty line as designated by the Consumers' Council. They are just ordinary working stiffs, and you have to realize that. You are not passing a law that is going to affect people who make 100 grand a year. Hell, they could probably live with it. You are passing a law that is going to affect people who make \$15,000, \$17,000, \$20,000, \$24,000 a year, \$25,000 a year, \$30,000 a year.

**Mr. Edwards:** Thank you, Mr. McCormick, for bringing your expertise and your experience to the committee. You have criticized this bill as being a breach of the tenets of collective bargaining. You cited to us the preamble of The Labour Relations Act in that regard. What do you consider to be the essential ingredients of a free collective bargaining process?

**Mr. McCormick:** I did not know that I was going to get into a philosophical discussion here. The essential agreements of a free collective bargaining process is by and large to allow the parties to try to work out an arrangement on their own, and that is the most preferable of arrangements to have.

There has always been intrusion in the free collective bargaining process for many reasons. You have a labour relations act which by itself regulates the collective bargaining process. You have provisions in The Labour Relations Act that says every collective bargaining agreement must contain certain provisions. It must contain a grievance and arbitration process. It must contain a no-strike, no-lockout provision. Things that are regulated that govern or quantify the so-called "free collective bargaining process."

Nothing is ever totally free or totally closed. I do not subscribe to Mr. Green's theory.

**Mr. Edwards:** So all we are really talking about, and I do not mean to downgrade the dramatic and drastic effect of this legislation, which I do not support, because I agree with you that it is quite a serious and I think far reaching incursion on the free collective bargaining process; in fact, it eradicates the free collective bargaining process. So that I am clear, you have indicated you do not agree with Mr. Green's position. We are talking about degrees of infringement upon that process. You have indicated The Labour Relations Act legislates intrusions already. I agree. It does. Of course, there are other infringements included with respect to civil servants, namely, that there is a right to go to arbitration in The Civil Service Act.

\* (1150)

I want to read you a statement which was made. It was indicated that the arbitration stifles and freezes the bargaining process because the incentive under traditional arbitration is for parties to put in extreme offers under the assumption that the arbitrator will bring in a decision in the middle. Would you agree or disagree with that statement?

**Mr. McCormick:** Who made the statement?

**Mr. Edwards:** Is it important to a decision as to whether or not it is accurate in your view to know who made it?

**Mr. McCormick:** Absolutely.

**Mr. Edwards:** If so, I am not sure why. Perhaps you can tell us—

**Mr. McCormick:** The answer is, it is absolutely important that I know who made it.

**Mr. Edwards:** Okay. I do not understand that, and I am not going to tell you who made it because I will drop the question. To me, if a statement is made, it is either true or not true. Who made it should not matter to the veracity of the statement.

**Mr. Enns:** I will confess to authorship.

**Mr. Edwards:** Mr. Enns has confessed to authorship, as someone who agrees with the statement. Perhaps you could reflect on it in that vein.

**Mr. McCormick:** No. I would not care to do that. He did not confess to authorship, he confessed to agreeing to the statement.

**Mr. Edwards:** Can you tell me whether or not you think that the latter part of the preamble to The Labour Relations Act which talks about the right to choose collective bargaining agents, the

employees' rights—you believe also it to be a fundamental tenet of the labour relations scheme in this province?

**Mr. McCormick:** I do not know what this has to do with "the public sector castration act," but the answer is yes.

**Mr. Chairman:** I want to remind members of the committee again, and also presenters, to keep their comments and their questioning relevant to the bill. If that will not happen, I will cut off the debate. I am sorry.

**Mr. Edwards:** I understand. The statement made in the presentation I think is relevant in terms of the overall impact of this particular legislation on free collective bargaining and what the basic tenets of that are. The presenter has made the comment, I think accurately, that it erodes that. He cited to us the preamble of The Labour Relations Act which I agree with and have read before.

I want to know whether or not, and he has answered it but let me go further, he would suggest that a legislated bargaining agent, one that was put in by 57 members of the Legislature as opposed to many thousands of civil servants choosing a bargaining agent, would rank as an infringement of the principle behind that preamble.

**Mr. McCormick:** I honestly do not know what you are talking about, sir.

**Mr. Edwards:** The Civil Service Act legislates the bargaining agent for civil servants in this province. They do not have the freedom of choice that other employees have to choose a bargaining agent. Would that qualify as an infringement of the preamble statement which you made which you cited to us from The Labour Relations Act, as a principle of collective bargaining?

**Mr. Chairman:** Mr. Edwards, need I remind you once more that we are discussing Bill 70. Is the question relevant to the bill?

**Mr. Edwards:** Yes, I think so. Are you saying it is not?

**Mr. Chairman:** Proceed.

**Mr. McCormick:** I think your question is, is the law that sets up the Civil Service structure compelling them to belong to a certain organization? Is that wrong? Is that your question?

**Mr. Edwards:** The law specifically indicates that the MGEA shall be the bargaining agent for the civil servants of this province. Is that consistent with the

free collective bargaining principle that employees should be able to freely choose their bargaining agent?

**Mr. McCormick:** I honestly cannot answer that, except to say, that by and large it is my view that people are members of unions. They are not prisoners of unions, and I can tell you in the UFCW we have been decertified many times by people who become dissatisfied with what we have done or what we have not done, and there is nothing wrong with that.

If we do not a job, we do not deserve to represent them.

**Mr. Edwards:** Absolutely, and you have answered my question, because I certainly agree. I think any legislation which would legislate an agent forever, without the ability of the employees to change it of their own free will, would be an intrusion on the employees' right to choose a bargaining agent.

I want to go on and ask you if you—and I think you have made this statement already. Let me ask you again. The minister said, "real people." I think he suggested "real people" are not really affected by this, at least. He compared us to Newfoundland and said, well, we were not having anywhere near the same effect. What do you think of that statement from a government that has put a cap on 48,000 civil servants, and at the same time, almost the same week, gave a 15.4 percent increase to the chief executive officer—

**Mr. Chairman:** Mr. Edwards, I believe we are discussing the Manitoba legislation, not the Newfoundland legislation. You need not answer that.

**Mr. Edwards:** Mr. Chairperson—

**Mr. Chairman:** I will not, Mr. Edwards, condone this line of questioning. We are dealing with Bill 70 in Manitoba, not in other provinces.

**Mr. Edwards:** Mr. Chairperson, let us be clear. The Minister of Labour has said here, compare this to Newfoundland. I heard him. I heard him compare it to Newfoundland, and then he said the effect of this legislation will be less than the effect of say, what they did in Newfoundland. That was what he said. We are talking about this legislation and the effect it has on the public sector.

If that is irrelevant, I do not know what is relevant. Mr. Chairperson, my question to—

### Point of Order

**Mr. Ashton:** Yes, thank you, Mr. Chairperson. As much as I will find it amusing seeing the Liberals and Tories argue about which is a worse kind of wage freeze, Newfoundland's or Manitoba's, I think perhaps if the question was focused more on Manitoba, but using that as a sort of a backdrop and preamble, I think it is headed towards the relevancy, and perhaps is being distracted somewhat by the back and forth across the table.

\* \* \*

**Mr. Edwards:** The question is, what do you say to anyone who would say that this act has a minimal or not a significant impact on real people in the province of Manitoba?

**Mr. McCormick:** I would say, sir, that those people are spending a lot of time in a dark room smoking funny tobacco.

**Mr. Edwards:** You have indicated that you think the impact will be dramatic on the labour relations in this province. Do you think that we are dealing with a false sense that this is going to save the province money. The Minister of Finance (Mr. Manness) has said, we are going to save money; that is why we are doing it; that is the rationale for this. Is he missing the fact that in future negotiations there may be indeed higher demands, there may be a more hostile party across the table and there, indeed, will be catch-up at some point? What is your view, based on your experience in negotiating contracts which you have told us you have experience in?

**Mr. McCormick:** The answer to each one of your questions is, yes. History shows that every time you try to legislate freezes or rollbacks or take-aways and workers' wages and benefits, they are going to come back after you. They might have to suffer for a year or so, but they are going to come back to the bargaining table and they are going to demand catch-up. They are going to demand to get back what they lost. So you have to face the music another day.

It will not go away unless you intend to keep this Draconian piece of legislation around for a long time. Hopefully, that will not be the case.

**Mr. Edwards:** If you had been involved in negotiating contracts with this employer, the government, and the government five or six months into the process changed the rules as they did here,

what attitude would you take into future negotiations? Would you have any reason or ability to convince your membership that anything could be trusted? Would that not make future negotiations more hostile, more difficult, more lengthy and more costly?

\*(1200)

**Mr. McCormick:** Again, the short-term answer to all of your points is yes. I absolutely believe—and I am not involved with the government employees' union, but I know them. I know their negotiators. I know their leadership, and I can say, I think without reservation, that we in the UFCW would absolutely never trust the employer again at the bargaining table, this particular employer. We would make damn sure the next time around that our people understood they could not be trusted.

**Ms. Jean Friesen (Wolseley):** Mr. Chairman, I wanted to correct something the Minister of Labour (Mr. Praznik) introduced in his comments, and that was that this government fired very few people in the public sector. It seems to me that there were, in my estimate, at least 500 people who were fired by this government. I would like the minister to back up his statements with some kind of documentation on that. -(interjection)- I am asking you then, for that. Thank you. -(interjection)- I am trying to put the record straight, Mr. Chairman, of the points that the minister raised in his comments.

My question for the presenter is to ask him about the impact upon female workers. One of the comments that has been raised a number of times by people who have presented here before is that this bill in particular, aimed at the public sector, is going to affect, very markedly, many female workers. I wonder if he could give us some examples of that, or some of his own comments from the unions with which he is familiar.

**Mr. McCormick:** Well, yes. I think Mr. Atkinson spoke to that issue when he was here. We have many cases where we go after increases in classifications to offset long-standing discrimination practices, and we have pay equity increases that are due to some of our members in the public sector, that I presume they will now not get because of the freeze.

So without bringing in all of the collective bargaining agreements we have, the short answer is yes, it is going to have an impact on female workers, as it will have an impact on all workers, but



more so from their perspective because we have been involved in negotiating pay equity situations. We have been involved in changing of classifications to upgrade certain classifications that are predominantly occupied by females.

That kind of approach, this is just going to stop dead. The employer is going to say, wait a minute, Jack. I have no money here. I cannot. It is as simple as that.

**Mr. Chairman:** Thank you, Mr. McCormick. Could we proceed to the next presenter? Mr. Robert Ziegler; No. 9, Mr. Don Keith; No. 10, Nancy Oberton; 11, Hugh McMeel; 12, Colin Trigwell; 13, Juli Antle; 14, Karen Bell—I am sorry. Juli Antle, have you a prepared presentation for distribution?

**Ms. Juli Antle (Private Citizen):** Not for distribution, no.

**Mr. Chairman:** Okay. Would you proceed then, please.

**Ms. Antle:** I have come here today to tell this committee how disgusted I am with Bill 70 and the entire systematic attempt by the Tory government to destroy labour relations in this country.

The bill and the government does not even pretend to seek input or co-operation from labour. It seeks only to give the government dictatorial powers, to give the government total and absolute control over labour relations. It would prevent the employees and the employer, even if both sides wanted to, from discussing any issues of common concern.

Bill 70 removes the right of employees and employers to negotiate the terms and conditions under which they will operate. It is an extreme case of eroding workers' rights, a piece of antilabour legislation that should never be tolerated in a democratic country.

It must be realized that this bill does much more than just freeze the wages of workers, as some people think. It freezes all terms of collective agreements. It makes it impossible for a union to even negotiate such things as better sick leave provisions, improved pensions, better language, things that would not cost the employer or the company one thin dime in the short run.

It is scary that this bill will give the government board powers that will reduce the standard of living of nearly 48,000 Manitoba workers. What is even worse are the clauses in Bill 70 that give the

government the power to extend the provisions of the bill to thousands of other workers, maybe every worker in the province. This could be done for the length of time that the bill will remain in effect. That could be extended as well without even public discussion.

It could all be done by the Conservative cabinet at closed-door, back-room meetings. The scope and duration of Bill 70 can be expanded without legislation, debate or public accountability on the floor of the Legislature, and we all know that these are the kinds of deals the Conservative government come up with when they are allowed to operate.

Even these committee hearings are typical of the way that the government likes to do things. If the government had their choice, it is clear that they would prefer not to have them at all. The Tories are clearly much happier when they can consult only with their friends, the rich and the famous, and ignore the wishes of every average Manitoba worker who is affected by Bill 70.

Since the government must have these hearings, they try to make it as difficult as possible for the average person to give a presentation. They expect people like myself to come and sit here in the audience for hours at a time waiting to be called. Many people have had their names called and have been unable to speak or give their presentation because they have been at their jobs. Then the government tries to interpret this as some kind of lack of interest in the bill. It seems that this government is accustomed to dealing only with business friends who can set their own hours of work. Many people who are affected by this bill in health care are scheduled to be working today. I mean, they cannot be expected to come and sit here till one o'clock in the morning when they have to be at work at five o'clock, six o'clock the next day, but if they are not here their name goes to the bottom of the list, and they may not be able to have a presentation at all.

If there is any lack amongst the workers of Manitoba in this hearing, it is only because they have learned from sad experience that this government does not really want to listen to what they have to say. It is clear that the government members of this committee do not come into this room looking for ways that Bill 70 can be improved or to seriously consider the possibility that the bill should be scrapped entirely. They attend only because they feel a part of a meaningless ritual that

they have to participate in. The government members here may pretend to listen to myself or any other member of the public, but in the end, I fear they will do what they want, regardless of what people say.

It was obvious in the hearings for final offer selection. This government has done detrimental damage to The Workers Compensation bill, and now Bill 70. Piece by piece, bit by bit, labour relations are being eroded in this country by the Conservative Tory government. It is time that it came to an end.

We are hoping that you are listening to us, and that is the end of my presentation.

**Mr. Chairman:** Thank you, Ms. Antle.

**Mr. Praznik:** Ms. Antle, I do not know if you were here throughout the morning, but I indicated that some of the issues that were raised, I know from UFCW, with respect to some of the provisions of this bill and its applicability, I indicated that the government was prepared to sponsor the bill. Mr. Manness, as well, has indicated that the government is prepared to look at some amendments. I do take some exception with your comment about not prepared to listen to amendment to improve the bill, because there are some areas that we are prepared to—although we come with a firm conviction in the bill, we are still prepared to look at some ways to improve it in areas that there may have been some oversight.

**Ms. Antle:** I certainly hope so. I certainly hope that you are sincere in what you say. Past experience does not show it from the Tory government. It is hard for us to believe you. Maybe you can prove yourself this time.

\* (1210)

**Mr. Ashton:** Obviously, if they were to prove themselves in terms of listening, they would drop the bill, certainly based on the presentations before this committee. I think it is also important, and we on the opposition side recognize that we are fighting all the way through, whether it is to defeat the bill or to get out sections in the bill, to persuade this government of how bad this bill is because as you pointed out, it is not just this simple, clean-cut thing that they thought it was, sort of a one-year freeze which is bad enough, it affects a lot of areas.

I want to address one point you raise, though. You mention about the difficulties a lot of people have in attending. Are you aware personally of

people who have had difficulties because of their work schedule and the scheduling of this committee and the uncertainty as to when they come up, who might otherwise have made presentations, who have not been able to come before the committee thus far?

**Ms. Antle:** Yes, I am aware of that. Many of the people who were registered from UFCW to speak this morning are not going to be able to attend this morning or this afternoon because they are at work.

**Mr. Ashton:** I recognize the difficulty, really, of the process. We have sat until five in the morning; we have sat until 3:30; we have sat until 1:30. It is difficult. We attempted, by the way, at the beginning of the committee hearings to get some greater fairness in that end of the process to accommodate the many working people you are referring to, but I am hoping in the future, we can get some changes to the way this committee operates so that we do not end up with that same sort of situation.

I have a further question. I was just following the footsteps of the Minister of Labour (Mr. Praznik) in terms of just responding to a point raised by the presenter. I want to deal with that whole question of trust because one of the major concerns of a lot of people about this bill is that this government only a few months ago was talking in glowing terms about the collective bargaining process. The Premier (Mr. Filmon), I do not know if you are aware of this, but before the election and even after the election, was talking about the free collective bargaining process. I do not want to read the quotes into the record, but he said this government would not use a club against the Civil Service, the public service. They now have changed that.

This government also had by a signed agreement indicated that final offer selection would be continued until March 31, by agreement, and that now does not apply. This bill wipes out any award given by a final offer selection selector. I just want to focus in on that. You mention the lack of trust that people have in this government. Do you feel that Bill 70 is going to be remembered in that sense? I do not mean just in terms of a political sense, but is that going to have an impact in terms of collective bargaining in this province when a government that only a few months ago was talking about free collective bargaining is now killing it with Bill 70?

**Ms. Antle:** Yes, I think people are absolutely going to remember this. There is no doubt about it.

People who are affected by it are not going to forget it for a long time, and hopefully they will remember it when they go and place their votes next time. Also, people who are not directly affected by it are going to know about it. They are going to remember it. They are going to hear about it when their employers come to the bargaining table and will not give them wage increases either because the civil servants are not getting any. I mean, it will be an excuse that they will have to use. We will hear about it over and over again. It will not be long forgotten.

**Mr. Ashton:** One final question, because once again there has been the suggestion by government members that somehow this is a bill that is supported by workers. I have yet to really run across a significant number of, certainly public sector workers and other workers who support it, because most people that I have talked to have said either it affects them directly and they are opposed to it, or else, even if it does not, they could be next. I am wondering about the people you are talking to on a daily basis, do they support this bill? Do they share your concerns, or are they opposed to Bill 70?

**Ms. Antle:** The people whom I talk to on a daily basis find this bill absolutely terrible and horrifying. They are frustrated; they are angry; they do not know what is next; they do not know what is coming. They find it extremely unfair that the government would attack a specific group of people and say they are not allowed to have wage increases, while other groups of people are allowed. The cost of living is going up for all people every day. It is going to continue to go up, and how the government could pinpoint a group and say, sorry, you are not allowed a wage increase, but if other people get it, that is okay. It is entirely unfair, this whole bill.

The people I talk to are scared. They are frustrated and they are waiting for what comes next from this government.

**Mr. Chalman:** Thank you very much, Ms. Antle. We will move to the next presenter, No. 14, Karen Bell; 15, Lou Harries; 16, Jim Sanford; 17, Dennis Moser.

Dennis, would you come forward please? Have you a presentation that you would want to distribute to the committee?

**Mr. Dennis Moser (Private Citizen):** Not on hand, no.

**Mr. Chalman:** Would you proceed then, please.

**Mr. Moser:** I find Bill 70 scary and typical of this Tory government's approach to labour relations. The bill and the government does not even pretend to seek input and co-operation from labour. It seeks only to give the government dictatorial powers, to give the government total and absolute control over labour relations. It would prevent employees and employers, even if both wanted to, from discussing any issues of common concern.

Bill 70 removes the right of employees and employers to negotiate the terms and conditions under which they will operate. It is an extreme case of eroding workers' rights, a piece of antiunion legislation that should never be tolerated in a country and a province that are supposed to be democratic.

It must be realized that this bill does much more than just freeze the wages of workers, as some people think. It freezes all the terms of a collective agreement. It makes it impossible for a union to even negotiate such things as better sick leave provisions or improved pensions, things that would not cost the employer or the company one thin dime in the short term. It is scary that this bill will give this government broad powers that will reduce the standard of living of nearly 48,000 Manitoba workers.

What is even worse are the clauses in Bill 70 that give the government the power to extend the provisions of the bill to thousands of other workers, perhaps every worker in the province. This could be done for the length of time the bill will remain in effect, extended without any public discussion. It could also be done by the Conservative cabinet at closed-door, back-room meetings. The scope and duration of Bill 70 can be expanded without legislation, debate or public accountability on the floor of the Legislature.

We all know what kinds of deals Conservatives come up with when they are allowed to operate that way. The Pines project in St. James and the appointment of Tory supporters to boards, commissions and the Civil Service demonstrate the way in which they like to spend money. Even these committee meetings are typical of the way this government likes to do things. If the government had a choice, it clearly would prefer not to have them at all. The Tories are clearly much happier when they consult only with their friends, the rich and famous, and ignore the wishes of the average working Manitoban who is affected by Bill 70.

Since the government must have these hearings, they have tried to make it as difficult as possible for the average person to give a presentation. They expect people like myself to sit in the audience for hours at a time waiting to be called. Many people have had their names called at a time when they had to be on the job and could not be here. Then the government tries to interpret that as an indication of lack of interest in Bill 70.

It seems the government is accustomed to dealing only with business who can set their own hours of work and not be financially penalized from being away from their workplace. If there is any lack of interest among the workers of Manitoba in these hearings on Bill 70, it is because they have learned from sad experience that this government really does not want to listen to what they have to say.

It is clear that the government members of this committee do not come to this room looking for ways in which Bill 70 can be improved or to seriously consider the possibility that Bill 70 should be scrapped entirely. They attend only because they feel it is part of a meaningless ritual they have to participate in. The government members here may pretend to listen to myself and other members of the public, but in the end, I fear they will do damn well what they please, regardless of what may be said at these hearings.

\* (1220)

Even if this government does not extend the restrictions of Bill 70 to other workers beyond the 48,000 already affected, something I am convinced they have every intention of doing later this year, I know that this bill will have serious financial implications for me. When my union collective agreement comes up for renegotiation, it is a safe bet that my employer will try to use the argument that I should not ask for any improvements in my wages or benefits because public sector workers are not getting any improvement in theirs. My employer will probably even try to use the argument that my fellow workers and myself cannot have a wage increase because business is poor. Why is business poor? One of the reasons is, undoubtedly, there are 48,000 Manitoba workers who are having their wages reduced by government. People who have their wages cut obviously have less money to spend on the products and services that Manitoba companies provide.

Bill 70 is not fair to public sector workers, and it is not fair to me. Since it freezes all the terms and conditions found in a typical collective agreement, health and welfare benefits are certain to deteriorate. If a company is not required to increase contributions to group insurance and dental plans to keep pace with rising costs, the benefits provided by those plans will have to decrease. That, in turn, will effectively reduce the wages of workers even further as they have to devote a bigger and bigger portion of their income for benefits they used to receive through their employment.

It is also safe to say that Bill 70 will produce an increase in the already high unemployment rate. Since there will be 48,000 Manitoba families with less money to spend, many businesses will experience a decline in sales. This, in turn, leads to fewer people being hired by these companies and perhaps layoffs and closures. Although some people may say that Bill 70 does not affect me because I am not employed in the public sector, I feel very strongly that it does. Although it may specifically be discriminatory toward public sector workers, I too will suffer many of the consequences.

In fact, there is probably one good thing that Bill 70 could possibly accomplish. It has united the labour movement as never before. People in dozens of unions across the province and even many workers who do not belong to unions are now saying, enough is enough from this Tory government. Especially in midsummer it can be hard to get people to come in from outdoors to spend their time in a stuffy meeting room. As you have seen over the past few days and will see over the coming weeks, this bill has angered thousands of Manitobans. As it says on the cards that tens of thousands of Manitobans have signed, we will never vote in an election for anyone who votes in the Legislature for this oppressive piece of legislation. Tories beware. Thank you.

**Mr. Chairman:** Thank you, Mr. Moser.

**Mr. Ashton:** I appreciate you coming before this committee. As you said, this is the summer and I am sure all of us would much rather be elsewhere right now. I certainly share that as a committee member, and if the government was to at this moment suggest that we adjourn this committee and put Bill 70 on hold indefinitely, I would certainly support that. I do not think that is going to happen.

Anyway, I was going to ask a question to you in terms of the perceived fairness in this particular situation, because you are, as you said, not directly impacted. There has been this suggestion by the government that somehow this is part of their sharing of the burden, if you like, and some of us have pointed out that, for example, this legislation does not include doctors and judges, but includes a lot of very low and moderate income earners.

I just want to deal with that sense of fairness though, because as someone who is not directly affected by this, do you feel that this is a fair way to deal with whatever financial or economic problems we have; namely, isolate the public sector, freeze their wages, of course not freeze prices at the same time and end up with some people continuing to get a wage increase and others being effectively frozen, having their standard of living cut?

**Mr. Moser:** I do not really think this is a fair system, and directly, if you look back in history, in the time that this government was an NDP government, the transfer payments from the federal government were somewhat reduced, dramatically more so in this province than others. As a result, the trickle-down theory in respect to taxation in the current government has led to cutbacks. The cutbacks in services and now the cutbacks in Civil Service wages and benefits certainly indicate to me that if the taxation structure were somewhat different and average Manitobans were not made to pay the price, then certainly civil servants would not be in this predicament now. So, no, I do not think it is fair.

**Mr. Ashton:** I appreciate that perspective once again because some of us are very concerned, certainly in the New Democratic Party caucus, about this attempt to divide people in Manitoba, sort of a divide-and-conquer approach.

I want to go further in terms of the impact on labour relations because, as I said to previous presenters, we traditionally have had the second lowest rate of strikes. We traditionally have had a more harmonious set of labour relations in this province largely, by the way, because we have some of the more progressive legislation.

**Mr. Moser:** Had.

**Mr. Ashton:** Had, is exactly the point, because that is being eroded whether it be this or final offer selection or other bills. What do you think the impact is going to be on that climate if Bill 70 is passed?

**Mr. Moser:** In my view, the future of the collective bargaining process in the province of Manitoba—if it were implemented in a broader sense and even in respect to the civil servants, you effectively would have no collective bargaining. You would not be able to negotiate improvements in benefits and wages. Contract language would be the only thing that you would be able to make changes in, and if you are aware of the cost of living and the increases to the average consumer, and some of those are civil servants, I understand, the government would have put these people in a negative position.

The taxation levels in Manitoba and in Canada are high. The cost of goods increase on a daily basis—home heating, expenditures in areas of clothing and food. Your usable dollars that you have left in your pocket somewhat become diminished in time, and it is not a matter of years. In some cases, it is a matter of months.

The average Manitoban is faced with a situation—and more so the civil servants that would be affected by the implementation of Bill 70—with a far-reduced dollar, and because they do not have the ability to seek increases and gain increases in their salaries, they are in an unfortunate situation where they have an inability to advance and to prosper like most Manitobans would hope to do.

\* (1230)

**Mr. Ashton:** I want to ask you a further question. In a similar way I have asked other people because this is a formal process, but if there is any hope for Bill 70 to be defeated, it is going to be through some of the government members voting with their conscience, keeping an open mind, not just following the party line on this.

Probably the most effective way of persuading someone on that basis would be to talk to them directly, and I would like to put you in that position. I am not going to mention the fact that I know you know at least one of the government members on this committee. I will not mention him by name, but perhaps without mentioning him by name, if you had a chance to talk to him on a one-on-one basis, or other members of this committee, what would you say to them to try and persuade them to not just follow the party line, but listen to people such as yourself and defeat Bill 70? What would you say to them?

**Mr. Moser:** I think I would say to any individual that was in favour of Bill 70, you have to look at the

broader picture. You have to look at Manitobans, in the broader sense of the word, as not just one isolated group that you can select and implement legislation and hopefully turn the tide of inflation and spending and cost to the government.

Each Manitoban has a right to advance and to better themselves. If you look at the turnaround and really the old saying, what goes around comes around, if you look at the impact on the individual family group, and then you look at the businesses that are supposed to benefit by reduced taxation and costs through government reductions in spending—an example is the Bill 70, that is a cost factor and it is cutting costs—if the consumer does not have the usable cash that is available anymore, it is going to directly impact on the business community. Sales will drop. People will not go out and, maybe, for example, they might have gone out for breakfast every Sunday just as a family habit. They might have taken a vacation. They might have spent a little and did some upgrading in the house. They are no longer able to do that.

So, if the government thinks that by keeping down the wages and benefits of a particular group, that it is going to turn around the situation that we have got in Manitoba, I do not think it is correct. If they think they are helping their friends by doing it, then I think it is a negative impact on the business community.

The less money people have to spend, the more it is going to impact on the business community. I think a point that should be remembered, as well, people have not forgotten the '70s and the wage and price controls that were implemented by the federal government, the impact that they had on people and the cost-of-living increases that they could not adjust because they were not allowed to better themselves beyond certain preset conditions. If the government that is in place now recalls what happened to that particular government, maybe they should sit back and think twice about the bill they are trying to implement.

**Mr. Chairman:** Thank you, Mr. Moser.

**Mr. Enns:** Mr. Moser, you and others have indicated, I want to get your words right, that we are not really listening, that government will damn well do as it pleases.

**Mr. Moser:** With a majority government, I believe that is pretty bang on.

**Mr. Enns:** I want to suggest to you in all fairness that this government is, in fact, doing its very best to

keep the most important election promise that we made during the last election. I am aware that all parties make election promises at election time. We cannot always keep all of them.

**Mr. Moser:** You have not kept many.

**Mr. Enns:** The more important promise that this government, the Filmon government made, was that we were going to try and keep taxes down.

**Mr. Moser:** At the cost of average Canadians?

**Mr. Enns:** No, if you will just allow me to complete my words. If there was one specific promise that we made was that we would do our level best to keep taxes down, for a host of reasons. Part of the reasons we see every day in our television sets by people travelling—cross-border shopping and things like that, but I will not get into that.

I accept that you and other presenters may argue with the method that we have chosen. You would say that we were doing it unfairly in respect to a certain group of workers, but I want to at least try to make that point with you that that was our most important promise.

I can recall my friends in the NDP making a promise in the 1981 election that they were going to take your tax dollars and my tax dollars and the workers tax dollars that you represent, and we were going to invest in an oil company, and we were going to use, they call it ManOil, and we were going to use the profits of that oil company so that there never would be any bankruptcies in Manitoba anymore. There would be no plant closures anywhere. The workers would be safe.

That was the election of Mr. Howard Pawley in 1981 when he went to the people, and so he took millions of dollars, \$4 million at the time. It ran up to about \$18 million over the course of its short eight-year history, but lost money every year. It did not save any plant from closing. It was an election promise that they could not keep. I do not hold that against them. That is the process.

Lord knows that there will be promises we made that we cannot keep, but we are doing our best to keep this election promise of keeping our tax down. Will you at least agree that a restraint on public sector wages and salaries, which are significant in a province like Manitoba, help us in keeping that promise?

**Mr. Moser:** I do not agree with you, sir—

**Mr. Chairman:** Mr. Moser, before I allow you to respond, I want to read a little note that was sent to me by a presenter last night. I just want the committee members here to realize what some of the public that is sitting out there thinks of our conduct:

To the Chair of the committee. We the members of the public who have taken the time to attend these hearings would appreciate your instructing the government members of the committee to show some courtesy towards the presenters. It is distracting to have them walking around copying and conversation and reading documents during presentations.

I remind honourable members, all honourable members on this committee, that the public is very aware of how we conduct ourselves at these meetings.

**Mr. Moser:** Could you ask the question again, please?—a bit distracted.

**Mr. Enns:** I do not blame you for being distracted. I think the Chairman was out of order.

**Mr. Moser:** I have learned never to question a person in that position.

**Mr. Enns:** The simple question, Mr. Chairman, was, although I respect your feelings that the way this government has chosen to effect or try to effect its major election promise of keeping taxes down, maybe you do not like the way we do, but will the effect of putting restraints on public sector salaries in Manitoba help us in keeping that promise?

**Mr. Moser:** Well, that is a loaded question, and I somewhat resent it. I would say this. I think the general public in this province are tired and not only provincially but federally, tired of being the brunt of the costs, are tired of paying the price for government's spending.

It does not seem to me to be a fair system where the majority of the people of this province and country pay for the majority of the taxes. If you want fairness, if you want people to work with government and help ensure this province and country grow, then maybe you better start setting a fair tax structure for your friends. The people that you think you are helping in turn are losing revenue, as I have indicated, through sales and therefore I think the system should be evaluated and amended.

**Mr. Enns:** I respect what we are hearing. We are hearing, of course from organized labour, and I have

every respect for them, but there are 70 percent of other people, like myself, a cattle producer, that I do not know whether I will take a 25 or 30 percent loss in my income because people do not want to pay that price for beef.

I know that other members of the committee have taken a 50 or 100 percent drop in the price of wheat, that they are trying to sell on open market conditions, but we are all expected to pay the added costs of government in its various forms, whether it is in our hydro bills, whether it is our telephone bills, whether it is our other government services that are being constantly pushed upward by salary increases in the public sector. Is there no consideration to be shown for nonorganized and other people in the province of Manitoba? I feel comfortable in representing them. I represent 20,000 people in my constituency. Not a single one, not a single one has phoned me, written me a letter, or talked to me objecting to Bill 70. Many of them have congratulated us.

**Mr. Moser:** Well, I am sure in rural communities, the impact on your constituency members really is limited because most of them are farmers. I doubt very many are civil servants. I would say this.

**An Honourable Member:** Farmers do not deserve a raise?

**Mr. Moser:** I am not saying that they do not. That is not the point I made. If I might continue. Further, I would like to say that besides representing or being a part of organized labour, I am also a citizen of this province. I am also a single parent, and I do remember the impact on my family when I was married and under the controls of wage and price legislation that was implemented by the federal government, and as a single parent now, understanding the concerns of civil servants as it reflects to their ability to feed and clothe their families and maintain a respectable standard of living, I also am looking at my future and my family, and how it impacts on them.

\* (1240)

In the broad picture, in the broad sense of what is happening, I believe Manitobans are asking for a fair system. I do not think that they are saying that farmers do not deserve an increase, or farmers do not deserve fairness, or people in the private sector do not deserve the same, or for that matter, any group within the province of Manitoba. I think what they are saying, is enough is enough. Do

something to make it fair for everybody, and selecting a particular group and ostracizing them and putting them under that kind of financial burden is improper, inappropriate and I oppose it.

**Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs):** Just a couple of questions for clarification, or maybe I will not bother with one of them because I do not think there is any point. You had said in your presentation that the general public is tired of paying the brunt of government spending, was the quote that you made. What percentage is it your perception of government spending is made up of public sector wages.

**Mr. Moser:** I do not have that information. I do not know.

**Mrs. McIntosh:** I can tell you that it is three out of five. It may be something that you should be aware of when you are making presentations of this nature.

I am wondering if you could indicate to me if you feel that—(interjection)—No. That is not. It is information that I think might be helpful in terms of the dialogue that we are having here.

You mentioned as well that you felt that farmers, I am not sure if I am quoting you correctly, but I think you said the farmers should be able to get an increase. By that I presume you mean, should not have to take any further cuts. Do you feel that the increase in government spending is costing all taxpayers money? When you say they are tired of bearing the brunt of government spending, do you feel the government spending is costing, say, the farmers money, amongst some of the other groups that are not—

**Mr. Moser:** In the general sense of the word, indirectly, yes.

**Mr. Edwards:** I want to thank the presenter for coming forward. I had not intended to ask some questions. I understood his presentation, but the Minister of Natural Resources' (Mr. Enns) comments lead me to one question at least, which is—he suggested that it is necessary to curtail public sector spending, that is wages, in order to assist all taxpayers. I might just ask you, sir, what you would consider, how credible that statement is coming from this minister, this government, when at the same time we are very close to Bill 70?

This particular minister in his department put into place a 7 percent raise for executive administrative staff. The same government, the sponsoring

minister, in his department, his deputy minister received a 7.9 percent increase this year. The Director of Human Resource Management in the Department of Finance received a 25.7 percent increase this year, and Oz Pedde, the head of MTS received a 15.4 percent increase this year. Does that strike you as somewhat hypocritical, Mr. Chairperson?

**Mr. Chairman:** Mr. Edwards, please. I want to remind also the members in the audience that the same rules apply in the committee room that apply in the Legislature, in that either booing or clapping or commenting from the audience or the gallery is not permitted. I will not hesitate to have people removed as we do in the House. I would appreciate this, that we abide by those rules.

**Mr. Moser:** I would certainly like to be able to negotiate those kinds of increases but, unfortunately, these are not the times. When average Manitobans are probably getting, even in the collective bargaining process, probably an average of 3 percent, 3.5 percent increases in wages, I would think the government should apply some restraint in their own backyard and certainly look at what is happening out there if they really want to practice what they preach.

**Mr. Edwards:** What message goes to workers who earn \$18,000 or \$20,000 a year and are perhaps single parents like you trying to put food on the table and they are told, we need your help to control the budget. You have to take zero this year—not negotiated zero, legislated zero. At the same time, those types of increases are being given to senior staff. What does that tell—and by the way, senior staff, who, in the case of Mr. Pedde, his increase of \$20,000 is more than a lot of these people make in a full year. What kind of message does that send to working Manitobans who may have some pride in their job with the Civil Service, who may want a career with the Civil service—tell them about the value that the government places on their work?

**Mr. Moser:** I would say this, in answering that question: I have heard and seen a number of things in the last six to eight months. I have seen people go on welfare because of loss of hours of work that could, in effect, you could say, be attributed to the general economy and things that are happening. I have heard people say, and it is to me frightening, where they talk about moving out of this province, moving out of this country, for that matter, because they cannot afford to live here anymore because of



the taxation structures and the costs that are put on them as average citizens. I find that very disturbing.

Somebody who is earning \$20,000 a year, a single parent, with the cost of housing or renting, for that matter, the cost of food and the escalating costs of anything, faced with this kind of legislation would be put in a very precarious situation and one that would not lend well in respect to their kindness during a provincial election for the party or group of people that implemented that kind of suffering on them and their families.

**Mr. Maloway:** Mr. Chairperson, I would like to ask Mr. Moser whether he recalls, in keeping with what the Minister of Natural Resources (Mr. Enns) had just said, whether he recalls in the election one year ago any advertising or leaflets that indicated the government was planning a wage freeze, because he suggested that they campaigned on the basis that they were going to keep taxes down, but I do not recall at any time that they said they were going to freeze anybody's wages.

**Mr. Moser:** Well, to the best of my knowledge, I do not recall that. If that was part of their platform in respect to the last provincial election, I dare say, they would not be sitting on that side of the table.

**Mr. Maloway:** Mr. Chairperson, a final question to Mr. Moser. Would it be fair in your opinion to say that this wage freeze is, in fact, a tax on those same people that it affects and that, in fact, is not in keeping with the government promise to keep taxes down?

**Mr. Moser:** Well, yes, it would be, in fact, just that, a tax.

\* (1250)

**Mr. Ashton:** I just had one final comment which actually follows up from the member for Elmwood (Mr. Maloway). I am just speaking of fairness again, because I really believe it is a public sector tax here. This is a tax on public sector workers. To follow up what you said, do you think it is fair that we are seeing people affected by as much as \$1,000 and \$2,000 individually?

We heard earlier that even the lowest paid workers are being affected by well over \$1,000. In some cases, if people are lucky—you have to have two incomes—it is more. You mentioned about fairness in taxation. Do you think that is a fair way to treat people, to take some pretty low-paid workers, many who are single parents, or try to bring

up a family—single-support salary? Is that a fair tax, when they get hit with that amount?

**Mr. Moser:** I would answer you in this manner. Most people in the wage groups that you are talking about are on fixed incomes right now. In that, I mean, they are budgeted to the point where they would have difficulty if there was a major appliance that would have to be repaired in the home or a child was sick and they would have to spend large amounts of money on medication.

In answering the question, any amount that is taken from them in the form of a tax, in comparison to Bill 70, would certainly be devastating.

**Mr. Chairman:** Thank you, Mr. Moser. We will proceed to the next presenter.

### Committee Substitution

**Mr. Praznik:** Mr. Chairman, I would like to ask leave of the committee to make a committee change that we will make in the House.

**Mr. Chairman:** Is there leave? You have leave.

**Mr. Praznik:** I would like to move that the composition of the Standing Committee on Industrial Relations be amended as follows: the honourable member for Lakeside (Mr. Enns) for the honourable member for Assiniboia (Mrs. McIntosh), with the understanding that this change be moved in the House on Monday.

**Mr. Chairman:** Agreed? Agreed and so ordered.

### Point of Order

**Mr. Ashton:** Just on a point of order, a point of procedure, really. I know we have had various people identified in the committee room, and I just wanted to ensure that we are keeping to, as much as possible, our efforts to accommodate out-of-town presenters. I know we should be getting probably some out-of-town presenters, who were unable to make it at ten because of travel times, arriving now or later on. I would just suggest perhaps that periodically we announce that and try and accommodate those. I am not trying to inconvenience those who would be next up on the list otherwise, but I just thought it is only fair to people who travelled a fair distance. I do not know if there is anyone currently.

**Mr. Chairman:** I appreciate very much the point of order and it is what I had intended to do—was walk through the list of presenters who had not been previously identified. Those ones who are out of

town, I believe, have already been called once. We will call them immediately and ask for consideration of those outsiders to be the first presenters when we walk through the list first, if that is agreeable.

\* \* \*

I call No. 18, Ron Fotti; 19, Darlene Dziewit; No. 20, Joyce Cameron; No. 21, Debbie Oram; No. 22, Karlene Grant; No. 23, Susan Rawdon; No. 24, Sandra Phipps; No. 25, Anita Evans; No. 26, Robert Whittle; No. 27, Pat Katwaroo; No. 28, Ron Cote; No. 29, Aline Audette; No. 30, Michael Jubinville; No. 31, Erskine Lord; No. 32, Gilbert Lorteau; No. 33, Luc Jegues; No. 34, Bernie LeBlanc; No. 35, Beatrice McTavish; No. 36, Colombe Mironuk; No. 37, Nadine Semenchuk; No. 38, Beverly Seman; No. 39, Shannon Kulesza; No. 40, Glory Lister; No. 41, Beverley Coates; No. 42, Malcolm Thompson; No. 43, Brian Dagg; No. 44, Michelle Massery; No. 45, Rosemarie Bailey; No. 46, Karen de Groot; No. 47, Terry Haberman; No. 48, Harold Oak; No. 49, Stephen Rich; No. 50, Victor Vaughn.

Number 51, Brian Dick; No. 52, John Mitchel; No. 53, Dan Goodman; No. 54, Joanne Trakalo; No. 55, Jan Clayton; No. 56, Robert Northcliffe; No. 57, Colleen Pearce; No. 58, Marilyn Dark; No. 59, Connie Heppner; No. 60, Shirley Haarsma; No. 61, Blaine Vermette; No. 62, Jennifer Little; No. 63, Darlene Swiderski; No. 64, J. P. Petit; No. 65, Corey Pelland; No. 66, Dave Rosnagel; No. 67, Cliff Kitchen; 68, Sid Sibilo; 69, Scott Browning; 70, Jerry Towle; 71, Stephan Logan; 72, Bryan Drachenberg; 73, Debbie Enstedt; 74, Lila Hornby; 75, David Watts; 76, Gary McGowan; 77, Harry Carr; 78, Dale Clarke; 79, Bruce Kennedy, 80, Marjorie Robinson; 81, Andrew Couchman.

**Mr. Andrew Couchman (Private Citizen):** Here.

**Mr. Chairman:** Would you come forward please, Andrew. Have you a formal presentation that you want to distribute?

**Mr. Couchman:** I have a short written statement I can give you copies of, yes.

**Mr. Chairman:** Would you distribute them, please. Would you proceed, please.

**Mr. Couchman:** This government is not democratic. A definition of democracy is government by the people for the people. This government has unilaterally imposed a wage freeze on one section of society and in so doing has circumvented the free bargaining process. This is

not a democracy. It is nothing more than an elected dictatorship.

In this age of high prices and oppressive taxation, the Conservatives have decided to keep us poor. How this is supposed to stimulate our economy, I have no idea. Instead, the Conservatives sit idly by while taxes and prices increase rampantly. They recently added a 1.5 cent per litre tax on gasoline and then did nothing when the oil companies gouged us with a six cent per litre increase, not coincidentally, coinciding with the July 1 long weekend, a time when most of us are contemplating driving somewhere for vacations.

As an employee of a Crown corporation, I have had wage increases imposed upon me, for all intents and purposes, by government for the last six years. In the period 1985 to 1987, I had annual increases of 3 percent, 3 percent and approximately 4 percent. The annual CPI, consumer price index, for Winnipeg from Stats Canada in the same years was 4.1 percent, 4.5 percent and 4.2 percent. In the period 1988 to 1990, I received the same package, 3 percent, 3 percent and approximately 4 percent. The annual CPI during that time was 4.1 percent, 4.8 percent and 4.6 percent. So I have fallen behind each and every year, and now in 1991, the Conservatives want to make me fall even further behind by freezing my wages when the current average CPI is 6 percent.

I want to point out that even if wage increases had matched the CPI, I still would have lost ground because of the obscene levels of taxation. An employee earning an annual salary of between \$30,000 and \$50,000 must get a 9.8 percent increase in gross pay to realize a net increase of 6.2 percent on their pay cheque. This is quoted from the Winnipeg Free Press of June 23, an article called "Where's my raise"?

In closing, I want to state that I am opposed to Bill 70. I am disgusted with this Conservative dictatorship, and the sooner we are rid of them, the better. Thank you kindly for your time.

**Mr. Chairman:** Thank you. Mr. Ashton?

**Mr. Couchman:** Couchman.

**Mr. Ashton:** Oh, he is referring to myself.

**Mr. Couchman:** Oh, I am sorry.

**Mr. Chairman:** Thank you, Mr. Couchman. Mr. Ashton, for questions.

**Mr. Ashton:** It is getting confusing here. I certainly have no objection to your last paragraph. I can indicate we certainly will be doing our part, but I want to deal with some of the specifics because you have taken the time to give us some of the things that have been happening. You are an employee for a Crown corporation. Which Crown corporation is it, by the way?

**Mr. Couchman:** The Manitoba Telephone System.

**Mr. Ashton:** The Manitoba Telephone System. What do you feel about the fairness of this government in giving the newly appointed CEO an increase of \$20,000, of 15 percent over the previous CEO and, at the same time, saying you get zero?

\* (1300)

**Mr. Couchman:** It is totally unfair. I would like to point out also that the person they hired for this position left MTS under somewhat dubious circumstances over the Saudi Arabia affair, MTX.

**Mr. Ashton:** Well, I am wondering what the impact of this has been on morale within MTS; you know, the fact that people are getting a zero increase and the CEO is getting a \$20,000 increase over the previous CEO. What is that doing to morale?

**Mr. Couchman:** It has a very negative impact. It does not help morale at all.

**Mr. Ashton:** We heard from a previous presenter just a few days ago who was in Steinbach and had indicated that perhaps out of 100 people he works with, 99 of them are opposed to this bill. He has only found one person who has anything positive to say about it.

I am just wondering, in your workplace, how you would assess the reaction. The people you work with, are they generally for or against this bill?

**Mr. Couchman:** I have not had a single positive response from any of my co-workers. They were just shocked when this legislation was introduced. At the time, we were in negotiations and had applied for FOS and were very soon to have our hearing under FOS.

Under that legislation, they had hoped and expected a reasonable wage increase. We certainly were not expecting to get a large wage increase, but we had hoped for some fair amount through FOS, and that was taken away from us. There is not one person I know of in my workplace

that has anything positive to say about this legislation.

**Mr. Ashton:** I am interested to hear that, because the government at times is trying to suggest there are people out there, public servants, people working in the Crown corporations, who support it, and you are saying very clearly there are not.

I want to go further and ask the kind of impact it is going to have on you. You mentioned some of the figures here, and I have asked other presenters before, and the minimum it is going to affect most public-sector workers is by a thousand or—would you have roughly some idea of what you would have received, say even if you had received 5 percent or 6 percent, just an inflation catchup in the way of a yearly increase?

**Mr. Couchman:** Do I have any idea of—

**Mr. Ashton:** How much is this going to cost you? If you would have been able to get a catch-up increase this year, would it have been, say, a thousand, \$1,500 more, in that range?

**Mr. Couchman:** Well, if we would have had a 5 percent increase, which would have been nice at this point in time, I imagine that would translate to about \$3,000.

**Mr. Ashton:** The government talked before about not raising taxes. You identified a couple they had, but when I used the analogy before that this bill was really—it should be called the public sector employee tax bill, and you mentioned about the unfairness of a lot of taxes out there that hit individuals, do you think it is fair to single out one segment of society, in this case public sector workers, and essentially tax them \$1,000, \$2,000 and, as you say, up to \$3,000 over what they would have received in their pocket, that is, money right out of your pocket and others', as a way of dealing with whatever problems they have as government?

**Mr. Couchman:** I think that it is grossly unfair to single out one section of society and, in a sense, tax them. I may even want to correct myself on that figure. I think I overestimated. It would more likely be \$2,000.

**Mr. Ashton:** I thank you, and that is still a significant amount—\$2,000. I want to go a bit further, too, because the Manitoba Telephone System employees, Manitoba Hydro employees and others were in the process of applying for final offer selection, something, by the way, that had been kept in place by agreement of all three parties,

including the signature, by the way—and I was one of the people who was working to try and keep it in place—it was signed by the Minister of Finance (Mr. Manness) himself.

What I want to deal with is, those people that took the government at its word and were obviously deceived by the government on final offer selection which is now no longer in place, what are they going to do next time? What is the reaction going to be next time?

We have already heard, for example, from Hydro. The people are predicting that what is going to happen is there is going to be a long period of labour unrest, although there is a lot of talk that the next time, people will not try and find some other way of settling it. There could be a strike, but either way there is going to be unrest. What is the situation going to be at MTS?

**Mr. Couchman:** The feeling is gloom and doom. In this current bargaining session that we were in, we had the final offer selection in a sense to fall back on, and now that this has been taken away and effectively legislated away if this bill passes, we feel we have nothing. In the next round of negotiations, the only alternative may be a strike or something, and our members do not generally wish to go on strike.

**Mr. Ashton:** Have there been strikes in the past at MTS? Have there been frequent strikes, or has it been fairly the case that contracts have been settled without strikes?

**Mr. Couchman:** The operators were on strike a number of years ago. I cannot remember the exact year, '73 perhaps.

**Mr. Ashton:** So in general, contracts have been settled without going to strikes?

**Mr. Couchman:** Yes. I am a member of IBEW and as far as I can remember, our contracts have always been negotiated without any work stoppage or a strike.

**Mr. Ashton:** So after all these years of harmonious labour relations, you are saying to this committee that one of the impacts of the passage of this bill could very well be that in the future, people are going to feel they have no other option than to go on strike if they do not get a fair wage settlement? It may actually be forcing people to consider the strike action, something they really have not done up until this point in time?

**Mr. Couchman:** That is correct.

**Mr. Ashton:** I want to deal also—and we talked about the morale and the fairness, et cetera, and I know in the case of MTS, they have been trying to develop a sense of teamwork within the corporation. Other presenters have mentioned that and talked about the profitability of the corporation.

How do telephone system employees feel when MTS has had a fairly good year—I believe a \$39-million surplus—how do they feel when they are told by management staff that they are important, they are one of the key assets, they are one of the keys to the corporation remaining competitive and being profitable and then having the government come in and bring in Bill 70 that basically says it does not matter whether MTS is making \$39 million a year, you get nothing? How does that make people feel, the people you are working with, and how does that make you feel?

**Mr. Couchman:** It makes me feel bad. MTS made quite a large profit last year—as you mention, it was \$39 million—and as far as we are concerned, Crown corporations should be dealing at arm's length with the government, and then this legislation encompasses all of us, including Hydro. We feel slighted by this legislation. When MTS can have this profitability and not share it with their workers, how can we feel? We sure do not feel good about it.

**Mr. Ashton:** I, by the way, appreciate your bringing that perspective because one of the things I hope this committee will do is allow government members who may be considering supporting this bill to see directly who they are impacting and how they feel. I think you have expressed that very clearly.

I want to give you one more opportunity by way of a question to express that, and it is similar to questions you may have heard me ask other people, because there may still be hope, an outside chance perhaps, maybe it is one in a thousand or one in 10,000 to stop this bill, and the way it could be done would be if government members would abstain from the bill or oppose it. It would only take one or two to do that.

**Mr. Couchman:** I realize that.

**Mr. Ashton:** I want to ask you, outside of the formal context of presentation, if you had the chance to talk to, I do not know if your MLA is a Conservative, but a Conservative MLA—

**Mr. Couchman:** Unfortunately, yes.

\* (1310)

**Mr. Ashton:** Okay, so you have a Conservative member. If you had a chance to talk to that member directly on a one-to-one basis, on a personal basis, what would you say to them to try and get them to vote according to their conscience, to try and keep an open mind, to even consider opposing or abstaining from Bill 70? What would you say on a personal basis to them?

**Mr. Couchman:** On a personal basis, I feel legislation of this nature is just going to drive our economy down the toilet. People are overstretched on their budgets right now. I think most workers can barely afford basic food and shelter, and to have no opportunity of even a minimal wage increase at this point in time, whereas, as I have mentioned in my letter, prices keep going up, taxes keep going up, people are just getting further and further behind, and as I think one of the presenters prior to me this afternoon mentioned, some people may be forced to leave the province or even the country.

**Mr. Edwards:** Thank you to the presenter for coming forward. It has struck me throughout these hearings how many people we have heard from are from MTS. You, sir, may be aware of some of them. We have heard from a number, more than any other Crown. They have produced people who have come to this hearing who have universally condemned this legislation.

My question, based on your presentation and the work you do, relates to a defence for this bill earlier put forward by the Minister of Natural Resources (Mr. Enns), I do not know if you heard it, which was that it was necessary to restrain wages in order to keep taxes down which was their campaign promise.

Even accepting that—let us accept that. I do not accept it, but let us accept it. What is your reaction to the hiring of Mr. Pedde as the head of MTS with a 15.4 percent increase, some \$20,000, going from \$130,000 to \$150,000, at almost the same time that this legislation came in effectively freezing your and your co-workers' wages? What effect will that have on morale at MTS?

**Mr. Couchman:** That action by itself was hypocritical. I find it incredible that they would hire that person at that increased annual salary, and I think everybody that I speak to at MTS just can hardly believe it. As I did mention before, this person whom they hired left MTS some time ago

because of the MTX fiasco, and I would say generally that my co-workers do not have much faith in him.

**Mr. Edwards:** Without getting into whether or not he is the right man, I think he is going to have a difficult time ahead of him starting off on that foot.

**Mr. Couchman:** Yes, he would have to prove himself.

**Mr. Edwards:** One other question just related to that, I wanted your reaction to the defence to his wage increase as contrasted to the wage decrease, the zero percent which is in effect a decrease, given the consumer price index as your brief points out.

**Mr. Couchman:** Well, as I said, it was hypocritical.

**Mr. Edwards:** Let me just read you the defence that was given by the Minister of Finance (Mr. Manness), and I ask you to tell me what you think of it. First of all the Premier said: It is not an increase, it is a decrease. Figure that one out, I could not.

Mr. Manness, the Finance minister, said: The reality is we are talking about two different issues. He said, either we accept the wage request of Mr. Pedde, to go up \$20,000, or we do not get the best person.

What does that tell you, if anything, about what he thinks of the other people at MTS who are getting zero percent?

**Mr. Chairman:** Mr. Edwards, I would like to remind you that I would like you to retain your questioning to the relevance of the bill. You are asking for an opinion of the presenter as to what his thoughts are about a manager that was hired by a corporation. I would suggest, Mr. Edwards, that you keep your questioning pertinent to the bill. Proceed, Mr. Edwards.

**Mr. Edwards:** The question is put. I am sorry, but I fail to see the point that you make. Maybe that is me, but the question is put, I would like it answered.

**Mr. Couchman:** I cannot see how they would call that increase a decrease, and by giving the head of the corporation a 15 percent raise when they want to keep the rest of the workers on a zero percent makes us feel like second-class citizens.

**Mr. Ashton:** Sorry to interrupt. There may be a few more questions but—

**Mr. Chairman:** Are there any other questions? Thank you, Mr. Plohman. I will entertain the questions first on this and then we will make the committee changes. -(interjection)- Oh, I see. With

leave of the committee, could we make some committee changes before Mr. Couchman leaves?

### Committee Substitutions

**Mr. Ashton:** Sorry, Mr. Couchman, there are some more questions. I just need to deal with this formality.

**Mr. Chairman:** Is there leave of the committee for committee changes?

**Mr. Ashton:** Yes, and a leave to make committee changes. At 1:15 that the composition of the Standing Committee on Industrial Relations be amended as follows: The member for Dauphin (Mr. Plohman) for the member for Elmwood (Mr. Maloway); the member for Kildonan (Mr. Chomiak) for the member for Thompson (Mr. Ashton) and that is with the understanding, of course, that the changes will also be approved in the House.

**Mr. Chairman:** Agreed and so ordered.

\* \* \*

**Mr. John Plohman (Dauphin):** Mr. Couchman, I did not have the opportunity to hear your presentation, but I do have it in front of me. I do want to ask you a couple of questions. From your point of view, as an employee of the Manitoba Telephone System, you made the point that the excuse by the government for this bill, that they just did not have any other choice in order to protect services, but that the public service had to take a zero percent increase this year. In the case of MTS, that there just was no more money just does not apply, because the Manitoba Telephone System has made a rather substantial profit in the last number of years, and so that argument just does not apply in terms of the ability to pay a fair wage settlement, a negotiated wage settlement to the employees of MTS. Is that right?

**Mr. Couchman:** That is correct.

**Mr. Plohman:** Do you have any alternatives to the government? They have said they just do not have a choice, and so they are making scapegoats out of the employees. They are saying we have no choice. What are some of the choices that you think they have, if any, insofar as dealing with services, maintaining services, and at the same time keeping the deficit under control, or do you feel that is important?

**Mr. Couchman:** Well, I think that there may be some money saved in some of these free loans, or low-interest loans to businesses, perhaps some grants where money is given away, there could be money saved. I think we read in the paper where there was a sum of money given to a company lately by the Conservatives to establish their business here, which is fine, I would imagine for the employment that may be generated, but this company is not bound to pay any of it back, from what I understand.

**Mr. Plohman:** Are you aware that the corporate share of revenue by the governments of Canada has dropped progressively over the last 30 or 40 years, and that their share and that personal income taxes have resulted in a much greater portion of the income?

**Mr. Couchman:** And we are shouldering it, the worker.

**Mr. Plohman:** Yes. Mr. Couchman, are you aware as well that it used to be almost even in the 1940s and '50s and at the present time personal taxes account for about 55 percent of federal revenues whereas corporate taxes are down to about 10.5 percent?

**Mr. Couchman:** Yes.

**Mr. Plohman:** Mr. Chairman, I would just like to ask Mr. Couchman, in view of that fact and the fact that consumption taxes have increased dramatically over the last while, particularly with the GST, do you feel that there is some room there in terms of government action to ensure that there is some fairer taxation system put in place so that the income dollars coming in for governments will be distributed more fairly through the population?

**Mr. Couchman:** Yes, I agree.

\* (1320)

**Mr. Plohman:** Has your group made any recommendations on that area as to whether the government should be looking at increasing corporate taxes back to the level of what they were in the '40s and '50s and '60s, where they were contributing about 25 percent to 30 percent of the total revenue of the Government of Canada?

**Mr. Couchman:** I believe that was going to be part of our strategy in our negotiations that we had recently. However, MTS refused to bring wages to the table throughout the entire negotiations and then

we were about to go to FOS when that was taken away from us.

**Mr. Plohman:** So one of the basic rationale that was being used in negotiations was that the taxation for individuals had increased dramatically, therefore lowering the standard of living, while the corporate sector—

**Mr. Couchman:** Yes, our disposable income, if you want to call it that, has decreased dramatically over the past number of years, where now it is at the point where we have none.

**Mr. Plohman:** Yes, and one of the major concerns that was raised by labour when the GST was being discussed only a year or so ago was that there was going to be a need for catch up this year, as opposed to what we have now, zero percent, that you were, in fact, negotiating to catch up as a result of increased taxation, the GST being one of those.

**Mr. Couchman:** That was part of our strategy. We wanted to try and negotiate a fair wage. We certainly were not asking for the moon.

**Mr. Plohman:** Mr. Couchman, do you believe that if corporate taxes were increased to a more realistic level than they are at the present time to reflect the historical contribution of corporations to the revenue of the Government of Canada, that would result in lost jobs in order for the corporations to pay those taxes? Do you believe that would be the case? That is the argument that is made by the Conservatives when they reduce corporate taxes, that somehow that is going to mean greater investment in jobs, and if you increase their taxes they are going to cut back on their jobs.

**Mr. Chairman:** Mr. Plohman, I have sat here very intently listening to your last four or five questions, and I have yet to determine how the relevance should be established between your line of questioning and the bill that we are considering here in committee today. So I would ask that you either direct your comments and questions to the relevance of the bill, or else I will do what I did last night and that is simply terminate the line of questioning.

### Point of Order

**Mr. Plohman:** Mr. Chairman, on a point of order, I understand there is a substantial amount of leeway in the questioning. It is relevant in that the government has said there is no other choice but to move forward with this bill which would result in a

zero percent increase for these 48,000 public sector employees. What I am asking a representative of some of those employees is whether in fact there are alternatives from their perspective that he would like to share with this committee and with the government to enlighten them—

**Mr. Chairman:** Mr. Plohman, it is not a point of order. I would ask you to proceed with your line of questioning. Please keep your questions relevant to the bill.

\* \* \*

**Mr. Plohman:** Yes, I appreciate that. I have been attempting to do that. I think I had put a question to Mr. Couchman at the time that you interrupted, Mr. Chairman.

**Mr. Couchman:** I think that if taxes were increased to corporations and then equally decreased to the workers which would generate an increase in take-home pay for myself and my peers, it seems to me that would be a win-win situation. I would have some money in my pocket to go and purchase some things that I cannot afford now and help stimulate the economy, whereas the corporation would have to pay more taxes, but then they may not have to pay as high a wage increase. So I think it would tend to even out.

**Mr. Dave Chomlak (Kildonan):** Mr. Couchman, I just have a few questions for you about your presentation. I am always struck at hearings of this kind at the intensity of a lot of the presenters in terms of how they are feeling about these issues which serves to strengthen the merit of why we have hearings of this kind. In the first paragraph of your presentation, it is fairly strong, you make a very strong statement about what the government has done and your view of the government with respect to this bill. That strikes me as a personal observation. Would you say from your experience at MTS that it is also an observation that other employees at MTS are feeling the same kind of frustration as you are as reflected in the first paragraph in your presentation?

**Mr. Couchman:** Yes.

**Mr. Chomlak:** One of my concerns is that actions of this kind serve to delegitimize the viewpoints of the public towards their government, and the process of governments appear to be less and less of the viewpoints of the populace as a result of actions of this kind. Would you agree that is a

personal opinion of yours? Do you hold that opinion? Do you think your fellow employees at MTS are also increasingly holding that opinion as a result of an action like this?

**Mr. Couchman:** Well, they certainly do not enjoy being dictated to and having our free bargaining killed in mid-stream.

**Mr. Chomlak:** Another concern I have specifically dealing with MTS, it strikes me that there was a time when being an employee of a Crown corporation was something one would be proud of and something that one looked forward to. When one went back to the community it was a mark of distinction that you worked for the government and worked for a Crown corporation. Do you think that is still the case?

**Mr. Couchman:** In my opinion, I was very proud to work for MTS when I started. I have been an employee there for just over 20 years now, and I may say that, in my opinion over those 20 years, my opinion of MTS has decreased markedly over those years.

**Mr. Chomlak:** I would take it that Bill 70 probably serves to decrease your opinion, not increase it, of your role at MTS, is that correct?

**Mr. Couchman:** That is correct.

**Mr. Chairman:** Thank you, Mr. Couchman. We will proceed to the next presenter, who is No. 82, Ron Wally.

Number 83, Brian Havelock. Mr. Havelock, have you a presentation that you want to distribute?

**Mr. Brian Havelock (Private Citizen):** Well, I have some material here I would like to distribute, yes. I hope I have enough copies.

I would like to say to the committee that I am a representative of the MGEA and I have been a representative of the MGEA for the past 17 years. Looking around the table there is only likely one person here that has been around the government longer than I have, at least as far as the committee goes, and that is Mr. Enns.

I have heard a few comments that have been made, and I am going to definitely focus on Bill 70. I want to make that quite clear, but I think I would like to share with you my knowledge of the history of the MGEA, The Civil Service Act, The Labour Relations Act to make you people aware that there is a history, that the collective bargaining between the MGEA and the government for the most part

over the period of time that I have been here anyway has worked quite well.

When I first hired on with the MGEA in 1974 or '75, I cannot remember exactly which, the MGEA and the government of the day, which I believe was the Schreyer administration, had just gone through an arbitration process, and the MGEA was in the process of reorganizing and so on.

\* (1330)

Then, during the Schreyer administration, we had occasion to deal with the wage and price controls that were brought in by the federal government, and we had a bit of a dispute with the government of the day with respect to them opting into the AIB plan. From our point of view, it was illegal; that was subsequently determined to be the case through the Supreme Court. By the time the Supreme Court had dealt with that particular intrusion in the collective bargaining process, the Lyon government came in and retroactively made legislation to make the law, the law at that point in time.

(Mrs. Shirley Render, Acting Chairman, in the Chair)

I have heard some comments today made by some members of this committee that I am really concerned about. I think there is a misconception about, just as an example, the rights of the MGEA under the Civil Service Act. I think there has been a suggestion made by Mr. Edwards, I believe, which I took to be that the MGEA had some kind of privilege in collective bargaining. What I would like to do is, I would like for the people on this committee who I gather are the lawmakers to look at The Civil Service Act and you will see right around the beginning of the act that the MGEA has bargaining rights for civil servants. There is a proviso there that suggests that provided they have the support of the majority of the people who are civil servants. I want to clear that up, because I think The Labour Relations Act has a similar kind of provision that deals with those kinds of things.

The other thing that I want the committee to be aware of is that there is already a process in The Civil Service Act and the collective agreement to deal with collective agreements and to bargain in good faith. There is, as some of the people here would be aware, a joint council, and the joint council—this is ministers of the Crown and senior people in the MGEA—these people, rather than us



sitting here and you passing another law, should be sitting down and negotiating another contract.

There is really no need for Bill 70. Bill 70 is something that you should certainly put off for a long time because it is not going to serve any purpose. I can tell you right now from my own experiences with the members that I represent, if there is any gain to be made at all by this legislation it is very short term.

I am telling you right now, the government that is in power, that it is going to hurt you in the long run. You are going to alienate a lot of people and you are not going to get a whole lot out of this bill. You really are not. It is really bad legislation and I quite frankly do not understand why the government, rather than bringing in this legislation, just does not sit down with the MGEA and negotiate a contract. There is really absolutely no need for you at all to be bringing this bill in. It is really unnecessary.

I have looked at the bill. It has already been pointed out by a number of people here that within the bill there are certain inequities. It seems that the judges and the doctors and people who already have privileged places in society are exempt from the legislation. That in itself is really not all that fair.

I am suggesting to the people that run the government, whoever they might be, that they should think about the consequences of this kind of legislation in the long run and think about the possibility that they are going to waken the sleeping giant, namely, the Civil Service, and it could have dire consequences. Rather than do this, and I am definitely repeating myself, I am inviting the people who bargain for the government to come back to the bargaining table with the MGEA.

We gave our proposals to the government over a year ago, and we have been dancing around for a year. We are never, or very rarely, consulted. Apparently on this legislation or this bill, there was absolutely no consultation with the MGEA at all. The government has to think about the way they are communicating with the biggest union in the province of Manitoba. I think it is really arrogant of this government, just because they have a majority to think they can do whatever they want between elections. It is absolute nonsense. It really is. It is stupid that we are sitting here right now, you are sitting here right now reading whatever it is you are going to read, rather than be bargaining with us.

The other point that I want to make here is that the legislation in my view is creating, I do not know

whether it is intended or not, a division in between the public sector and the private sector people and that also is not going to help the province of Manitoba when it comes to those kinds of things. I am suggesting to the people here, run the government to be reasonable, to reconsider the legislation and to get back to the bargaining table. That is it.

**Mr. Plohman:** Madam Acting Chairperson, I take it when you mention something about doctors and judges not being part of this legislation you were not taking the position that there should be this kind of legislation for everyone, it is just that you are pointing out an inequity or unfairness with the application of this particular piece of legislation.

**Mr. Havelock:** Exactly. First of all, I say the legislation is unnecessary. We already have ample legislation. We have The Labour Relations Act. We have the Civil Service Act. We have a long-standing history of reasonably good bargaining with the government of all particular political stripes. We have had our odd disputes as you usually do in negotiations but for the most part it works. If something works, why fix it? It does not make any sense.

**Mr. Plohman:** Madam Acting Chair, and Mr. Havelock, you have been part of a negotiating process where the government has indeed, rather than resorting to this kind of heavy-handed approach, negotiated very low settlements or even zero percent settlements?

**Mr. Havelock:** There have been occasions where that has happened. Yes.

**Mr. Plohman:** Madam Acting Chair, did you feel that there were areas of negotiations that could have been pursued that would have assisted in, perhaps, a lower monetary settlement but the government did not want to discuss those?

**Mr. Havelock:** My perception of what has gone on in the last year or so is that there really was nothing you could identify in the form of negotiation. There was nothing that I could see, anyway, that showed the government was trying to find any middle ground on anything and, as a matter of fact, from what I saw, the government seemed to want to take things away unilaterally rather than bargain with us.

We had some examples of that during our previous collective agreement, but it became more apparent as the process went on. I also believe that the government has used the compensation portion

of the negotiations and used the weapon of layoff in a kind of an obscene way. I have heard suggestions made through the newspaper and so on that if there were increases, there were going to be people who would be laid off. I think that is obscene and, again, there was no negotiation at all that I could see anyway.

(Mr. Chairman in the Chair)

**Mr. Plohman:** Mr. Havelock, would you say that the government was simply saying, you have to take what we put on the table—or they are bringing this legislation in, and there was no real effort to find middle ground and negotiate in a legitimate way?

**Mr. Havelock:** I should tell you, I do not sit at the bargaining table with the government representatives, so I only know what I hear and what I see but, as far as I saw, there was no attempt at all to make an agreement with us.

**Mr. Plohman:** That is certainly contrary to what the government has been saying, Mr. Havelock—very interesting. You mentioned joint council in your presentation and the role that joint council should play in working out difficulties. Do you sit on joint council?

**Mr. Havelock:** No, I do not.

**Mr. Plohman:** Have you ever sat on joint council or are you aware of the kinds of issues that come before joint council? Perhaps you can enlighten the committee on exactly what the mechanism is that is in place that is called joint council. Who are the representatives that sit there?

\* (1340)

**Mr. Havelock:** I would run off copies of the sections in the act that basically address that but, unfortunately, I have shuffled too much paper here. My understanding of the joint council is that it is like a labour-management committee, in a sense. The people who are representing the government are usually senior ministers of the Crown, and the people that represent the MGEA are senior representatives of the MGEA. The idea behind the committee, as far as I can understand when I read The Civil Service Act, is that it provides a forum to deal with all the working conditions on an ongoing basis.

I do not think, this time around, that process, in the sense of the sequence of events that bring us to the point where we have Bill 70, was followed

properly. It would have helped if, rather than pass or bring this legislation in, that we use that process.

**Mr. Plohman:** Mr. Chairman, yes, I have sat on joint council as a minister and am aware of the kinds of issues. I have to say that it is not a collective bargaining tool as such. That is not where collective bargaining takes place, but can you tell me whether you have had it reported to you whether the government in fact used that tool, the joint council, to attempt to gain some kind of consensus and some middle ground with the MGEA?

**Mr. Havelock:** I have to admit, I am not sure of the context of your question.

**Mr. Chairman:** Mr. Plohman, I would ask again that you keep your questioning relevant to the bill. We are way off track in your line of questioning. I have been listening very carefully to see whether you were leading into a question that would get you into the relevance of the bill, but I have not heard that. So, Mr. Plohman, I would ask you to bring your questioning back in line with the bill.

### Point of Order

**Mr. Plohman:** Mr. Chairman, if I could address that as a point of order, if that is the way you wish to have it addressed.

**Mr. Chairman:** On a point of order?

**Mr. Plohman:** On a point of order. The point is, again, that we are exploring alternatives to what is being put forward in the bill and the legitimate efforts by the government and by the minister, who is indicating that he feels that is a fair question, as to the kinds of things that were explored by the government in an effort to come to a negotiated settlement as opposed to a legislated settlement that we have here. It is very relevant to the bill in terms of the government's actions, so I ask the—

**Mr. Chairman:** Mr. Plohman, please proceed. You did not have a point of order, but please proceed.

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**Mr. Plohman:** Okay, thank you, Mr. Chairman. I asked Mr. Havelock whether, in fact, he is aware of the difficulties with regard to negotiations being brought forward to joint council and discussed there in an attempt to get them back on track and come up with a negotiated settlement, as opposed to a legislated settlement that we are facing today.

**Mr. Havelock:** Again, I am not part of the joint council but, as far as I know, and I believe I mentioned this a little bit earlier, the Bill 70, we had no notice at all.

The other point that I want to make on the joint council is not that it is a forum to negotiate, but it is certainly a place where, if people want to, they can communicate in a meaningful way rather than what has happened up until now. I again am inviting the government of the day, including Mr. Praznik, who I understand is the Minister responsible for the Civil Service, to meet with the people who bargained for the MGEA and bargained the contract.

I do not know, this Bill 70, I have read it, it is kind of open-ended. It seems to me that it has a one-year duration and, by the time we dance around here, a year will be up. So rather than bring in the legislation, come on and bargain with us. We are ready, we have been ready for a long time. Talk is cheap.

**Mr. Chairman:** Thank you, Mr. Havelock.

**Mr. Edwards:** Thank you to the speaker for coming forward and, in particular, to referring me to The Civil Service Act. I raised the question earlier—I am not sure if the speaker was here or simply heard about it—and admitted that I had not looked at the section, because it was raised last night. Of course, last night we were here till two in the morning or 1:30 or so. It was raised, and I have looked at it now. I must say, I still I have some concern, not in the same way I had before, but there is provision for a majority. It strikes me as well, though, that even if there is not a majority, it would be the minister who would designate the bargaining agent.

Is that the speaker's interpretation of the definition in Section 1 of the bargaining agent? I just ask if he has any lingering concerns about the recognition of the MGEA and whatever bargaining agent the employees chose, in that, it does not strictly say, the majority rules. It says, if the MGEA does not have the majority, the minister can then choose whatever bargaining agent he or she wants to recognize.

**Mr. Havelock:** I understand that. I, of course, am not a lawyer and I think Mr. Edwards is, but I am aware and I would also want the committee here to be aware that the MGEA is also covered by The Labour Relations Act.

If you read The Labour Relations Act, you will see in Section 4 of the act that the Crown is bound by the act. I also want to make the committee aware

that there was a matter that was referred to the courts in 1975 or '76, to address the issue of whether or not government employees had the right to strike, and I am certainly prepared to leave a copy of that decision. As far as I know anyway, and I am not a lawyer, again, so I am just giving you my own understanding here, there certainly are some areas of the two pieces of legislation, The Civil Service Act and The Labour Relations Act that probably need to be cleaned up, but again, I do not think Bill 70 is the answer to cleaning up either The Labour Relations Act or The Civil Service Act.

**Mr. Edwards:** No, and that is clear. It strikes me as I have just looked at it now that this may be one of those areas that needs some clarification because if you take a strict interpretation of this, it may indeed be different than what is now in The Labour Relations Act.

In any event, moving on specifically to Bill 70, the speaker has come forward as a person with extensive experience and we appreciate that. I wonder if he might indicate—he has talked about free collective bargaining—what bothers him most about this legislation. Two things have come out in these hearings: 1) people do not like the breach of faith, the bad faith of this legislation, given the process that was undertaken; secondly, they do not like the effect. It has dramatic economic consequences for people.

The effect may have been negotiated, as I am sure the speaker will acknowledge. There is nothing to prevent an employer from starting at a decrease as a bargaining position. That is the bargaining scenario. You come to the table. Does the effect of this, if he could rank it, and maybe he cannot, but can he say which he feels will be the longer-lasting implication of this piece of legislation on labour relations in the province? Will it be this particular year and this effect, or is the speaker more concerned about the long-term effects, which has been indicated by many speakers, of this fundamental breach of faith between an employer and many employees?

**Mr. Havelock:** I really believe that where there is a will, there is a way. I think the breach of faith, it is like—I do not know whether this is a good analogy or not—but it is like a marriage, and if there is a breach of faith in a marriage, it is a really difficult thing to sort of bridge the gap.

You know, the monetary things are always important because we all need to pay our bills, and the bills are going up, the taxes are going up and everything is going up. People also recognize it, including government employees. Sometimes people think that government employees do not think but they really do. There are a lot of good people who are government employees. They contribute a lot to this particular economy in the province of Manitoba, and the fact that their income base is eroded is going to have a fairly substantial effect in a detrimental way on the economy. It is not going to help.

**Mr. Edwards:** One of the things we have heard from MTS people is that the workers are just very, very angry. What they have articulated to us is that it is the effect, it is the zero percent, but it is also the powerlessness of not having any say in the collective bargaining process and in reaching some kind of a settlement.

One statement, I do not know if you heard it this morning, was from someone at MTS, that the employees are asking, when can we strike? When do we get a chance to strike? They are saying that, not knowing what is coming down the road, not knowing what offer is going to be made. They are saying that because they are just so angry. They want to make a point and get back some control over their destiny and employment situation. From the MGEA's perspective, from this speaker's perspective, what will be the attitude of the civil servants carried into future negotiations in that regard?

**Mr. Havelock:** I cannot pretend to know what every one of the 25,000 of them think, but I can speculate that there will be a bad taste in the mouth of the majority of the people who are involved in the future with this particular style of dealing with them as people and employees, and as citizens, too.

\* (1350)

**Mr. Edwards:** Are we dealing with false economies in the speaker's view with respect to cost savings from this measure?

I raise that because others have raised it as well, that in future negotiations, this zero percent may be caught up, indeed, because the bargaining will be much tougher in future years, as well as some statements that employees will not maybe do the extra mile, not that they will not do their jobs, but maybe the extra idea to improve efficiency, maybe

the extra half hour that is not paid for, pride in one's job, that maybe the thinking that we are going to actually save something on this, really is not there, is actually more fiction than truth. What would be the speaker's comments on that proposition?

**Mr. Havelock:** I happen to agree with the view that you had as a preamble to your question. I think, you know, if I am your employee and you hit me over the head and then ask me to go the extra mile, I am not likely to do that.

In this case, at this point in time, the government, by doing this kind of thing, I think, and the people are looking at what is going on here right now and seeing what effect it is having on their pocketbook and the bargaining agent, which from my point of view is the MGEA, and they say, we are being cheated here. Again, if somebody cheats you, you are not likely in the future to be very accommodating to them, and I think we are being cheated here, I really do.

**Mr. Praznik:** Mr. Havelock, I was interested in your discussion with the member for Dauphin (Mr. Plohman) in his exchange of questions, and I understand you made the statement that you would love to be at the table bargaining.

**Mr. Havelock:** I said that on behalf of the MGEA. I am not saying I would like to be there. That is not my capacity.

**Mr. Praznik:** Yes, I appreciate that. I just want to assure you, we wish we were at the table bargaining as well. Regrettably, the MGEA opted for a vehicle that was available to them. I do not deny that. They had a right to, and that was arbitration which is not two parties willingly bargaining at a table, but a party being forced to a third-party decision on the contract.

**Mr. Havelock:** Sir, may I respond to that?

**Mr. Praznik:** Certainly.

**Mr. Havelock:** Again, I do not pretend to know everything about everything, but I have been involved in conciliation, mediation, arbitration. You name it, I have been involved in it. As a matter of fact, I think at one point in time, I was involved in a final offer selection process with Mr. Edwards.

The arbitration process, from my point of view, does not inhibit the parties from reaching an agreement. If both parties are willing, that should not stop anybody from making a deal. As a matter of fact, in some cases, it moves people to the point where they make a deal, because if they do not, they

actually have to justify their position before a third party, and there are a lot of good arbitrators around who know what the terms of reference are.

The thing that I wonder about, at this point in time, is again, rather than bringing in Bill 70, why do you not just follow the process that was started? My understanding is that the MGEA gave notice to the government quite some time ago. We indicated who our nominee was. You had a number of nominees, one of whom apparently had to drop out because he had another interest that was maybe putting him in conflict with being your representative. I understand that there are two nominees, and that you can pick a chairperson and get that process in place. The legislation is already there if you want to deal with it, or you could actually bargain which is what we want you to do anyway.

**Mr. Praznik:** I wanted to expand on that comment a little bit. There was reference made by yourself, by Mr. Plohman, to joint council of which I am a member, and to other ways—I believe the quote was, Mr. Plohman suggested that there were areas that could have been discussed that would have resulted in a lower monetary settlement, livable, I would gather, within the financial framework of the province.

I just wanted to make this comment to you, having been present at numerous meetings in which the Premier (Mr. Filmon) of the province met with Mr. Olfert, in which invitations were made to work together to work out this difficult time in our province's finances, in which I think everyone acknowledged that we have no new revenue. Invitations were made.

I was present at those meetings, and there was never, even orally at the meeting, a response. It was not just once, but on numerous occasions, and that may be because arbitration was viewed as a way of getting a better settlement than being at the table and that is fair ball. I recognize that, but the offer was made on numerous occasions, and whether it be at joint council or meetings with cabinet, meetings with the Premier (Mr. Filmon), and I understand my colleague Mr. Manness met with Mr. Olfert, laid out the framework in a very honest way, I think, where the province was, and made the suggestion, the invitation to work for some way to resolve the dispute, to resolve and settle a contract, and they were never picked up upon or never pursued.

I tell you very candidly, sitting across from Mr. Olfert—not even responded to with a word at those meetings. You know, we can agree to disagree on some things, but I wanted to just make that statement for the record, and it may be one of strategy. I am not going to judge that, but I just wanted to say that those offers were made and not responded to, and I was there at the table when they were made.

**Mr. Chairman:** Thank you, Mr. Minister. Are there any other questions?

**Mr. Havelock:** I just want to have one more comment here, because I really think it is necessary. I do not want to negotiate with you. That is not my role. What I am really suggesting to you, Mr. Praznik, is maybe when you were sitting across from Mr. Olfert he showed no—you know, he did not give you any body language one way or the other, but there is more than one offer. There may be a series of offers and a series of positions that you can explore.

**Mr. Praznik:** There was.

**Mr. Havelock:** What I am saying to you is, never is a long time. Never—it is never going to happen, okay? Here we are today, withdraw your bill, get back to the bargaining table. I am really serious about that. We will all be a lot further ahead.

**Mr. Praznik:** We will agree to disagree on that one.

**Mr. Chomlak:** Mr. Havelock, I appreciate your response to the minister which I think sought to clarify some of the minister's statements, but I am wondering, was the impression ever given to you that the government had given a submission or an offer to the MGEA in which no response, no counter position, no strategy was offered, was provided from MGEA? Was that impression ever left with you?

**Mr. Havelock:** The impression that was left with me, and, again, I am withdrawn from that, is that the terms of settlement, whatever they might have been, were dictated to the MGEA. It was, in my understanding, a take-it-or-leave-it kind of thing. I think that we respond to those kinds of things kind of negatively. We want to have some say in what the terms and conditions of the contract were.

Again, I think it has to do with good faith, exchanging positions, understanding the other guy's position and having him understand yours. I think in this case that did not happen.

**Mr. Chomlak:** I do not know if it was you or the member for St. James (Mr. Edwards) who used the words earlier, it is more like a marriage, is it not, Mr. Havelock?

It is a question of sometimes you get in a situation where perhaps communication breaks down, but that does not preclude for the negotiation. It does not mean walking away and ending it at that. Would you concur with that statement?

**Mr. Havelock:** Absolutely, and there are times on a given day where you walk away because you just get frustrated with each other, but you come back and deal with the issues when things have calmed down and cooler heads prevail. I think that is what the process is all about. It seems to make sense.

**Mr. Chomlak:** From your experience in labour relations, that is all part of labour negotiations, is it not?

**Mr. Havelock:** Yes, it is.

**Mr. Chomlak:** You made reference to a 1975 decision that you said you had a copy of and you wished to apprise us of, Mr. Havelock. Perhaps, since you cannot find the copy, could you just briefly outline for us what that decision stated so that we could have some idea of the context?

**Mr. Havelock:** That is the one thing I was able to find. I have made a dozen copies here, and I can leave it with you.

\* (1400)

**Mr. Chomlak:** In talking about Bill 70 with my constituents, the impression I get is, the biggest objection to the bill is the sense of unfairness. I am wondering if Mr. Havelock would perhaps comment on—that is the overriding opinion that is expressed to me, and I am wondering if Mr. Havelock might comment on that, labour relations aside, all of the negotiations aside, the overall sense of members of the MGEA to this process.

**Mr. Havelock:** The process being the introduction of Bill 70?

**Mr. Chomlak:** Correct.

**Mr. Havelock:** Again, I do not know what 25,000 people think, but what they probably see is that they are not going to get an increase this year. I am not positive, but I do not think some of our members are aware of the intrusiveness of this bill. I think they will become over time aware of it if it continues to follow the path that it is going now and receive some kind of assent.

The other concern that I personally have, because again in my experience with the MGEA, it seems to me when Mr. Lyon was around there was an idea that was floating around during his tenure called right-to-work. It seems in my opinion that kind of mentality—which, of course, is kind of a phony title—it really is not right to work unless it is right to work for less. This to me, Bill 70, is the beginning of a process that will destroy collective bargaining. I really am concerned about that and I think our members would be concerned about that if they became aware of that.

**Mr. Chomlak:** Mr. Chairperson, you made reference to the wage and price controls introduced in the mid-70s and made the point that at that time the MGEA had opposed that venture. There was something fundamentally different about that insofar as it was both wage and price controls. Am I correct in that? It simply was not unilateral wage control. Am I correct in that observation?

**Mr. Havelock:** It was called wage and price controls. I do not know how the prices were controlled, but I do know that wages were controlled. I also understand that legislation had its origins with the federal government, and the provinces had the ability to opt in or decide not to follow it. This, what we have here today, is quite different than that, although the process that was followed, that I have described, is basically a form of dictatorship between elections. That is what I see us having here right now.

**Mr. Chomlak:** Mr. Chairperson, just to clarify a point that you alluded to, and I am not entirely certain whether you made it specifically, but you are saying that as far as you are concerned, as a member of MGEA, you would be prepared to sit down with government and negotiate, rather than go through this process that we are going through now and going through the introduction of Bill 70 which has been called by yourself and others, sort of a dictatorship.

**Mr. Havelock:** Yes is my answer to the point.

**Ms. Friesen:** I am interested in hearing some of the impact of this on lower- and middle-income workers. I wonder if you can give me some impressions of that from the people you work with or the people whom you might represent. It seems to me that, certainly the constituents I have talked to are seeing an increase in their fixed costs, whether it is changes to the day care funding situation or whether it is the

impact of the GST or whether it is the increase in property taxes for those people who are fortunate enough to own a home. I wonder if you could perhaps comment on that and the implications of those expanding fixed costs for the family budget and the impact of this wage freeze.

**Mr. Havelock:** Well, again I am relating I suppose to the constituents of the MGEA, the government employees. We have, and I think most of the people who are in this room are aware, a wide range of occupations and so on in the government. I think it is safe to say that each one of the people in our bargaining unit is most likely—each one of the people that lives in Canada or the province of Manitoba will be finding out and is finding out every day that the costs of everything are going up.

It seems that there is a move by various levels of government to bring their finances under control, to withdraw some pretty basic benefits that have been available to the people of Canada and the province of Manitoba. Although I am beyond the point where I have to be concerned about child care expenses, I understand that there has been a fairly substantial increase in those kinds of fees, and that will definitely impact on—I know for a fact, because I have had occasion to deal with a few individual members who cannot afford to work anymore. They have to go home because they cannot afford to make the payments to the daycare centres, they have got so out of whack with their income. So it is going to definitely have a fairly substantial and detrimental effect on the people that earn incomes in the province of Manitoba, and again, that is going to have an effect on the businesses and so on that are operating in the province. I just do not see any public good coming from this kind of an approach. I really do not.

**Mr. Chairman:** Thank you. Could we call now Mr. Enns?

### Committee Substitution

**Mr. Enns:** Mr. Chairman, I wonder if I could, before you call the next presenter, by leave and with the understanding that this change will be moved in the House on Monday, effect the following committee change.

**Mr. Chairman:** Is there leave to make some committee changes? Leave? Granted.

**Mr. Enns:** Reimer (Niakwa) for Ducharme (Riel).

**Mr. Chairman:** Agreed? Agreed and so ordered.

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**Mr. Chairman:** Could we call next No. 84, Randy Diduch; 85, Harold Kelly; 86, George Smith; 87, Ned Funk; 88, Ken Wonnek; 89, Des Booker.

I call now somebody that has been waiting for quite sometime and his name has been called the second time. It is L. Bouma, No. 138. Would you come forward, please. He is from out of town. It was agreed that we hear out-of-towners first.

(Mrs. Shirley Render, Acting Chairman, in the Chair)

**Mr. L. Bouma (Private Citizen):** My name is Lucien Bouma, and I am a mechanical technician with Manitoba Hydro for the past 17 years. The reason I am here is to protest Bill 70, the wage freeze, because I do not believe it is a fair bill. I do agree maybe that Crown corporations and people in the civil sector should set a standard, but when you read in our daily newspaper that civic employees are getting wage increases above cost of living, you have to realize the cost of living also goes up for us civil employees. I think that things are not right.

I also think that this bill completely goes against all rules of the process of collective bargaining for all unions. I was under the understanding that the only place where there was no collective bargaining was in a communist country. Is this where we are going with this province? Are we being ruled by a bunch redneck commies? If so, let me know. I will move out of this country.

The other thing I find unfair is that all money spent by the unions, such as the one I belong to, in the process of bargaining is money down the drain. They will not get their money refunded by you. Yet this cost our union thousands of dollars. This costs our corporation where I work for thousands of dollars. That is all money that is garbage—that has gone down the drain. That is not fair. You do not even give these unions and the corporations their money back—that is another thing. I think it is a shame to put this garbage down our throats.

I am very proud to work for Manitoba Hydro and I always have been, otherwise, I would not have been with them for 17 years. I had a job offer just recently with North Dakota Power. I do not want to go because I enjoy living here. I enjoy working for this Crown corporation. I have put a lot of effort into it. Our corporation in the early '80s was working in the

red, and we have taken smaller increases due to the fact that they were in the red. We were understanding to that point. Now our Crown corporation has made millions of dollars. Can we not get a little bit of that?

Our management was willing to give us a bit of make-up due to the fact that we did take less money when they did not have money, but what does this government do to us? They say, no, do not give them anything. They will live with their old contract for another year, and that is bullshit—that is Bill 70.

People at Winnipeg Hydro, for instance, are getting an 11 percent wage increase over three years. Now these people were at par with us several years ago. At the present time, this is prior to their 11 percent wage increase, they were sitting as mechanical technician at \$1.75 an hour higher than I am now. In the early '80s we were apart. You see, we are falling further and further behind.

I have four kids to support and my wages do not do it anymore and it is very, very unfair. The taxes have been going up here, and you might say that our personal taxes are 52 percent of your federal taxes, but my personal taxes are 67 percent of the federal taxes which is a substantial amount. That is a lot of money that I have to pay to taxes, and I do not see anything going for it. People get grants, people get handouts, but, hey, when an honest man like me that works hard for his living and for his money gets treated this way, that is not right. It is not right, because I deserve something, too—sometimes a piece of the cake. I think it is my turn now, and I think if this bill goes through then, well, I do not think that this party that is in power at this time will ever, ever be in party again and leading this government.

**The Acting Chairman (Mrs. Render):** Thank you, Mr. Bouma.

\* (1410)

**Hon. Clayton Manness (Minister of Finance):** I would like to ask the presenter as to whether or not he accepts as the basic rationale for the bill was related to taxes and a promise this government made to the citizens of this province that it would not increase taxes. The only way of fulfilling that pledge was to hold down, basically, wages.

**Mr. Bouma:** Maybe we should start cutting these Crown corporations. I do not know how it is in the other public sectors, but maybe you should start cutting at the top. Like, I see a supervisor sitting on

the job site that does not know what is going on at X number of dollars more than I am getting. Yes, he is sitting there and collecting double time and, well, I am standing here today because I refuse to work until I had my say. It is costing my corporation a fair amount of money that I am sitting here because there are five or six people waiting for me to show up there, but I refuse to come.

**Mr. Manness:** Well, I am glad that you believe so strongly that you would want to be in attendance today. I mean, I have high regard for that. Again, though, are you making the claim that Manitoba Hydro, the jewel of our Crowns, is top-heavy and fat at the top?

**Mr. Bouma:** Oh, I definitely think so and I am not the only one.

**Mr. Manness:** Thank you.

**Mr. Chomlak:** I am wondering. Mr. Bouma, I think we are all pleased to see you here and others here to express their opinions. Are you also aware that the Premier of the province (Mr. Filmon) promised that he would not be interfering in any sense in collective bargaining processes?

**Mr. Bouma:** Yes, I am aware of that. I read the transcript of the second readings to Bill 70, and I found it quite interesting. Also, some pieces were given to me by some people from our union on some of the promises that Mr. Filmon had made in his election campaign.

**Mr. Chomlak:** Can you tell me how that makes you feel as an employee of Manitoba Hydro?

**Mr. Bouma:** If you want to do the honours and pull the knife out of my back, I would appreciate it.

**Mr. Chomlak:** The previous presenter suggested that the MGEA would be willing to sit down and negotiate rather than have the government proceed and go forward with this bill. Do you have any recommendations as to how we can get this process back on track?

**Mr. Bouma:** Our union has negotiated a complete contract except for wages, which was to be decided by FOS due to the fact that the government had nailed us to two and zero at the beginning of the negotiation term. Let us get back to the table or even let final offer selection take its course. That will straighten a lot of this out.

**Mr. Chomlak:** I just wanted to clarify a statement you had made in your presentation. You had said that management had recognized the fact that you



had fallen behind and were willing to give you a cost increase—were willing to give you a wage increase? Could you elaborate on that for us, please?

**Mr. Bouma:** This was top management from Manitoba Hydro. They were invited to the conference and they had made that statement in front of, I think it was, 120 shop stewards, which I happen to be one. The chairman of Manitoba Hydro is a very respected person by the people that work for him. He does realize that. He does realize where we come from too, because Mr. Brennan has come out of the ranks of Manitoba Hydro. He has worked with us for a long time, and he is not one your typical political appointees.

**Mr. Chomlak:** So you are saying that Mr. Brennan, as chairman of Manitoba Hydro, indicated that they would be prepared to offer you a wage increase, and effectively, that rug was pulled out from underneath him, as it were.

**Mr. Bouma:** Yes. That rug was pulled from underneath him by the present government.

**Mr. Chomlak:** One of the impressions that I have obtained from presentation after presentation is that we are in a situation where people are being pitted against people, and you alluded to that in terms of talking about Winnipeg Hydro and other Crown corporations. Is that your sense of the feeling out there, that people are becoming pitted against one another as a result of this legislation?

**Mr. Bouma:** I definitely think so. It does pull the corporations more together in fighting against this bill. Winnipeg Hydro, I use as an example because they did get an increase and they do get more of this already. Why does the province of Manitoba not realize that? A lot of our tradespeople are going to other provinces and out of the country. We are losing a lot of good tradespeople.

This job I am doing at present—it sounds better if someone else blows your horn—but they do not have anyone else to do this job but me. If I leave, it is going to cost them—I think it is \$1,000 a day to pull in a representative from a different corporation to look after this. That is ludicrous. Why lose someone because of a stupid bill like this?

**Mr. Chomlak:** That is a very significant point. I wonder if you could elaborate a little bit about precisely the kind of work you do, what kind of position would be lost if you were to go somewhere else? Give us perhaps some other examples of people that are perhaps leaving or being forced to

leave as a result of some of these intrusions into the collective bargaining process.

**Mr. Bouma:** I am a mechanical technician with the Manitoba Hydro at present time. We have a synchronized condenser, which is required in the AC-DC system; the power from the north where it gets generated gets sent down to Winnipeg as DC (direct current), and you lose a product named vars. Now, a lot of people are not familiar with that. You lose that in the power that is being shipped down, so we have to put the vars back into the power. A var is required for rotating power.

In the summertime, air conditioners are going enormously; you have got fans going here. It is a lot of motor power that is required at this time of year, and you need the var in the power to create motor power, rotating power. That gets lost, and the machine I have laying completely apart at present, does this. They can get somebody, say, from Brown-Boveri; it is from Sweden, to look after this job, but the confidence that my supervisory staff, my superintendent and everybody has in me, and the experience I have, I am in charge of big job like that. This comes close to \$1 million before the job is over.

I have had a job offer with Oahe Power; that is one of the dams in South Dakota. Because of my experience, my wage would be in U.S. dollars, which it would be a little less in U.S. dollars but changing it over to Canadian dollars it would be more. I would be paying less taxes, and maybe I would have been better off. But no, I have spent 17 years in this corporation and I have learned a lot from the corporation, and I am willing to give back to the corporation, but with unfair rulings like this, no, I do not know what to do anymore.

**Mr. Chomlak:** I just want to pursue this just a little bit more. Were you trained in Manitoba? Did you pick up this knowledge during your 17 years with Manitoba Hydro?

**Mr. Bouma:** No, sir. I was trained in Holland. That is where I got my schooling and my training.

**Mr. Chomlak:** You also indicated you could give—could you outline for us other examples perhaps of individuals you know that might leave, or be forced to leave as a result of—

\* (1420)

**Mr. Bouma:** One of my fellow employees at the station where I work is looking into going to British Columbia into the refrigeration field because that is also part of my trade. The money there sits around

the \$24-\$25 an hour in what we are doing. So that is a substantial—at present we are sitting at \$18 an hour, which is still not a bad wage. But, for the responsibilities and the monies we create, it is underpaid.

Manitoba Hydro does know this, and that is why they were going to offer us a substantial wage increase, but then two and zero came along and, well, okay we will go with something smaller then. Then they said, well, we cannot do that either. We will go with FOS and now we have nothing left. That is happening this year. Now what is going to happen next year and the year thereafter? I am very scared.

**Mr. Chomlak:** You have just made the point that I was going to ask in my next question. Perhaps you could elaborate a little bit and that is, the previous presenter made reference to the fact that the long-term effect of a bill like this on negotiations and on people's perception of labour-management relations in general, and you have just made the point at the end of your last response, that you are worried about next year. Maybe you could elaborate a bit. One would assume, then, that your whole faith in the process and system will be permanently affected as a result of this bill.

**Mr. Bouma:** Oh, definitely. If the government figures they can get away with it once, they do it twice, three times and over again. That is why this has to be stopped right now.

**Mr. Plohman:** Mr. Bouma, where do you work?

**Mr. Bouma:** Dorsey Converter Station; that is seven miles north of the Perimeter on Inkster Boulevard.

**Mr. Plohman:** Mr. Bouma, you said you had four children. Does your wife work as well?

**Mr. Bouma:** No, she does not. My income is the sole income.

**Mr. Plohman:** Do you feel that as a result of this bill that your family is going to be able to continue with one income?

**Mr. Bouma:** It will be difficult. The kids are not getting new bicycles this year. They were going to get one for their passing, but that is out of the question this year. There are other things to be paid. My corporation got, I think it is close to COLA of a rate increase for them which was supposed to include part of my wages. They got their monies. Why do I not get my monies out of that? It is not fair.

**Mr. Plohman:** The minister has said in his press release in introducing this legislation, and he repeated it again today, that the purpose of the bill was to keep taxes down, or one of the reasons was because of taxes.

Are you aware, I guess you are all too aware as a working person in this province, that the middle-income wage earners are paying the greater and greater share of the total government revenue, and that the corporate sector is paying increasingly less of the total revenue for government purposes?

**Mr. Bouma:** I am well aware of that and when you see an oil company or so make millions of dollars in profit, they do not even pay what I pay as a person that sits between the thirty and the fifty thousand dollars a year. I think that is a crying shame.

**Mr. Plohman:** Madam Acting Chair, we are talking about, of course, the private sector here, and the corporate sector which is down to 10.5 percent from around 25 percent to 30 percent in the 1940s and '50s. With that understanding, Mr. Bouma, do you agree with the government's position that it had no choice but to bring in a wage freeze in order to maintain programs and keep taxes down?

**Mr. Bouma:** I have my own views on that, on how to get the extra tax money that is required to do this. I do think it has been brought up by your party in the past, nail everybody 20 percent and let it be done, whether it is a corporation, whether it is a private citizen or whatever, and I think that would be the way to go. That is my personal opinion.

**Mr. Plohman:** You are recommending a flat tax that would tax the same percentage from high-income earners and corporations, as well as low-income earners?

**Mr. Bouma:** Yes, I do.

**Mr. Plohman:** Are you also aware that people making over \$100,000 are paying less tax now than they were five years ago?

**Mr. Bouma:** I am quite well aware of that due to their tax write-offs.

**Mr. Plohman:** You are saying the government had other alternatives to deal with this problem?

**Mr. Bouma:** I definitely think so.

**Mr. Edwards:** I want to thank the speaker for coming forward because it has been a long wait. I am sure he is a busy, busy man. He sounds like he has important work to do.

He has talked about the top heaviness at Hydro very briefly, and I wanted to ask just to make sure I understood. His feeling is, as I heard it, that this is unfairly applying to the working man at the bottom of the ladder and is not being applied at the top end. Is that what he is telling us?

**Mr. Bouma:** Yes. Supervisors in our corporation have a merit point system which gives them an increase of 1.5 percent to 3 percent which is not even affected by this bill, which duly will continue.

**Mr. Edwards:** Are those merit increases available to you and others below you, or at your level?

**Mr. Bouma:** No, these merit increases are not available to us.

**Mr. Edwards:** I am interested to hear your answer, because we have heard a defence of a salary which was given to a man by the name of Mr. Pedde. I do not know if you have heard about him. He is the head of MTS, not yours but another Crown corporation. He got a 15.4 percent raise. It went up \$20,000; one shot—\$20,000, from \$130,000 to \$150,000.

I would be interested to know whether or not the fact that this happened and whether or not the fact that other increases at very senior levels, including in the Department of Finance, where the deputy minister received a 7.9 percent increase, including the director of Human Resource Management, who received a 25 percent increase, and including the administrator of Executive Staff in the Department of Natural Resource, who received a 7 percent increase. Are those facts lost on the working people of Manitoba Hydro, that in fact the double standard is pretty clear?

**Mr. Bouma:** The people are quite well aware of that, and they say well, yes, put him on a rail and ride him out of town.

**Mr. Edwards:** What effect is this going to have? I do not mean to suggest at all that people of Manitoba Hydro will not do their job. I know they will. What effect will this have on workers in terms of their morale and their going perhaps that extra mile?

You have talked about your job, and you obviously have a lot of pride in your job. You spent 17 years with this corporation. What effect will this have on productivity in the sense that people—not that they will not do their job, but maybe they will not do that extra half-hour's work that they would not get paid for or go that extra mile? Is this going to have

an effect, do you think, over the long haul, on productivity?

**Mr. Bouma:** In the long haul, yes, I do think so. It shows right now. Without this bill, I would be sitting at work right now. I have refused to go back to work. I have come from work actually on my lunch hour, and well, I am still here. Just because of this bill, productivity has gone down already at our particular station, because work cannot go on without me. I am sorry, but that is the way it goes.

**Mr. Edwards:** Do you think—and I know you have not come with any signatures saying you speak for people—you speak for your co-workers here today, those who are on their job and maybe could not be available getting to the committee today or over the last week?

\* (1430)

**Mr. Bouma:** I definitely think so. The boys at work—I am the only shop steward at the plant where I work. There are 100-and-some people of our union working there, and they all would have liked to have come, but with the way it has been set up, well, you get called all hours of the night. You do not get appropriate notice from—well, me, for instance, I came home Wednesday at midnight, and apparently someone had phoned in the afternoon and left a message on my answering machine, you are to speak tonight at eight o'clock. Now, like, hey, a man that does a job needs time to prepare. He needs time off of work or whatever to come here. I think that is a bunch of hogwash, that a committee like this gets to do what it wants to do, as it wants to do.

**Mr. Chomiak:** I have just one quick question for clarification, Mr. Bouma. You indicated that Hydro got its rate increases, and you indicated that you were of the impression that one of the reasons for those rate increases was to provide you with a fair increase for your wages. How were you given that impression?

**Mr. Bouma:** That is the impression I was given by the press and also by our senior management people. If I recall correctly, the payroll of Manitoba Hydro is approximately 10 percent of all its revenue, so even if they would have gotten a 10 percent increase, it would have been 1 percent on a Hydro bill.

**Mr. Enns:** Just one quick question. I appreciate the presenter's presence here.

**The Acting Chairman (Mrs. Render):** Mr. Enns, I wonder if you would move your mike a little closer to you.

**Mr. Enns:** You indicated in your presentation that you had recently turned down a job offer from a hydro utility, I believe, you mentioned, in North Dakota. I am pleased you turned it down and that you stayed with us in Manitoba.

Would you care to indicate what the comparable salary wage rates were with that utility to comparable classifications and positions in our corporation?

**Mr. Bouma:** I would be looking at a starting wage of \$15 an hour as a technician. That is American dollars, so that amounts to approximately \$18 Canadian, which I am getting at the present time.

**Mr. Enns:** So they were comparable?

**Mr. Bouma:** Comparable yes, but the taxes in the States are a lot less than what we are paying here. I am paying a lot of taxes.

**Mr. Enns:** I agree. That is the Minister of Finance's (Mr. Manness) problem. Thank you.

**Mr. Bouma:** You should be able to get your taxes somewhere else than from the blue-collared worker, and that is the thing.

**Mr. Manness:** We have the highest taxes in the nation right here.

**Mr. Bouma:** Yes, and that is due to the fact that corporations do not pay their fair share. The gravy of this province do not pay their share, and that is why we sit where we are sitting today.

**Mr. Manness:** I will ask the presenter if he is aware that the highest corporate taxes in the nation are in Manitoba? Does he know that?

**Mr. Bouma:** I do not think so, but—

**Mr. Manness:** I know so, and these colleagues over here know it. They are the highest corporate—and the provincial are put on top of the national, which are equal across every other province. The only difference between provinces are the provincial rates, and the highest provincial rate in the country is in Manitoba, so we have the highest corporate taxes in the land.

**Mr. Bouma:** Maybe your buddy should, in Ottawa there, realize what is going on.

**Mr. Manness:** You are telling me to put corporate tax on.

**Mr. Chomiak:** Yes, just a final question. I am asking the presenter if he is aware that there are probably hundreds, maybe thousands, of corporations in Manitoba that defer taxes and do not pay taxes because of the unfair corporate tax regime.

**Mr. Bouma:** I believe that is so, yes.

**The Acting Chairman (Mrs. Render):** Thank you very much, Mr. Bouma. There is one other out-of-town presenter, Mr. Len Kolton, No. 496. Mr. Kolton, do you have a brief?

**Mr. Len Kolton (Private Citizen):** No, I do not.

**The Acting Chairman (Mrs. Render):** Okay, would you proceed, please.

Madam Acting Chairman, members of the panel, my name is Len Kolton. I live in rural Beausejour, and my occupation is farming. I would like to speak against Bill 70.

I am opposed to Bill 70 because I believe the government has no right to interfere in the collective bargaining process. This government has always said that they believe governments should not interfere in the free market system and that governments should set example by not passing legislation that would distort free market forces.

Civil servants, like any other worker, have the right to bargain for cost-of-living wages, whether individually or collectively. When governments interfere, the process of collective agreements will become distorted for both management and labour—in this case, labour.

Bill 70 clearly goes against what this government says on the one hand and does with the other. As an example, I am a farmer; my occupation depends on the free market process of the world. We all know what happens when governments interfere with that process. Government interference in the process, by government subsidies, trade-distorting practices, causes trade wars and have caused the farming industry great harm.

This government has always believed that interference in the free market has caused these problems and learned that, although interference can help in the short term, it can cause great harm in the long term. I cannot think of a better example of government distorting practices.

Bill 70 is similar government interference. There may be some benefit in the short term, but in the long term, it may cost us more—the taxpayer. We

know that the shortcomings of wage freezes will only have to be adjusted later and will probably cost us more in the long run.

Bill 70 will also cause the work force to be demoralized, and productivity shall surely diminish, costing us, the taxpayer, more in the long term. Short-term gain will surely result in long-term pain. I clearly urge this government to rescind this legislation, as the bill will distort free collective bargaining.

Madam Acting Chairman, this government has repeatedly said that wage and price controls do not work and should not interfere in prices and wages as it would distort free market forces, yet this government again chooses to distort market forces between management and labour by imposing wage freezes regardless of how prices go up, with no control.

Bill 70 will clearly cause more harm than good in future relations between management and labour in the future negotiations. This will cost us, the taxpayer, in the end. Collective bargaining rights have always been recognized as the best way to settle disputes between management and labour. It is a tradition recognized as the best solution. Both management and labour carry big weapons as final solutions, lockouts and strikes. Both sides will always go to great lengths to avoid these measures.

Bill 70 dangerously brings about a situation where confrontation is inevitable, because no contract between management and labour is actually resolved. Government interference will distort relations with workers for a long time. These measures will cost the taxpayer in the long term. Collective bargaining rights have always been protected by the past Ministers of Labour. These rights have always been protected in the past. Why is the right to collective bargaining being taken away from some civil servants and not from others? Where is the fairness?

It is not fair to freeze the wages of any one group of people when inflation and the cost of living goes up yearly. Wages must follow the cost of living. When a government picks on one group of people, it is clearly discriminating and acting in a prejudicial way. Singling out one group of people is not going to solve the economic problems of this country. Bill 70 clearly discriminates against one set of people. Obviously, this government believes that all people do not have to be treated equally by government or

under the Constitution and Charter of Rights and Freedoms in this country. Let us remember that constitutions and charters of rights and freedoms were created to protect citizens from unequal treatment by autocratic rulers and governments, and not the other way around.

I believe that the freedoms of one group of people are clearly being discriminated against because they are not being treated equally, as other groups, by this government. I believe a costly Supreme Court challenge will take place. I do not think the taxpayer will appreciate this costly exercise. Surely the Minister of Justice (Mr. McCrae) must see this inequity. Bill 70 is not fair legislation. How can one group of people not have the right to collective bargaining while others can?

In conclusion, I would like to say that this legislation clearly lets government treat its citizens in a discriminating way. It distorts a balance between management and labour, causes dangerous labour-management relationships, causes economic strain of workers, taxpayers and governments. This legislation is not fair. I urge this committee to rescind Bill 70. Thank you, Madam Acting Chairman.

\* (1440)

**The Acting Chairman (Mrs. Render):** Thank you, Mr. Kolton.

**Mr. Manness:** Sir, Mr. Sid Green made a powerful presentation to us, the former Labour minister of the NDP Government, and by far, the staunchest supporter I have ever heard on free collective bargaining. I would suggest that this bill does, obviously, limit bargaining. There is no question about that. I would ask the presenter, though, whether he believes legislated, guaranteed arbitration and other guarantees put into legislation are in opposition or interference with free collective bargaining as he knows it?

**Mr. Kolton:** A decision for arbitration, as I understand it, has to be agreed to by both parties, does it not?

**Mr. Manness:** If that is part of the free collective bargaining, then it is, but in Manitoba, it is not. In Manitoba, it is by legislation -(interjection)- I just asked the presenter whether or not that is his form of what he considers free collective bargaining. Is it totally free, or is it free if the government is involved?

**Mr. Kolton:** By example, this freezing of legislation is not free either.

**Mr. Manness:** Oh, I make no argument on that, but I am asking whether you consider guaranteed arbitration under legislation, whether that is free collective bargaining?

**Mr. Kolton:** Arbitration only should come after a long process of negotiating and only when the two sides cannot come together.

**Mr. Manness:** Ah, I see. So it is not free then.

**Mr. Kolton:** Only as a last resort, sir.

**Mr. Ashton:** I find the Minister of Finance's attempt to debate with witnesses rather entertaining, because that right for arbitration has been in place since the 1960s and was as an alternative to the right to strike. That is what arbitration or final offer selection has always been, where settlements cannot be settled at the bargaining table to have some other mechanism, the right to strike.

I assume, by his comments, the Minister of Finance would rather that the Manitoba workers have to go on strike if they are unable to reach a common—I would like to ask you further, because I think you touched on the hypocrisy of the Minister of Finance's comments and questions, and I will ask you directly: Do you think it is bargaining in good faith, do you think it is even bargaining at all when you have a government that goes to a negotiating table and says, we want you to take zero; when the employees say, we are not going to take zero, the government then comes in, only a few months later, slams in a wage freeze and says, well, you are going to get zero anyway? Is that bargaining? Is that collective bargaining? Is that free collective bargaining? Is that anything other than authoritarian dictatorship when it comes to labour relations in this province?

**Mr. Kolton:** I do not believe that type of negotiation is free collective bargaining, and with that attitude in the negotiating table, arbitration surely will come in. You have to talk and talk and talk, and come to some understanding, but just to give one type of negotiation with no talk and just freeze wages, that is not free collective bargaining.

**Mr. Ashton:** To use an analogy to take it one step further, to my mind, what the government has done, it is like a lawsuit where you have two parties to the lawsuit, except in a lawsuit, you have a judge who can arbitrate the decision. In this case, you have two parties here, and the government has said, well,

if you do not agree with us, we will now make ourselves the judge. Do you feel that is an appropriate way to deal with labour relations in the province of Manitoba in 1991?

**Mr. Kolton:** No. I do not agree that that is the way negotiations should take place. That is why arbitration is there, because the two sides cannot get along. The public does not want to see strikes and public disruption of any kind, and would rather see talk and talk and talk rather than just blackmail and say that there is going to be no increase or walk.

**Mr. Ashton:** The Minister of Finance says, well, if people do not like us, they will chuck us out. Indeed they may, but I am wondering if you consider it fair that a government can put itself in a different situation than a private sector business. I do not know a single private sector businessman who could sit down at a bargaining table and say, you either take this or else you are going to have to take it because I will make it law. Do you think it is fair that the public sector, in this case, this government, can act in a way that even a private business person, even the biggest corporation in Manitoba could not?

**Mr. Kolton:** I think the government should act responsibly and set an example for private industry on how to deal with negotiations, and show that talk and talk and talk does help rather than draw lines and say, either go on strike or accept the wage freeze, or any other type of bargaining that is that tough.

**Mr. Ashton:** I want to go into another area, because you indicated you are a farmer from the Beausejour area. In fact, you—(interjection)—

**Mr. Praznik:** And a former New Democratic candidate.

**Mr. Ashton:** Well, the Minister of Labour once again talks about political affiliation. I mean, he has accused presenters before this committee of being NDP members—

**The Acting Chairman (Mrs. Render):** Mr. Ashton, do you have a question?

**Mr. Ashton:** Madam Acting Chairman, if you can call the Minister of Labour to order, I will proceed with my question, but when you get heckled by government members, it is very difficult to proceed.

If I might, Madam Acting Chairperson—as a farmer, because there have been comments at this table by government members that somehow the tradeoff here is public sector wages versus—and we

hear a list of things: We hear taxes, although in essence this is a tax on public sector workers; we hear services, although they are cutting that anyway; we hear it is a tradeoff against layoffs, although they have laid off people anyway, but the one they always trot out at some point in time is farmers, as if taking public sector workers and forcing a wage freeze on them is going to help people in the farm sector.

As a farmer yourself, do you accept that as the kind of tradeoff that is involved with Bill 70?

**Mr. Kolton:** I cannot speak for any farm organization—I only speak for myself—nor do I speak for any political party. I speak as a farmer. All farmers and, I am sure, everybody else does not like to see an atmosphere where strikes take place. It affects the economy and costs all of us in the end. As a farmer, I can respect free collective bargaining, but when there is an imbalance between the two sides negotiating, it causes labour disputes and so forth. I do not like to see that kind of disruption because the farmer depends on the Civil Service just like anybody else.

**Mr. Ashton:** I want to take that further because many presenters before this committee have predicted, if Bill 70 passes, we will no longer be in the enviable position that we are today of having one of the lowest strike rates in Canada, that in fact it would lead to unprecedented labour unrest. We have heard from people working, for example, with Hydro and MTS saying, next time around, a lot of people are saying they may, unless they get a decent contract offer, feel that the only alternative is going on strike because other alternatives are not available and they have not been treated fairly.

You are saying, as a farmer, you are concerned that Bill 70 is going to disrupt that kind of labour relations atmosphere and potentially affect the kind of services you rely on, because I would assume you rely fairly heavily on such services, telephone and MTS, provided by the government?

**Mr. Kolton:** Yes. I agree that nobody likes to see strikes. Farmers do not like to see strikes either, and prefer proper negotiations and make the system work.

**Mr. Ashton:** I also want to deal further with the tradeoff question because I do not have any farmers in my constituency. I can tell you, I am from Thompson. I have a lot of working people, but

anytime there has ever been anything that has come up -(interjection)-

**Mr. Ashton:** Well, the minister says, farmers are not working people. I said I do not have farmers. When I say working people, I am talking about people working for a wage, working for an employer. Farmers work, obviously, but they are not working people in that traditional sense. It is not that they do not work. They work hard, and I know that. The point I was making is that, as an MLA, in the ten years I have been here, I do not walk out of the room anytime there is a discussion on farm issues. I stay in the room. I do not say there should be no money spent on farmers because I do not have any farmers in my constituency; I say, let us deal with farmers fairly. In fact, I look at what has been happening the last couple of years, and I know it is pretty tough.

The question I wanted to ask you was specifically related to that because the government is once again suggesting there is a tradeoff, that they have to freeze public sector wages to do something—

**Floor Comment:** Pay for GRIP.

**Mr. Ashton:** Pay for GRIP, which many farmers have difficulty with incidentally, and I am sure the member for Dauphin (Mr. Plohman), our Agriculture critic, may have some questions on that.

Do you think that is the way to proceed, because what I see is, if that is the way it is going to be in terms of the mentality, then what is going to happen is, the next time farm issues come up, there is going to be pressure on people who are not farmers not to support that and, in the end, we end up not supporting each other at a time, obviously, when we have a recession, when we have economic difficulties, when we should be working together?

As a farmer, do you want to see that kind of atmosphere develop in Manitoba where this government basically is pitting working people against farmers, pitting God knows who next against who else? Is that what you want to see as a farmer, which may of course potentially affect you?

\* (1450)

**Mr. Kolton:** Absolutely. Farmers have to work with working people and working people have to work with farmers. They depend on each other for jobs and income and we would rather see proper and good relationships between the two. If this type of wage-freezing legislation is the type of negotiation that this province handles, I have to

wonder if this is the type of negotiation this government handles with farmers.

**Mr. Ashton:** Indeed, I do not wish to pursue that further because it does get beyond Bill 70 but I am sure that is going to be a concern because fairness for one should be fairness for all. I really believe that. I appreciate your comments, by the way, and your perspective as a farmer and the fact that you have taken the time. I know you presented before, at least one other committee. It was on the constitution. I assume that you are someone who is concerned about a broader perspective than just your own specific concerns and I really commend you for that. We need more people in Manitoba who are willing to do that. Thank you for coming to the committee.

**Mr. Plohman:** Mr. Kolton, I am not going to ask you about GRIP because it is beyond the scope of this bill and so I would, though, like to ask you about your views insofar as the farming community with regard to this bill.

I think the Minister of Finance (Mr. Manness) is banking on the vast majority of farmers supporting him on this legislation. It is interesting that you have come forward and said this is not good legislation and is not going to be in our longer-term interests as farmers that this is taking place, as a matter of fact. I want to ask you then if you believe more and more of your colleagues in the farm community are starting to look at that aspect of this bill? I know on first blush they look at us and say hey, the civil servants are overpaid, they are getting too much money; we have had it really tough, we get less wages or less income every year, it is about time they had to take it on the chin.

A lot of that feeling is what, I think, the Conservatives are banking on here. I ask you whether you feel there is a greater understanding of the impacts, the potential negative impacts on labour-management relations in this province and the unrest that will hurt everyone as a result of it. Do you find that in your discussions with your friends and neighbours and colleagues in the farm community?

**Mr. Kolton:** I find that there is a segment of farmers who do believe that labour should not have negotiation rights but I find that, overall, it is not a majority by any means. Farmers are workers just like anybody else. They know how hard it is to make a living and they do not like to see strikes and labour

disruptions and would rather see collective agreements working.

**Mr. Plohman:** Do you think, though, that they are making the connection between the arbitrary decision, heavy-handed decision of the government to bring in legislation, a unilateral decision to say this is it, zero percent, and its impact on future labour-management relations in this province in terms of its potential to cause strikes in the future?

**Mr. Kolton:** Right. I think farmers are very scared of strikes and when they see something threatening labour relations between management and labour, I think they are very concerned. Farmers like to see things run smooth and when that smoothness is threatened, especially civil servants where they depend heavily on civil servants for rail movement of their grain and so forth, they do not like to see that type of confrontation taking place between farmers and government—or labour and government, pardon me.

**The Acting Chairman (Mrs. Rønder):** Thank you, Mr. Kolton.

**Mr. Chomiak:** Just a couple of questions, Mr. Kolton, largely rising out of questions made by the Minister of Finance (Mr. Manness). Less than one year ago there was a provincial election in this province. Did you, at any time, hear any reference to a wage freeze of any kind, sort, or manner during that time?

**Mr. Kolton:** No, I did not.

**Mr. Chomiak:** Did you hear any allusion to it or any comment that would suggest that the government within less than a year of its mandate might impose this kind of a freeze on the public servants of Manitoba?

**Mr. Kolton:** No, I did not. I thought that the Conservative government was saying that they would get along well with labour organizations in this province and was not threatening them in any way with wage freezes or drastic confrontation in bargaining.

**Mr. Chomiak:** I take it, Mr. Kolton, that you are familiar with comments of the Premier when he indicated that he would never interfere in the collective bargaining process.

**Mr. Kolton:** Yes, and I think farmers were counting on him to do exactly that.

**Mr. Chomiak:** Just returning briefly to the question of legislative arbitration, it is my



understanding—maybe you could clarify it for me—that in return for things like arbitration and legislation won in the free collective bargaining process, generally gives up something, say, the right to strike. Are you familiar with that at all?

**Mr. Kolton:** I am not certain. I did not hear the whole statement directly. Could you repeat that?

**Mr. Chomiak:** That is fine, Madam Acting Chairperson.

**Mr. Praznik:** Len, it is always good to see you again. We have had the chance to work on a few projects together in our community and it is always nice to see you and spend some time with you.

Len, just one question, one comment. You and I both know the Brokenhead area very well and I ask you, you know your neighbours and your own farm situation, et cetera. How has income been on the farm in the last couple of years for most of the people in our area?

**Mr. Kolton:** Not very well.

**Mr. Praznik:** The second comment that I just wanted to make is you made reference to collective bargaining. I have to tell you I do very fundamentally believe I wish we were not here today. I wish that we had been able to be at the table to bargain agreements. You made reference to arbitration being a tool where both parties agree. I just wanted to tell you I am in agreement with that.

I know Mr. Chomiak was indicating in some cases people give up a right to strike, for example, in exchange for arbitration. In the case of our own—just for your information—agreement and under the statutory creation of the MGEA as the bargaining unit, they have both the right to strike and the right to invoke arbitration. One side can invoke it as well with final offer selection. Ultimately, it can only be compelled by the employees and not by the employer so both are one-sided mechanisms in essence.

I appreciate your comments on collective bargaining. Mr. Green was with us yesterday and made some statements. I think he said, a pox on all our houses, because we were not truly at the table bargaining. Maybe there is a lesson to be learned and I appreciate your comments in that regard.

**The Acting Chairman (Mrs. Render):** Thank you, Mr. Kolton.

Number 90, Mr. Al McGregor or Mr. Gordon Hannon.

Committee members, is there leave for Mr. McGregor to address at the end of the committee table? Mr. McGregor, I wonder if you would move a little closer to the mike.

**Mr. Al McGregor (Manitoba Association of Crown Attorneys):** It is impossible for me.

**The Acting Chairman (Mrs. Render):** Perhaps give the mike a good yank.

**Mr. McGregor:** Yeah, and it will end up on the floor.

All right, on this particular matter I have listened with some interest over the last couple of days because I am here on behalf of the Manitoba Association of Crown Attorneys. It is an entirely different situation than has been directed at over the last two days that I have heard of. What I have to say is, I suppose, very much like Mr. Green—a pox on all your houses. Mr. Green and I do not agree on a lot of things either.

\* (1500)

I am happy that Mr. Ashton is still here and I am happy that Mr. Enns is here still for this particular reason. Mr. Ashton asked various people during yesterday and today to work on weak people on the side of the government. I do not intend to look for weak people to work on. I intend to look towards strong people who will come to their senses and address this issue and address it properly. The reason I am happy that Mr. Enns is still here—I noted his remarks earlier about the fact that none of the constituents of his have said anything against this legislation. That is true, but if I put forward the story of the Manitoba Association of Crown Attorneys, the 21,000 constituents of Mr. Enns will be in our favour and supporting us from this point of view.

I also grew up in a rural area, and it seems eons ago at this stage in time, but I go back I guess to days when a person's word was their bond. One did not have to worry about particular contracts. Their word was their bond. What has taken place with the Crown attorneys—and I do not want to place any one of them in a bad situation. These words are my words not their words. What is discouraging to me about this legislation as it deals with my clients is quite simply this, I have found that I am no longer able to believe in any way in the government that governs me. Let me tell you why.

We started this bargaining process last year. When the contract expired in September, we tried to bargain with the government. We went forward

with a myriad of proposals. We changed proposals. The only position ever put forward by the government was nothing—nothing. You tell us what you want in the contract, McGregor, but it has got to cost absolutely nothing or less than nothing. It is very difficult to bargain on that basis.

The next step we apply, as is our right I take it, for final offer selection. We are granted that right by the Labour Board. The selector is named. I stress this because I know the position of the government in power at the present time is that they have never liked final offer selection. I am somewhat ambiguous about final offer selection myself, but it is a bargaining tool available to me as a bargainer. I would be a fool not to utilize such a tool. So I proceed to utilize or attempt to utilize that tool. Discussions continue, and what comes forward? What comes forward was an agreement with this government, which I find most reprehensible at this point in time in the light of this legislation.

An agreement with the negotiators for the government was signed setting out that we were not following FOS; we would go general interest arbitration, the general interest arbitration route. We restricted the number of requests to follow that route. This is all being done in agreement with the Province of Manitoba. We set time limits in our agreement for the determination of the arbitration—all done with the agreement with the Province of Manitoba. We went through a lengthy arbitration process which was not only lengthy but costly—costly, I take it, for my clients; costly for the Province of Manitoba even more so when one considers the number of man hours that were put forward to develop the position that they put forward in front of the arbitrator, and their position really was nothing. It was a nothing position.

The arbitrator—I think he is still a respected arbitrator—he expressed some concerns to me the other day that in view of certain of his decisions, and this being one, that he wondered whether he would ever get any more work. Since he is a former partner of mine, I have noted that he has expressed those concerns for perhaps the last 20 years, and he has never had difficulty getting work. We have out there a respected group of arbitrators who are ready, willing and able to deal with the very issues that have been raised here and raised here today, but the government is obviously not prepared to follow that route.

Contrary to the word-is-my-bond situation that I put forward, the government said, ultimately after receiving the award, they put forward Bill 70 effectively striking out that whole award—striking out a process that they had in particular agreed to with us.

We started out with FOS, but it was amended to a different type of arbitration process with the agreement of the government. So I ask myself the question: Can I trust the government? I think the answer becomes obvious. I cannot trust people who say, let us follow this procedure and then at the end of the procedure dislike the result and turn around and say like a little child in a sandbox, if I am not going to win I am going to pick up my toys and take them home. That is exactly what took place with Bill 70 coming forward, and I find it really reprehensible to have been placed in such a position. I can understand—I think over the years I have demonstrated that I am a very pragmatic and practical individual, and I am very pragmatic and practical about my appearance here today.

I have my doubts that anything I say will move anyone, but I suppose part of the process dictates that I must look forward in the hopes that the consciences of some strong people will be touched by what I say, people who would agree with me that a bargain is a bargain is a bargain, and you do not take away that bargain after you have entered into that bargain. Because if that is the process we are going to follow in the future, why do we bother having any government whatsoever?

\* (1510)

I thought that was the idea of government, going back to John Stuart Mill and other philosophers. That was the idea of governments and liberties and rights, rights and duties that we have. Not only did we have a situation where you do not want to abide by a bargain that you set in force, to begin with, but we have a situation where I have a group of the employees, dedicated civil servants, representing the largest law firm in the province of Manitoba, I guess. In that law firm, over the last number of years, you have managed to develop some of the best legal counsel in this province, without a question of a doubt. I wonder, I really wonder, why some of them stay in these circumstances, because they cannot bargain. A bargain that they attain, a goal that they get, is whipped away by Bill 70.

Bill 70—I think Mr. Havelock indicated that it should all be withdrawn. I am almost like Mr. Green, to say, Madam Acting Chairperson, that this committee probably should have some time limits on people like him and people like myself, because I suppose I could go on forever in discussing this particular matter, point by point, section by section of that act, and any principle of labour relations law or labour relations reality that you want to deal with.

I go back to that point: fundamental to any system of collective bargaining, fundamental to any labour relations system, is truth, trust and integrity. It has fallen down here by Bill 70 being brought into place and wiping out an award that we have, an award that we worked hard to attain. That is not fair, not fair at all.

I know that many things in life are not fair, but I always understood—and I am sure that Mr. Enns agrees with me, and I am sure that Mr. Manness would have to agree with me because I take it that Mr. Manness comes from similar country roots, where a man's word is a man's word, and his bond will stand. I find it extremely disheartening, in these circumstances, to be here today to have to say to my government that my government has failed me, my government has failed this province.

I have nothing but respect for the democratic principles that we follow, but I get somewhat aggravated and concerned when those principles, upon which our lives are founded, are being swept aside by Bill 70. The whole of that bill, ladies and gentlemen, should be withdrawn, not just in relation to my clients. In relation to everyone, it should be withdrawn because, bluntly, it is bad piece of legislation. It is a piece of legislation that I find astounding even from a political point of view. It is political suicide for this side of the table, absolute political suicide.

If anyone thinks that that legislation is going to control the economy, I do not know. I think that one needs a John Kenneth Galbraith in here to provide a lot of assistance in that regard, because that bill and its effects will have absolutely zilch of an effect on the economy as it stands, but it will have lingering and lasting effects on human beings. It will have lingering and lasting effects on how human beings address their concerns in the future.

I have heard, and I know there are concerns about the arbitration process, and I have heard it from both sides of the table. Sure, there are concerns about

an arbitration process, but like our government, while it is not a perfect system, it is the best system in certain circumstances. If you are going to tell me that it is not, and that we should go back to straight collective bargaining, the law of jungle, I have no difficulty with that, but I think that many people out there on the street would have difficulty with that.

I represent other groups, one of which was mentioned here earlier, the Winnipeg Police Association. We would gladly take back the right to strike. Give it to us. Give it to us; see the result. See the end result. What you should do is really rethink your positions on Bill 70 and pull back after giving it some thought, pull back. As a private citizen, I say do not play with the lives of the people out there and do not take unnecessary chances that are only going to end up in possible devastation.

I say that, I suppose, on behalf of the MGEA at this point in time. I hear the offer here today that they would love to get back to the table, and I say to myself, why in hell are the two parties not right now at the table rather than going through this sort of exercise, this process of angst and distrust. In addition to arbitrators out there, you have individuals who are excellent mediators to bring people together, but the government seems not willing to take that approach. Perhaps the MGEA is deficient as well.

\* (1520)

Problems should be resolved by bargaining and not this type of legislated confrontation, because that legislation is of no assistance to anyone—no assistance, Mr. Manness, to you nor any of your confreres on this side of the table. It will only rebound and cause you immeasurable harm. I do not concern myself about immeasurable harm being caused to one or two political parties or a group of politicians, but I concern myself as a citizen as to the immeasurable harm that Bill 70 is going to incur on the citizens of this province as a whole. What would be your best sign, and that is where I revert back to Mr. Ashton's remarks. He says, look for someone weak. I do not want to look for someone weak. I want to look for someone with the strength and the guts to admit they were at fault and pull back on this legislation, pull back on it in its entirety.

I should have, I suppose, restricted my remarks to my clients because of the extremely strong case I have, where a collective agreement was in effect, because obviously people either do not understand

the legislation that is in existence, or they do not pay any attention to it, because after Mr. Chapman handed down his arbitration award, the government through its representatives forwarded to me a collective agreement. True, not a signed document, but go back to The Labour Relations Act. Look at the definition of collective agreement under The Labour Relations Act. There is no requirement that it be signed.

I say, let us resolve this issue here and now rather than putting it forward to be resolved in other forums, vis-a-vis my clients, because all I can see is a period of protracted conflict, and I can assure you I will not be the one embarrassed at the end of the road. Bill 70 in its entirety should be drawn back vis-a-vis my particular clients in the material presented to you by Mr. Hannon, as well, showing the dedication of these individuals in mid-contract over my objections a couple of years ago. They agreed to setting up a new group of prosecutors, chief prosecutors. They were given more duties and were given a promise, you will be taken care of at the end of the road. Work hard and you will be taken care of.

They certainly have been taken care of if Bill 70 passes, because—I wish the Attorney General were here today, the Minister of Justice (Mr. McCrae) because even he, at that time, indicated to my members that it would be properly taken care of. Properly taken care of, of course. There is nothing left but bitterness. That is what has been created by this.

You do not have the situation yet that you had in Ontario with Crown attorneys flowing from the Supreme Court decision in Askov, where in Ontario they decided, well, if we cannot prosecute those cases quickly enough for the Supreme Court of Canada, we will just dismiss those cases. Out of hand, some 30,000 criminal charges were withdrawn and went by the boards. That has not happened in Manitoba because individuals put in extra hours, thousands of hours of extra work to bring the court process up to date and up to time. A new process was created and this work, this extra work was going to be recognized.

Their employer told them it was going to be recognized. It is recognized here today. Is it not what we, who have practised in the field of labour negotiations and labour relations for some period of time, know as the Florence Nightingale syndrome? Do not worry about the fact that you are not being

compensated for this extra work you are doing. Just think of all of the good that you are doing for society.

One cannot spend the good that they are doing for society. One cannot take that home and have it in a meaningful fashion. Withdraw Bill 70 now. Show the strength and leadership, because it is only going to be a disaster, a disaster for the government, a disaster for the province, and then we have to go back and start all over again—pick up the pieces. Do not destroy our society at this point in time. Address the real issues and address them head-on. Do not address them in this simplistic, Machiavellian-type fashion.

I return to my clients. A deal was made between my clients and this government as to how their differences of opinion were going to be dealt with. My clients kept their part of the bargain. This government has chosen to withdraw from their part of the bargain. I cannot forgive that unless the strength is shown at this point in time to withdraw, withdraw that legislation.

**The Acting Chairman (Mrs. Render):** Thank you, Mr. McGregor.

**Mr. Enns:** Mr. McGregor, I want to thank you for your obviously sincere remarks. I have some specific questions to you, but I do want to indicate to you that while I have every respect for you as a lawyer, I trust that you would show me some similar respect as a politician of some experience. When you suggest to me that prosecutors, who are in the pay range of \$40,000 to \$80,000, or judges, who are in the pay range of \$75,000 to \$80,000 and feel, and I believe have a report telling them that they should be receiving 8 and 9 percent increases to \$95,000, when my constituents at Lakeside hear about that, my phone is not going to ring off the wall on behalf of your prosecutors or on behalf of the judges. Most of my constituents, the people that have elected me for the last 25 years, would tend to agree that, for a government facing financial difficulties, it is not unreasonable to ask somebody who is making \$60,000 or \$70,000, considerably more than a cabinet minister, considerably more than the Premier of this province, that that in fact is a fair wage during this period of time of difficulty.

\* (1530)

Now, I want to also acknowledge, and it made an impression on me because I am a cattle man—I found it particularly pleasant to come from a lawyer, who very often are those very persons who have

taken away the business of one's word being sacred, of deals that are struck on a handshake. In the cattle business we still do it that way. Thousands, hundreds of thousands of dollars are traded daily at cattle auctions throughout the province and throughout the country just on a handshake, just on the nod of a head—whether I agree to purchase certain cattle or not agree. It is good to have that kind of relationship, particularly in the country.

I say to you, and this is my question, I cannot recall a time when a Minister of Finance has so openly opened the books to, not only the employees of government, but to the general public. Very often unions, you know, in disputes argue—show us the books. Let us see what the capability of the company is. Let us be the judge whether that is a fair offer or a reasonable offer or an offer that the company can afford. This Minister of Finance did this six months ago, open to all of these people who could have been there. They were invited. It was a general public presentation fully attended by the media, where this Minister of Finance and this government indicated, look, ladies and gentlemen of Manitoba, shareholders of Manitoba, we have some 40—I do not know if that is the amount—40 or 45 millions of dollars available for salary increases this year. Everybody should have been listening—Crown prosecutors, nurses, telephone employees, Manitoba Hydro employees and the 18,000 MGEA workers.

We also told them immediately that in our judgment—and our judgment is not infallible—but we believe that for different reasons that the nurses had some catching up to do, and we told them very openly and very publicly that we would settle as best we could with the nurses of this province, and we did. That certainly meant, if anybody was watching and anybody was listening, that came off the available monies that we felt this government had for salaries.

Had there been a willingness—

**Mr. McGregor:** I take it there is a question here somewhere?

**Mr. Enns:** Well—

**Mr. McGregor:** I am not being facetious, but I am trying to—

**Mr. Enns:** Well, I suppose you are soliciting this response from me because I think that you moved me deeply, and I know the Minister of Finance, all

members of this committee, we do not take lightly the serious allegation that this government's word is no longer to be trusted, that we are breaking a bond.

I am suggesting to you, sir, that when the Minister of Finance and this government told the public service sector employees of Manitoba that there were X number of dollars available for salary settlements, that in fact—and things flowed from there. If, in fact, arbitrations were starting to come in at 4 and 5 percent, if a salary agreement had to be made with nurses at a certain percentage point and that reduced that number, that those are all—to use a legal term—mitigating circumstances to alter the situation that the government faced, and whether or not under those circumstances the government did indeed act so dishonourably as you suggest.

**Mr. McGregor:** Under those circumstances the answer has to be, yes, because at that point in time, the government could have taken the position that if this is the situation we are in, they could have put forward, I suppose, Bill 70 at that time, but not put us through the process of going on a merry-go-round and being treated, I suppose, like a bunch of fools that we are going to go through a legislated process, first of all, and then we are going to go through the handshake process of an agreement as to how we are going to resolve our dispute and then be told, after the decision is handed down, we are not going to abide by it.

I say, Mr. Enns, the government should never have entered into that agreement if it was ever their intention at the end not to abide by that agreement.

**The Acting Chairman (Mrs. Render):** Mr. Enns, I would ask you to keep your preamble short, please.

**Mr. Enns:** Mr. McGregor, you just heard your previous presenter, the representative from the MGEA, say that not sufficient effort was made to sit down to negotiate. You are suggesting that we should have come in with Bill 70 four months ago or three months ago.

Can you imagine the outcry that we would be hearing from MGEA under those circumstances? It took the time for the Minister of Finance (Mr. Manness), for the Minister of Labour (Mr. Praznik), for the Premier (Mr. Filmon) to meet not once but twice, more than twice, three or four times, directly with Mr. Olfert before that hard decision had to be made. I simply think that we are caught—

**Mr. McGregor:** I am talking at this point in time on the basis of a group of people, my clients included, who were put through a process, and I think wrongly so, by the government, because I do not deal with someone and say, we are going to have this sort of deal, and we are going to resolve our disputes that way; then when the end result comes down, out of a third party agreed to by the two parties, I do not come forward and say, okay, I am going to change the rules now, and I am not going to abide by that. You would not, Mr. Enns, on a personal basis. I know that, and that is the point I was making about your constituents.

**Mr. Enns:** One final point, you see, the difficulty, Mr. McGregor, is the arbitrator, among many others, was not listening or taking this government seriously or the Minister of Finance seriously. Until that was demonstrated, we had every hope that Bill 70 would not have been necessary.

**Mr. McGregor:** With respect, I think that is a bad statement to make about a group of individuals. The people who are on the final offer selection group, of which this arbitrator was one, are appointed or named by the government, and now you are saying that individual is wrong. I find it astounding to believe that I am hearing that statement, knowing people in the judiciary, for example, as do you. I mean, do I say, because that individual made a decision that I do not like, that that individual was not listening to me? I think not. I have disagreed with someone whom you and I both know, from time to time, but I do not say that he was not listening to me.

\* (1540)

**Mr. Edwards:** Mr. McGregor, can you, just for clarity, tell us roughly when that agreement was entered into with the government to take this to arbitration, just so we can place it in the time frame, in particular, in relation to the meeting Mr. Enns tells us about, where the Minister of Finance (Mr. Manness) came forward to the public?

**Mr. McGregor:** This would have been in December or January. I would have to dig out that letter. I do not have it with me.

**Mr. Edwards:** At that time, can you tell us who you were dealing with at the government? In other words, was it being handled out of the Justice department? Was the minister involved? Can you give us any details as to whom and what level you were dealing with in coming to that agreement?

**Mr. McGregor:** Representatives from the Civil Service Commission, I would believe. Individuals from the Justice department were seemingly, surprisingly, excluded from the process. We wondered about that fact and kept, in the arbitration process and so on, querying where certain individuals were who could address certain issues head on. They were supposedly excluded from that process.

**Mr. Edwards:** At anytime, up until when Bill 70 was publicly pronounced as the intention of the government, were you made aware that it was even a potential at the end of the day? Did the government ever give any indication that this was something they were considering or would consider in any circumstances?

**Mr. McGregor:** The answer is no, Madam Acting Chairperson.

**Mr. Edwards:** With respect to the ability to pay—and I think that is what we have come to; I must say that was the reason given at the time for Bill 70—the Minister of Finance (Mr. Manness) said we are not being listened to. Sure, we started down this process. We did it in good faith. We thought that was the way to go, but we got there, and we just felt that we were unfairly not being listened to on ability to pay. Therefore, our higher duty is to the taxpayer. This is our political decision. It was the basis for the zero percent offer in the first place, and we have to do this, Bill 70. That is the rationale which came forward from the Minister of Finance and, I think, here from the Minister of Natural Resources (Mr. Enns).

Can you tell us what recourse they would have had, if any, if at the end of the day they really felt legally wronged, that ability to pay as a factor, as a relevant factor in their view, had simply been ignored, and wrongly so, by the arbitrator? Would they have had any recourse? You know the agreement you entered into with them; would they have had any opportunity to have that reviewed in any way, shape or form?

**Mr. McGregor:** Yes, if they were able to show that the arbitrator was not paying any deference to any one of their positions, I take it that that could be attacked in the court process.

**Mr. Edwards:** I have not seen the agreement that you would have had with them, of course, but it is my understanding, not based on anywhere near the experience that you have, but it is my understanding

that grounds for loss of jurisdiction for a consensual arbitrator would be the failure to consider relevant information. If it was felt that it was a failure in law to consider what should have been relevant, that might have been a ground of attack that they might have launched, had they truly felt that yet wanted to remain committed to the process.

**Mr. McGregor:** That is correct. With respect to the Minister of Finance (Mr. Manness), on that point, if what I read in the paper after the award is handed down is correct, obviously his advisors were not giving him proper advice about how the ability-to-pay concept is balanced in this type of interest arbitration. I find that difficult to believe because arbitrator after arbitrator across this country has made the concept of ability to pay quite clear to individuals.

**Mr. Edwards:** Just a final comment, it is not a question. I do appreciate your coming forward. I know you have waited long to have your comments heard. They have been listened to and, I think, made an impact, I hope one that will ultimately have some effect on this piece of legislation. Thank you.

**Mr. Chomlak:** Madam Acting Chairperson, one point that I think should not be missed by the committee that I think is referenced in your written submission is the fact that a general pay increase was not necessarily the issue of primary importance. There were a range of issues. Mr. McGregor, just for clarification purposes, all of the matters that were decided by the arbitrator, the entire decision was frozen as a result of Bill 70, is that not the case?

**Mr. McGregor:** That is correct.

**Mr. Chomlak:** So all the issues, not just the general pay increase, but the compensation and all of the other aspects relating to the senior Crown attorneys were frozen as a result of Bill 70.

**Mr. McGregor:** Yes, and seemingly the extra monies that were set forth for the senior Crown series—which strangely enough was a government position at the table, that the senior Crowns should receive more monies—the government took the surprising position, though: take the money from somewhere else in the contract. They did not indicate where it was to be taken from.

I do not know what response an arbitrator could give to being told that these individuals should be paid more money than to give them more money, because the employers took that position at that

time. That is another item about this process that really aggravates me. That was a position presented by the government before that particular arbitrator.

**Mr. Chomlak:** I can indicate, Mr. McGregor, through constant reference in the House, I am not surprised the government took that position because the Minister of Justice (Mr. McCrae), on dozens of occasions in the House, has stood up, and I am sure all members will agree, and taken credit for the work of the Crown attorneys—I will go on record as saying at least a dozen times since I have been in the Legislature—taken credit for the improvement in the backlog as a result of the work done by the Crown attorneys, on at least a dozen occasions, so it is not a surprise that he would at least acknowledge, or that the government would recognize that they should be compensated for that extra work.

Are you aware of those references in the House, Mr. McGregor?

**Mr. McGregor:** Yes, I have noted those various references.

**Mr. Chomlak:** Thank you. I just have one final question. The member for Lakeside (Mr. Enns) referenced the nurses' strike and all individuals having to take cognizance of that in terms of determination, but I put the proposition to you, Mr. McGregor, that they at least had to go through the collective bargaining process and, indeed, had to resort to the tactic of a strike which was not taken away from them in order to achieve that goal, and you are not asking for anything more than that. You are simply asking the government to honour the rights that you had in the first instance, is that not correct?

**Mr. McGregor:** I think that we had certain vested rights that were recognized by the government at the outset of the process, and those vested rights gathered further rights by the award and at that point in time became vested rights. Yes, we expected to get those.

**Mr. Manness:** Mr. McGregor, this is not the time. I guess another time I would like to sit aside with you and maybe move into some greater detail on some of the rationale used. -(interjection)- No, this is not the right time.

Let me say that your powerful presentation convinces me that I am not going to engage myself

in the debate on the fine points of labour law. That is not my strength, you know that.

Let me also say that the government, and certainly myself as the minister who has sponsored this bill, is not overly proud and certainly does not take great satisfaction in bringing in Bill 70. Certainly I am more than aware of the impact it has had on the Crown attorneys.

\* (1550)

I listened very carefully to your presentation and you talked—I think the major theme was one of disaster, of do you really know what you are doing and do you really know where you are going, and do you really know where this can lead? It seemed to be under the label of disaster because you are bent on reaching a disaster if you do not pull back.

I listened very carefully, Mr. McGregor, and not one time did I hear you say potentially what disaster we are headed toward if I am forced to increase taxes, if I am forced to make other decisions with respect to government services as a result of our finances. Not one time did I hear you address that issue. You would say, well, that is not important, I do not need to.

Mr. Enns, of course, laid out—and I will not reiterate it—for the most part quite accurately, the process of what I tried to do. It has never been done anywhere in this country before, laid out quite accurately to be dealt with.

**Mr. McGregor:** I am prepared to address any one of those issues and I was not keeping back from addressing any one of those issues at all. I thought that my job was to try to focus in particular on Bill 70 and the effects flowing from that, but I can deal with each and every one of those other items.

**Mr. Manness:** Well, Mr. McGregor, and indeed others, have talked about the rationale used to bring in Bill 70 and the principles behind it. As I have said many times—and you said that, I guess as close as you came, Mr. McGregor, you said we need John Kenneth Galbraith to be here to help things out. I take some offence to that. I am an economist also, obviously not in the league of John Kenneth Galbraith but in reality, under the democratic system that everybody I think in this room supports, I am the best you have got because I have been elected to be in this position and named by the Premier (Mr. Filmon). "Unfortunately," you would say—and others would say—but it is, unfortunately, the way it is.

**Mr. McGregor:** True you have been elected and I respect you for that. As I indicated throughout my position—and I think I can say without equivocation in this room I really am an apolitical type creature. I do not belong to any one of the parties in this room. I respect you for the position you hold. What I would respect you even more for now is if you would listen to the logic that I have put forth in support of my position.

**Mr. Manness:** Madam Acting Chairman, that is exactly what I did. I listened very carefully to the logic and I say—again I have been told and I do not know this for a fact, that The Labour Relations Act as it deals with arbitration, spells out, not in bold print, but spells out in the trailing last words of that section, so I am told, that arbitrators should take into account the government's ability to pay.

Now you said there is plenty of experience, and there have been plenty of judgments rendered through the land over the years where indeed the arbitrators said that is not their responsibility. So obviously, then, we should either remove it from our books of law, or do what this government tried to do, after opening the books for the first time ever, and present detail, everything we had, every bit of planning information that we had for the next five years, to try and show Manitobans where we are at. If you have seen our side—and I know you would have—to the arbitrator, you could see the tremendous emphasis on trying to build around that concept of ability to pay. At the end of the day the arbitrator said it was not important, it was not relevant. It was interesting, but it just was not important.

**Mr. McGregor:** I do not think he said it was not important, and I do not think it is fair to say that of the arbitrator in this particular case. I think that what he said was that he took into account the argument of the government, as presented, and balanced that with all of the factors that he should take into account in any interest arbitration. That is what he said, and that is distinctly different from what you have said, Mr. Minister.

**Mr. Manness:** I am making general statements, because there just was not the award dealing with the Crowns. There were other awards. I am generalizing now—well, the member says which ones. If he wants me to go back to my manual, I will dig it out. What the government decided ultimately in late May, early June was that arbitrators were not wishing, or in their mind expected or required, to



take into account ability to pay. Mr. McGregor, everything that we have set into place since last October, everything through our budgeting series, everything through all of our commitments to nurses and everybody in the public, tried to be very forthright to take into account the province's ability to pay.

My question is: What do we do with the legislation that now exists that says the arbitrator should take into account as one of the factors the province's ability to pay? Should we strike it from the laws that exist now?

**Mr. McGregor:** What legislation are you referring to at this point in time?

**Mr. Manness:** I am told and it has been read to me and I think it is in The Labour Relations Act within the arbitration section. I am sorry, that is all I can give you in detail. It certainly is not a named criteria, but it is, I am led to believe, in one of the latter paragraphs. It was on that basis that we made the submission and we went forward. That is one question.

The second one is that I would ask you how is it a government, when fairness is in the eye of the beholder, how can a government say to those that are in various stages of arbitration, the arbitration process, that okay, you have an agreement we think, or it is coming tomorrow, yours will be allowed through, as compared to a group and the government just beginning. That was the reason, the very difficult decision made by the government.

\* (1600)

**Mr. McGregor:** Well, in fact, on that very point, is that not exactly what in effect took place here? The doctors' award stood and stands if this legislation goes through. Where is the fairness there, because you yourself had said how could we choose between groups? Obviously, a choice was made between groups, and you are right there, that justice is in the eye of the beholder then.

**Mr. Manness:** Madam Acting Chairman, that is exactly why we have given the legislation effect to the end of 1992, taking into account not wishing to roll back salary increases that have already passed, but indeed using the case of the doctors employed by the government. A time will come again within this legislation where indeed government may have to make certain decisions.

So we are attempting through this bill which I agree with you certainly infringes upon bargaining,

which certainly was not our first or second or third or fourth choice, but within it, trying to find some balance of fairness. That is why we cut it off at this point in time as to those who are already receiving increases as compared to those who are not, even though an award had been provided.

**Mr. McGregor:** And at law, I would suggest to you, at that point in time a collective agreement existed. I would counsel you then to seek further advice on this point, because I suppose there are, even if you push Bill 70 through, other forums and milieus that I can follow. I really wonder, because I seem to have an admission here that we entered into this process and then saw that the process was not good to us, so therefore we were wiping out the results of those processes, which is totally wrong. That is what I think I was just told, Mr. Minister.

**Mr. Manness:** Madam Acting Chair, I made my points very clear on second reading of this bill. I will confess, again as I said then, government was becoming growingly concerned as to selectors and arbitrators not taking into account the province's ability to pay.

**Mr. McGregor:** I suppose a less draconian method in legislation than Bill 70 is to mandate that very point that it is mandatory for an arbitrator to take that into account or in that context of final offer selector or whatever, and if they do not, you can easily wipe it out in the courts. That is why I say that this whole process seems to be an overreaction. I do not think the proper thought has gone into the end result here, because it is only going to harm you.

(Mr. Chairman in the Chair)

**Mr. Plohman:** Mr. McGregor, I appreciated your very compelling presentation here. I hope, too, that you have made an impression on some strong members on the government's side who will take this matter up with their caucuses and cabinet and make a difference in terms of these hearings, that there will be a difference as a result of your presentation and many others that have been made here. I was very moved by the strength of your presentation, and I was frankly quite astounded at the response that you did get from Mr. Enns when he did again refer back to the statement that the government has been using that the arbitrators were not listening, simply because they did not arrive at a decision that they liked. Therefore, they were not listening.

I think that what we are really dealing with here—and I think you have summed it up—is that there is a disgusting, repulsive process that has taken place with the Crown attorneys and many other groups as well perhaps who have gone through an arbitration process. In your case, you believe, if I am getting your message accurately, that you had an agreement to a certain process that the government saw through to the end and then reneged on because they did not like the results.

I have to ask you whether your bottom line is, keeping in mind that you would like to see this legislation removed completely, but falling that, that all agreements that have been reached through arbitration, where an arbitration award whether it be through FOS—and you can comment on that—or general arbitration procedure, should be exempted at least for this year from this bill. Is that really what you are saying? I know you do not want the bill. You say that there is a disaster ahead, and I agree with you.

**Mr. McGregor:** My first choice is to withdraw the bill. I suppose then, practically, my second choice is all of the ones that I—I suppose it comes down to the eyes of the beholder. I do not act for the MGEA, but my second choice then becomes any decisions that were handed down by arbitrators or selectors should be respected. Deal with it as in the Vincent Massey autobiography title, *What's Past is Prologue*. Let us move on then and deal with the problems in the future.

Respect what was handed down, because I suppose by the nature of my training I have been taught to respect decisions of courts or administrative tribunals. I have had to respect them and live by them whether or not I have liked them. Believe me, there has been a lot of times when there have been awards made that I have not liked.

**Mr. Plohman:** What you are saying, Mr. McGregor, is this is really an admission of failure of the government to deal with the collective bargaining process through other means, and they could have taken less Draconian measures to actually accomplish their ends of it, which was that they wanted to have the ability to pay considered in decisions that are made. They did not have to legislate zero percent. They could have, in fact, mandated a requirement to have ability to pay as a consideration in all arbitration hearings.

**Mr. McGregor:** They could do that, yes.

**Mr. Plohman:** Could you tell me, Mr. McGregor, you have alluded to this throughout your presentation, I believe, that if the government continues to exclude arbitrated awards that have taken place this year—the operating engineers is one example of that through FOS. The Crown attorneys is another example. The minister has other examples in his book that he said he could list. We will ask him to table that at another time perhaps, not the book but the list of arbitrations that have taken place this year, because I think it is very relevant to the issue you are bringing forward.

You intend to take—your clients have indicated that they intend to take legal action. It could be a long protracted expensive process to fight this issue, especially as it pertains to the Crown attorneys with regard to the arbitration award, based on vested rights and the award.

**Mr. McGregor:** That is my advice to my clients, yes. I go one step further, Mr. Plohman. This is not to say, look at this wonderful guy. I feel so abhorred by this legislation and by what has taken place, I have told my clients privately, and I will now tell them publicly, that I am not charging them for the process from now on, because there is a wrong that has to be rectified here. I as a human being feel so strongly about this wrong, I am going to see that it is rectified not at their cost.

**Mr. Plohman:** I think that gets to the point that I wanted to ask you—

**Mr. McGregor:** Mind you, certain of my partners might want to throw me out of my firm for making that statement, but—

**Mr. Plohman:** It depends how much time it takes. You will be working 24 hours a day, if you are not already.

\* (1610)

Mr. McGregor, really what you are saying is it is not just a legal matter but an ethical matter that deals with situations where employees have been given the understanding that they were following a certain process to resolve their collective bargaining demands or requests and they have made sacrifice through costs and others. In cases where they have gone on strike—in the operating engineers in the cold winter months, walking the picket lines for many weeks—they have lost the income, in some instances. In those cases they should be treated differently than where there has been no agreement. At least in those cases, the government should not

apply the zero percent, when they have gone through a process and been awarded something through the process that they believed in.

**Mr. Ashton:** Mr. Chairperson, strictly here to the presenter, I acknowledge the point you make in terms of the strength that would be required for somebody to make that decision on the part of the government side, and perhaps that is a better way of putting it. It would require a lot of strength to vote according to conscience on this bill or even just vote in terms of having listened to some of the real problems that are seen with it.

I wanted to pursue a question that is based on the Minister of Labour's suggestion that arbitrators do not take into account the ability to pay. I have both The Civil Service Act and The Labour Relations Act. I want to clear the first chapter. I know you have some knowledge of The Labour Relations Act in terms of final offer selection and in this context, where you have indicated that was one option available, it was not the option that was pursued.

**Mr. McGregor:** A little knowledge, yes.

**Mr. Ashton:** I appreciate that. The Labour Relations Act specifically in Section 94 includes a subsection that says that selectors will take into account, where the information is provided, the ability to pay. Indeed, there have been two selector decisions that have been made which are going to be made null and void by this legislation—in the case of the operating engineers and in the case of the MGEA with the casino workers. I just want to ask you, on that, do you see any doubt in your mind about the fact that under final offer selection, the ability to pay is indeed one of the factors?

**Mr. McGregor:** My experience with the individuals who are on the list of selectors, those individuals are of the highest character and I suppose come from various political backgrounds and have strong—I mean I look at the group. I look at Wally Fox-Decent and I say—I read about my uncle Wally in the paper the other day and all of his experiences with the Conservative Party previously. I do not know. Martin Freedman, an individual beyond reproach, acceptable to anyone for making a decision. I think the same is true of Jack Chapman.

People get upset with any one of those individuals after they make a decision. I suppose we are always upset if we do not win, but we do not pack up our toys and go home.

**Mr. Ashton:** Indeed, there has been some excellent analogy in this particular case.

I want to pursue further this question of ability to pay and pursue further the questioning that took place by the Minister of Finance (Mr. Manness) in terms of this regard, because I have read both those selectors' decisions. There are other selector decisions that will still be coming forward with that legislation ironically still in place even if the government is now saying those selector decisions will be totally ignored. I just want to make it very clear to this committee.

You are saying that it is equally as inconsistent to draw a line between, say, the doctors and nurses, who have received a collective agreement on the one hand, which is the point at which the government has drawn the line currently, as before Bill 70, or on the other hand arguing that in this particular case people who have gone to arbitration, such as the people you are presenting today, and received an award or selection, could easily be on the other side of the divided line; whereas now the government is saying, it does not matter what has happened.

In the case of the casino workers, for example, their decision had been made. The only thing that was missing was the signature on that collective agreement. In the case of the people you are representing here, the collective agreement thing was drafted. Do you feel that is equally arbitrary in distinction as—in fact probably more arbitrary in the sense that those people have what is one step away from a signed agreement—as the step this government has taken, which is really to draw a dividing line that is based not on the word of this government but a signature that was referenced earlier about, as you were saying, people's word being their bond. In this case the government seems to be saying, well, our signature is the only thing that counts, so in the case of the final offer selection bill they assigned the fact that would stay in place.

**Mr. McGregor:** You have The Labour Relations Act in front of you. Go to Section 1, the definition section, and read out the section in regard to the definition of collective agreement. Nowhere will it indicate that a signature is required. It may be somewhat surprising to people, but there is not a requirement for a signature.

**Mr. Ashton:** Indeed, since collective agreement means an agreement in writing and, indeed, an agreement had been drafted in writing—it does not say a signed agreement—

**Mr. McGregor:** It does not say that it has to be signed.

**Mr. Ashton:** I might add, by the way, and I just want to clear up any confusion that might exist with yourself or other committee members, the signature I was referring to in regard to final offer selection was a signed document that was signed by all three House leaders. I was one of the signatures to that document that indicated that final offer selection would not be repealed until the end of March.

**Mr. Praznik:** It was not.

**Mr. Ashton:** The Minister of Labour says it was not. What they did is they allowed final offer selection to continue, and I guess what was not in the fine print was the fact that they were going to negate those decisions as part of Bill 70.

I want to pursue further, because I also have The Civil Service Act in place and I believe there is a fair amount of confusion amongst government members about what The Civil Service Act entails, in particular, for example, the right to strike is neither spelled out nor rejected in the act. If one reads the sections on arbitration, because the sections on arbitration in The Labour Relations Act refer to interest arbitration, not contract collective bargaining arbitration, but the sections that are in place in The Civil Service Act, I think, have been clearly understood by both sides to the last 25 or 30 years, and we could track down the exact date this was passed. It certainly has been in place since the Roblin period and the relationship between the Civil Service, as defined in this act, has essentially been a trade off. The right to strike has never really come up as an issue in most cases because the alternative of arbitration has been there.

**Mr. Praznik:** It has always been there. They have never lost the rights.

**Mr. Ashton:** The minister says they have never lost the right. Indeed, Mr. Chairperson, I think if he would listen more carefully—in fact, he is making my point. They never lost the right to strike. They had arbitration as an alternative to the right to strike. Now, what the government is doing is taking away arbitration. I ask you, because you have been through that experience dealing with a contract where essentially arbitration, de facto, has been

taken away, in this case after the arbitration decision is there, with your understanding of The Civil Service Act, and particularly in terms of Crown employees, does that really not lead, de facto, to the fact that they only have one choice left, if they have any, and that is to use the strike weapon?

\* (1620)

**Mr. McGregor:** Seemingly so, and there has been a lot of discussion about the arbitration process being somehow abhorrent and people have, I think, paid too much deference to what Mr. Green said last evening. Although as much as I might respect Mr. Green and all he has done in the past, I would say to you people at this table quite simply this. How many of you have lived through a strike that has affected you personally, where you yourself have been out on the street and out in the cold? I do not think that—I have always been of the view that strikes, per se, are abhorrent. I do not like strikes. I do not particularly like strikes. I like other methods to resolve disputes, and I thought that was what a civilized society was about, to seek other methods to resolve disputes.

Mr. Green made reference last night to a certain situation. He made reference to a doctor's strike some years ago. Unfortunately, I was involved directly in that matter.

**Mr. Ashton:** Exactly, to the presenter. I, by the way, have been through two strikes where I was involved personally. In 1976, in fact, before I was elected, I was walking a picket line in Thompson. I have actually reflected on it more since than I did at the time because if you worked at Inco, and when I grew up in Thompson you worked for Inco, then strikes were one of those things that happened periodically. You went through it, you had your opinion at the time and you acted accordingly. That, by the way, was one of the major issues for me with the whole debate on final offer selection, which was to maintain that option.

I want to focus that again on the specific nature of the brief because I have just gone through The Civil Service Act again, Section 48, which outlines arbitration. It is pretty clear to my mind, in terms of the act, what the intent has always been. It has been clear in this province for the last 25 years, that it is to do exactly what you are saying, provide an alternative.

I am wondering, because you mention about the presentation yesterday by Mr. Green, his version of

labour relations is essentially the law of the jungle and by the logic of his presentation, I would assume there should be no Labour Relations Act or if there was, it should be most threadbare because The Labour Relations Act, for example, includes all sorts of sections which involve a neutral third party settling disputes. In the case of contractual disputes on grievances, there is a whole section on interest arbitration. I focus on your presentation as well as a lawyer, in addition to the specific detail, because you, for 24 hours a day essentially or for the working part of that day, are dealing in situations obviously where you are going before a judge or an inquiry where there is somebody in a neutral position who is arbitrating disputes.

I am wondering if you feel that is the analogy with arbitration and final offer selection and that in fact what we are seeing with Bill 70 is a major departure from that. Essentially what the government is now doing is saying first of all, we sit down on two ends of the table as the plaintiff and the defendant or two interested parties to a dispute. What they are eventually saying, as you have said yourself, is if they do not like the solution, then they say, well, we are sorry, but we have changed our position now. We are now going to be the judge. Is that really not what is happening with Bill 70?

**Mr. McGregor:** Yes, and my position is very firmly, I do not care what the rules are. I do not care how strong the rules are but I just want to know what those rules are and what they are at the end of the day. I do not want to start a process and be dealing with a set of rules and then be told no, we are not following that set of rules anymore. I start on a set of rules—make them as hard as you want, I will deal with them. I think I can do it, but I want to know what the hell they are at the end of the day. I do not want to find at the end of the day that those rules have changed, and that is what Bill 70 is doing right across the board.

When Mr. Plohman asked me the question to categorize them, I was perhaps putting them in different steps, but my remarks here apply across the board. MGEA started a process, a set of rules, which were apparently acceptable rules to the government at that time. Now, before the game is finished, they want to change those rules. The other analogy is with the Crown attorneys—the game was finished and the idea is to change the rules after the finish of the game. That, I think, is the analogy I would draw there.

**Mr. Ashton:** Indeed, when one looks at it—I can indicate that I know that you are frustrated having played by those rules of the game. I am frustrated, as well, because we are seeing rules that have been in place since the 1960s and The Civil Service Act being violated. We are seeing rules, laws in this particular case that have been in place since the 1970s and '80s in the form of The Labour Relations Act changes in the '70s in the form of final offer selection in the '80s being violated. I, as House leader for the New Democratic Party, negotiated an agreement that final offer selection would stay in place, and this act says that even if it is in place, it is meaningless.

So I think you have hit the nail on the head. The fundamental issue at point here is the trust anyone can have, including members of the Legislature, in the word of this government on the rules, in this case the laws. Even lawmakers in this particular case are having the rules changed. I wonder what you see as the logical extension of that when the government of the day, essentially by Order-in-Council because this bill institutionalizes the power of government fiat by Order-in-Council, can now not only say to parties through the process that the rules have changed but say to those of us who are supposed to be having the say in making those laws—MLAs—that even the laws we have made ourselves are essentially going to be null and void. Even agreements that we made ourselves are going to be null and void because this government has decided it is now the judge and jury and in this case the people who are being convicted are public sector workers.

**Mr. McGregor:** Mr. Ashton, our society is founded, as I understand it, on the rule of law. This legislation and legislation that is retroactive normally in effect cuts away that rule of law and that was the point I was trying to make to the minister about the devastation that takes place in the future, because here you have a cutting away of the rule of law which our whole society is founded upon. If we continue along those lines, we enter into wild situations.

I think, for example, what the vested rights of my clients that I say would be taken away by Bill 70, what immediately comes to mind is Japanese-Canadians during the Second World War. Take away their properties and we will perhaps deal with it in the 1990s or perhaps in the year 2000. That is what I am getting at and I am not

saying that is what this government is going to do, but it is a scary first step along that route, in my mind.

**Mr. Ashton:** Indeed, I have categorized this essentially as the War Measures Act of labour relations because the analogy is the same, a presumed emergency. In the case of the War Measures Act, war. In the case of this particular situation, the supposed financial situation of the province, the recession. Essentially what this bill does is suspend collective bargaining rights because of, quote, that emergency, and the indication you gave in terms of what happened in the 1940s.

In fact, is that really not the same type of philosophy that is at stake here and particularly the same type of legal approach? In this particular case the government, when all arguments fail, says, well, we are the government. We were elected. Is the government not now saying that we have the right, with its majority, to overrule laws that have been in place for decades, rights that have been in place for decades, rights that precede many of those laws? In fact, is the government not, in what it is doing, essentially doing the same thing that you have said in terms of what happened during the war and that is saying, well, we are the majority, public sector workers are the minority, and we will, for the good of the public, for the quote, emergency, suspend rights.

What kind of implication do you see? I know you said it could be extended, but what does that do to that principle that I agree is fundamental when combined with another, the rule of law and the respect, not only for majority rights, but for minority rights? Where does that lead society in the future, and particularly labour relations, if we can have those type of decisions made?

**Mr. McGregor:** Total confrontation will develop as a result of this type of thing. I think that it has been shown in the past, as I recall it, in British Columbia, when a very harsh type of—labour-type—legislation is passed. They play the sort of pendulum approach there. I think they probably lead the nation in the number of lost man-hours, or person-hours, if that is the proper term, because of strikes and labour disputes. I would hate to see that sort of situation come about in Manitoba, because in B.C. it is a pendulum approach.

I know that there was a change of government here, and I was looking at the pictures here today

and I see my old friend Sterling Lyon back there. He came into place and I did not see a hell of a lot of the labour legislation, that was in existence, shunted aside at that point in time, because there seemed to be a practical approach. I look over here and I see Duff Roblin, and I say that there was an individual who clearly understood society and the mores of society, and was willing to deal with them in a practical and realistic fashion. I am not here to say that I am anti-Conservative. I am here to say that I am pro-proper government. That is what I am here to say.

\* (1630)

**Mr. Ashton:** I appreciate that, because I found myself increasingly on this debate saying that even Sterling Lyon did not roll back labour legislation, did not bring in wage freezes. I am not saying that there were not other things he did that I disagree with. There were many. In this one particular area there is a very stark contrast between this government and even the Sterling Lyon government, and most definitely the Roblin government, which, in fact, enacted some very progressive changes to labour relations. I share that view and I really thank you for your perspective, by the way.

**Mr. Praznik:** I just wanted to comment to the presenter, and he made reference to former Premiers of this province, that when Premier Lyon, to whom he referred, left office, the people of Manitoba were paying about \$79 a person, per year, on servicing their debt.

The Premier who came after him borrowed somewhere in the neighbourhood of half a billion dollars a year almost every year he was in power, and left us at the point, and we came in in 1988, of paying somewhere over \$500 a person, per year, in interest costs.

I raise that with you because I know, perhaps, that is not an immediate concern when you are at the bargaining table. But one reality that every member of this committee has to deal with, whether they want to or not over the next number of years, is that increasing—like a cancer growing in our public expenditure—those interest costs, debt has now become, as you may or may not be aware, the third largest expenditure of a provincial government, and the fastest growing.

**Mr. McGregor:** I am aware of that.

**Mr. Praznik:** It certainly puts us in a position, just the interest, unlike any other government that has

come before us in terms of that cancer in our public expenditure.

I know there was quite an exchange going on with Mr. Ashton, where he made reference to what selectors can and cannot consider. I have before me—is it Mr. Bowman?—the Liquor Commission arbitration and if I may, he indicates very clearly that in the public sector it is always, and I quote: a question of choices made by the governing body concerned. There are choices between increasing taxes or cutting services. There are choices as to what taxes to increase or to decrease. There are a variety of choices. Hence, when dealing with public funds, the public choices are political considerations and are not considered by the selector.

I say this to you in all sincerity, that one of the real choices that this government had to deal with, unlike Mr. Lyon or Mr. Roblin or Mr. Schreyer, who had much smaller percentages of their expenditure going to service debt, was to fund the increases that were coming in this particular year, when our revenues were zero—was to lay off people, as the province of Newfoundland -(interjection)- well, the member for Thompson (Mr. Ashton) said we did that anyway.

We reduced about 958 positions in government and less than probably 200 people will actually have lost their jobs. Even the member for Wolseley (Ms. Friesen) acknowledged the number 500, which is far less than the 958 the member's Leader referred to in the House last week. But beside the point, those are very real choices and when we look at what has happened in other provinces, who are farther down the road of debt, we saw 2,100 live people laid off in Newfoundland, a province half our size. We saw 1,200 health care workers, not positions, but people laid off in their health care system because their bankers came in and said you will do it or you will get no more money. I know that is sometimes very hard.

We, as MLAs, froze our salaries. Cabinet ministers in this province—I am not complaining about it; we have a very good salary at which to live, less than many of your members you represent—have been frozen for eight or nine years. Nobody likes this. Nobody likes the process, but one of the real realities facing the government members at this table is, if we had not done it, we would have probably had to lay off, I do not know, 600, 700 live people delivering services in Manitoba to pay for those increases. If we think people are

mad at us now, there would have been a lot more, a lot angrier, in this committee room if we had done it the other way. I just offer that to you as my observation.

**Mr. McGregor:** Mr. Praznik, I appreciate your observation, but it in no way deals with anything that I put forward as a proposition here today, with all due respect to what you had to say. What you had to say may be absolutely correct. I do not know. It has nothing to do with what I am dealing with here today.

**Mr. Edwards:** I want to distinguish between the two types of debate I think are going on. One is the ends, that is, the ultimate goal which the government, I believe, as a majority government has the right to set, which is, if they want to pay zero percent, ultimately they have the majority. They are the employer; they can get what they want. They may risk confrontation. They may risk the wrath of the public. That is their right to do that, it strikes me, as a majority government. That is an end that I greatly disagree with. You probably do too, from your comments. That is the mandate they have been given for four years, five years.

The stronger argument, I think, that you make is the process. The process they have undergone is fundamentally bad faith, and that to me is different. You have pointed to the other Premiers and the other governments and said that they respected a process, or that they did not desecrate it, in any event. What I wanted to ask you with respect to ability to pay, because I am persuaded by many of the comments of the member for Lac du Bonnet, the Minister of Labour (Mr. Praznik). Those may be very cogent, persuasive arguments. Arguments like that, no doubt, could have been made in front of an arbitrator, may have been persuasive at the end of the day. What strikes me, is that if the government had maintained final offer selection as a process in your case, they could have made those arguments. Clearly, the legislation allows them to do that for final offer selection.

**An Honourable Member:** We did make those arguments.

**Mr. Edwards:** When they—and the minister says they did make those arguments. You have outlined for us, Mr. McGregor, a choice that the government could have made at the end of the day, to have that reviewed if they felt that was such a heinous statement by the arbitrator, that he is not considering

it. They had an option other than picking up their bat and going home and leaving the box.

Can you tell the minister again—would you tell me—what you consider the option that was available to them, feeling disappointed that it was not considered, feeling aggrieved? What could they have done other than pick up the bat and go home, because they are telling us that was the only choice? What was the choice?

**Mr. McGregor:** You respect the decision of the democratic process and put it into effect and deal with the situation as you perceive it from that time forward. You do not do it retroactively.

**Mr. Edwards:** Fine. Tell us this, because the minister may want to know this. Given their situation—let us put ourselves in their situation. They go through this process, let us assume in good faith, up to the point of the decision. They see this decision. You have heard what the Minister of Labour (Mr. Praznik) read the decision to say. They see it. They have in place, I believe in that case, was it was a final offer selection? The final offer selection decision. They feel aggrieved by the arbitrator's apparent refusal to consider ability to pay. What could they do? What could they do other than stand up and say, look, it is all over. We are obviously not being listened to. We have to use Draconian drastic legislation. Can you tell them how they could have respected the process and still have pursued their goal of maintaining zero percent?

**Mr. McGregor:** Their past goal of maintaining zero percent—as arbitrators have indicated, it is always open to governments to make decisions as to what policies they are going to continue to keep in effect or to tax or, I suppose, follow the route that is being followed in North Carolina right now that is a spending situation to try and get the economy going, rather than—

**An Honourable Member:** Howard Pawley did that.

\* (1640)

**Mr. McGregor:** I am not espousing. I was asked a question, Mr. Minister, with respect. I was asked a question and was trying to respond to the question.

**Mr. Edwards:** I think we are getting to the nub of this because this is really the only defence which I have heard that the Minister of Natural Resources (Mr. Enns) and the Minister of Labour (Mr. Praznik)

and the Minister of Finance (Mr. Manness) are making.

**An Honourable Member:** It is not a new one.

**Mr. Edwards:** It is not a new one. That is true, but this is really what it comes down to. This is what it comes down to. Let me just read you page 3 and a paragraph of their press release which accompanied the bill.

They said: Doctors still reserve the right to include the fees, but the province recently negotiated a unique arbitration model which required consideration of the province's ability to pay.

Now, when they dealt with you and you went from final offer selection process to an arbitration process, did they at any point demand to put in the referral to the arbitrator that ability to pay be considered? Did they say to you ability to pay must be considered, so let us get it in this referral to arbitration? Did they ever say that?

**Mr. McGregor:** No.

**Mr. Edwards:** Mr. Chairperson, more than that, even had they left it with final offer selection, I look at Section 94.3(8) of the act, and it is true. It only says that the selector may take into account—he does not have to—may take into account ability to pay, but you starting the final offer selection process, did they come to you and say let us go through the final offer selection process, but I want more than may. I want shall.

Did they ever suggest to you—let us put shall in there so that the arbitrator must, so that if they lost and the arbitrator said this which is I will not consider it, they could have gone to a judge and said look, he has lost jurisdiction. You have to send this back. You did not consider what we said he had to consider. Did they ever put that scenario to you?

**Mr. McGregor:** No.

**Mr. Edwards:** Well, then, Mr. Chairperson, to the presenter, I accept as he does—as he said, he accepts that you are the majority government. You have to account to the taxpayers of this province. We accept that. It appears, and correct me if I am wrong, that the government has in a quite bold-faced shameless fashion not done everything they could have done to have avoided this legislation. In fact, they have gone the other route. They have not mentioned to you, and I suspect others, perhaps the MGEA as well who they also



could have included in their referral to arbitration, a mandate that ability to pay be considered. Maybe the minister will tell us whether or not he did that. I suspect he is leading to that, but he certainly did not do it with you.

Does that not lead one to conclude that this government in fact made a choice quite early only on, in all likelihood, that legislation may indeed have to be used, because they did not do everything in their power ahead of time to avoid it.

**Mr. Chairman:** Mr. McGregor, thank you very much for your presentation. I appreciate it. Could we move to the next presenter. We have, with the agreement of the committee, an out-of-town person.

**An Honourable Member:** We have done all the out of town.

**Mr. Chairman:** Okay. Then the next presenter is Rob Hilliard, No. 91. While he is coming up, I am going to ask for leave to make a committee change. Is there leave?

**An Honourable Member:** Leave.

**Mr. Chairman:** Leave granted. Please go ahead.

### Committee Substitution

**Mrs. Shirley Render (St. Vital):** I would like to move, seconded by Mr. Enns (Lakeside), a committee change for Industrial Relations, Ben Sveinson (La Verendrye) for Jack Reimer (Niakwa).

**Mr. Chairman:** Agreed, Sveinson for Reimer? Agreed and so ordered.

\* \* \*

**Mr. Chairman:** Mr. Hilliard, have you a written presentation to distribute?

**Mr. Rob Hilliard (Private Citizen):** No, I do not, Mr. Chairperson. I have a list of questions that I can leave with members of the committee that I would like to elaborate on, questions that have been directed to our office. I have a verbal presentation that will go around that and a few other items as well.

**Mr. Chairman:** Mr. Hilliard, proceed.

**Mr. Hilliard:** I was not sure what happened there. I understand there was a question about bringing in someone from Brandon here. I do not mind to step aside if that is the question. I do not know what was dealt with there.

**Mr. Chairman:** Proceed.

**Mr. Hilliard:** Okay. I will have these passed around. These are questions. For members of the committee who may not know who I am, I work for the Manitoba Federation of Labour. As you can probably appreciate, we have received an awful lot of telephone calls from union members, from members of the public, inquiring about what this bill is, what its effect is and so on. What I am passing around here is my effort to compile, as much as I could, the nature of those questions. The questions are questions that I am unable to answer basically. They are questions that I believe require some clarification. I will go over them with you for members of the committee.

The first one deals with issues of public sector and private sector. We have heard from members of the government that this Bill 70 is to cover only members of the public sector, although there are sweeping powers given to cabinet which appear to, at least to my untrained eye, permit cabinet to extend that coverage beyond what I would think is the public sector. We have also heard different legal opinions on that question as well.

So I leave that question with you. I do not know whether or not it is just the public sector that can be covered by Bill 70, or whether or not, by cabinet regulation, the powers of Bill 70 can be extended to cover working people who would normally be thought of to belong to the private sector.

The second question really flows from the first to some degree. After talking about the public sector, I am not aware of what legal definition there is of public sector. It is clearly more than those who are employed directly by the provincial government. Clearly Bill 70 covers Crown corporations and others, but I do not know if that is all again that Bill 70 can cover. It has been suggested, for example, that perhaps—now this is not a legal definition by any description, but I just wonder about it—does definition of the public sector mean that 50 percent of the revenue of that operation comes from the public purse? I do not know.

As well, there have been some questions concerning which Crown corporations are covered by Bill 70. I noted that the original press release that accompanied Bill 70 indicated that Moose Lake Loggers were covered. I understand there has been some further question and debate on that issue, and it is my impression at least that there has been some indication that perhaps Moose Lake Loggers will not be covered.

When I look at the bill, it really only states that the Workers Compensation Board and McKenzie Seeds are exempt in terms of Crown corporations. Perhaps the government could clarify that issue as well.

\* (1650)

The next question: Is it the government's intention to extend the coverage of Bill 70 to other groups, for example, municipal workers, those employed by school boards, judges and so on. I noted that the Finance minister, to an earlier presenter, seemed to indicate that there might be some intention to extend that to other groups afterwards. Perhaps for a lot of people in the public and a lot of other potential workers who may have this bill extended to them, the government should clarify its intention on these matters and allow people to at least anticipate what may be coming.

Another question which I believe the government has a legal opinion on—but like legal opinions you can very often get a different legal opinion from different lawyers, so the question is: Can a 12-month freeze that has already been applied to one group, can that 12-month freeze be extended for a further period of time, again by cabinet regulation?

Bill 70 refers as well to "agreements" in one section, not just collective agreements. In other words, does this mean that parties to any agreement with the provincial government can be affected by Bill 70, such as a contract arrangement with another private firm? Could Core Area Initiative Agreements be covered? Could the private tendering process be covered?

Another question that has been directed our way, can a union negotiate with an employer for a second or third year of a collective agreement that has effectively been frozen for the first year of that term? In other words, if a collective agreement that falls under the parameters of Bill 70 has its provisions frozen at present, is it possible for both those parties to that collective agreement to sit down and negotiate provisions beyond that freeze right now? Is that possible?

Are all benefits of Bill 70 frozen? For example, I have been made aware that there is at least one collective agreement that makes direct reference to a 1990 dental fee schedule that will cover 100 percent of certain procedures according to the 1990 dental fee schedule. Well, we are now in 1991 and

there is a 1991 dental fee schedule. There will, of course, be a 1992 dental fee schedule as well. Does it mean that the provisions that originally were intended to cover 100 percent of certain dental procedures are now being eroded because it is not possible to upgrade that dental fee schedule? There could very well be other kinds of benefit schedules that are pegged to certain kinds of criteria that would remain frozen and thereby really effectively erode that coverage.

Does Bill 70 prevent a union and an employer from changing nonmonetary language in a collective agreement, even if both parties wish to change that language? These could have nothing to do with any monetary impact whatsoever. It could be, for example, a sexual harassment clause that might need to be tightened up. As well, when collective bargaining is done in a positive way and in a productive way, it is often a problem-solving mechanism.

I certainly sat at bargaining tables where it has been our joint objective to try to resolve continuing problems that keep cropping up that are the result of grievances that do not get adequately resolved, that are continually taking up members of the union and members of management's time. Usually it is a desire of both parties in those circumstances to try and change some language in the collective agreement that perhaps is vague, is open to different kinds of interpretations and so on, and tighten it up and make it clear for all parties what it means, and thereby reduce the flow of grievances and problems.

Several nurses as well have directed questions towards our office. Specifically it seems that nurses are exempt from Bill 70; however, the reference to agreements signed after June 3 makes that a little bit more ambiguous in that even some of the MNU agreements were not signed off until after June 3. Could the government please clarify whether or not those agreements would be frozen by Bill 70 or whether or not they are exempt?

A related question deals with nurses that do not belong to the MNU, and indeed they do not all belong to the MNU; some belong to CUPE; some belong to the Public Service Alliance. In fact I believe some may even belong to the MGEA. What about nurses in these bargaining units? Are they exempt from Bill 70, or does it apply to them? And what about some of these nurses that may be members of a bargaining unit that includes other

members of the health care sector, that all in one bargaining unit these other members are clearly covered by Bill 70? Does that mean now that the employer and the union can sit down and bargain provisions for some members of a bargaining unit but not others, in other words, artificially splitting the bargaining unit? Lab technicians would also fit that category.

Does Bill 70 cover community health clinics? It is not clear by the legislation whether or not community health clinics are intended to be covered or not.

As well, what about the Shriner's Rehab hospital? Is it covered by Bill 70?

In relation to The Pay Equity Act, Bill 70 does make reference to The Pay Equity Act, and it says that monetary increases which are due to The Pay Equity Act shall be exempt from freezes under Bill 70. However, it does not; it remains quite silent on voluntary pay equity agreements. For example, there are pay equity programs under way right now in the school board sector between the various school boards and between the appropriate unions. Do these voluntary programs, are they covered by Bill 70, or are they not?

In addition, there are some facilities in the health care sector that are not covered by The Pay Equity Act. The MNU negotiated pay equity provisions in those sectors during their labour dispute earlier this year. They now have pay equity provisions in those areas. Does Bill 70 prevent other female employees working in these very same facilities from getting the same kind of benefit?

What would happen if the Manitoba Telephone System were to switch over to federal jurisdiction under federal labour law in relation to Bill 70? If that would have occurred during the life of any of the collective agreements in that area that are frozen presently by Bill 70, if the jurisdiction were to change during the freeze, what would be the effect?

What about previously agreed to joint job evaluation programs? This is not an uncommon clause in a collective agreement. I could not begin to tell you how many there may be out there, but it is fairly common that employer and bargaining agent would agree to some form of joint job evaluation process based on changes in the workplace for a whole variety of different reasons. Would wage increases arising from such a previously jointly agreed to process be considered

merit increases, or would they be frozen by the terms of Bill 70?

In a similar vein, what about technological change clauses which also are very common clauses in collective agreements? Very often, when the technological change occurs, there is a provision in those agreements that requires a renegotiated job classification process, perhaps retraining with different kinds of financial increments attached to that. These clauses, in many cases, would have been in place for years and years and years—not new at all. What about such provisions? Would any new wage requirements due to these kinds of clauses be frozen by Bill 70, or would the process be allowed to continue?

Bill 70 also overrides all other legislation, with exception to the reference to The Pay Equity Act. Does this mean that recent changes in The Employment Standards Act, which have made some improvements on parental leave, may not apply to workers who have had the old language written into their collective agreement, that is now less than what the law requires? Would this provision, being less than what the law requires for everybody else, be frozen and therefore the few numbers of people who may have that in their collective agreements be prevented from getting the benefits of legislative change that this Legislature has passed with, I assume, the intention of covering everybody?

I have tried as much as I could—I did not start writing all these questions down when the phone calls started coming in, but after a while, it became apparent that there were a lot of gray areas that needed some clarification, so to the best of my ability, I started recording them. I passed them on to members of the committee and the government, if you could please address them and clarify them for the many members of the public who are confused right now. I do not want to leave you, however, with the impression, if all of these areas were clarified and even if amendments were put in place that I would approve of, that I would therefore be able to endorse Bill 70, because that is not the case. There is a lot of confusion out there with a lot of different people. When you cast a broad net, you sometimes catch some unintended fish. You now have to decide what you want to do with those fish.

**Mr. Chalman:** Thank you, Mr. Hilliard.

\* (1700)

**Mr. Hilliard:** Excuse me, Mr. Penner, I am not finished. As I indicated at the start, I wanted to leave these questions with members of the committee, but I have a few other comments that I would like to leave with members of the committee, too.

**Mr. Chairman:** Proceed.

**Mr. Hilliard:** The government, when they brought down Bill 70, attempted to justify its necessity with a few different reasons, some of which have been debated here this afternoon as well as other occasions when this committee has sat. I would like to address some of these reasons because I do not believe they hold water when they are carefully examined.

The first was that taxpayers in this province were presented with a few very small alternatives. Number one, the government was faced with the choice of raising taxes, faced with the choice of increasing the deficit or faced with the choice of freezing the public sector's wages. Number one, those were not all the choices the government had, but quite frankly, there are a lot of other areas where that argument does not hold water either, even if we do not take a look at the broader range of choices that the government had. For example, what does the public purse have to do with people who work for Hydro, a corporation that made a profit last year of close to \$60 million?

The same can be said for the Manitoba Telephone System. None of the people who work for these organizations are paid out of the public purse. The same can be said for casino workers, liquor board workers, MPIC and probably others. None of them come out of general revenues. If these people were not subjected to wage freezes, that would neither increase the deficit, nor would it result in increased taxes. As I indicated before, it is very often a strategic marketing device to say we must do something because, if we do not do this, then this will happen, such as the deficit increasing or taxes increasing. There is a whole range of other issues.

Mr. Enns and an earlier presenter indicated that they had a \$45-million pot. Here you go, bargaining agents, you decide what you are going to do with this \$45-million pot. We are going to give the nurses, who clearly had an historical injustice that had to be addressed—therefore, they are going to get a larger chunk of that pot. Others may get a different chunk, and once they all go away, you wind

up with employees arguing with other employees about, no that is my piece, no that is your piece, no that is my piece. The problem is, Mr. Enns, that pot should not have been limited to \$45 million. You could very well have a different-sized pot by rearranging your priorities. So you have decided in a political decision to limit the pot to \$45 million.

It has also been said many times by members of the government that the private sector is suffering and the public sector needs to bear their fair share of the burden. The public sector is bearing far more than their fair share of the burden. First of all, it is true, we are in a recession. People are suffering out there. Lots of people are suffering. They are not suffering to the same degree, however. There are a lot of private sector employees out there who are receiving wage increases this year. They are not being frozen. There are a lot of them. There are a lot of them in fact who are receiving wage increases above the GST-induced inflation rate. In fact, I can name some of them for you.

Federal Pioneer just negotiated a three-year agreement calling for 21 percent over three years. The brewery workers just negotiated a two- or three-year agreement calling for wages averaging over 5 percent a year. There are others. Bristol Aerospace has a two-year agreement calling for an average 5 percent per year increase -(interjection)- I do not know, but you laid off a lot of people, too. Canadian Guiderail have a three-year agreement calling for average 5.6 percent wage increase. Fleming Pedlar have a two-year agreement for an average 7.3 percent wage increase. There are many others.

In fact, the Stats Canada figures show that all agreements so far in 1991 average a 6.5 percent increase. There are many, many private sector workers out there, a great many of them, who are receiving wage increases. They are not having their wages frozen. There may be some, but there are a great many who are not. I would also put to you that any of those who are out there and covered by a bargaining process, they at least arrived at their zero figure, if there are some like that, through the collective bargaining process. They showed the books; they bargained; they probably did some other problem solving. They may have had some catch-up language put into the agreement based on better times, but they bargained that zero percent increase. Bill 70 prevents that from happening. It does not allow the bargaining process to take place.

I also want to point out one other thing. It is just a very short quotation, if I can find it. Maybe I cannot. I thought I had it here. Excuse me for a second. Here we are. It is a quote actually from that flaming radical union publication known as The Globe and Mail Report on Business. I will quote: Unions have not been the bane of the Canadian economy. On wages, most were playing catch-up with employers who were booking record profits in the '80s. Perhaps if we have a shortfall of revenue with the government, why were these record profits not being taxed? Where are they?

From 1977 to 1987, real manufacturing and wages in Canada declined and so did they in the public sector as well. The fact is that workers in this country, for more than 10 years, have suffered a real decline in their wages when compared to the cost of living. The concluding sentence in this quotation again is: Even with recent gains, Canadian wages are not out of line with the rest of the world. It seems to me, that is what we are trying to do, is it not? I keep hearing that we have to be competitive with the rest of the world. The Globe and Mail Report on Business states that we are not out of line at all.

Another piece of reasoning that the government has put forward in terms of justifying this bill says that everybody has to bear their fair burden. The public sector workers have to pay the same taxes the private sector workers have to pay. They have to buy the same products the private sector workers have to buy. They are subject to all of the same kinds of things, except they are not subject to Bill 70—the private sector is not. So they are in fact being double taxed. They are not bearing the same burden. They are bearing an extra one.

\* (1710)

As well, how about people like Oz Pedde? He is certainly not bearing the same burden. There are a lot of other folks out there who are not bearing the same burden. Nobody is trying to control corporate salaries which, incidentally, are going through the roof, according to some recent figures that I have seen -(interjection)- It is my turn.

How about prices? Who is controlling prices? Nobody is controlling prices; nobody is controlling profits. The bare burden is not being borne equally at all. There are some, in fact, who are making runaway gains through all this process. The public sector workers are bearing far more than their fair share of the burden.

The tax system as well—how about taxes? Everything that the Business Council on National Issues and the federal Conservative government has done has been aimed at reducing the tax burden proportionately on upper income and corporations, and increasing it on middle-income and lower-income people. The statistics show that very clearly. Very briefly, I will not get into the whole range of them, right now—I do not read French as well; the numbers are the same, but the rest of the language is not—45,000 Canadian families earning more than \$150,000 a year have had decreased taxes throughout the 1980s—decreased; 118,162 corporations that show profit, profit of more than \$25 billion, in fact, collectively, have not paid any tax on any of that income. At the same time, taxes that the federal Conservative government have implemented have increased the tax burden for middle-income and lower-income families by an average of \$1,200 a year. The tax system is also contributing towards this unequal sharing of the burden.

The fact is that all of these changes that have taken place throughout the 1980s have increased the burden for middle- and lower-income people, have decreased the burden for upper-income people and have radically decreased the burden and responsibility and accountability on corporations.

I want to address the issue as well. It is not just the fact that the tax rates are there and the loopholes are there for corporations to avoid paying. The fact is that even when they get nailed they are still not paying.

In one section, here corporations are called the biggest cheaters—cheaters. Large corporations are the least likely to pay their full share of Canadian taxes, says a 52-page heavily censored 1989 Revenue Canada report. This is from the federal government's own report. This is a quote. Very large corporations tend to be chronic noncompliers. Revenue Canada also says big business keeps cheating even after being challenged. Very large corporations retain highly-paid advisors—these are in quotations—to ensure that they pay as little tax as possible either by arranging their business in a favourable way or by challenging every gray area of law that could be to their benefit. Even if the advantage sought is denied, a deferral—you are part of that tax system, and you are also moving the burden again away from corporations and onto

people—of tax payment is often achieved, since the assessment, audit, appeal and court procedure can take several years. The system that is in place encourages those who can afford to pay—we talk about the ability to pay—those who have the ability to pay taxes, the system is in place that encourages them not to pay, and even when they are caught with their hand in the cookie jar they give you the finger and you let them get away with it.

I see you shaking your head, Mr. Minister. I have something else here. It is a headline that says: Firm owes \$110,000 in sales tax, province and the company in stalemate. I will not read you the whole article, but in a nutshell it said that over the course of eight years a particular firm—and I will not name them, although I do not know why, it is right in the Free Press anyway—Oh, I will name them. Ken Knight Auctions and Auto Brokerage owes \$175,995.74 to the provincial department's tax branch for eight years. They are still owing and they are not paying.

There is a further—there was a series of articles in the Free Press about that issue. I will not read them whole. I am sure you have had the opportunity anyway. The final result was so frustrated that the two employees of the province who were charged with collecting this tax and trying to get it quit in frustration, because they had no back-up from the government because they could not get it and, frustrated by a toothless approach that lets some companies walk away untouched, they quit. They just could not take it any more.

The fact is that government does not pursue those with the ability to pay taxes the way they pursue workers in terms of contributing to the public good. They just plain do not do it.

**Mr. Chairman:** Thank you, Mr. Hilliard.

**Mr. Hilliard:** I am not quite finished.

**Mr. Chairman:** I have been very, very lenient, listening to a deviation of options that could have been used. I respect that. However, I want to say to you the same as I have said before to others.

**Mr. Hilliard:** Okay.

**Mr. Chairman:** I would appreciate if you would direct your comments to the bill in respect to the bill.

**Mr. Hilliard:** With all due respect, Mr. Chair, I thought I was doing that. I will leave that particular topic right now. I have a few other things to talk

about collective bargaining. Would that be part of Bill 70?

**Mr. Chairman:** Proceed.

**Mr. Hilliard:** Thank you.

I would like to talk about free collective bargaining. I have certainly heard a lot of other people in this room talking about it earlier today, so I assume that must be part of that.

I have participated in free collective bargaining over the years with a number of different kinds of people on the other side of the table, some who wanted agreements, some who did not, some who bargained hard, some who just wanted an agreement quickly and get back to work, some in the private sector, some in the public sector, a lot of different kinds of situations. It has been my experience that free collective bargaining, in order for it to work, cannot work if one party comes to the table with a rigid iron-clad inflexible position.

With all due respect to previous comments about okay, you have this \$45 million pot, work it around, or as Mr. McGregor said here earlier, the government freely admitted that senior Crown attorneys deserved a wage increase and they should have it, but it has to come out of somebody else's pocket. That is not a flexible position.

I was put in that position one time in the past, and I was told okay, this is all we have, you figure out how you want it. Well, we took a look at what all we had by the employer that he presented to us and we did not want it. We told the employer so.

We also told the employer that if he really wanted to problem solve, if he was truly interested in reaching a collective agreement, he had to show us his books, all of the books. We were not going to be restricted to a employer-defined pot. We wanted to take a look at what all of the options were, and we did do that. In fact, after a very lengthy session the union agreed with the employer that there was no money there for a wage increase. We negotiated a two-year wage freeze. It was a negotiated wage freeze. We agreed with them.

I stood up in front of 600 angry miners who wanted my scalp and I tried to explain to them why this was necessary. I did that, but what I also did was I negotiated a provision in that collective agreement that called for wage increases—not wage increases but monetary payouts to everybody in that bargaining unit, should conditions improve. The employer wanted to peg it to profits. We did not

want to do that, because quite frankly we have seen how that word can be messaged in ways to show that what I would think is a profit all of a sudden is a loss. We see that right now going on with the Winnipeg Jets. Somebody is saying they have a profit, somebody is saying they do not.

\* (1720)

What we did instead was we pegged the payout to what we determined to be an objective criterion. That was, in the mining sector, the price of copper, the price of zinc and the price of gold. When those metals reached a combined price it required a mandatory payout to everybody in the work force. When it reached another level it triggered another payout.

Well, for the first year of that collective agreement nobody got anything. In the second year of that agreement people started to get big cheques. In fact, in the second year of that agreement some people got as much as \$20,000 in payouts. That despite negotiating a two-year wage freeze. So there are ways around it, but not ways around it if you come with predetermined perimeters and say you must choose only from here.

If we have to choose, I want to see the whole picture. I want to be able to pick from here and pick from there and problem solve with you, but if you are going to prevent that from happening, then do not say we have free collective bargaining and I am inflexible. You are the one that is inflexible. You are not being creative. You are restricting the range of choices. That is not free collective bargaining.

Also, a lot has been made here of referring to the arbitration process and that not being free collective bargaining. In its strictest sense it is not, but labour disputes require a whole range of tools at their disposal in order to resolve them. Some are only resolvable by a confrontation. That is unfortunate.

Mr. McGregor referred to strikes. I do not know how many strikes Mr. McGregor has been on, but I have been on them. They are not nice at all. They are an absolutely drastic measure. All sides tend to lose in a strike and it is only because the level of frustrations has built to a point where there is no other way.

Much more preferable ways are out there to resolve disputes and they include things like arbitration. They used to include final offer selection. We could use a conciliation process, a mediation process. Mr. McGregor indicated that he

sat down and negotiated with the government about a form of final offer selection that was not what the legislation required. They sat down and they agreed on a process. Those things can happen too. In fact, I was part of a final offer selection process long before there was ever any legislation on it. Those things can happen if the parties negotiate it, but when you have -(interjection)- well, you will have your shot at questions.

When you have a labour dispute you must be able to use a whole range of problem-solving devices. Some are appropriate on some occasions, others are appropriate on other occasions. They are not always desirable but they may be more desirable than another alternative that is worse. We should never restrict the range of options to problem solving.

In fact, you should know as well, that in terms of this violation of free collective bargaining, the Canadian Labour Congress, on behalf of the labour movement in the whole country, will be filing a complaint with the United Nations' International Labour Organization on this province's Bill 70 as well as a few other provinces' freezing of collective bargaining. That complaint will be filed at the next meeting of the ILO. It is clear from our understanding of those conventions, which incidentally Canada has endorsed, this Bill 70 clearly violates what Canada has agreed not to do. That complaint will be filed.

I want to conclude by saying Canada has and, indeed, the United States has quite a different history with the labour movement than the more civilized, I would say, European countries. Europe has long ago accepted the legitimacy of organized labour as a necessary and, indeed, legitimate player in planning the countries' economies. They have participated on boards of directors in legitimate fashions. They have planned with governments in terms of planning economies jointly, and sat on bipartite bodies for years and years and years.

All of this has been done without employers in Europe trying to bust unions, trying to rid themselves of labour organizations and freeing themselves up to, as people like Mr. Newman would say, unrestricted free enterprise so that we do not have to at all be accountable to our work force. Europe rejected that kind of a philosophy many years ago and as a result they have much less labour confrontation than North America does.

Interestingly enough, this issue in Canada was dealt with about 15 years ago when the then federal government, being very much alarmed at the rate of labour confrontation in the country—at that time Canada had one of the highest days lost due to work disputes in the entire world—the then federal government commissioned a study. I will just very briefly—it is a very short summary: commissioned a study to find out why it was that Canada has suffered from so many labour relations problems and so many days lost to production due to labour confrontations.

This expert, a Professor George Sayers Bain of the University of Warwick in England, produced a report that was later filed and forgotten, unfortunately. Professor Bain had a lot to say about Canada's labour relations systems that should be required reading by our businessmen, editorial writers and others who know little of labour relations. Bain found that unions in Canada are not accorded the same legitimacy and recognition given to unions in Europe. They are constantly under attack by the business community, by government and by the press, and thus must always be on guard to protect the shaky rights they have had to struggle so hard to obtain.

In his report, Professor Bain suggested several ways public policy should be changed to promote union recognition. These included labour law amendments to prevent unfair labour practices by employers, which incidentally are rampant, to give unions greater access to employees during organizing campaigns, to make representation and certification votes easier for unions to win.

After all, I do not know if anybody has taken the trouble to read the preamble in The Labour Relations Act, but it says very clearly that citizens of Manitoba are free to join unions if they wish. That is just plainly not true in a very practical implementable way. It is not true. At present, he observed, Canadian unions exist in a society much more hostile to them than is the case in Europe. A society that looks upon unions as undesirable intruders into a private enterprise economy, and tries to curb union rights and effectiveness, should be prepared to pay the price. Part of the price, as Professor Bain's study emphasizes, is a much higher level of labour relations conflict than would be the case if unions in Canada were given the recognition, acceptance and respect they deserve.

Bill 70 does everything that Professor Bain said not to do. It should be withdrawn.

Thank you.

**Mr. Chairman:** Thank you, Rob.

**Mr. Manness:** Mr. Chairman, I would like to thank Mr. Hilliard for his presentation. Obviously we disagree on certain aspects of Bill 70.

Let me say though, with respect to the first portion of his presentation, that dealing with questions, I certainly take each and every one of those questions very seriously. I will undertake to respond as soon as possible. Certainly we will be bringing in some amendments that will be dealing with certain aspects of those points. I would have to think that the response either in amendment form or either in the written form will satisfy, from the federation's point of view, most of the questions. I will endeavour quickly in government to respond to these questions as quickly as possible.

**Mr. Hilliard:** Thank you, Mr. Minister, that would be helpful. I would urge you to make that clarity in the act or in regulations if at all possible because, as I indicated earlier, while I have a great deal of respect for the legal profession, you get a house full of lawyers, you get a house full of opinions.

**Mr. Ashton:** Indeed, in fact, I think we had all the lawyers currently in the Legislature in the committee earlier today, and a lawyer presenting, and I do not think there was a single point of agreement amongst them.

I want to deal with both portions of your presentation. I want to start with the questions you have related to the committee on Bill 70, because a number of these issues we have raised in the opposition, because there are really two questions this committee has to deal with when it makes its decision at the committee stage. One is on the principle of the bill and our position in the New Democratic Party is obviously that this is a bad principle. It is a bad bill, period, when it comes to that level of discussion. There is also the work of the committee in terms of the specific wording. Regardless of your position on principle, obviously there can be discussion back and forth—about, if it is a bad bill, can it be made less bad?—essentially from the perspective of those who are opposed to it. As I think you indicated in your analogy, essentially the government has cast a very broad net, and it has included a lot of people. The question is: Did it intend to include some of the people who are to my



mind clearly included or potentially included? We have seen that at the committee, and I wanted to go through some of your list to get very clearly on the record the kind of points that you are raising.

\* (1730)

In your first point, you talked about the private sector being covered by Bill 70. Well, of course, we have heard presenters say that one sector of the private sector is already included, that being the private sector nursing homes. The presenters earlier today from the UFCW I believe have five units which are essentially private sector employers. We have had people represented by the unions here, some of the workers themselves, who are essentially employed by such individuals, such companies as Trizec Corporation.

So I take it by this you are saying that there is no real clear definition in the act about what is public and private sector.

**Mr. Hilliard:** That is correct, Mr. Ashton. In fact, I am not aware of any definition that exists anywhere in law or in common law practice that defines public sector or private sector in some kind of clear way. I think that is really the cause for the confusion at this point. There is no reference point for us to anchor our thoughts on. I really think it needs some clarity so that we can know what applies and what does not apply.

**Mr. Ashton:** Mr. Chairperson, well, in fact the bill itself is called The Public Sector Compensation Management Act, but one of the points I have raised in debate is, under the definition section there is not a single section of the bill that refers to what that is. I know there have been discussions. I have raised this myself. You are suggesting that there should not only be a clarification verbally or in written form but in the act itself.

**Mr. Hilliard:** Yes, that is what I mean, Mr. Ashton. I think it would do an awful lot of people a lot of good if they had some kind of reasonable definition that they could look to and say, okay, that is me, or, okay, that is not me; okay, this cannot apply to me, or, okay, it can apply to me.

Like I said before, there is not to my knowledge, nowhere is there any kind of legal definition of public sector. I know that it is titled public sector and it provides some kind of an indication, but I could probably trot a whole lot of people up here and say, well, I work for this firm. Is that public sector or is that private sector? If you have the room full of

lawyers again, you will probably have a room full of different opinions.

Could you please clarify that for us?

**Mr. Ashton:** Well, indeed, Mr. Chairperson, I have sat through enough of these committees, and I have seen many an occasion where the government may have had one intent. The draftsman putting the bill together may have tried to interpret that attempt. This committee may have tried to interpret it further and then one or two years later we would find ourselves passing amendments to the same act. We recently did that on drinking and driving, I believe. We have now been dealing with it for the third time and still have not gotten it right. When I say we, it is in the collective sense. Some of us perhaps recognize some of the limitations initially, but I can recognize your point.

I want to deal further in terms of the distinction between public sector and private sector. I take it from the presentation, and your first three points deal with that in one shape or form, that there is still some confusion out there amongst people whether they are included or not.

**Mr. Hilliard:** That is correct. There are people out there right now who do not know whether or not Bill 70 applies directly to them now. In addition, when it is pointed out that there is the section in the act that allows cabinet to pass regulations to cover others, even though the bill may be called a public sector compensation act, it is not clear at all whether that extended coverage can apply to them at all. There is indeed a great deal of confusion out there.

**Mr. Ashton:** I also want to deal with the questions of within the broadly defined public sector about who is included and who is not, because I note for example you noted the confusion surrounding Moose Lake Loggers. I received calls, and I believe within about a day or two they went from being included to excluded. The only reference we had at the time was the press release where it appeared they were included. In other words, the wages would have been frozen and subsequently it was determined that they were not.

I am just wondering in terms of that, in terms of any communication from the government to the unions involved, what kind of communication you were receiving, because there seem to be different levels. The bill does not say anything in terms of definition directly. It is not a very clear definition. The press release is basically what most people

have been going on, and that even is not totally clear.

I am just wondering what kind of signals the labour movement has received, the Federation of Labour or others about who was included or who was not included and what form that has taken.

**Mr. Hilliard:** Well, insofar as the Moose Lake Loggers are concerned, for example, we did receive a phone call from someone in The Pas who reacted at first to the bill about assuming that Moose Lake Loggers, the people who worked there, would be frozen, and then, reacting later on to the press release, the government's statement that said that they would not be, and wanting to know from us which was the case. With all due respect to press releases, they are not enforceable in court, I do not believe, and if there is clarity, the clarity better be in the law.

**Mr. Ashton:** Indeed, in fact, as we discuss this, it is difficult even to deal with it, I know for myself, because I wish everybody was a Moose Lake Loggers in this particular situation. If they want a public sector wage act, I think we could all agree to support it if it affected nobody. It is one of those areas of so many people potentially included and excluded.

Okay, I want to deal with some of the other points. I think you outlined fairly clearly the concern in regard to other groups, because they are indicated as being excluded in the act. They could clearly be included at a point in time. So I appreciate your concern in that regard.

In terms of the 12-month freeze, I want to deal with that again, because it appears to my mind that if that is the intent, it should be in the act. In reading the act, because I know you have obviously gone through it in great detail, do you feel that it is clearly defined in the act, or are you of the view, as obviously a lot of people are, that it could essentially be a two-year freeze if the government decided down the line that that would be the case?

**Mr. Hilliard:** It is not clear to my unlegally trained eye when I read it. However, we did receive a package from the Minister of Finance (Mr. Manness) of legal opinion indicating that that could not be the case. However, I would like to emphasize again that I am sure I could find a lawyer who says, well, maybe it could be. The point is, I think, that if in fact it is not the government's intention to be able to cover any one group more than 12 months, the act

should say that exactly. They should say very specifically, no one group can be covered by the effects of Bill 70 for more than a 12-month period of time. If that is the government's intention, please say that.

**Mr. Manness:** It is.

**Mr. Ashton:** Well, the minister says, it is. Once again, I think the presenter is indicating that -(interjection)- Yes, the word of the minister, trust me, as the member for Dauphin says, does not really apply, because the same minister also had signed an agreement saying that final offer selection would be in place, and the Premier said that collective bargaining would be respected. I really am trying to focus on the questions. I could debate the minister. I am being somewhat distracted by the minister, Mr. Chairperson.

I just wanted to continue though. I want to deal with some of the other points that the member of the public has raised here. In terms of the second and third year of a collective agreement, that is one I have raised. I raised it on introduction on second reading. I just want to deal with that. What is happening out there now with people bargaining contracts? I have gotten calls from people indicating that no one seems to really know if they really even can start thinking of a second and third year. It relates partly to the fact that there is confusion over whether it is, in fact, only a 12-month freeze, if I can use the word "only," because that is pretty major. But what kind of calls are you receiving? Are you getting a significant number of people, or having difficulty continuing further bargaining because of this?

**Mr. Hilliard:** I have had enquiries from two unions, in particular, who have asked that very specific question, who want to negotiate beyond the freeze period. They say they have agreement from the particular employer, that they also want to be able to do that. It is not clear. I do not have any legal opinion to say that they can or they cannot. I do not know what the answer to that is. The reason they are reluctant to proceed anyway is that you can go to a lot of trouble, expend a lot of resources in negotiating a collective agreement. There would clearly be no point in going through all of that process. We have already heard, in fact, from Mr. McGregor and a few others who have had their agreements overturned and what kind of anger that generates. There is already a lot of anger out there.

People are very reluctant to go ahead with another process that may, in fact, be futile as well.

\* (1740)

I would again urge the government, that if in fact it is not their intention, or rather it is their intention to permit a negotiating process to proceed for a period that would begin after the freeze is over, that should be stated very clearly, to allow the parties to do that. Right now there are a lot of folks out there who are snake bitten, and they do not want to do it.

Despite the fact that there are two parties that are willing, if that is the government's intention, please allow them to do that.

**Mr. Ashton:** In fact that is understandable. I have talked to many people, IBEW Local 2034, for example. They indicated they spent upwards of \$100,000 on the negotiating process because when you have members from all across the province you have to bring them in. There is a lot of travel involved, a lot of preparation time, and I can understand why people would not want to spend that kind of money again in the future, particularly when that money is coming from the dues of members who have just had their wages frozen. It is quite understandable.

In terms of the benefits, that was raised a number of times by different presenters earlier and I think that is a very clear question there, that if the government intended to freeze wages, but not benefits, that has to be made clear once again in terms of the act, because if they freeze the amount paid for benefits they effectively reduce the level of benefits. So that is fairly clear.

In terms of the nonmonetary language, I want to focus on that a bit because there have been a number of cases already, where we have had final offer selection decisions that have been overturned, and where the outstanding issue has only been wages. Now, the minister in introducing the bill, when I asked very specifically on this point, indicated that his concern was that the union might have made concessions, up to a period of time in the bargaining process, in order to perhaps obtain a greater award on a monetary level. Now, I had some difficulty with that, because to my mind anybody, for example, in the final offer selection process—more if it was a focused arbitration in their particular areas—would obviously understand at a certain level that they would have to live with whatever decision they had on contract language,

and then rely on whatever the decision of the arbitrator or selector was.

I just want to pursue that a bit further, in the form of a question, to get it very clearly before the committee what the concern is. Are you suggesting that Bill 70 should be amended so that even if the government wishes to exclude anything that has been agreed to prior to the wage freeze, if that is their concern, that people can still come to agreement after the wage freeze if they are included as part of the wage freeze on nonmonetary language that is acceptable to both the union and its membership and management?

That, of course, would take out of the situation we are dealing with, the problem the Minister of Finance (Mr. Manness) was concerned about because, presumably, if everybody knows what the rules are now, and they are not getting any wages, anything that is agreed to is going to be mutually acceptable to both sides. Would you treat that as a reasonable solution to your concerns?

**Mr. Hillard:** That would be preferable to what the present bill states. I can, again, relate to a personal experience, when I was in the very uncomfortable position of having to negotiate a zero percent wage increase that was, in our opinion and the union's opinion, justified. We did insist that we problem-solve a lot of other areas. That included one particular area that was a constant source of aggravation for a group of people who were constantly having trouble with a particular supervisor because of an arbitrary application of a rule that was not well-defined. We clarified that issue in the collective agreement; it became well-defined, to everybody's satisfaction.

We also negotiated a number of other workplace kinds of provisions that did not cost the company any money at all, but which did make the work life of the people covered a little better. I see no reason why, if it is the government's intention to protect its Treasury, it has to prevent this other kind of problem-solving mechanism from taking place.

**Mr. Ashton:** I thank you for that because, as you point out, there are some very significant items that can be mutually agreed upon, particularly a number that are essentially evolving areas of concern. Many contracts have not included, for example, sexual harassment clauses, until recently. I do not see any difficulty, quite frankly, in putting that in a contract in this current year.

I wanted to proceed further with your 10th question, on the nurses, because, once again, it depends on how one interprets the statement of intent by the government. You are saying, then, that a number of nurses are concerned that even though they are nurses, because their agreement was not signed before June 3, they might be included in the wage freeze. They might have their wages frozen.

**Mr. Hilliard:** Yes, that is correct. You know, not being at the bargaining table when the nurses were bargaining earlier this year, I do not know how the process exactly worked. I do understand that most of those agreements spun off into smaller workplace kind of agreements that got signed off between a particular employer and the MNU. That process was not totally completed by June 3; in fact, there were still some that were not yet finished or signed off by the June 3 date.

**Mr. Ashton:** In fact, in dealing with the whole situation of split bargaining units, what number of units might be affected by that, where people who might, by the definition—by "definition" I am using the press release more than anything else—would have, say, nurses and others included: some who are supposedly not going to have their wages frozen, and some who would? I have spoken to a number. I am just wondering if you have some idea of how many units might be involved.

**Mr. Hilliard:** I am not sure what that number would be. I know that it certainly involves several facilities, it is not just a couple here and there. It certainly involves several facilities. There is no question about that.

**Mr. Ashton:** Several, but not necessarily a large number of facilities. So it is something the government can essentially deal with in isolation of its broader perspective on the bill.

**Mr. Hilliard:** Well, compared to the total number of nurses that were covered by the master agreement, yes, it would be a small percentage.

**Mr. Ashton:** Just to proceed further, and essentially the 11th and 12th question, on the community health clinics and the Shriners' rehab hospital, where it relates to a question I asked earlier—in terms of pay equity, I want to deal with that. In terms of the voluntary pay equity programs, when you are referring to the voluntary pay equity programs you are essentially referring to voluntary pay equity programs under the act, because the act

essentially was a staged process and included compulsory pay equity and allowed for a voluntary process. So do I understand the concern to be where people have, under the act, instituted a voluntary pay equity program, that that not be considered part of a wage freeze?

**Mr. Hilliard:** That is correct. Perhaps I was incorrectly—or not precisely worded. I guess the government and I can make mistakes in that area.

**Mr. Ashton:** Your 14th concern is one I was not aware of in terms of the federal jurisdiction. If MTS was to be changed, I would assume under that the workers being under federal jurisdiction would be subject to reorganization, because essentially the unions themselves have been recognized under provincial jurisdiction and would essentially be involved with that. -(interjection)- Well, the minister says we already are under federal jurisdiction. I assume you are referring to federal jurisdiction in terms of labour relations following thereunder—aspects of MTS, a large part of it is under federal jurisdiction in terms of the communications. I just wanted a clarification on that point.

\* (1750)

In terms of joint job evaluation programs, I want to deal with that. The minister has been involved in some discussions in this committee with representatives of MGEA about reclassifications. We see reclassifications within the Civil Service. We have seen some at the senior level. We have seen individuals hired, for example, and this is where the Oz Pedde increase essentially came from, as I understand it, was a—the minister says it was not really a raise, it is a reclassification -(interjection)- Well, within the class but there was reference also to reclassification programs. I just want to deal with that.

I guess what you are asking really deals with non-MGEA, non-Civil Service contracts. Do I understand you correctly to essentially be asking whether non-Civil Service contracts, where they are included as part of the pay freeze, you are essentially asking whether they will have an equivalent acceptance of reclassifications to The Civil Service Act?

**Mr. Hilliard:** Yes, that is correct. I was not referring only to one group of employees. In fact, this kind of a provision is a very common one that calls for a jointly negotiated job evaluation process if there are

new duties added to a particular position, if some were taken away, if they are changed, a whole range of different—workplace may move. There is a whole range of different factors that can come into play to basically change the nature of a particular job. Most collective agreements call for some kind of a jointly agreed to process that would then evaluate the new conditions and assign a wage rate to them. It is not an uncommon clause in an agreement. It is quite common, and I could not begin to guess how many of them there are out there.

**Mr. Ashton:** In fact, one of the difficulties with this legislation, to my mind, appears to be that the government has assumed that all public sector workers are in essence similar in the form of contracts in the organization to others. This is one area; the area of benefits is another, because my understanding is that benefits for the Civil Service are budgeted for regardless of the wage freeze and reclassifications are still kept in place.

Essentially, what you are saying is, that even with a bad bill, there should be some consistency within the bill that treats people on a similar sort of nature whether they are civil servants or other public sector workers.

**Mr. Hilliard:** Not everybody is the same; not everybody negotiates the same kind of an agreement. Different unions, in fact, have different styles of doing things. Probably, that bears out a different kind of a relationship over the years, but the fact is that collective agreements, while there are certain standard things that are in most collective agreements, there is also a wide variety of other kinds of peripheral things that are treated quite differently. Even standard kinds of issues, that are always dealt with in a collective agreement that may have an essentially similar meaning, may get dealt with in a different way. So, in fact, unions are not all the same; employers are not all the same; and certainly the relationship that exists between them are very, very different.

**Mr. Ashton:** I thank you for the questions, and I believe the other two are quite direct. I do think it is important in terms of this committee—and as I said before, we are opposed to the principle of this bill—but that this committee do keep an open mind also on the specific form of the bill. Certainly we in opposition will be doing our job on both aspects, both in terms of the principle and doing whatever we can to defeat the bill, but if it is going to be passed

into law, making sure that the government does not pass a bill that is bad in principle and bad in form as well.

I have a further couple of questions just to follow up on the other part of your presentation, because I find your comments about the context we are dealing with here quite interesting, particularly when you referenced the comparative situation in Canada to other jurisdictions.

Earlier today I asked a number of questions to people about—within Canada, Manitoba has had the second lowest strike rate traditionally within Canada, one of the best records. Ironically, as you have indicated, Canada has had one of the worst strike rates in the world traditionally over the last 30 years, and that is something that is virtually unchanged. About the only country that has had a higher rate of strikes has been Italy. We have a higher rate of strikes than many countries that are commonly misconceived to have a higher rate, Britain, for example. We have virtually doubled and tripled their lost days due to strikes in those countries.

I am wondering if one of the reasons in Manitoba has not been because we have over the last 22 years and -(interjection)- Indeed, as the member for Dauphin (Mr. Plohman) points out perhaps because of legislation brought in by the NDP in 1975, The Labour Relations Act and during the '80s, recognized the fact that unions and -(interjection)- To the Minister of Finance (Mr. Manness), it was Russ Paulley who was Minister of Labour for a significant part of that period, and the minister should not put on the record that Mr. Green was responsible for this. I do not think he would want to take credit for some of those items. We will discuss that further. Indeed, he was a one time—he did consider himself a friend of labour many years ago, but I digress.

The point I had was in terms of that particular context of legislation. We have things like first contract legislation, which is under attack right now from the Chamber of Commerce, but recognizes the right of workers to at first contract the very basic right. We have had clear recognition in terms of rights to organize. We have recognized not only the Rand formula, we have gone beyond that, although now this government is in another bill on the MMA essentially moving against that. I am wondering if what you are saying to this committee is not that in Manitoba we have been closer to the Europeans,

the West Germans, who developed codeterminations, you mentioned on boards; Sweden where the rights of the trade union movement have been recognized in many ways; if we are not moving in a direction where we were in many ways the model for Canada and Manitoba, and now we are perhaps moving toward the rest of the provinces which have a very bad record on labour relations, in some cases, particularly in Alberta, Saskatchewan and British Columbia.

**Mr. Hilliard:** Yes, that is correct, Mr. Ashton. Quite frankly, Manitoba has a long way to go, too, but in relation to the rest of Canada, I think that probably in the last 15 years anyway we have been closer to the European model than most of the rest of Canada has been, although that gap has certainly narrowed recently. We recently lost one, what I think is a very progressive tool to use in dispute resolution, and that being FOS, not ideal in every circumstance by any means. In fact, in my opinion, if I were bargaining collective agreements I would not want to use it very much, but it is there in some special kinds of circumstances.

Yes, I do believe that Manitoba's labour law on a whole has probably recognized the rights of workers a little more fully than many other jurisdictions in Canada have, although I fear that is being eroded at present, and we are not only slipping back into the pack, we may wind up having others pass us.

**Mr. Ashton:** I want to pursue further, because one of the unique features in many of those other countries has been the recognition of partnership, of consultation, Sweden being an exact example, because in the 19th Century, Sweden had one of the highest strike rates in the world at that time, was actually one of the poorest countries in what might be considered the western world. They decided then, nationally, to work towards development by developing a partnership, a social contract if you like, between essentially the labour movement and business and the government which provided fundamental recognition of the rights of individuals to organize.

They have something, by the way, in the range of 80 percent to 90 percent organization, as I am sure you are aware. Eighty percent to 90 percent of workers are unionized and yet they have a lower strike rate than virtually any other western European country. I am wondering in this case because there is this misconception that the Conservatives often feed off of and foster, and that is the idea that the

reason we have strikes is because of unions. Sweden certainly disproves that.

I think in the case of Canada it is disproved on the other side. We have a high strike rate but we have perhaps 38 percent to 40 percent of workers being unionized. We have employers who continue, on a daily basis, to bust unions.

I am just wondering what the implications of Bill 70 are going to be in terms of this context because to my mind, in this particular case, this government is, if not busting the unions, doing the closest thing to that because in this case, in terms of public sector unions, they have said to public sector unions, you cannot collectively bargain, period. You cannot go to final offer selection. If you do, it does not mean anything. You cannot go to arbitration. If you do, it does not mean anything.

What they are essentially doing is not only not involving themselves in a partnership of any kind of consultation, they are going one step further and they are essentially saying to the trade union movement, we know what is in the best interest of everyone and you have to deal with that, including, by the way, the Minister of Labour (Mr. Praznik) who in this committee only a few weeks ago said that most public sector workers support the government on this. They are glad to sacrifice.

I am wondering what implications you see if Bill 70 is passed in terms of the kind of labour relations climate we are going to have in Manitoba.

\* (1800)

**Mr. Hilliard:** It is clearly a kind of legislation that already tilts an unbalanced playing field further in favour of employers. It is already tilted very badly in their favour anyway through common-law tradition that gives them power of ownership. Anything that increases that is going to cause confrontation, because bargaining units very often feel right now that they go to the bargaining table with one hand tied behind their back. They are prepared to swing away with their other hand very effectively.

The fact is, the laws are balanced against unions right now. Anything that takes away more of those rights is going to increase the level of frustration. It may put off the fight, but it is going to build it to a point where it is going to be a much bigger fight. It will definitely increase the trend towards confrontation. I would guess that we will see a greater degree of labour disputes in the very near

future, not just because of Bill 70, because of other things that are at play right now as well.

Certainly Bill 70 is causing problems at the bargaining table that were not there before, even in the private sector, because I think as one other presenter indicated, they were dealing with an employer and they came forward and the employer says, well, look, hey, if they have to take zero then you have to take zero. This is a profitable employer who can well afford to pay. Well, there is no way for that kind of bargaining and you are not going to expect the union or the workers in the plant to take that kind of stuff without a fight. There is much more willingness to fight now than there was before. Without some drastic improvements in the climate around here, that is going to spill over into more disputes, no question about it.

**Mr. Ashton:** I appreciate that overall perspective because a lot of times I think one of the difficulties when we make legislation—and all governments fall victim to this, I am not trying to finger this government. Certainly in terms of labour relations I think it is guilty of losing track of not only the overall perspective now, but where this is going to lead.

I want to deal with that specific question because I know the fear amongst a lot of people is that this is the tip of the iceberg. A presenter earlier had a very interesting point. He looked to the picture of Sterling Lyon. Sterling Lyon, as right-wing as his government was, did not touch The Labour Relations Act, did not roll back labour relations, did not even bring in a wage freeze. -(interjection)-

Mr. Enns, I know, is probably enjoying this to some—by the way, he is the only Conservative member who also goes back to the Duff Roblin period. I know he must, in his heart of hearts, on occasion have just something in his heart that feels wrong when he sees what this government is doing because it is taking away his legacy as a member of the Roblin government and the Sterling Lyon government.

**Mr. Chairman:** Order. We are talking about virtually everything under the sun, including previous Premiers and administrations. I would suggest to the honourable member that he put the question, if he has in fact got a question, and deal with the pertinent legislation.

**Mr. Ashton:** Mr. Chairperson, I appreciate the position you are in as committee Chair but I would appreciate, in keeping the order, if you did not make

questions such as, "if the member has a question." I find that very insulting. After sitting through this committee for the last 45 hours under rules that I consider quite objectionable—

**Mr. Chairman:** Order. There is no point of order. I would ask you to put the question. If you have a question to the presenter, I would ask you to put the question.

**Mr. Ashton:** Mr. Chairperson, I have a question. I would appreciate it if you would not engage in that type of comment. After 45 hours of sitting here under rules dictated by this government, I have some difficulty when I have comments made like that by a Chairperson who is supposed to be neutral.

What I was doing was merely responding at that particular point to interjections from the member for Lakeside (Mr. Enns). If that created some disruption in the committee, I apologize. If referring to Sterling Lyon as being not that bad on labour relations is a problem, I will not do that, Mr. Chairperson. What I will say is—

**Mr. Chairman:** Mr. Ashton, would you please proceed.

**Mr. Ashton:** I am indeed proceeding, Mr. Chairperson. In fact, I am asking the presenter, in terms of this government, about Bill 70 in the context of what it is talking about of a review of labour relations legislation. It has indicated that.

It is under pressure, as we know, from some of the big business interests. It has indicated in private fundraising letters that the next step is the toughest step, that being changes to get rid of what it feels are items that are perceived as antibusiness. I just want to ask you, in that context, what you feel Bill 70 represents. Is this simply an isolated bill to deal with a particular circumstance that just happened to come up this year or do you feel this is part of a larger agenda and, if anything, is the tip of the iceberg on changing labour relations in the province of Manitoba, fundamentally, over the next period of years?

**Mr. Hilliard:** We have a great fear of what the immediate future may hold in terms of labour relations in this province. We read the Chamber of Commerce publications just like everybody else does. We also sit on boards and listen to some of them pontificate about what they perceive to be the real problems of the economy in Manitoba. Very often these are not the same people who actually sit down and negotiate collective agreements with us.

Nevertheless, there are members of the Chamber of Commerce community who appear to be on a campaign, who appear to want to literally gut The Labour Relations Act. It is almost like there is nothing sacred in it. I have heard Mr. David Newman stand up here presenting to a different bill. I do not see him around on this one. He did not come here, by the way, did he? I cannot imagine—at any rate, I have heard him say that he wanted to see this government roll back The Labour Relations Act to prior to 1972.

He was a former president of the Chamber of Commerce. He is also one of our very frequent opponents, not at the bargaining table but in collective bargaining situations. He does not sit at the bargaining table too often but in collective bargaining situations.

Yes, we have a great fear of the future. There does appear to be a campaign on by some of those in the business community. We fear that the government may listen to them too much. If indeed this happens, we are going to be headed for a lot of very severe labour confrontations in this province and our past record of labour peace that we used to boast about to attract investment may be going down the tubes. I hope not.

**Mr. Ashton:** One further question to the presenter, and it is a question I have asked to other people. That is, once again, if you, outside of a formal presentation, had the chance to address someone who might be considering changing their vote—when I say that, obviously it is government members who, for reasons of the party line if you like, are in the position of having to support this bill. I accept the admonition from Mr. McGregor. They would have to be strong members to do that. It would not take many. One or two would do it. One or two people would defeat this particular bill on the government's side if they even just abstained from the vote, just abstained from it. They do not have to vote for it.

What would you say to them on an individual basis, whether it be Mr. Enns who was here in the Roblin and Lyon period when this type of thing just was not done, whether it be a new member who perhaps has entered the Legislature and run on an election platform in 1990 which did not include anything remotely related to a wage freeze? Whichever one who might be the strong person, what would you say to that individual to get them to change their position?

**Mr. Hilliard:** I would tell those people that you do not achieve your agenda by taking away the rights of other people. You cannot do that, because when you do that you engender an anger that is intense, that is long lasting. You have seen not just labour leaders come up to this podium and present their views, you have seen rank and file people. You have seen people who were former supporters of this government, in fact, who have had their wages frozen and their rights removed, who now have an intense anger towards this government that will not go away and they will not forget.

The more this goes on and the longer this goes on, the more your agenda cannot be implemented, because the change will be brief. These people will remember. They may have supported you in the past, but they will not support you in the future. They will probably be turned away from being a couch potato, which is very likely what they were before, into being very active campaigners in the next election, because they will be very strongly motivated.

I myself did not pay much attention to politics until 1976. I grew up in Québec. There was no NDP tradition in Québec. I was presented with alternatives in the province of Québec of being either a supporter of the Union Nationale or the Liberal government. When I bothered to vote, I usually voted Liberal. Federally I sometimes voted, I sometimes did not. I certainly never was very excited about politics in any way, and I never considered anything other than the two mainline parties.

When I was subjected in 1976 to the AIB controls, I was infuriated. It changed me at that point in time. I never again have supported the Liberal Party since that point in time, and I never will. I had my rights removed. I was infuriated about my income being frozen, and from that day on I became interested in the labour movement and in politics, and I remain that way. You will find others who have come up here today and other days and presented on this bill, some of whom have stayed up here till four o'clock in the morning and gone into work in the morning. You are creating activists amongst that group of people.

**Mr. Plohan:** Mr. Hilliard, you have spoken at length and eloquently here today with a very meaningful message to this committee, and I am not going to take much more time. I know Mr. Ashton has covered a lot of the areas that I wanted to cover.



\* (1810)

I just wanted to refer back to your statement that the government has been making that the public sector has to bear their share of the burden, the public sector employees I guess that is what it means. You said that the public sector is in fact bearing more than its share of the burden, a disproportionate share. You mentioned a number of private sector wage settlements in Manitoba at Federal Pioneer, 21 percent over three years, brewery workers over 5 percent per year, Bristol two years at 5 percent, Fleming Pedlar at 7 percent for two years, and a number of others.

You also gave some statistical information regarding 1991, I believe, settlements for Canada. Were they only private sector settlements or was that all settlements for 1991? I believe you said 6.5 percent average in this year. Could you tell me whether that represents just private sector or public and private sectors and what the inflation rate was in comparison including the GST during that same period that you were reflecting on?

**Mr. Hilliard:** In fact, the figures that I quoted were for the first quarter of 1991. They included both public sector and private sector agreements. They do reflect the agreements that came forth before there was a wave of provincial activity restricting provincial bargaining, but they do in fact cover both private and public sector agreements. When they are compared to the CPI for that same period of time, GST-induced CPI I might add, that averaged 6.3 percent over the first quarter of this year, so in fact the wage increases during the first quarter were very closely matched to what the CPI was. The experience since that time, of course, has not been that way.

**Mr. Plohman:** Would you then say that this is a very onerous year to bear, from those figures, a zero percent wage increase or decrease?

**Mr. Hilliard:** Absolutely. In fact, particularly we have some experience in negotiating cost of living increases and collective bargaining, and most of us are quite familiar with CPI indexes and how to use them. The CPI throughout 1990 and indeed before that was running in and around 4 percent to 5 percent quite consistently over quite a period of time. In fact if anything, there was a slight downward trend below 5 percent. GST came in January, it jumped dramatically and it has stayed up dramatically since that time. Yes, this is a

particularly onerous period to deal with a zero percent wage increase.

**Mr. Plohman:** One last question. You mentioned that Bill 70 violates—I did not catch—something that Canada has agreed not to do, and you said that a complaint would be laid. Could you just clarify what you were talking about there where a complaint will be laid in some violation of Bill 70?

**Mr. Hilliard:** Yes, the United Nations, a body of the United Nations called the International Labour Organization, the ILO for short, is an internationally recognized body of which all civilized nations participate, agree on a whole range of work-related issues. It is bipartite in nature. It has employer representatives and labour representatives on it. Canada has endorsed the operations of the ILO along with all of its particular standards that it has come up with. Amongst those standards include the right of all workers to bargain collectively with their employer, and that is clearly being violated by Bill 70, even by the Minister of Finance's own admission.

On that basis, this Bill 70, along with some of the other provincial legislation that freezes collective bargaining, the Canadian Labour Congress on behalf of the working people in Canada are taking forward a complaint to the ILO against these pieces of legislation that clearly violate the ILO standards which the Government of Canada has endorsed. The Government of Canada has been put on notice by the Canadian Labour Congress that the complaint will go forward. Apparently, the procedure is that the complaint cannot be filed except at a meeting, so it will be filed at the next meeting of the ILO which is later on this year.

**Mr. Chomlak:** Mr. Chairperson, I apologize. Mr. Hilliard, I had to be out for some of your presentation. I hope I am not covering ground that you had covered. I just have two questions.

Firstly, and I will preface it, my first question. You were discussing the reviews of lawyers. When I first saw the legislation, as a lawyer and as someone who has done some legislative drafting, I was quite surprised at how loose the legislation was, and in fact my initial interpretation was that the legislation was very, very broad indeed. That was my impression.

**Mr. Hilliard:** Well, I would agree. In fact, it was very difficult to read that first news release with the bill attached in any kind of an objective way,

because my blood, quite frankly, boiled and the anger prevented me from perhaps looking at it in a very thorough way. If I had to pinpoint one area that just is absolutely unpalatable, it is the area that allows cabinet incredible powers, what in a normal democratic society would, I think, be considered dictatorial powers to unilaterally extend the effects of Bill 70 to other groups in very ill-defined ways. That is absolutely infuriating.

**Mr. Hilliard:** Well, I would agree. In fact, it was very difficult to read that first news release with the bill attached in any kind of an objective way, because my blood, quite frankly, boiled and the anger prevented me from perhaps looking at it in a very thorough way. If I had to pinpoint one area that just is absolutely unpalatable, it is the area that allows cabinet incredible powers, what in a normal democratic society would, I think, be considered dictatorial powers to unilaterally extend the effects of Bill 70 to other groups in very ill-defined ways. That is absolutely infuriating.

**Mr. Chomlak:** In fact, you anticipated my next question, because I was going to ask you, in a pragmatic sense, clearly you know what our position is on this side of the room, but the reality of the situation is, if you had to see three areas definitively where the bill could be, I hate to use the word "improved," but three areas, what would be the three priorities?

**Mr. Hilliard:** I certainly do not want to use the word "improved" either because, just to be clear, there is no salvation for this bill, in my view. It ought to be repealed, period. However, if there were ways to make it less bad, it would certainly be to remove the what appear to be dictatorial powers of the cabinet to extend the effects of Bill 70 to who knows who. I guess the second provision would be that the stated reasons from the government appear to be some kind of concern about finances. If that is the case, why do we remove the ability of two parties who agree to problem solve; why do we remove that ability for them to do that? A wage freeze is also a removal of collective bargaining rights, but a collective bargaining freeze in its totality is even beyond just a wage freeze. It prevents problem solving which, in any good labour relations scheme, ought to be avoided. Anything that prevents the resolution of problems is going in the wrong direction. It just means that the problems are being put off to be exploded later on in a much more violent way.

**Mr. Chairman:** Thank you, Mr. Hilliard.

**Mr. Hilliard:** I did not get to No. 3 yet. I am not sure that—let me just pause for a second. I guess if we could clarify and minimize the coverage of the bill to what the government actually intends and make it very clear that it is only for these people, it is only for this period of time, it will not be covered by other people who are going to sit out there and worry what is going on.

**Mr. Chairman:** Thank you, Mr. Hilliard. We will move on to the next presenter then. Thank you very much. The next presenter is No. 92, Charles Kereliuk; 93 has presented; 94, David Densmore; 95, Darrell MacKenzie; 96, Don Yurechuk; 97 will be held until tomorrow, or until Monday I should say; 98, Wade Cudmore. Mr. Cudmore, have you got a written presentation to be distributed.

**Mr. Wade Cudmore (Private Citizen):** Yes I do, but we have someone here from Brandon who would like to go home. I live a block away and they live miles away. I wonder if the committee would take this person from Brandon?

**Mr. Chairman:** What is the person from Brandon's name?

**Ms. Jan Chaboyer (Private Citizen):** Jan Chaboyer.

**Mr. Chairman:** Would Jan Chaboyer please come forward, 112.

**Ms. Chaboyer:** Thank you. I think there was a note sent up there. I think I was supposed to be up before Ken Hildahl, because you said the out-of-town person was supposed to come up.

\* (1820)

**Mr. Chairman:** Have you got a written presentation?

**Ms. Chaboyer:** No, I do not.

**Mr. Chairman:** Okay, would you proceed, please.

**Ms. Chaboyer:** I am from Brandon. I am representing the Brandon District Labour Council and about 5,000 trade unionist people there.

We have many concerns over this bill, and I would like a lot of questions asked, on behalf of myself and the council also.

First, I would like to point out, I wish Darren Praznik was in the room, because I met with Darren last year. He came out to Brandon and was saying that he wanted good working labour relations with

us and he was going to keep in touch with us and see what our thoughts were.

Meanwhile, we have had this Bill 70 thrown in our face, likewise with all the layoffs of workers, so I just wanted him accountable to some of the discussions he has had with me. I will just leave it at that for now.

I will get down to some of the facts that we think should be brought up. Bill 70 eliminates collective bargaining completely. All such agreements are arbitrarily extended for one year.

Have you stopped my bargaining rights? I went to the table last year and we were at the table quite long and we did come up with a three-year agreement. It was a long process. Morale went down with workers, and we finally did come to a good conclusion with our employer and the employees were happy. Now we have this thrown in our face. I want you to answer that question for me: Have you taken away my rights; will I be the next one who is going to have my wages rolled back?

We feel this legislation is grossly unfair, aimed at the lowest paid and the weakest segments in the public sector. Once again, I agree with the last speaker. Who is the public sector? There were no answers on that.

The Finance minister says we are in an economic crisis. There is no crisis; the only crisis is, there is an excuse to allow the government to avoid bargaining with its employees. That is the only problem I see here.

Also, the minister was questioning the arbitrator's credibility and not questioning yours as an economist. I feel when you were saying that you opened the books up to the public and us, as Manitobans, we could look at it. We had alternative budgets; were they heard? I would like to see—do we get a chance at this again? When you were saying that the books were opened and when you were dealing with the employees on this, on a wage settlement, where did it come up? It has never been presented to me. Likewise, when I say that I am supposedly supposed to be dealing with Darren Praznik, I would like to know what labour relations we have on that when the books were opened up to us, because I wanted to see the dollars and cents, too.

I work in finance myself. I work with budgets a lot too, and likewise most employees that I work with within my own local, we know what is going on and

we know where the dollars and cents are. That is why I just do not understand the question of this bill coming up and not dealing with, saying you cannot even go to an arbitrator here and then you are questioning the credibility of the arbitrator.

Anyway, I have written down a few points; I will just read through them. Bill 70 is an ill-conceived and ill-constructed document and should be immediately removed from the legislative agenda in Manitoba. Bill 70 is authoritarian in that it strips 48,000 workers in Manitoba of their trade union and collective bargaining rights.

The reason I speak so strongly on this is, like the last speaker was saying, it does create activism. I feel like in the last few years, since I have become involved, it has just been one thing after another. Like I said, with the GST and everything else, what is next?

What it is doing is that the people are rebelling and it will poison this present government. I am just forewarning you from Brandon and area. How much can one take? I do feel that it is hitting the low-wage group.

Bill 70 is arbitrary in that it includes some public sector workers, but not others. Bill 70 is unfair in that the majority of the people who are exempt are in the top end of the wage and salary structure, while virtually all workers at the bottom of the wage and salary structure are covered.

Bill 70 is discriminatory in that it unilaterally and arbitrarily singles out 48,000 workers in the public sector for wage reductions in real terms and reductions relative to other workers in the public sector and all workers in the private sector who will get money wage increases.

Bill 70 will, because of its authoritarian, discriminatory character, undermine the morale of public sector workers and impair productivity in the Manitoba public sector, and that is just the start of something that is going to happen if Bill 70 goes through.

Bill 70 will generate hostility between public sector workers and their employers as workers will seek to catch up in subsequent years the losses in real and relative wages they experience as a result of the freeze imposed by Bill 70.

The list of the defects in Bill 70 is not exhaustive. It should be sufficient, however, to demonstrate that this piece of legislation has not a single redeeming virtue. It should be dumped, and the Manitoba

government and other public sector employers should get back to what they should have been doing in the first place, namely, bargaining in good faith with the view to concluding a collective agreement.

A final point, Bill 70 has been justified as a necessary response to a fiscal crisis generated by the recession. Things are obviously tighter than they would have been in the absence of a recession, but the current fiscal situation in Manitoba does not constitute a crisis situation, and it most certainly does not warrant the measures contained in Bill 70 as a means of resolving it. The fact that the government resorted to Bill 70 suggests that what Manitobans need to be concerned about is not a fiscal crisis but rather a crisis in leadership, the lack of leadership at the level of the provincial government.

That is basically my report.

**Mr. Chairman:** Thank you very much.

**Mr. Plohman:** Ms. Chaboyer, who do you work for? You mentioned, are we going to be next?

**Ms. Chaboyer:** Brandon University. I am a university worker. I assumed I was on the exclusions on the bill, on the list.

**Mr. Plohman:** Perhaps you are now. I do not know how long that will last. I do not even know if the Minister of Finance knows right now.

Did you say that you just finished negotiating a three-year agreement, or was it by way of arbitration?

**Ms. Chaboyer:** No, we settled with the employer. We did not have to go through arbitration, and we did not have to strike either. I have been on the picket line also. We have had to strike, and that is why I cannot see not finishing the process here of going through the arbitrator and getting out of the situation that you have yourself into here. I do not understand it.

**Mr. Plohman:** Was this a three-year agreement, and you are in the first year of a three-year agreement?

**Ms. Chaboyer:** Yes.

**Mr. Plohman:** Then you are in the 1991, effective which month was your agreement?

**Ms. Chaboyer:** Okay, our contract ran out—

**Mr. Chairman:** Excuse me, could I ask the presenter to wait with her answer until the Chairman

has recognized her. It is not for our justification. It is so that the recorder picks up the answers and the questions and separates them.

**Ms. Chaboyer:** Now, where were we? What was the question?

**Mr. Plohman:** When the agreement takes—

**Ms. Chaboyer:** Oh, the contract ran out—April 1, 1990, is when we signed an agreement. It will be in effect from April '91-92. It expires in March 31, 1993.

**Mr. Plohman:** Now you are concerned, of course, about this legislation somehow taking away something there in terms of that agreement or subsequent agreements in your comment, I take it. I also heard you talk about the Minister of Finance (Mr. Manness). He has gained a number of accolades from his colleagues about how he has been so open and opened all the books to the people of Manitoba a few months ago. You did not know he opened the books. Is that what you are saying?

**Ms. Chaboyer:** I feel like I have been misinformed on that then, because I realize that when the budget came up, we were working on alternative budgets, but I just have not been able to see the books open myself. In what way does the general public get to see this?

**Mr. Plohman:** What you are saying, Ms. Chaboyer, is the vast majority of the public really has not been made aware of the details of the fiscal situation or did not pay attention or whatever, but does not know.

**Ms. Chaboyer:** That is right. I do not feel the public is informed and really knows the dollars and cents of what is going on in the province in dealing with this.

\* (1830)

**Mr. Plohman:** I think you are right insofar as the details, Ms. Chaboyer. I just wondered what alternatives you would offer. Would you have to go over them and ask the Minister of Finance to again open those books for you in order to provide alternatives, or do you just feel that the real alternative is not to do this because it is counterproductive, that a freeze such as this will in fact result in more costs than savings. Do you see other areas that the government could have taken action to avoid having to increase taxes or cut programs?

**Ms. Chaboyer:** That is right, I feel—let me get back to the question here. Firstly, I think it is wrong, this bill coming out, to put a wage freeze on, but likewise if he is in defence of saying the money is not there, and he is defending his budget, which is coming up again, and this seems to be the argument, okay, let us have a look at the books. I think people have to go back here and realize that is the question.

He is always saying that there is no money there and that he tried to prove this to the arbitrator and that is the credibility you questioned with the arbitrator. He says he did not look at the books; he did not realize that there is no money there. We should bring this question back to the table instead of going on with this Bill 70 and dealing with the problem that you have, and that is dealing with these employees and ending this bargaining.

**Mr. Plohman:** I take it then you do not buy the argument that the arbitrators did not listen to the minister in taking into account the ability of the province to pay. They simply did not arrive at the same conclusion that the Minister of Finance arrived at, and so he did not like it.

**Ms. Chaboyer:** That is right, and I do not know the technical part of this either. I am just going on the arguments I have been seeing sitting in here for the last three and a half hours.

**Mr. Plohman:** One final question, do you have any idea of the insidious costs of this kind of an act? Do you have any comments about the kinds of costs that will accrue to the province by way of this freeze, and can you enunciate them a bit? Costs in terms of lost productivity and so on, do you see that as legitimate, that there actually will be more costs than savings in this kind of a freeze?

**Ms. Chaboyer:** I will have to think about that for a minute on the savings here.

**Mr. Plohman:** While you are doing that -(interjection)- Go ahead.

**Ms. Chaboyer:** I find a lot of these questions now as we are haggling out the budget and what you think will be money saving and which ways we are looking at it here, but then that seems to be the problem with the arbitrator here, too. You have a problem with, it seems like, the arbitrator questioning your finances. So that is what I think is a big problem here, and it could have been resolved before going through with this bill.

**Mr. Chomlak:** Thank you for your presentation. In your presentation, there were many items that we

have heard in this committee before. One area that you highlighted, that I had not heard highlighted frequently this afternoon, I think was a very valid point. I would not mind if you would elaborate a little bit more. You said that, as a result of this legislation, people would seek to catch up, and I think that is one of the short-sighted difficulties with this piece of legislation in labour relations. In labour relations, again it is like a marriage, wounds heal often very slowly unless you deal with them. What is going to happen, I agree with you, people will go back and use this and will seek to catch up, in which case whatever the minister attempted to do in the first instance will not be accomplished. Would she care to comment on that?

**Ms. Chaboyer:** No, I just fully agree with what you said. I know it will happen.

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Madam Chairperson—

**Mr. Chairman:** Do I need a haircut?

**Mrs. Carstairs:** Mr. Chairperson, you indicated that you had recently signed after some long protracted negotiations a contract. You said that contract would be going on for three years, but you have obviously received now the funds for one year of that contract from April of '90 to April of '91. Have you done a comparison for your costs in that period of time? I have no idea what percentage you went up, but let us say, for example, it was 5 percent. Have you found that with an increase you are actually farther ahead, or are you just holding your own?

**Ms. Chaboyer:** No, I am not further ahead. I am a single parent, and there have been other cutbacks to child care and, like I said, with the GST, and that just about covers it all. Fourteen percent off your income just about cleans up any extra bonus that you have.

**Mrs. Carstairs:** So without an increase, and presumably the minister is not going to include you, but we do not know if he is going to, but presumably without an increase of any kind whatsoever, you would find you and your family actually having to make due with less than you are making due with now.

**Ms. Chaboyer:** That is right.

**Mr. Praznik:** Ms. Chaboyer, I remember when we had the opportunity to speak in Brandon last fall, and I know the reference has been made. I just wanted to comment to you that even at that meeting, I

recognized fully that the MFL has a structure. I mean, we were part of a meeting with the Brandon District Labour Council. In some of the travels I made across the province since becoming Labour minister, I have had the opportunity to meet with other labour councils, and I have always done that through seeking the permission of the MFL, recognizing their structure. Although I have not had the opportunity but in Brandon to meet with you since, I hope I get that opportunity again maybe in the fall. I just wanted you to know that I do work with the MFL on a fairly regular basis—

**An Honourable Member:** It really helps.

**Mr. Praznik:** The member says, really helps, but we have done a lot of work on workers compensation, a number of things.

**Ms. Chaboyer:** What can I say?

**Mr. Chairman:** Thank you. Thank you very much. I appreciate very much—

**Mr. Plohan:** One final question just on that, I know that Ms. Chaboyer mentioned her meeting with the Minister of Labour, and he was not in the room at the time, and she would have wanted to address something to him. Perhaps she will repeat it. I want to also ask her whether she remembers the Premier's commitment in statements of last December that he would not interfere with the collective bargaining process in the province. Do you remember that statement?

**Ms. Chaboyer:** We have a few points written down, like I said, where he said he believes in free collective bargaining, trust me. You have heard that one a lot before. Likewise with Darren, Darren you were saying, too, that you wanted good labour relations. How much more can we handle? We have had so many layoffs in this province, be it free trade, whatever is going on, when will you come out and work with us and get us the jobs, full-time jobs, quality jobs and, yes, you do need wage increases because inflation does go up, and so we need help on this and the government has to help us.

**Mr. Chairman:** Thank you very much, Ms. Chaboyer. You have been very kind. We will call the next presenter, Mr. Wade Cudmore. Have you a presentation to distribute?

**Mr. Cudmore:** No, I do not have copies.

**Mr. Chairman:** Would you proceed then please.

**Mr. Cudmore:** Before I begin my presentation, I wonder is it possible to get a table and a chair put

here, because I have a bad back, and if I am going to be standing here for a long time. Is that okay?

**Mr. Chairman:** Pull up a chair there and use that mike.

**Mr. Cudmore:** Just a question for the committee. I signed up as a private citizen, but I am also a representative for our local. Can I do that together?

**Mr. Chairman:** Yes, you may.

**Mr. Cudmore:** Thank you. I am happy to be given this opportunity to address this committee of the Manitoba Legislature about The Public Sector Compensation Management Act, Bill 70. I represent Local 110, employees of Winnipeg No. 1. Local 110 is over 420 members strong, and tonight I speak as their voice.

The freeze on public sector employee wages has a devastating effect on collective bargaining in Manitoba. Labour is the backbone of Canada, and collective bargaining is the backbone of labour. When a group elects their negotiating committee, they put faith in them to bargain for a deal that will be fair and help them to maintain the standard of living to which they have become accustomed.

\* (1840)

The collective bargaining process is a long one and hard one, where labour and management sit across the table to hammer out an agreement. This is the best-case scenario. At times, conciliation, arbitration and, in the worst case, strike action are needed before they two sides can find some common ground. In the case of a strike, the membership puts faith in their committee and puts their lives on hold for the well-being of the union, themselves and their families, as was the case with my brother and sister casino workers.

Premier Filmon, in his infinite wisdom, has decided that his statement quote, "We will act in good faith at all times in the open free collective bargaining process with all of the employees with whom we have to negotiate", was easy to betray by implementing a one-year wage freeze circumventing the bargaining process. This is tragic.

It is not the fault of the worker that the economy is in a weakened state but rather the fault of mismanagement by our federal and provincial governments. Reducing consumer purchasing power now is counterproductive by taking millions of dollars out of an economy that desperately needs

it. Public employees are being told to tighten their belts so the province can improve their economy and reduce its debts. Once wages fall behind the inflation rate, it is very hard for workers to catch up, a very high price to pay to ensure the government funds for subsidies and grants to the corporate sector while wages are being frozen for many workers living below the poverty line.

Wage controls have not worked in the past, nor will they work now. It is consumer demand that is needed to pull our economy up. The government should have gained revenues from the corporations and wealthy who benefit most from government subsidies and low tax rates, and should pay their fair share through an equitable taxation system.

Bill 70 will only reduce morale and spending power of public sector workers at a time when the economy needs it the most. The inescapable conclusion is that this committee must recommend the withdrawal of this archaic legislation.

I am speaking to express my concerns over Bill 70, The Public Sector Compensation Management Act. This legislation singles out the lowest-paid public worker for a total wage freeze. At the same time, many high-paid public groups, like doctors and judges, are not covered by this legislation. In addition, most public sector workers have had wage increases less than inflation for the past eight years.

The government states that they are doing this because of the economic conditions facing our province. The Conservatives said in the last election that they were going to make Manitoba prosper, yet they are making the economy worse. This bill is also very unfair as it does nothing to curb price increases, nor does it ensure that profitable corporations pay their fair share of taxes. If the situation is as bad as the government says, why are prices not frozen and tax breaks for corporations done away with? Bill 70 also destroys collective bargaining for many workers. Organized labour has shown responsibility at the bargaining table whenever a legitimate case has been made by government or the employer.

The Conservatives are using the recession as an excuse to attack and take away the right that every Manitoban has to a free collective bargaining system. A lot of citizens are opposed to this bill, even if they are not directly affected by it. They do not want to see collective bargaining destroyed. I hope this committee is listening clearly to the mass

opposition to Bill 70 both by taxpaying citizens who are affected and citizens who are not directly affected. The Labour Minister, Darren Praznik, believed most civil servants would accept the wage freeze. Two weeks later, 2,000 people proved him wrong in front of the Legislature.

This Bill 70 affects approximately 48,000 employees. I believe this bill discriminates on the basis of income, as it freezes wages on an employee making less than \$10 an hour but not judges, nurses, teachers and MLAs who make way more than the less than \$10 an hour public health care workers make. I would hope that the unionized and nonunionized workers who regard this bill as a Draconian move take legal action, strike, work to rule and defeat the Tories next election.

The only reason people go to binding arbitration is because management will not sit down and negotiate. How do you negotiate zero percent? Government-employed doctors are being paid a salary increase from final offer selection, which is 7 percent, giving them approximately \$70,000 income. They are not included. I believe only two-thirds of unions negotiating went into arbitration only because they were forced to when management refused to negotiate collectively. Even Garth Whyte of the Canadian Federation of Independent Business said the province should have worked harder on bringing unions on side before bringing up Bill 70.

I understand European and other countries are moving toward democracy while we are moving away from it. This bill includes wage freezes on casino workers, legal aid lawyers, Crown attorneys and engineers. I knew a casino worker who, due to management not willing to negotiate fairly, was forced to go on strike. Being a single parent, she sacrificed many things such as taking her daughter anywhere, that it cost money, borrowing money and food, staying home, but fortunately, many people supported her and she made it through the strike until an agreement was signed. Now the Tories say, no way, you get nothing. People who go to the casino are people with a lot of cash to blow. Why not tax them instead of robbing a worker only trying to make an income and support themselves and their families?

It seems the Tories have enough money to keep doctors, judges and nurses out of Bill 70 but not enough money for casino workers, legal aid

lawyers, health care workers, Crown attorneys and engineers. It is truly a sad day in Manitoba.

Will the fact that federal projections suggesting Manitoba's personal income tax revenue may grow by 15.1 percent, more than double what the Finance minister for Manitoba said, and that corporate income tax may drop only 34 percent, 13 percent less than predicted by the budget, resulting in a possible \$120 million more revenue for the province, allow for the Tories to stop this nonsense on Bill 70?

The Tories have already eliminated 958 government jobs and now want to freeze wages on 48,000 public servants with Bill 70, plus cut millions of dollars in grants to outside agencies, along with a zero percent increase for Winnipeg School Division No. 1. Workers' wages result in tax revenue for government. Freezing or lowering workers' wages result in decreased tax dollars for government and will result in more cutbacks to services for taxpayers. Freezing wages will result in workers having less spending money, which in turn means business, both big and small, will face decreased profit margins. Please stop this dictatorial legislation now, and let the employer and the employee come to a collective agreement.

I understand, in Nova Scotia, the Liberals set a record time there debating against similar Draconian legislation. We must give credit to the massive numbers of people who are protesting this ridiculous legislation.

I wonder, what is the total cost per day for these committee hearings? I wonder how many presenters have spoken at these hearings in favour of Bill 70. How many are opposed? Does this committee not think that enough opposition has been raised and should now defeat this bill?

Bill 70, if passed, would roll back settlements awarded to provincial Crown attorneys, Legal Aid lawyers and casino workers. Clayton Manness stated at these hearings that MLAs have taken a salary freeze. This is commendable, as long as adjustments have not been made in other areas to soften or eliminate the blow of the wage freeze. Now that MLAs have taken a wage freeze, the Tories want workers to take a wage freeze. Now that some workers will, if Bill 70 is passed, take a rollback in their wages, MLAs must take the same average percent rollback in wages to match the average percent rollback in wages forced on workers if Bill 70 is passed.

This legislation will affect both the private and public sector employees. The last time government brought in wage controls, I was working for a private company. When salary increases were due, we received a note in our pay cheques, telling us that our increase was in line with the government-suggested wage controls. So people are wrong when they say who this bill will affect, as it will affect everyone.

\* (1850)

This legislation will affect one in 10 working Manitobans. I do not know why. If it is considered to be fair legislation, it should affect the other nine out of 10 Manitobans. Rest assured, those nine are either directly or indirectly affected one way or another. Government-employed doctors got a 7 percent increase. Why are they not directly affected? Doctors' fees are being allowed to go ahead through binding arbitration. Why are they not under Bill 70?

Has a freeze been put on grants to business? Probably not. The NDP negotiated nil percent increases with the MGEA. Why cannot the Tories? Maybe it is their attitude toward the collective bargaining process. An MTS employee can receive a \$20,000 increase, but another employee, as a result of Bill 70, will be forced to take nothing, or even a rollback on their wages.

First the Tories cut hundreds of jobs, disperse or decentralize others, and then attempt to freeze the wages of thousands of more employees. How good it must feel to work and pay taxes in Manitoba.

To bring in Bill 70 already cost Manitoban taxpayers approximately \$6 million. This was money the government spent so it could have a two-seat majority during the last provincial government, a lot of money to spend so as one can rule by decree.

(Mrs. Shirley Render, Acting Chairman, in the Chair)

Bill 70 does not spare the taxpayers, as the casino workers are not paid out of tax money but by the Manitoba Lotteries commission, whose last annual report showed a profit of \$54.3 million. I say shame on the Filmon government.

This Bill 70, to me, is the most backward and irrational legislation since the General Strike of 1919. I hope all labour and employers will unite and protest this regressive legislation till its death. This bill is alleged to have saved taxpayers \$14 million



for each percentage of salary increase. I say, take off the amount workers would pay taxes on this, subtract this amount from the provincial tax revenues, decrease the profit margin for business, decrease provincial grants for business, subtract the spending power or dollars for the hundreds of unemployed workers from the Tory cuts, and add any and all costs of UIC, welfare, et cetera, and you will damage the provincial economy far more than allegedly stating that we will save anything. Unemployment and wage freezes are far more expensive than the government thinks, as, if people do not have money or jobs, all other costs skyrocket.

One of the good points of Bill 70 is that we will be rid of the Tory government next election. On October 16, November 5 and November 6, Gary Filmon stated: "The fact of the matter is, there is no club and there never will be from government. We will act in good faith at all times in the open free collective bargaining process with all of the employees with whom we have to negotiate."

On December 14, Clayton Manness said: All those employed by government would receive a 3 percent average wage increase. Don Orchard promised to abide by final offer selection. Hospital engineers settled on final offer selection. They may now be frozen as Bill 70 wipes out final offer selection. The Filmon government refuses to include high-paid officials. Why?

Over 2,000 angry Manitobans have shown their anger over Bill 70 by protesting. Almost 700 have asked to make presentations here. How many have protested in favour of Bill 70? How many presenters have spoken in favour of Bill 70 at these hearings? The message is clear. Bill 70 must be stopped and taken off the books now. The government must not single out one group in its false assumption that its Bill 70 will save taxpayers money.

The way I read Bill 70, it would allow for cabinet, without consulting the Legislature, to extend the freeze to thousands of other public employees, including teachers, teacher aides, custodians, professors, municipal workers, et cetera. The casino workers, who were to receive an increase of 5 percent, if Bill 70 is passed, will not receive that increase. It will put them at less than \$10 an hour. The casino workers were on strike for 10 weeks, all for nothing.

The majority of workers within CUPE who will be affected by this bill are women with children and a full-time job, who have the longest working day, spending almost seven hours at work and almost four hours on family work. As a result, leisure and sleep time are cut back, creating unhealthy tension and pressure. Bill 70 will create more pressure and tension on women as well as men, because due to the fact wages will be frozen, and all other costs keep soaring up, it gives people less disposable income, resulting in little or no money for leisure.

Besides layoffs, cutbacks, increased expenses in child care and increased expenses in the purchasing of goods or services because of the GST, I think the Tory government has slashed, hacked, cut and dealt enough bad-news blows to Manitobans. Do not deal another blow of the Tory club by freezing wages too.

Bill 70 proposes to freeze the wages of the lowest paid public workers and does not affect the highest paid. The Premier's senior staff received a 15 percent increase last year. Some of the affected workers are paid at levels below the poverty line in the city of Winnipeg.

Any government must make decisions about spending priorities and levels of taxation. The Filmon government has chosen to allocate millions for projects proposed by their political friends, such as The Pines project. The Filmon government has chosen to increase funding to private schools while public schools are cutting back. At the same time, the Filmon government has chosen to continue unfair tax policies—I will not read the other part.

Bill 70 is one of the greatest threats to free collective bargaining to be unleashed in Manitoba. It freezes collective agreements negotiated by the legal representatives of workers in the targeted groups, and legally granted arbitration awards are cancelled. It is clear that the government can extend these measures to any worker in Manitoba.

Bill 70 creates the situation where an agreed-to contract may not become reality if the government does not like it. It is only one step removed from banning unions completely. That is why it is absolutely essential that every worker in Manitoba mobilize against the attack and force the government to withdraw this lunacy.

Even before the Conservatives released Bill 70, they laid off 1,000 government workers. These were workers not involved in any political action, nor

were they active in any fight-back campaign. They were not saved; they lost their jobs.

\* (1900)

Attacking the people of Manitoba is not the answer to the problem. Meaningful good-faith collective bargaining has resulted in agreements in the past that met everyone's needs. If taxes are heavy for individuals, and they are, do something about it. Enact legislation to bring greater fairness to the tax system where the province has jurisdiction. Where the federal government has jurisdiction, the government should do what it was elected to do: fight on behalf of all Manitobans, force the federal Conservatives to bring fairness to the federal tax structure, stop giving away the public treasury to Conservative friends.

There are many measures possible and more can be identified if there is a will. What we do know is that destroying, cutting and slashing does not build anything.

I understand that labour productivity over the long haul has not deteriorated, and for the past 15 years Canadian business has produced a higher return on capital than the competition in Germany, Britain, France, Italy and even Japan. We have one of the world's most abundant resource bases and skilled labour forces.

In the corporate sector where nominal rates are more difficult to compare, Canadian business shares about the same income tax burden as the U.S. private sector. When you factor in the higher rates of social security payments abroad, Canada's corporate tax load is one of the lightest in the industrialized world, including the United States.

Unions have not been the bane of the Canadian economy. On wages, most are playing catch-up with employers who were booking record profits in the '80s. From 1977 until 1987 real manufacturing wages in Canada declined, thanks partly to the falling dollar. In the auto sectors Canadians still earn \$7 U.S. an hour less than Americans in wages and benefits. Even with recent gains, Canadian wages are not in line with the rest of the world.

Why is Bill 70 unjust? Any legislation that deprives union of their fundamental bargaining rights deserves to be fought on that basis alone, but Bill 70 is a bad bill for other reasons. It is aimed at the lowest-paid public employees, not the most highly-paid. It excludes the President of MTS, the Premier's staff and all provincial judges. It makes

public sector workers the scapegoat for the government's own economic mismanagement. It freezes only public employees' pay while allowing prices, profits, stock dividends and other forms of income to rise unchecked. It suspends only workers' contracts while allowing all government contracts with business firms to continue to their expiry date. It ignores the fact that incomes of most public employees have fallen behind the rate of inflation by 10 percent or more over the past decade. It will deprive workers of many millions of dollars that they would otherwise spend, and in so doing will further prolong the recession and not help to end it.

Clearly Bill 70 is a vicious bill, an unfair bill, an unjustified bill and an antiworker bill. It wipes out the fundamental right of 48,000 working women and men and is a severe threat. It is time for each and every one of us to stand up and be counted. Who is next on the hit list? Thank you.

**Mr. Chomlak:** Madam Acting Chairperson, a very thorough, very extensive presentation, Mr. Cudmore. The theme that I picked up from your presentation, the basic theme that I picked up is one that I have heard over and over and over again today and that is the bill is fundamentally unfair.

There were a couple of points that I would like you to elaborate on, because I think they bear a little further discussion. The first is you said—and it struck me—you said labour has shown responsibility at the bargaining table when asked. I am wondering if you could elaborate on that and if you could indicate whether or not you thought labour and the MGEA, I guess in particular, had a fair opportunity to deal with this before these rather stringent measures were brought in.

**Mr. Cudmore:** I am more familiar with CUPE negotiations, but I do know the MGEA—

**The Acting Chairman (Mrs. Render):** Mr. Cudmore, I am sorry. Would you give me just a half a moment to introduce you for Hansard, just so that they can differentiate.

**Mr. Cudmore:** I am more familiar with CUPE than the MGEA, but I know the MGEA did negotiate with the NDP for zero-percent increases. I know CUPE has been flexible at a lot of negotiations and taken a lot less than they originally wanted.

**Mr. Chomlak:** Madam Acting Chairperson, you mentioned that in your estimation Bill 70 had already cost Manitobans \$6 million. Can you elaborate on the \$6-million figure for us, please?

**Mr. Cudmore:** Well, I think the last provincial election, there was no reason to call it. There were no pressing issues or anything like that. Why Gary Filmon called it, I do not know any other reason than he wanted to rule. That is all.

**Mr. Chomlak:** You mentioned something that struck home with me earlier and that was that casino workers had been on strike for 10 weeks and, effectively, it was rolled back. It struck me, and I wonder if you might comment on this, that in the elements of fairness maybe the government should recompensate those people for the 10 weeks that they wasted on the picket line for naught after the government changed the rules retroactively. I wonder if you might comment on that.

**Mr. Cudmore:** Yes, I think they should reimburse them if they are going to roll back what they gave them, but you can imagine how a casino worker would feel after being out there for 10 weeks. That is a long time with little more than your strike pay to survive on. They get paid—

**The Acting Chairman (Mrs. Render):** Mr. Cudmore. Sorry, I was given a note and I lost my track. Had I introduced you?

**Mr. Cudmore:** Yes.

**The Acting Chairman (Mrs. Render):** I am sorry.

**Mr. Cudmore:** Anyway, I can imagine how they feel after being on strike for 10 weeks. They got 5 percent which would put them, like a dealer, maybe around \$10.25 an hour, which is not much money. I mean, why roll them back? The people there who are spending thousands of dollars are people who have a lot of money to throw away.

**Mr. Chomlak:** Madam Acting Chairperson, yes, the contrast and the point you make is well taken. You emphasize a lot the people on the lowest end of the scale who have received no increases, and you compare that to those at the higher end who receive some form of increases.

Do you have any suggestion? I recognize your point that, and of course we all know that the recommendation of the commission that was produced by the Conservative government supported by the Liberals is recommending an expansive increase, an expensive increase, for the judges. Notwithstanding that, Madam Acting Chairperson, I am wondering do you have any—I know that you would probably -(interjection)- If the Minister of Labour (Mr. Praznik) would let me

complete my question, I am quite prepared to deal with the judges bill at any time.

Just returning to the point that I was making, you obviously oppose the bill. Is there anything you could recommend in terms of improvements for the bill that you could think of, realizing that—again, the use of the word improvement to the bill is probably not an appropriate way of putting it—but are there any initial recommendations if we could convince the government perhaps to make it fairer?

**Mr. Cudmore:** I do not think I can make any recommendations to make the bill fairer. There is just no way to do that. I think if unionized workers come to a collective agreement and get a salary increase—I mean, it takes two people to sign a deal. Both people have other persons to answer to. If somebody works out an agreement and two people, like management and union, agree to it, nobody should have any right to do anything about it. Management, if they blew it, they will lose their jobs, and if we blew it, we will lose the next union election.

So I do not see why government has to step in. If they do not like arbitration, why do they not let the unions collective bargain? The unions can go back to their members and say, look, they are not going to give us anything. It is either strike or sign for nothing. I mean, let the members decide. Do not come in there with a club and say, here, take nothing.

**Mr. Chomlak:** Mr. Cudmore, you indicated you work at Winnipeg School Division No. 1 which of course have received a zero percent increase from the government. I am wondering, are your fellow-worker employees concerned whether or not they are under the auspices of this bill?

**Mr. Cudmore:** Yes, they are very afraid and not just our local, but I know teachers and teacher aides and everybody. Teachers—some of them did not find out almost till the last week of June whether they would be working next year or not. You could tell it was bothering them. Some cried. Some do not want to even talk about it. They just shut it off. We still do not know. Are we going to be included in this? Nobody is saying no or not in writing, so as far as I am concerned, there is that possibility.

\* (1910)

**Mrs. McIntosh:** Madam Acting Chairperson, I just wanted to make a brief clarification. I noted a comment made in the presentation that I think needs

to be clarified because it was incorrect. May I do that? It is not a question. It is just a clarification.

**The Acting Chairman (Mrs. Render):** What is the will of the committee?

**An Honourable Member:** We have done it.

**Mrs. McIntosh:** I am just going to make one correction, not all of them.

**Mr. Ashton:** I just want to make sure there are equal rules, because at various different times it seems people get cut off for making comments and then they do not. -(interjection)- Well, if you would just let me finish. I have no objections to that, but I would just hope that the rules would apply equally and that people would perhaps give a little bit of latitude. -(interjection)- Well, the Minister of Labour (Mr. Praznik) says we have.

I have been cut off a few times for not having gotten to putting a question which I did in the particular cases involved. Now we are allowing clarifications, supposedly, of that. I have no difficulty with that. I do not think the intent was ever to restrict that, but I just hope it is applied equally.

**Mrs. McIntosh:** Madam Acting Chairperson, I will not correct the factual errors in the presentation due to the comments that were made, because I do not want any abuse of that privilege being taken later.

**Mr. Plohman:** Mr. Cudmore, I am not certain that there were factual errors in your presentation, but I am sure that many will be able to comment on that after rereading those in Hansard.

Can you indicate what you think will be the costs of this kind of approach to labour management relations in this province, both in terms of the impact on the relative labour management peace that we have had in this province, and with this kind of legislation, do you see a long-lasting negative impact, and what the cost would be economically as a result of lost income in communities throughout Manitoba?

**Mr. Cudmore:** I think there will be a great cost. I was talking to one parent, a health care worker, making under \$10 an hour and by going to work and paying the increased daycare expenses, found that working, over being on welfare, was netting \$40 a month. So this parent is probably really shaking her head—like, why am I going to work for \$40? Those costs will go up, child care and everything else.

I can see a lot of people getting upset, unionized, nonunionized, whatever. I mean, nobody likes

being told, take this and do not say anything about it. Collective bargaining even happens in the private sector as well as the public sector. People sit down and they talk to their boss about a salary increase or something, and they tell them the business is doing good or bad. I mean, you are going to get a lot of people hot and bothered because it does not say in there that the private sector is not included.

**Mr. Plohman:** Madam Acting Chairperson, you said, I believe, that public sector wages have fallen behind inflation over the last decade some 10 percent. I am not sure whether that is a quote from statistics that can be verified or not, but it may very well be true.

Do you believe that the vast majority of the people you work with feel that their income has already been eroded with the tax increases that have hit people by the federal Conservative government of some \$1,500 per family over the last six or seven years, that this is just too tough to take this kind of a freeze after bearing that kind of burden in tax increases?

**Mr. Cudmore:** Yes, I do, and I think in some cases it is more than \$1,500 if you go out and buy a house or something. I just bought a new car, and there was \$700 GST on that, so I think it exceeds the \$1,500 estimate.

The salary is not keeping up because you find every month your wallet is a little bit more empty than the month before because prices, even in the grocery store, are going up by the week, by the month. It is devastating to a lot of the workers. You can say you are making \$12 an hour, and to somebody that is making the minimum wage that sounds like a lot of money, but when you look after the taxes, UIC, Canada Pension and everything else you have to pay, it is not that tremendous a difference.

**Mr. Plohman:** I have just one last question. How would you have helped the government out with their problem that they say they cannot deal with unless they freeze the wages of the public sector in Manitoba? What alternatives do you have?

**Mr. Cudmore:** Well, for one thing, sit down with the people. The presenter before me, I heard her say something about open up the books. Let us see where that money is going. Maybe there are some places we can save. Maybe there are some places that they will catch while they are looking it over a

second time. I have no idea what they spend money on because nobody ever gets to see that, as far as I know. I would suggest that the government open up the books and invite some ordinary citizens in there and maybe we can help out in that way.

**Mr. Plohan:** One other question, do you feel that there will be an actual counterproductive effect of this freeze in terms of its effect on the economy? Is that one of the basic arguments that you would make, that in fact there is a false saving here?

**Mr. Cudmore:** Yes, it is definitely a false saving. You take 100 people, give them a job that is paying decent wages, and you take 100 people that do not have anywhere to go, and your cost for the 100 people with nowhere to go or no job to go to are going to be extremely high. You have child care, you have groceries, you have rent, you have clothing, and these 100 people, if they are not working are not buying any of these. The taxpayers are, so there is a detrimental effect to this legislation, definitely.

**Mrs. Carstairs:** Mr. Cudmore, like me, you do not see anything very much of value in this bill. In fact, you see it all as negative, but sometimes there are degrees of how we react to a certain piece of legislation.

The concern that seems to come uppermost in your presentation is one that I share, and that is the rollback of agreements which had been already signed. If you had to put in order the problems that you had in the bill, would that be No. 1 for you?

(Mr. Chairman in the Chair)

**Mr. Cudmore:** Definitely.

**Mrs. Carstairs:** Thank you.

**Mr. Chairman:** Thank you, Mr. Cudmore.

**Mr. Manness:** I would just ask the witness whether or not he is aware of one agreement that has been signed which is being rolled back.

**Mr. Cudmore:** I have to go through this. I know the casino workers came to a verbal agreement, and I think I was here when they said that The Labour Relations Act or something, does it not state in there that it has to be signed, so maybe they did not sign. I know I talked to one casino worker, and they were under the impression that they were getting 5 percent.

**Mr. Manness:** Mr. Chairman, that was the cutoff. If there was signature to paper, the government would exclude it from this bill.

**Mr. Cudmore:** I do not understand. Are you saying that casino workers did not agree on a 5 percent increase?

**Mr. Manness:** It was not signed.

**Mr. Cudmore:** Did they agree to it though? Was there an agreement between the negotiating party and the casino workers, verbally?

**Mr. Manness:** Mr. Chairman, I said it was not signed.

**Mr. Cudmore:** I understand that. I am asking you, was there an agreement between the negotiators and the casino workers verbally? Are you refusing to answer?

\* (1920)

**Mr. Manness:** The rules preclude me from answering.

**Mr. Ashton:** Mr. Chairperson, I have a question. This will, I think, perhaps allow me to sort indirectly put on the record an answer for the minister. Are you aware of the fact that in fact what happened with the casino workers is that they went to final offer selection under our laws, received the recommendation from the selector that they get a 5 percent increase, would have received it if it had been a signed document, but then the government, after going through that process essentially has made it null and void from that.

By talking to the casino workers, you obviously know that they have not received it. Are you aware that is actually what happened?

**Mr. Cudmore:** You said the arbitrator ruled that they should get 5 percent?

**Mr. Ashton:** Yes.

**Mr. Cudmore:** I look at it technically as the agreement is done, when the arbitrator chooses one side of the final offer selection. I do not know if I am right or wrong, but that is the way I look at it.

**Mr. Ashton:** Do you think it is fair for a government to turn around now and say, well, yes, our legislation says that you can have this process, and well, yes the selector did rule in favour of the employees, but aha, we did not sign it. Do you think that is a fair process?

**Mr. Cudmore:** No, I think it is being rather silly, really. They should have it.

**Mr. Ashton:** Do you feel, instead, that there should be some trust, honour? A presenter before said it used to be that somebody's word was their bond.

Do you think that really the government is obligated or should be obligated to recognize what the casino workers were awarded under government legislation?

**Mr. Cudmore:** I think someone's word is the most important thing. I know you have to sign legal papers, but I look at it that if I am sitting across from someone and they say, hey, this is what we agree to, that, to me, is the utmost importance. I mean, signing the paper is just a formal ceremony, right?

**Mr. Chairman:** Thank you, Mr. Cudmore.

We move on to the next presenter then. Thank you again. Number 99, Rick Panciera; 100, Grant Rodgers; 101, David Fleury. David, have you got a prepared presentation? Would you proceed then with your verbal one?

**Mr. David Fleury (Private Citizen):** I find this process—I have been here since ten o'clock this morning waiting to get my right to say what I want to say. I have been here two evenings before. I have been bumped on the list once.

I find it kind of hard that this government and this committee would stay at five o'clock in the morning, read off a bunch of names—oh, those people do not show any interest here. They have to work the next day. There is no lenience toward when the workers can come, when out-of-town people can come, or if this committee would go outside the Perimeter of the city and speak on this bill.

I find that you are taking away my rights to speak. You are making it very difficult. I sat here—

**Mr. Chairman:** Mr. Fleury, maybe I need to clarify for you that this process has been in place for many, many years. Through numerous different governments, this same process has been in place.

This is the process whereby the public is asked to come, make presentations on various pieces of legislation before it, in fact, is enacted. There has been no other process through this, and I know, from having appeared personally before this committee previously, in my previous lifetime, how difficult and how frustrating it is at times, but it is, as some have previously said, the best process we have for adopting or making laws.

Therefore, Mr. Fleury, I would ask that you direct your comments to the bill, and that the criticism that is extended to all members of this committee because of process is simply something that has not changed in many, many years.

### Point of Order

**Mr. Ashton:** First of all, I am very concerned about the Chair of this committee debating with members of the public.

**An Honourable Member:** Public meeting.

**Mr. Ashton:** Well, Mr. Chairperson, I can indicate that we introduced a number of motions at the beginning of this committee hearing to deal with some of these types of concerns. -(interjection)- And the committee ruled, indeed. The government chose the rules in this process, including some rules, with their majority, which have not been applied—

**Mr. Chairman:** Mr. Ashton, you do not have a point of order.

**Mr. Ashton:** Mr. Chairperson, you do not have the right, as Chair, to debate with members of the public and speak for the committee. You do not speak for the New Democratic Party.

This process is not the process the minister has followed. We have never had this rule of dropping people twice. You have shown a great discourtesy to members of this committee and to a member of the public who has waited here all day and is now being cut off by the Chair from having his opportunity to express his views to this committee.

**Mr. Chairman:** Mr. Ashton, I call you to order.

**Mr. Ashton:** Mr. Chairperson, you can call me to order, but you cannot use your position as Chair, Mr. Chairman, to debate with members of the public. You do not speak for the New Democratic Party on this committee.

**Mr. Enns:** Mr. Ashton can make all the suggestions that he wants and he can disagree with the Chair, but he cannot challenge the Chairman's ruling. That is my point of order, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Enns. Mr. Plohman, on the same point of order.

**Mr. Plohman:** On that same point of order, the member for Thompson (Mr. Ashton) was not challenging the decision, but what he was saying is that there are rules that have been applied flexibly over the years. There have been travelling committees, as was recommended by the New Democratic opposition, which was defeated by the government members of this committee. There has also been cutoff times at reasonable hours, so the public did not have to sit all hours of the night to make their presentations when they have to work,

and the members of the committee from the government side know that, that that is inconveniencing the public.

They are still doing it and it is worth mentioning here, particularly when the Chairman says the process has not changed. In fact, it can be applied very humanely when the committee wants it to and when the government wants it to be done. Thank you, Mr. Chairman.

**Mr. Chairman:** Thank you Mr. Plohman. What I was doing was suggesting that the process that was agreed to by this committee is a process that had been in place for a long, long time.

I have personally appeared before committees such as this at 2 a.m. in the morning, and it was under the previous administration, not under this administration.

Mr. Presenter, these are the processes that our system of government provides for to hear the public, and we are here to hear you, so I would suggest that we are now willing to hear you. Proceed.

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**Mr. Fleury:** As an example, I guess the Meech Lake Accord—you people travelled around to listen to the public. That was a demonstration of where the government cared for the people and said, okay, we will meet you, we will make an effort. That is all I am saying.

That case there, where you -(interjection)-

### Point of Order

**Mr. Ben Sveinson (La Verendrye):** Point of order, Mr. Chairman, I know there are people who have come here to present—

**Mr. Chairman:** Would you pull up your mike, Mr. Sveinson.

**Mr. Sveinson:** I am sorry. I know these people have come here to present some feelings that they have on Bill 70. I would really like to be able to hear them. If the members of the committee continue to talk so loudly, I cannot hear them.

Could you call those people to order and let us hear what the—

**Mr. Chairman:** Thank you very much, Mr. Sveinson. There was no point of order, but I take the suggestion and ask committee members to listen to the presenter, please. Thank you.

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**Mr. Fleury:** Okay. I work for Manitoba Hydro. I have been working there for about 10 years now. I started in '81. I travel all over the province learning different trades, different skills. I went to Red River college. They spent money invested in me. Now I am working out of the shop on Waverley Street, and we do repairs for all over Manitoba.

\* (1930)

Over the years our union, IBEW Local 2034, have negotiated fairly without any strikes or lockouts that I know of in the history of this union. We always came to agreement. I know we took a lot of contracts through your contracts. It was good maybe sometimes for us, sometimes it was not, because the times have changed over three years. Prices have gone up. We lagged behind, but it benefited Hydro. We have one of the lowest rates of hydro in chilly North America.

I imagine these past few weeks, you know with the storms we had and the damage that was done to the system, the workers were right there to repair the system, dedicated employees who feel it is time to get a little bit back. We feel, and it has been pointed out that Manitoba Hydro has the ability to pay, but Clayton Manness is saying the government does not have any money. He has sort of taken a brush, here, we will cover everybody up. The government has no ability to pay.

The wages were lagging behind even Winnipeg Hydro or other utilities that are nearby which is causing a drain on our trained people. It costs Manitoba Hydro a lot of money to train people, because I know. I went through the process, and it costs a lot of money.

Now if you want to keep sending people off to other provinces, off to Winnipeg Hydro, and you feel that it is going to save money by freezing our wages, it is going to cost Hydro in the long run, and they are going to have to charge that in their rates.

I even phoned the finance department of Hydro after going through so many layers of management. I asked them, are you guys going to cut a cheque to the government of Manitoba? He said, no way, we do not do that. I also take exception to the Minister of Labour (Mr. Praznik) saying that we would not negotiate in good faith. I know for a fact that management of Hydro was willing to put an offer to the union, but they went to the board and were told,

no, do not give them that. We direct you; we dictate to you; tell them to take zero and two.

Now, the Minister of Labour is saying they are worried about third party. Here is a third party telling Hydro what to pay their employees. Does the Minister of Finance know the workings of Hydro, how much they—you know, Hydro got a 3.1 percent raise on April 1. Are they going to roll back their rates? No, because they figure in their rates, they know—they went to the Public Utilities Board hearings. They factor in the costs for everything. I want to say, also, the wages in Hydro do not make a large percentage of the total budget. Approximately, I guess for all the 4,000 employees, roughly, maybe say 19 percent or 20 percent—maybe in IBEW, we are only about 2,400 employees, that might be—I do not know how many, 15—I do not know how much.

I am a single person. I do not get—like I am not in upper management where I get, say, bonus points or things like that or increments. The only time I get wage increases is when we come to negotiate at contract time. Now when it came to negotiations, we would like to deal with Hydro management, but we always have to run from Taylor to Broadway, from Broadway back to Taylor. It seems like everybody is going around and around in circles.

We did not want any strike, because we are dedicated employees. We want to keep the system going—the storms, maybe the farmer's power goes out to his barn, his pig barn or chicken or something like that. We want to get back in service because we know the value for the farmer. If he loses that product, it is a big financial hardship for him.

Over the years, we took lesser wages, less than the rate of inflation. Now it comes time when Hydro has the ability to pay, so we went through final offer selection. We voted on it. You take your chances there when you go for final offer selection. Not all selectors are going to vote in your favour. Here the government changes the rules again, did not like us going—another thing about this, the Minister of Labour said that he used to want to negotiate with the management.

When we went to FOS, the only thing we had left on the table was wages. We negotiated all other articles. This is showing you that over the years this is how management and the unions have worked together. They always came to a compromise. Here my rights are taken away totally. When we

took FOS, we gave the rights away to strike. Now with this Bill 70, it takes away our rights to even negotiate a wage raise and also the benefits which are already signed. We had a signed agreement on the day our contract expired, just to show you how we worked so diligently to get this process through.

I am wondering what is going on. You take away my rights, my liberties, freedom of speech here. It is very difficult. I was up here at ten o'clock and no lunch, no supper.

You are saying, open the books. Well, I will give you my budget, the Fleury budget, how much I make, how much I pour out into different things. I am a single person. I do not have any government grants. I do not get any farm subsidies or grain subsidies or purple gas. I do not get any GST credits. I get nothing. The only thing I get for money is my wages I make. I am like the cash cow for the government—take, take, take. How long can you take before I run dry?

I make loan payments for my condo. It is 910 square feet, nothing special or spectacular. It costs me \$5,318 a year. It cost me for property taxes \$636.45 this year. Hydro is going to cost me \$540 this year. Telephone \$240; cable TV \$189.36; condo fees \$1,200; Canada Pension Plan \$574.20; UIC \$688.22; Superannuation \$1,555.32; union dues \$377; group insurance at work \$289.64; Blue Cross \$28.92; income tax \$6,191.90; RRSPs—which is the only loophole I ever got—\$1,300.

I have also a life insurance plan which costs me \$610.80 a year; food for a whole year costs me \$3,600; car insurance—I have a six-year-old car, luckily I have no payments—is \$689 a year; car care use, maintenance, oil changes, tune-ups, filling up the gas tank cost me about \$1,560 a year; dentist cost me \$100 a year which I am lucky because I do not have cavities so it is pretty cheap; clothes \$500; house insurance \$179.

I have not even included holidays, buying Christmas gifts or the odd things you want to buy. I make about \$30,489 a year. I totalled that all up and I take away \$25,848.05 from that and I am left with approximately \$4,600. I have not included in those figures holidays and Christmas gifts and odd luxury things you want to buy. By the end of the year I am probably left with maybe \$2,000, \$3,000.

\* (1940)



Now you are telling me I have to pay my fair share? How much more are you going to take? How much? You are saying you do not want to tax Manitobans, Clayton Manness. Ain't I a Manitoban? I have been born and raised here from 1962 and you say you have to pay more. How much more? I get no benefits. No one gives me money. The only money I have to work for is what I earn. I cannot see what is going to happen. If I do not have extra money to save for my future—I am just a single person, I live reasonably well—if I want to have a family on this, a wife and two kids, the real burden is really on me, pretty tough. It sort of makes me decide, should I get married? Should I bother? It is almost like a form of birth control. If you cannot afford it well, you cannot do it. It is affecting my future.

My future is on the line here and like you say it is also going to impact on the Hydro because a lot of Hydro workers like you say are migrating out of Manitoba Hydro. Like you say, that is going to make Hydro weak because all the skilled labour is going and it is going to cost more because they have to train more people. The turn around is going to be greater and greater and what happens? It is going to cost more in rates.

I do not see the correlation where the government is going to save money when Hydro is making profits, where they cannot share some of the pie with their employees, which they were willing to do but were gagged by a third party in which the government said we do not like third parties dealing with management and labour. We want them to negotiate together. Well, we would have had that agreement this year but we were not given the chance so we said let us try FOS because we do not want to go on strike. It is only going to hurt us, Hydro, the public.

It is not going to benefit anybody to go on strike, so we will go through the stages of FOS. Like I said, we negotiate all the articles just to show you how we tried to get an agreement. The only thing we had left with FOS was just wages. We dropped our value down with what we thought was the average. I think we went for a two-year thing for maybe 5 percent this year and cost of living next, in FOS. It is probably going through its final stages and now with Bill 70 it takes away that. It also takes away the things that we all negotiated and leaves me with nothing.

Things are going up, like Hydro rates went up, property tax went up, GST came in. I have to pay more for unemployment insurance. Everything is going up and you are saying pay my fair share. I am paying as much as I can. I am in one of the highest tax brackets for the middle class and you want more. I think there should be a more fair balance. You tell me, do you want me to live like the working poor? I am almost there. I am getting there.

That is about all I have to say. Any questions, please?

**Mr. Ashton:** I certainly commend you for staying here. I understand your frustration. Some of the rest of us are frustrated as well, but I want to deal with your presentation. The Fleury budget, as you said—I think that is one of the more interesting presentations we have had thus far and we have had many very good ones and many people speaking about their own personal circumstances. Here we have a Minister of Finance (Mr. Manness) who is saying because of his financial—I do not mean his personal financial position, I do not know what that is but I know—

**Mr. Manness:** It is worse than Mr. Fleury's.

**Mr. Ashton:** He says it is worse than Mr. Fleury's.

**Mr. Fleury:** I have a \$30,000 debt and mortgage.

**Mr. Manness:** I will trade you.

**Mr. Ashton:** You might be willing to trade your \$62,000 a year cabinet salary while you are in the process. Mr. Fleury would not mind starting with that.

Regardless, I was not referring to the Minister of Finance's own personal financial statement. I was talking about the Minister of Finance with his budget, because we repeatedly hear that we need Bill 70 because whatever, a trade off for this, that or the other but it is to do with the province's finances.

We have heard other people come forward and talk about their own financial situation. We have heard people come before this committee and say much the same that you have. We had a presenter, I believe it was last night, who came before this committee and she said she had already declared personal bankruptcy. She works, by the way, for MTS. That was before this wage freeze. We heard other presenters talking about how difficult they are finding it to live off the salary that barely pays the bills. We had a presenter yesterday who said she is constantly living on her line of credit. People have

their own deficit situations and I think what you are saying is that with this wage freeze you are going to end up in a deficit situation on a personal level.

I am focusing this question specifically on that because I am wondering how you and your fellow workers feel about the Minister of Finance (Mr. Manness) who now comes along and says well, we all have to pay our fair share and share in the burden, when you are already feeling the squeeze anyway. What is their reaction, in addition to yours, because for every Fleury budget I am sure there must be a lot of people you work with who have similar circumstances, some of them maybe even worse off. What are they saying?

**Mr. Fleury:** I am just a one-income earner. I would like to say I am lucky I am just by myself. If I had a couple of children, if I was a single parent I would be strapped. It takes two people to make a living nowadays which also kind of affects the family unit where kids go off to daycare, the wife has to go off to work, the father has to go off to work.

I remember my grandparents. They lived on the farm, and my grandparents lived with my parents and the grandparents looked after the kids, and the grandmother worked at what she did, and the grandfather worked on the farm. It was a family unit, but nowadays it seems like everybody is split up. Your grandparents are in the seniors home, or the kids are off at daycare, your wife is working here. It is tearing at the fabric, and when it comes back, the family comes back, there is not enough quality time spent together, and with these hard times, it makes it very tough. There is a lot of tension and stress, kids want this and kids want that.

I know my dad, even when he was raising us, he bought a house. He had to buy it within walking distance of work, because he could not afford to drive. He put his car up for two years on blocks. He sold his guns. He actually really sacrificed quite a bit then which now he is enjoying life quite nicely. He still works for that same company, 35 years, and he would like to see his generation prosper, but with this bill, my parents are saying when are you going to have grandchildren? Well, I do not know, it is pretty hard.

**Mr. Ashton:** I can appreciate the financial squeeze, and I am wondering how you react to the minister who in effect is saying, well, to solve my financial difficulties with the provincial budget, he is going to add another line—

**Mr. Manness:** It is the people's. It is not mine, it is the people's.

**Mr. Ashton:** Well, he says the people's. Mr. Fleury is one of those people.

**Mr. Manness:** There are a million of them.

**Mr. Ashton:** In this case there are about 48,000. Mr. Manness is saying well—

**Mr. Manness:** My problem is a million people's problem, not 48,000.

**Mr. Ashton:** He says his problem is a million people's problem, not 48,000, but there are 48,000 who have had their wages frozen. I am focusing on the Fleury budget, because what Mr. Manness is doing is he is taking the Manness budget and he is taking the Fleury budget and 47,999 other budgets, and he is saying well, I have a problem with my budget. I have the solution. I am going to take the increase you would have gotten just to stay level, which in your case, if it was 5 percent would be what?—\$1,500 to \$2,000?

\* (1950)

**Mr. Fleury:** Around there, yes.

**Mr. Ashton:** He is saying that to solve my problem with the Manness budget, I am going to take \$2,000 out of the Fleury budget, \$2,000 out of that budget, \$2,000 out of 48,000 Manitobans' budget. You have a chance to answer the question directly to Mr. Manness. Do you think that is a fair way of dealing with whatever problems he has, to ask you and your budget, which is pretty tight, and others and their budgets, which are pretty tight, to be such a major source of dealing with his financial problems? Is that fair? Is that sharing in the burden?

**Mr. Fleury:** No, that is not sharing in the burden. That is finding the quickest solution he can, picking on a small group, and with this bill, the way it is worded, I understand, is they can, well, we will target them and in four months' time, people will forget about it and then we will target on this group. They move in a divide-and-conquer type of attitude, I guess. If you did everybody at once, then it would be pretty tough, but if you do it this way, a small dosage, maybe the public would accept it, but I do not know. There are other solutions out there, maybe a fairer tax system, something.

**Mr. Ashton:** Indeed, because this is another thing the minister talks about is he would have to raise taxes. I am wondering from your position, and you had calculated right down to the last dollar the

amount of taxes you paid generally, how you view this \$2,000 that he is taking out of your pocket with this bill. Is that not in effect a tax on you because you just happen to work for a public sector employer?

**Mr. Fleury:** Yes, I feel it is like a direct tax, really discriminating. You work for these people? Well, you are going to get taxed. It is sort of hiding it, giving it a different name, camouflaging it, whatever. Over the past winter, I have been looking in the stores and people come up—can I help you?—and I say I am just looking. Recession shopping, times are tough, you look but do not buy. This money that I might have spent on a few articles would stimulate the economy. Making more money, I would pay a little more taxes.

Like you say, the 48,000 people plus their families, it is not just 48,000 people whom you are affecting. You are affecting families with that, too. It is not just 48,000 people, it is their families also with that, and there has to be some other kind of way of settling, a fair tax system. The grants given to some of these companies is sort of disturbing. If there is money enough for us, why give to them? If you want to be fair, be fair.

**Mr. Ashton:** I want to focus in, too, I mentioned briefly before the reaction of people you work with. Here we have a Crown corporation that, in this case, is not even part of the tax system, it is not funded by the taxpayers. It receives its revenue from ratepayers.

In this particular case, a number of years ago, times were somewhat tough because of drought conditions, low water levels. Currently Hydro had a fairly healthy surplus in the last year. I am just wondering how you have been reacting because you have the chance to sit here and hear some of the arguments sort of indirectly, and in some cases directly, from the government as to why they are doing it, and you addressed the question of the bargaining, because as you said, there was no question in the case of your union that there was bargaining in good faith.

How about this ability-to-pay thing that the minister keeps talking about? Do you think it is fair for him to apply that in the case of Manitoba Hydro where they have had a surplus this year and then turn around now and have to say, you do not get wage increase, even though they have gone to the Public Utilities Board and got a rate increase to

match as well? They are getting their increase in revenues and you get zero.

**Mr. Fleury:** I find it very deplorable that they would put us in the same boat, but I guess they wanted a tight enough group. What I am saying is they had negotiations where it was discussed and all this, I got the feeling that they wanted to use us, because we were one of the contracts that came up first, before MGEA and whatever, and they wanted to use us as an example. They had bigger fish to fry and they had to use us as the bait. Toe the line, because let us look at what Hydro got, we have to take the same thing.

**Mr. Ashton:** Indeed, and I know a lot of people who are the fish that are in the fire on this particular one, but I just wanted to ask you one more question because again we have had many people come forward.

One comment that I think has been most notable, particularly with the Crown corporations, is the shock that people had when they found out that this wage freeze had been introduced. Even though there was evidence the government may have planned this before, or at least considered an alternative, the Premier said there were various discussions of drafts, weeks and months before it was introduced. There was no announcement in December, no announcement certainly in the election in September, not even in December and January, February, March. The bill was essentially announced and all of a sudden people woke up the next day and found their wages were frozen, including Hydro and MTS workers.

I am just wondering if that was the case with people you worked with, and I want to ask you one subsequent question to that as well, what their reaction has been, because the government in the first few days said, well, we are not getting any calls on this. People in the public sector are happy to share in the burden and various other phrases. I ask you what was the reaction of people and the people you work with, what would they say if they were here at this committee about Bill 70?

**Mr. Fleury:** I guess they were shocked, fed up. You say people were not phoning, I was phoning, but I always get some aide. I would phone the Minister of Labour, I would ask for Clayton Manness, but no, he is never around. I could not get a hold of these people. This is the only time that I had to come down and present my case, but even that was

difficult. It seems the only time you see these people is when election time comes. I do not know if they put their heads in the sand and disappear or what. I do not know.

**Mr. Ashton:** Well, indeed, of course, I will make a prediction to you that the Minister of Finance (Mr. Manness) and others will not be, if you do see them at election time, going around promising you a wage freeze. They did not last time, and I do not think they will do that again.

I just want to finish off by really commending you for sticking it out. I think we almost need to have an award from this set of hearings for people who have sat there the longest. I do not know if you have been the longest. I see a few other faces out there of people who have been here a considerable period of time, but I really commend you for coming forward. I found your presentation to be very interesting and useful. Thank you.

**Mr. Chairman:** Thank you very much.

**Mr. Plohman:** Mr. Fleury, I was really impressed with your presentation. I think you have articulated as good as or better than anyone else how unfair and destructive this kind of punitive and heavy-handed measure can be on working people, on real people. That is what you have done here today. I think you, like most public sector employees, are dedicated, hard-working people who want to do a good job for the Crown agency or the department that you work for in the public sector. I think you look at this as a slap in the face. I think that is what you have articulated here today, that it is unwarranted intrusion, and it is really, the government, telling you to bear the burden—not share the burden, to bear the burden.

I would ask you whether you think it is rather ironic that people have been talking about the GST that Mulroney has put in as an unfair tax, there have been property tax increases this last year and, like you said, Hydro increases and so on, but is this not the most unfair tax of all, 48,000 people being asked to—no, being taxed, not being asked, I am sorry if I used that term—being told \$1,500 each, if they are making only \$30,000 a year, as you would be at 5 percent, to contribute \$1,500 in extra tax toward the deficit or toward GRIP or toward some other program? Do you know what GRIP is? That is the farm program that just came out. That is what the government is saying to you.

Is it not ironic that the minister who says he is not going to increase taxes has increased your taxes by \$1,500 a year. He selected 48,000 of you to be taxed \$1,500 a year. Do you find that ironic?

**Mr. Fleury:** I find it very strange, but I guess I can understand—as I was saying, divide and conquer. Take a small group and work on them first, beat them over. Then we are going to move on to somebody else, maybe like Family Services, break it down, and let us control and make sure there are no critics or people saying too many bad things about it. I mean, that is sort of the mentality of this government. It was different when it was a minority government. It cared. It was fair. I guess they just had to tow the line a bit, but now with the majority, it seems like, well, the party is on now. Let us give it to those workers. Let us hand out some grants and some benefits to the corporations.

**Mr. Plohman:** So I gather you take it that you think this is only the tip of the iceberg on the kind of Draconian measures that this government is going to come up with. You are the first to be divided off and conquered.

**Mr. Fleury:** That is correct.

\* (2000)

**Mr. Plohman:** Mr. Chairman, I have just one other question to Mr. Fleury. How are your colleagues reacting to this? Is this going to affect productivity at Manitoba Hydro? Are people there whom you talk to just fed up and saying I am going to start doing something about this? I am going to get involved. I have had enough of sitting back in terms of the political process. I am going to get politically involved. Is that kind of stuff coming out?

**Mr. Fleury:** Oh, yes, like you imagine—you heard quite a few speakers from Hydro coming up here stating their opinions. I have talked to a few workers who work there, and they are saying, well, I guess the only time we can do something about it is at election time. We will be all right till then, I guess, to do something about it. I know quite a few people came down from our local to the demonstration there we had on June 27. They are concerned because it is going to affect Hydro. It is going to make a real effect.

Our relationship with Hydro and the management is going to be damaged. We are going to think, well, we have to go for as much as we can get, because the government there is going to be telling them in the back room there, well, we cannot give them that.

It will come to a point where we will have to strike. As far as I know in the history of our union, we never went on strike. We always negotiated a fair and reasonable settlement with Hydro, but like you say, with zero and two brought in and sort of dictated to management, saying this is what you have to tell your employees, yet management wanted to give us a wage settlement, but they were not allowed to present that to the employees.

That is sort of like saying, like I said, muzzling. You know what I mean? The minister was saying they do not have the ability to pay, but he is sort of saying the management does not have the right to put their offer toward the employees. You know, it is saying that whatever you say is right and whatever somebody else says is wrong. That is the kind of attitude I get coming from this government on this.

**Mr. Plohman:** Yes, I think the point that you have made is that the employees of Hydro and the unions that have represented those employees have attempted over the years to be fair negotiators and to work at a compromise in terms of settlements and have not resorted to more extreme measures to get their way or to push management around, so to speak, as some would accuse unions of doing, but you have been represented by moderate people who have attempted to work through compromise to come to negotiated settlements. Would you characterize that as the kind of labour relations that have existed at Hydro?

**Mr. Fleury:** Yes, that is sort of like the relationship it has, but it has been changing. It is changing pretty fast now.

**Mr. Plohman:** One last question, do you think that even if it is three years, three and a half or four years before the next election that the people are going to forget this, your employees, your colleagues, who are affected by this? Are they going to forget about this?

**Mr. Fleury:** Well, I think one thing this bill brought out is, it has got the unions organized, got them united and probably if this bill gets passed, there is going to be some kinds of demonstrations maybe on Labour Day, sort of like an annual thing, to remind people, look what it has done to our rights. Our liberties have been taken away. Like on November 11, you mourn the soldiers that fought for this country, for liberties and rights. Well, Labour Day will be our day. It will be a day to remember what happened and we will not forget.

**Mrs. Carstairs:** Mr. Chairperson, there was a reference made to during the election time. The interesting irony of that is, of course, that during the election time, the Premier (Mr. Filmon) of the province was telling everyone how he would protect collective bargaining rights in the province of Manitoba.

I was particularly interested in a comment that you made with respect to merit pay increases, however, because the Minister of Finance (Mr. Manness) has on a number of occasions in the House, of course, said that Civil Service merit pay increases were protected. It might also interest you to know that, of course, none of the political staff will be affected, by not getting merit increases, unless they were hired at the very top of the scale, because none of them have been around long enough to justify getting a merit increase.

**Mr. Manness:** They are frozen. You are wrong.

**Mrs. Carstairs:** Well, that is contrary to the statements that he has made in the House about the fact that civil servants will be entitled to their merit pay increases.

Would the presenter indicate if he is alone in not being eligible for merit increases or if there are no merit pay increases built into the system at Manitoba Hydro?

**Mr. Fleury:** Not for IBEW Local 2034. There is no merit system. There are no increments. I am at a fixed wage and that is it. If you are on a training program, you train A, B, you know, every six months you progress. You are training and you are earning your worth as you go along. Once you reach your stage at your final point that is it. AMHSSE, or select supervisors, they have a bonus merit system, whatever. I do not think that would be affected by this bill because whatever happens their contract would be extended for one year. So they would still continue to get their bonuses.

**Mrs. Carstairs:** So in essence, there are, other than in short training programs, no merit increases automatically within Hydro. Can you tell me, to your knowledge, people at your level of employment, if there are any bonuses for productivity?

**Mr. Fleury:** No, there are none at all.

**Mr. Chomlak:** Mr. Chairperson, something you mentioned about your father working for a company 35 years prompted this question. It is a bit of a different angle, and I am looking for your opinion on it. I wonder if your father would have continued

working for the same company for 35 years if, when he negotiated something with management and management had held out something at the bargaining table and an agreement had been reached or a near agreement had been reached and then the agreement would be snatched away by say the shareholders of that company—what kind of relationship would ensue subsequently between the employees and management of that company? Would any employees be around for 35 years? Perhaps you might comment on that.

**Mr. Fleury:** He has a temper, so I do not know. I do not think he would have. He stuck it out because—the problem with my dad is, like he says, he is not highly educated. He is 55 years old now. For him to go, say, if he lost his job or if the company moved out because of free trade, it would be very tough for him to find a job, because who would want to hire somebody at that age, 55? That is I guess one reason why he stuck it out, and for his family, too.

\* (2010)

**Mr. Chairman:** Thank you, Mr. Fleury, for your presentation.

**Mr. Chairman:** We will proceed to the next presenter. It will be 102, Barry Belton; 103, George Hemmerling; 104, Terry Turcan; 105, Steven Bridges; 106, Bill Anderson; 107, Carolyn Stadler; 108, Lyle Trochim; 109, Marty Dolin; 110, Ross Martin; 111, Gerry McKinney; 113, Raymond Burgess; 114, Bob Collister; 115, Lynn Jonasson; 116, Chery Johnson; 117, Heather Zuk; 118, Ry Hass; 119, Evan M. Olfert; 120, F. Bilodeau; 121, L. Cassista; 122, R. Anderson; 123, D. Skwarchuk; 124, Frank Goldspink; 125, Cliff Anderson; 126, Harold Shuster; 127, Barrie Farrow; 128, Deny Kaiouac; 129, Gene Fontaine; 130, Patrick McDonnell.

Mr. Patrick McDonnell, have you a presentation to distribute?

**Mr. Patrick McDonnell (Private Citizen):** I do not, Mr. Chair, I am sorry.

**Mr. Chairman:** Thank you. Would you proceed.

**Mr. McDonnell:** I thank the Chair and the committee for the opportunity to appear here. I am Pat McDonnell. I am an employee of the Manitoba government. For the record, I am First Vice-president of the Manitoba Government Employees' Association.

I, too, have sat through the hours of hearings—I am having some competition from the air conditioning—and I have gained a respect, really, for the process over the last few days and the work of the committee members. I have heard the frustrations of people sitting here for hours on end waiting to speak. I share that frustration to a degree. I also feel that really, that is the price we pay, and I think it is a reasonable price, for participation.

I would like to make one suggestion. That is on the sitting hours, Mr. Chair. I think 12 to 18 hours of session here after a legislative session is too much to expect from MLAs as well as the public. The concentration level, the ability to absorb some of the information that is being presented I think has diminished to the point where it should not be allowed to.

I took umbrage to the Minister of Labour's statement—or sorry, it was not. It was the Chair the other night saying that we had to go through this process; we had to sit all night in fairness to the public. It is the same argument we hear for some of the legislation that is coming down, Bill 70 is an example—in fairness to people. I did not speak last night at 1:30—I was here—because of the weariness I saw in committee members. I would suggest that for meetings like this—hearings, I should say—that the meetings be held in the afternoon and evening. Some reasonable cut-off time, 10:30, eleven o'clock, would give citizens the opportunity to speak without the long waits, and I think also would be more beneficial to the process and to MLAs in their duties.

Unlike some speakers, I am not here today with the preconceived notion that your minds are made up or unchangeable. Perhaps some are overly optimistic, a Pollyanna, but I do hope I will be heard, not prejudicially, and that I can convince members present of the negative aspects of this bill.

On June 3, 1991, the government news release was made public announcing the intention of the government to table and pass Bill 70, The Public Sector Compensation Management Act. The release stated that this was an effort to protect taxpayers, vital services and jobs by freezing the wages of 48,000 public servants at their current level for one year.

The government says that the wage freeze, which is meant to provide relief to the taxpayer but yet covers a large number of workers not paid by the

public treasury—these include members of ours for example at Crystal Casino, members of other unions, Manitoba Hydro, the Manitoba Telephone System, the Liquor Control Board, the Manitoba Public Insurance Corporation, all who have the opportunity to generate revenues. It is also having a spinoff in the private sector which it is not supposed to cover, which I will deal with a little later.

In fact, the bill accomplishes far more than a wage freeze. It is an attack on employees by an employer using tactics, using methods that are available to them that are not available to any other employer. It extends, without any change, the collective agreements that it targets, that we work under, and in some cases that is even going to erode some of the benefits we have. In effect, we have to give concessions. It is not a zero base. It is not a stop everything. We end up giving concessions. Potential impact, for example, of benefit provisions in collective agreements which require updating—dental care and the dental fee and the schedule and the year it was settled, for example—these move on from year to year. This is frozen in this particular act under Bill 70, so it is not just a freeze, it is a rollback.

On many occasions, the Finance minister has outlined what he perceived to be his options. Increase taxes in low-middle income earners, layoff employees thereby cutting the level of services, or a wage freeze—three very negative ways of managing the economy. We do not hear any proactive or positive or creative methods of managing the economy of this province. We have the layoffs. We suspect more layoffs will be announced as the year progresses. Now we have a wage freeze to work with.

The ardent goals that we cannot spend beyond our means—that is part of doing business. Corporations borrow money. We are not the only province with an increased deficit. The federal government has increased deficit. Revenues are up. GM is running the biggest deficit and the biggest borrowings of its history. To jeopardize the economy through this type of a bill and argue a very simplistic argument—finances are finances and we cannot spend beyond our means—is akin to the person who has a house with the roof leaking and cannot borrow the money to fix the roof and let the entire asset depreciate.

It is claimed by the government it is necessary to address immediate fiscal problems and it is

responding to trends in the private sector as it struggles to deal with the recession and create full employment. Perhaps the government is trying to make the case for the analysis of inflation, high interest rates and the recession itself, which we hear from the federal government and the Prime Minister, is linked to workers' wages both in the private sector and in the public.

Let us look at the economic arguments being brought into play here. Firstly, a definition of full employment is everyone who wants to work who can find a job within a reasonable period of time without involuntary dislocation and at the established wage rates for his or her skills. Decentralization forced people out of Winnipeg into the rural areas without any consultation and does not fit that definition of full employment which is accepted by economists. That was the first of a trilogy, really, of public sector bullying. We had decentralization. We had layoffs on a massive scale with the budget and now a suspension of the negotiation process.

Frictional and structural employment are two concepts economists use in discussing the length of time necessary for the unemployed to find employment. We should also examine the theories about the effects of different levels of the wage rate on employment and unemployment economy. A reasonable definition of full employment does not require that it be zero unemployment. This is because of the measured unemployment, even labour markets where job vacancies outnumber individuals capable of doing these jobs who are seeking work. Workers who have left one job require time to find another. Students, housewives, the retired and others who decide to seek work, take time, on average, to locate employment. Under these circumstances, the employment that is measured is called frictional employment, and we will have more of that with the negative impacts of this bill on the economy of the province.

\* (2020)

After the Second World War and until the late 1950s, economists defined the Canadian full employment goal as an unemployment rate of 2 percent. This figure was accepted as the irreducible level of seasonal and frictional unemployment in Canada. The goal of the 2 percent unemployment rate was determined by simply observing unemployment rates that occurred

between 1943 and 1953 and at those points they ranged from 1.7 percent to 3 percent.

In later years, economists introduced the concept of structural unemployment to explain the persistence of unemployment rates well above that frictional level. Structural unemployment then became—because the structure of the economy is changing more rapidly than the labour force is able to adapt to it. Three important sources of this structural problem are thought to be rapid changes in production technology—automation; unusual shifts in the sectoral composition of output, for example, the change in the relative importance of services as compared to goods; and major shifts in the geographical location of production from east to west.

Structural unemployment can be perceived as long-lasting frictional unemployment because it takes considerable periods of time for the labour force to adjust to new skill demands, working conditions and training requirements in the expanding sectors of the economy or to relocate to regions where job opportunities are becoming available.

One objective of government manpower training and mobility programs should be to speed up these adjustments so that new entrants into the labour force and workers displaced by changes in the structure of the economy can find employment within a reasonable period of time. This is not being met currently by cutbacks to the colleges in technologies, in existing programs and insufficient funding of new programs, research or development.

Bill 70's impact on post-secondary education worsens it further. The effect on enthusiasm, the effect on input by staff affected by this bill will be negative. In fact, we will find in the post-secondary institutions of this province a movement to other provinces of educators. There will be an interprovincial brain drain because you have to remain competitive and the other provinces are paying better.

We find this problem escalating. The Economic Council of Canada published in 1964 its first annual review and then started to say that the 3 percent employment rate was a realistic full employment objective—all that remained of the 1960s. By the '70s, some economists had given a new interpretation of structural unemployment and were asserting the full employment goal was nearer to 7

percent than the 3 percent previous. We now find in the more recent publications that they are accepting 9 percent as frictional unemployment.

Workers affected by changes in the structure of the economy must rearrange their lives in order so you can obtain your employment. Economists are prone to discuss mobility between jobs, occupations and regions made necessary by structural change.

Mr. Chair, I prefaced my remarks by suggesting that I was hopeful that what I had to say would be heard. I find conversations going on, doodling over here, reading of books, and that is an affront.

**Mr. Chalman:** Would you continue, please.

**Mr. McDonnell:** Structural change often is caused by forces that are uncontrolled and these changes may or may not be in the perceived interest of the general population, that is, of the province or the nation. If constructive changes are deemed undesirable, government intervention is necessary to control them, and the cost of such intervention must be shared among Canadians. It must be shared among Manitobans and not limited to Civil Service employees who are the only ones who can be bullied through the legislative process.

An example of this, for example, in the cultural communications sector, book publishing, movies and so on, there is a tendency for them to fail in Canada because of the size of the market, and government subsidies in operation of enterprise in this field maybe is often necessary.

A more controversial example is a national commitment to balance regional growth, and a short one at least. The more prosperous sections of the country are being called upon to support economic adjustment in the slower growing regions. This is affected by the Free Trade Agreement. We will not see those regional disparity dollars as we have in the past. Bill 70 will give the federal government opportunity to cut back further in those transfer payments. They will cut back further to these provinces, and any province that has or tries to end up during these times with a balanced budget. Mulroney said before we have to share, and he used as an excuse for a cutback of transfer payments the provinces that were running smaller deficits than he was. I suspect this idea of sharing that we see in Bill 70 comes from that hyperbole.

There are other cases where structural changes are clearly in the interest of the general population, but the cost of these changes that will benefit the



province collectively should not be borne by individuals. Arrangements must be made through government legislation and in the industrial relation system to prevent the burden of adjustment to structural change from falling randomly on individual groups of workers.

Events on the railroads during the 1955-65 period provide a case in point. Dieselization displaced thousands of firemen and allowed trains to run through towns that previously existed largely as repair and refuelling points. This unilateral institution of these run-throughs by the Canadian National Railway provoked large-scale resistance from running trade employees and their unions. This resistance took the form of close to 3,000 employees of the company booking off sick.

Faced with a possibility of an interruption of the transcontinental operations of CNR, the government intervened and, with the agreement of the involved parties, appointed Mr. Justice Samuel Freedman of this province as commissioner of an industrial inquiry commission. The report of this commission is now considered a path-breaking document in the field of adaptation to technological change.

A quotation from this report which deals with the question of who bears the burden of costs of technological change follows. I would like to share that with you. Economists tell us the problem of technological change is not new, but that it is simply the modern form of a process as old as the industrial revolution, if not older. Nor is it, many of them say, a cause of unemployment. It is rather a source for the creation of new jobs. They add that when economic conditions are buoyant and the demand for labour is brisk, technological changes can be introduced without any significant disruptive effects upon the workforce. It is only when the economy is sluggish or when government action has been inadequate or ineffective to strengthen it that technological innovations bring unfortunate consequences to individuals. In such circumstances the villain is not technology, which is an instrument for industrial progress, but rather the government which failed in its response to keep the economy healthy and vigorous.

This thesis is probably sound, says Justice Freedman. The commission, however, would venture an observation concerning its practical application in a specific situation. A perfectly buoyant economy is always an ideal but rarely an

attainment. When such an economy does not exist, a usual situation you might say today, and technological change is introduced to disruptive consequences, the worker whose job has become redundant is likely to find little consolation in the reflection that he is a victim not of technology but of government inaction. For him the stark and immediate fact is that he is jobless. Admittedly, if the total demand for labour happened to be great, he could quickly move into other employment. Very often, he might simply be reassigned to another job with the same employer. Even then, however, he/she might be confronted with a need to learn new kind of work, as all skills have been made obsolete by technological advance.

Taking a broad national long-range view and looking at employment in its totality, the economists may be justified in contending that technology does not cause unemployment. Within the total picture, however, technology may bring about individual cases of difficulty and hardships, cases which are multiplied if the general demand for labour is slack; in other words, no macro planning.

\* (2030)

Clearly, the entire population benefits from increased efficiency of the railways, Freedman went on to say, but these benefits should not require that displaced firemen and uprooted townspeople pay the cost for general progress. The most important point made by Justice Freedman's report was that public policy must guarantee more equitable arrangements. I put it to this committee that those words are as accurate today as when he wrote them in the '60s, that it is not the civil servants, employees—who can be bashed by the employer—who should be the only ones bearing this brunt.

Thus, Mr. Chair, the requirement for full employment referred to—everyone who wants to work can find a job within a reasonable period of time without involuntary dislocation such as decentralization—means that when structural changes are taking place, involuntary dislocation should be minimized by appropriate training, mobility assistance, financial allowances, early retirement provisions, et cetera, and should reduce to an acceptable minimum the number of persons who involuntarily change employment and geographic location.

The process of decentralization, the heavy-handedness with which it was done, at a cost to public servants only—well, I should not say, I am sorry—there is a minimum \$20-million bill for that process according to government figures. It gave no thought to discussion, no thought to the use of computers or training of local people in the rural areas, to extending government services across departments, downlining by computer for example, and combining departments' vital statistics, land titles or any combination thereof which would meet the objective of providing those services in rural areas. It is part of the multipronged attack on the public service which includes Bill 70.

Public policy that attempts to create employment without assuming responsibility for the economic and social costs of the changes associated with its effort is not acceptable under the definition that we are dealing with. Economists once believed that if workers would accept lower money wage rates when unemployment appeared, full employment always could be attained.

Historical experience has not supported this belief. As a result of the work of British economist, John Maynard Keynes, most modern economists reject this theory for industrial capitalism. Nevertheless, from time to time, such as this one, one hears the argument that if the unemployed and those threatened with unemployment would only accept lower money wage rates, the unemployment problem would not exist.

The argument usually goes like this. Workers who are unemployed or about to be laid off would accept lower wages, and the firm's production and sales costs would be reduced. With reduced costs, firms could and would lower prices, sell more output, and would therefore need more workers to produce that output. Everyone who wants to work at the appropriate lower wage then could find a job.

Canadian economic theory rejects that approach on the grounds that even if all workers are willing and able to work for lower-wage jobs that use their present skills, employers in general still would be unable to increase employment in the absence of a sufficiently increased demand for their products. Essentially, the argument is that with a general lowering of the money wage rate, the additional goods and services that enterprises would try to produce could not be sold.

It is also argued that a general reduction in wage rates would result in economic and social pessimism, if not revolt, which would create uncertainty about the future and thereby reduce new investment by entrepreneurs in emission re plant and equipment, and by consumers in houses, cars and other consumer durable goods. This reduction of investment would contribute to increased unemployment, and it is that very pessimism that is already permeating the Manitoba community that Bill 70 is creating.

It is possible, on the other hand, that a general wage reduction in one country which results in a lower price of exported goods may succeed in transferring unemployment to competitive nations and international trade, but the competitors are likely to rely on higher import duties or quotas, and that does not really come into play in terms of the micro economy of Manitoba vis-a-vis the international market.

In any event, average money wage rates have increased every year since 1933, and Canadian workers and their unions cannot be expected to accept general money wage reductions during periods of unemployment, as we are expected to do here. During the Depression, during the period 1930 to 1933, wage rates dropped by 15 percent on this theory that we are hearing today with Bill 70, that lower wages would stimulate the economy, but while they dropped in a three-year period by 15 percent, the Depression continued for another six years after that, and it was economic stimulus, government intervention through war production, that took us out of that recession. It had no effect on the recovery, as we all know.

There is the odd isolated case where in a particular region, at a particular time, a low-wage industry can easily fill its labour needs at existing wage rates in that industry. This situation provides a temptation to conservative politicians and the odd Chamber of Commerce representative to call on the unemployed to take jobs at wages and skill levels below those at which they usually have been employed. Such a solution at local employment is unacceptable to unemployed workers because they would have to curtail their search for re-employment at their established skill and income level within and outside the region. Furthermore, employment in these low-wage industries often pays little more than existing unemployment and social welfare benefits, as the previous speaker two speakers

back pointed out, thus provide little attraction for the unemployed.

A full employment goal, which should be the goal of any government, has disappeared from the programs of the main establishment parties. From time to time in the 1970s, the federal Liberal government would mention the term full employment, but by the mid-1970s, what they were referring to was an annual average unemployment rate in the 5.5 percent to 6 percent range, and by the 1980s, these goals had been replaced by forecasts and budgets predicting a 9 percent annual average unemployment rate between 1985 and 1988.

The Progressive Conservatives in recent years rarely have spoken about full employment, nor have they challenged the Liberals' formulation of what full employment should be. Meanwhile, there has been no shortage of economists to produce excuses for successive governments' failures to bring down the unemployment rate to fractional levels.

A revealing insight into the political pressures that are exerted on economists to justify governments' acceptance of high rates of unemployment can be found in an article in the October 20, 1973 issue of the *Financial Post*, and it is date-lined Ottawa: Any unemployment figure much under six percent probably represents a realistic measure of practical full employment in Canada in the mid-1970s.

The back-room advisers argue that for a host of different reasons, from more generous UI benefits to a more casual attitude to changing jobs among the young and even the influence of Women's Lib, the measurements that made sense over the last twenty years no longer apply, but who is going to say that in public? What the cabinet hopes in cases like that is that someone or some organization with undisputed authority, but at the same time not directly and politically connected to them, will do the job, and they had just the organization in mind, the Economic Council of Canada.

They asked its chairman of the day, Andre Renaud, to undertake a special study of the whole situation with particular attention to the effects of different work habits in an era of changing social conditions and attitudes. This was really a thinly disguised invitation to revise the previous Economic Council of Canada view of what acceptable unemployment levels would be. Much good and interesting work may emerge from such exercises,

but the questions asked and the conclusions arrived at from those studies may be misleading or wrong. Basically, economists are like the rest of us. They are not above self-interest or rewards for serving governments.

Then we have the many other theories that have been produced, the structuralist one, structural unemployment, the unemployment inflation trade-off, the Phillips curve. When that did not work, the Phillips curve shifted, when reality did not bear out the theory. Unemployment induced the natural rate of employment. These theories have not stood the test of time that Keynes' has.

The average Canadian worker's productivity, the amount of output of goods and service produced per hour of work, is rising. The increased productivity comes from workers whose skill, education, and physical well-being is improving, as well as from the fact that on average, Canadian workers have more and better equipment to work with each year.

\* (2040)

However, this increase varies from period to period. When the economy is approaching full employment, productivity and productivity increases are higher than when the economy is functioning with high unemployment, excess overhead, idle plant and machinery; for example, managerial sales and certain skilled personnel may be maintained in employment even when there is inadequate work to keep them fully occupied. They could best be described as overhead personnel.

Enterprises have such policies in order to promote the loyalty of these employees and prevent them from permanently transferring to other enterprises. Again, I put it to you. How does Bill 70 promote increased productivity in the public service? How does Bill 70 build morale in the public service? How does Bill 70 build or create loyalty in the public service?

It is not just a zero-plus situation. In the absence of the building of loyalty, of morale and of productivity, in the absence of positive steps to do that, you do not end up with zero. You get into the minus factor. You only reduce it.

Consumption demand is determined by the level of income received in the aggregate by persons. The higher the level of provincial income, the greater the amount that people will want to consume, assuming the credit availability to consumers, the tax structures, expectations about future

employment, income and prices, and income and wealth distribution remain unchanged.

However, not all the provincial income is consumed at any moment. Part of it is saved. If income should rise, only a part of each additional dollar received—that is the marginal propensity to consume—would be used for additional purchases of consumption goods.

#### Point of Order

**Mr. Manness:** Mr. McDonnell, I cannot ask you a question. Mr. Chairman, I was looking forward to Mr. McDonnell's presentation tonight. He has a very senior position within the MGEA, and I expected he would address Bill 90—70, my mind is ahead of me.

Now, if Mr. McDonnell, as is his right under the rules of this committee, is going to want to read us economic theory, that is fine, but I studied this years ago, and I want to indicate to him that if he wants my full attention, which I am sure he does, I will gladly give it to him if he will move off the theory and come back to Bill 70. If he does not want my full attention, then just continue along the vein he is which is his right to do. Thank you.

**Mr. Chairman:** Thank you very much, Mr. Minister. Mr. Plohman, on the same point of order.

**Mr. Plohman:** Is this a point of order? Did you rule that there was a point of order, Mr. Chairman, in fact?

**Mr. Chairman:** I did not rule on the point of order. Under what circumstance do you want to raise the question?

**Mr. Plohman:** Well, if there was a point of order, I just think it highly irregular that the minister would start to tell presenters what to say.

**Mr. Chairman:** There is no point of order, Mr. Plohman.

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**Mr. McDonnell:** With respect, it is not just the idle reading of economic theory, Mr. Minister. Perhaps I have pointed out inadequately, and that is a fault of my shortcomings, Bill 70 cannot be looked at in isolation. It has an impact on the economy, and if you will bear with me, as we get into further parts of it—I have made some reference to it already as how I see it affecting that.

**Mr. Chairman:** Mr. McDonnell, just a question, if you would entertain. I am wondering how much

longer you will be. We have spent almost—about three-quarters of an hour now and we have many more presenters before us. I am wondering how long a time you would require.

**Mr. McDonnell:** A substantial time, Mr. Chair. I spent a lot of time preparing this, relating it to the trilogy of legislation that has come down in the last 18 months, and it is hard to estimate how long it would be, but—

**Mr. Chairman:** I would ask that you try and restrain your comments as close to the bill as possible. Thank you.

#### Point of Order

**Mr. Plohman:** Mr. Chairman, on a point of order, I really think this is unwarranted. I have heard references to Bill 70 throughout this presentation. There have been examples, economic theory and so on, brought back to Bill 70 and how it applies repeatedly throughout this discussion.

I think anyone who is listening will understand that this is happening, and I do not think there is any need to instruct the presenter to keep his remarks relevant to Bill 70 because they are constantly being referenced back to Bill 70.

**Mr. Chairman:** Thank you, Mr. Plohman. You have no point of order. Would you proceed please, Mr. McDonnell.

\* \* \*

**Mr. McDonnell:** Thank you, Mr. Chair.

If the government wants to increase consumption spending per dollar of income received, next year compared to this year, it might make consumer credit cheaper and easier to get, or it might institute income tax cuts on personal income so that individuals would be able to spend more on goods and services. We have had a rise of personal income tax vis-a-vis corporate tax at an alarming rate in the last five years. This is not only at the federal level, but in the last budget, the two budgets, that this government has brought down, we have seen concessions to business at the expense of personal income tax. -(interjection)- I am sorry, I missed that.

**An Honourable Member:** I said we have been keeping personal income taxes down.

**Mr. Chairman:** Order, please. Mr. McDonnell, proceed, please.

**Mr. McDonnell:** Directly, you are correct, your last budget did not increase personal incomes taxes. However, your federal counterparts did, and you work on a percentage of that, so provincial income tax increased—Economics 204.

Individual's expectations about the future also will influence their spending habits. For example, if people came to believe that a major depression is likely next year, it would surely affect their present consumption activity, and I am sorry Mr. Manness is not here to hear this because this is what Bill 70 will do.

Bill 70 is curtailing raises, wage increases in the private sector right now. It is not designed to do so according to the minister, but that, in reality, is happening. That is the spinoff effect, Mr. Chair. Both unionized and nonunionized employers are quoting the government as a reason for not giving raises since this bill was announced. Therefore there will be a drop in consumer demand the same as the '30s, the same as the '70s, the same as the '80s, despite Mr. Manness's proposed amendment. This bill is going to lower aggregate demand throughout the economy of this province.

When economists talk about investment, they are not talking about trading in stocks and bonds, nor are they referring to the purchase and sale of already existing properties. These are merely financial transactions which are basically exchanges of assets; for example, by specific stock, they exchange one claim or asset, paper money against another. I ask, what expectation will be created on the part of investors with a drop in aggregate demand brought about by the pessimism for the economy and the falling consumer spending that Bill 70 will trigger?

More important, cost of investment is interest cost or credit. If interest rates are high and other things remain the same, which they seldom do, the cost of a particular investment will be raised, and the expected rate of profit will be lower than if interest rates were lower. Therefore at higher interest rates, certain investments that would be attractive at lower interest rates do not take place because of the higher cost of financing which gives you an expected lower rate of profit.

\* (2050)

We have seen this over the past few years, and while the provincial government is not directly responsible, they did get elected on their ability to

talk to and to influence their federal cousins. A better process would be to influence this by adopting the Ontario theory and budgeting accordingly, rather than the "hold the line" that we have here.

A reduction in taxes on business income may stimulate spending on plant and machinery in two ways. First, it may strengthen investment incentives by increasing the after-tax profits the businessmen and women can expect to earn on new and improved productive facilities. Second, it may add to the supply of the firm's internal funds, allowing them to carry out investments more readily when they believe there are opportunities for future profits. That will not happen. The tax breaks that the provincial government has given in the budget will not happen, is not happening because there is that pessimism there, that aggregate demand is not there.

That pessimism, as provincial civil servants cut back on their spending as a result of double taxation—we are getting increased taxes at the federal level with a corresponding increase in the percentage of provincial tax at the same time the high end is frozen.

In addition to indirect incentives to promote investment given to business through various tax breaks, federal, provincial and municipal governments provide businesses with a wide variety of direct subsidies designed to promote investment.

The 1979 issue of Canadian Business reports—this is not by the way a union publication—the sheer scope and scale of government handouts to business today, and these 1979 figures are staggering. The new and very handy red and white Assistance to Business in Canada guidebook to federal aid programs proudly announces, the federal government provides over \$8 billion each year in grants, expenditures, contributions, loans, loan guarantees and insurance to promote economic development in Canada. Of this amount, more than \$6 billion is provided in direct support to business.

It is instructive to note, by the way, that the federal government corporate income tax revenues amounted to \$6.76 billion in 1976 during that same period, which means that the private sector, in effect, pays nothing to support the costs of government, and do not forget the provinces which now compete vigorously with one another for new investment or for additional incentives of their own.

The provincial government is as guilty of that as anyone with the tax breaks to the corporations that have reduced revenues.

Aggregate demand is influenced by government expenditures on currently consumed goods and services, as well as an investment resulting in capital formation. In 1982, expenditures by all levels of government accounted for 22 percent of gross national expenditures. Of these expenditures, 20 percent was for currently consumed goods and services and 2.5 percent was investment. An increase in government expenditures over the level of the previous year will increase employment and output as the government increases its purchases from private sector and increases employment in the public sector.

A reduction in government expenditure level below that of the previous year will conversely decrease employment and output. This then negatively impacts on government revenues, and this is what we see today. The overall demand for output is determined by the consumer investment and government demand. Government demand is dropping. Aggregate demand in the provincial economy is dropping.

We have built-in stabilizers. When there is a downturn in the economic activity, demand for all goods and services, including agricultural products declines. I want to point this out, these built-in stabilizers, such as the social welfare programs, unemployment insurance and so forth, were not the result of conscious economic planning. Each of the stabilizers discussed, that I have just mentioned, is the by-product of policies adopted for other purposes. The point I am making here as it relates to Bill 70, well-intentioned though it may be in terms of balancing the expense side of the provincial ledger, when you do that, there are spinoff effects that have not been considered, such as I have discussed to this point.

Economists, as you will remember—I think it was 30 years ago you said, Mr. Minister -(interjection)- I stand corrected—say that built-in stability is desirable if the economy is functioning close to full employment. It is undesirable to stabilize an economy when unemployment levels are high and when levels of GNP or provincial domestic product are far below its productive potential. I suggest to you that Bill 70 is an attempt to stabilize in this latter scenario. I again emphasize, the feds will pick up on this to reduce their deficit further by further

offloading. We heard it before. They use the same terminology—you have to share.

Prior to the Second World War, governments generally believed that they should try to reduce expenditures in order to avoid increased deficits when economic activity faltered. Where such a policy was possible, reduction of government expenditures contributed to the tendency of aggregate demand to fall, which further lowered income and government tax receipts. Such a policy thus may have increased deficits. The modern approach, or the Canadian approach, is to use deficit spending to raise aggregate demand with the hope that there would be a significant multiplier effect, ultimately increasing income and tax revenues and thereby limiting government debt. Again, Bill 70 is contributing to that trap of the '30s, the Depression.

The magnitude and the timing of a deficit requires good judgment. If a recession is allowed to reduce output employment too much or last too long—and we have had four quarters of recession now—business women, businessmen and consumers will become pessimistic about the immediate future, making it even more difficult to stimulate private spending and investment. On the other hand, a large deficit budget, the effects of which bear fruit when the economy already is expanding rapidly, may create unnecessary inflation if production cannot keep pace.

So I am not suggesting major deficits. I am suggesting that this is not the time to close the purse strings, not the time to leave the roof leaking and damage the rest of the house and the furnishings therein, and certainly not the way to do it by using the Civil Service, the Crown corporation employees and ancillary employees directly funded by government as the only people who are going to control the expense side of the ledger.

Keynes, in the course of his argument against those who should have government do nothing even when faced with a depression, pointed out that if there are unemployed resources, labour plant equipment, even nonproductive projects would have some positive effect, thus the building of pyramids, the filling of holes of money and people digging them over again were to him outlandish examples of a means to increase aggregate demand.

The better way is to spend money on preparing for those days when the recession is over, especially in the period we are in now with technological change. Instead of cutbacks to our education system, we should be investing in that future and in the capital investment of the province.

\* (2100)

Clearly then, to the degree government expenditures are necessary, it is in the national interest and the provincial interest that the spending both supports employment in the short run and increases the productivity of economy in the long run. We should be concerned with the quality of the projects created by a policy of deficit spending, projects that contribute to the efficient production of both private and public goods and services which are necessary to improve the province's welfare.

Government budgets at the municipal, provincial and federal levels affect economic activity, with of course, the federal budget playing a dominant role. The preponderance of annual deficits has produced a growing net federal debt. However, the growth of this debt and the interest cost of servicing the debt were not considered problems by most economists until the mid-1970s. Just as large and successful businesses in the course of expansion of their facilities normally accumulate similar growing debt which is accompanied by growing production, sales and revenue, so too do economies normally increase their debt without ill effect while they are growing.

I referred earlier to examples of—General Motors, for example, which are carrying the heaviest load they ever did at this current time—IBM—but since the mid-70s and some slowdown in the economy, we have moved from worrying about unemployment, we have moved from worrying about people and then talked about inflation. We have sought to restrict government expenditures and social programs. We have favoured a reduction in the government's role in the economy, and deficit spending has been criticized and claimed that the growing national debt is the cause and not the effect of poor economic performance. They argue that deficits and the debt will crowd out private investment, thereby preventing economic expansion, and that the interest burden of the debt somehow will bankrupt future generations.

I would like to look at those two arguments. The crowding-out argument maintains that a limited

amount of savings is available for investment and the government will be competing with the private sector for these funds in order to finance increasing debt. The result of this competition is higher interest rates, it is claimed, which discourages investment as well as consumer loans for durable goods. In fact, there is no evidence of a crowding-out effect taking place in North American financial markets between the onset of the 1981 downturn and mid-1983. The debt-ridden private sector, with few if any prospects for profitable investment, was not straining for funds either in Canada or elsewhere.

An argument is also made that investment is being discouraged because private sector investors fear a crowding-out effect should a real recovery get underway. This argument does not consider the recovery will be accompanied by increased business profits and rising stock market values of shares, both of which reduce the need for the private sector to make demand for loans. Furthermore, government revenues increase more rapidly than expenditures during recovery as personal and business tax payments rise and social welfare and subsidy payments fall, resulting in lower deficits and perhaps even surpluses that affect the relative importance of the provincial debt.

The second argument maintains that there is an onerous interest burden of the public debt that must be contained to maintain the current and future financial well-being of the population. Conservatives often argue that just as individuals cannot continue to spend more than they receive, neither can governments. Let us look at that.

Individuals who borrow money must give another party a claim on their income or property. Furthermore, the interest payments and the loans are an additional drain on their income. Lenders might fear that some unfortunate event, layoff, sickness, accident, Bill 70, will interfere with debt repayment. The amount of credit available to individuals is limited and the terms of repayment are fairly rigidly fixed. The threat of illiquidity and that inability to meet those payments always exists in both the lenders' and the borrowers' calculations. Similarly with business lenders, threat of bankruptcy is present always.

The Canadian federal debt and the provincial debt, to a lesser degree, in large part is held by Canadians. I invested in Manitoba HydroBonds. The government borrows from Canadians who have extra cash and pays interest out of taxes it collects

from all Canadians. When the government runs a deficit, it is financed then, in recent years, by selling bonds, on average about 13 percent to the Bank of Canada, profits of which flow back to the government, about 80 percent to Canadian business firms and individuals and about 7 percent to non-Canadians.

The February 1984 Financial Post, again, not a union publication, describes the consequence of this financing for interest payments in the federal debt. The federal government owes the Bank of Canada. At the end of each year, all revenues are turned over to the government, deducting only its operating costs. For example, in 1982, when the bank received \$1.986 million in interest on bonds, it gave back \$1.878 million. Canadian business firms and individuals who buy government bonds are obliged to pay federal income tax. At minimum, they would have to pay Ottawa in tax probably 40 percent of the money they receive as interest on those bonds. Save for the small fraction received by nonresidents, what Ottawa does not give back is not lost to Canada, for it is received by Canadians and taxed.

The government is not forced to retire the national debt as I might be on a term or demand loan note unless there are good economic reasons for doing so when they have a surplus. It can merely refinance both new and old debts by issuing new bonds, T-bills and so forth to replace the old ones.

The same is true of large, growing and healthy corporations. The payment of interest on public debt which comes from taxes paid by all Canadians is paid to a relatively small group. It thus tends to redistribute national income from the less to the more wealthy. Those who argue that the growing federal debt and the provincial debt servicing costs are not a problem point out that this growth has been accompanied by growing output as measured by gross national product or gross provincial product.

Net federal debt as a percentage of GNP was affected markedly by the Great Depression and World War II and then decreased to lower levels thereafter. During the Great Depression, decreased output and rising government expenditures to support the needy coupled with lower government tax revenue increased deficits dramatically. During World War II, government expenditures on war production and maintenance of the armed forces increased net debt as a percentage of GNP to 95.4 percent in 1945.

Even in 1982 during that recession, the deficit in relationship to GNP was only 28 percent and is currently, in 1988 last figures, about 50 percent. The point being that we have had periods in this country where the deficit in relationship to the country's ability to develop product, to produce was double almost what it was in the last figures three years ago, and we survived that. Those who would paralyze this expansionary policy because of the current levels of debt ignore the economic policy lesson so painfully learned during the Great Depression, that government deficits and the resulting government debt are instruments of economic policy and not objects.

The experience of the Trudeau Liberal government, with three successive budgets in October '80, November '81, and June '82 provide an object lesson in this also. Fiscal policy in October '80 budget was to provide expenditure restraint, deficit reductions. The November '81 budget tended to reinforce this approach by increasing the pace of deficit reduction. The plan for declining the deficit from \$13 billion, '81-82 to \$10 billion thereafter. With a June '82 forecast, a \$20 billion deficit for '82-83, almost \$10 billion more than the forecast for the previous November.

\* (2110)

Now we find this in the last five years. We have a federal government who was elected on the idea of reducing the deficit, and the deficit has not been reduced, only marginally because of this same process that is taking place, and the same process we see in Manitoba today in many ways, but the way I am speaking to today, the attack on the public service. What went wrong then? The lessons of Keynes in the Depression have been ignored. Government economic policy faced with economic stagnation in both the domestic and international economies and wedded to monetarism and high interest rates, failed to counteract the downward pressures on Canadian production and employment and consumption. -(interjection)- Sorry?

**Mr. Manness:** I am a Keynesian. Do not use Keynesian . . .

**Mr. McDonnell:** With respect, Mr. Minister, I could imagine Keynes' reaction to that.

**An Honourable Member:** Keynes is rolling over in his grave right now.



**Mr. Manness:** Keynes has been rolling since socialist governments have never put money away when times were good.

**Some Honourable Members:** Oh, oh.

**Mr. Chairman:** Order, please. Mr. McDonnell, please proceed.

**Mr. McDonnell:** So efforts by the federal government to reduce deficits as average real wages were falling, unemployment was rising, and that has contributed to inadequate domestic demand and the recession which developed in the '81-82 recession. Corporate tax breaks, corporate welfare, the largess for corporate welfare I mentioned earlier, where the loans et cetera almost match, in fact, if you throw in the provincial part of it, exceed corporate tax revenue. You can see why you have deficits. This then of course with the high interest rates to control those deficits.

As you are Canadian in your economics, Mr. Minister. I would like to share something else with you as Minister of Finance, and this comes from the Winnipeg Free Press yesterday: It was a good week last week for Ontario's finance chiefs past and present. While Liberal Bob Nixon found himself knee-deep in testimonials, his embattled NDP successor, Floyd Laughren, picked up a major endorsement. Nixon, as finance chief during the Liberal government, presided over a string of progressive budget measures. The one he is proudest of, he says, is the elimination of medicare premiums. These premiums, which are flat-rate levies, are the most regressive form of taxation and people of modest incomes face the same charges as millionaires.

Now that Ontario has replaced them with corporate payroll tax, only Alberta and B.C. still have premiums which they continue to hike while boasting of how low their progressive income tax rates are.

So you can look at the provincial tax rate in Manitoba and compare it to B.C. or Alberta, and on that surface and on that measure alone, we do not look particularly good. When you take in those services that our provincial tax levels cover, the comparison is far more favourable. Last month's B.C. budget raised individual premiums to \$420 a year. This, of course, is violation of the Canada Health Act requirement of universal access to medical services without financial impediment, but the Mulroney government ignores it.

I am sorry I digress, Mr. Chair. I see you looking at me.

In the six weeks since Floyd Laughren introduced his recession-fighting budget with a \$9.7 billion deficit, he has been subjected to a torrent of abuse. Business attacked him, Mulroney government vilified him and even some other provinces criticized him for not following their cost-cutting lead. Example, Premier Devine in our neighbouring province vilified him, this outrageous deficit, and some calculations that were worked out later showed that Devine, in his last pre-election budget, per capita had a greater deficit than the finance minister of Ontario.

After all that vilification and all sorts of negative press about this, James Frank, the chief economist of the business-backed Conference Board of Canada, has come to his defence. Writing in the board's publication, *The Canadian Business Review*, Frank declares that if Lorne had taken the cost-cutting route, it would have had a major adverse effect, not only on Ontario, but also on the rest of Canada. It would have led to a significant delay in the recovery and contributed to further increases in unemployment, bankruptcies and lost output. Had Ontario opted to hold the line on operating expenditures, says Frank, we could have easily ended up with a much longer recession.

So, according to the leading business group, Pink Floyd was not so bad after all.

The government can try to influence the supply of money as a means to affect interest rates and the availability of finance. Changes in interest rates and the availability of finance may affect investment demand. Three additional comments can be added to that. Different kinds of investment projects are more or less sensitive to the cost of finance or the interest rate. Interest changes on mortgages seem to have important influence on individual decisions to purchase homes, but interest charges alone seem less important in decisions to invest in new commercial building, plant and equipment, mainly because of the write-offs.

Inflation in this argument has been attributed to greedy and powerful unions raising wages, to giant corporations raising prices, international cartels controlling energy prices, government expansion of the money supply and deficit spending initiated to reduce unemployment, but each of these explanations only reflect an aspect of that

inflationary experience. Inflation involves the whole economic process. It is related intimately to the struggle over the control of output and thereby the distribution of income.

Bill 70 also is only one aspect of the inflationary fight, the expenditure fight. I suggest to you, and hope that my arguments so far have enlightened the point of view, that it will have a negative effect not only on the incomes of public servants but the incomes of all Manitobans, the investment of Manitoba business.

\* (2120)

Imagine, if you can, a period of steady economic growth and stable prices which reflect the smooth functioning of the competitive manufacturing distribution sectors of the economy. The relationship of wages to prices is associated with a certain distribution of income and also a level of output and employment. The level of output and employment, of course, is influenced by the level of real wages. If expected profits do not fall and investment levels are not changed, higher real wages associated with the smaller average markup will be associated with higher employment. That is, workers will be able to purchase more output.

The suggestion to you that part of the reason we are in a poor economic condition in this province is that over the last 10 years government payroll as a percentage of government revenue has fallen from 10.5 percent to 9.2 percent. In Labour Canada Updates, issued November 1990, wage increases from major collective bargaining settlements averaged 6.5 percent, up from 5.4 percent previous, and they compare by industry: primary industries 5.3 percent, manufacturing 6.2 percent, construction 7.1 percent, transport and communications 5.8 percent, trade 6.5 percent, services 7 percent and last on the list and lowest on the list, public administration 4.9 percent.

So it is not the public sector payroll, which as I say has gone from 10.5 percent to 9.2 percent of provincial government revenues that has contributed to the bind that the finance minister finds himself in with respect to the provincial budget. These economic and political power relationships underlying the pattern of prices, income distribution, and employment that exists, these power relationships are embedded in the distribution of wealth and the nature of industrial organization and industrial relations, the control of domestic and

international monetary institutions and the nature of governments.

When you look at those power relationships—

**Mr. Chairman:** Mr. McDonnell, proceed. Unless you are finished, and if you are, then I will ask the committee members to ask questions.

**Mr. McDonnell:** No, I am not finished, Mr. Chairman.

**Mr. Chairman:** How long do you think you will be? It is almost one hour and a half now that we have listened to you, and I have yet to hear a great deal of relevance to the bill, and I would ask that you attempt to wind up your presentation fairly soon. We still have a number of presenters before us, and I would entertain a fairly quick wind up of your presentation.

**Mr. McDonnell:** I am very sorry to hear that, Mr. Chair. Very sorry to hear that you do not see the relevance and perhaps that is the reason that we are in this predicament today. It is far easier for this government to browbeat and to use their legislative authority to control their pocketbook than it is to take the time to study what has happened and why we are in this position as we are. I think I have made more than ample references to Bill 70 and the impact, and I have given economic background to support why I feel the way I do about Bill 70 as a piece of legislation. I am really and truly sorry that I have failed to—and it is my inadequacies that I have not been able to get to you the relationship between economics and what this government is doing.

At the risk of being facetious, you know I teach in a community college. If I had the opportunity to test you as I do in the college system with students, perhaps I might get a little better reaction, and a little more concentration on the relevance.

For example, my last remarks, Mr. Chair, the economic and political power relationships underlying the pattern of prices and income distribution—and I was, prior to your admonishment, relating that to the figures that I just quoted, and to reinforce them, I will go to them again if I may: primary industries 5.3 percent, manufacturing 6 percent, construction 7 percent, trade 6 percent, services 7 percent, public administration 5 percent, the lowest of them all, because we do not have the power that those other industries have to negotiate a wage settlement.

The primary industries, you have strikes. International Woodworkers of America, United Steel Workers of America, when they sit down with their employers and they do not come to an agreement, there is one of three choices: they agree on a judge, let us go to some arbitrator and let him settle it, or one party locks out or the other party strikes. In that process they have all ended up with wage increases higher than the public sector. We do not have those choices because even if we used them I can see, Mr. Chair, why you have some difficulty with relevancy. I now understand, Sir.

So it is those power relationships, because if we do strike, if we do go to arbitration, what does this government do? Use its legislative authority to override what has been negotiated in the workplace.

No, I was going to try and edit it, but I am going to insist on my democratic right to stick by the agenda because of, you know, I take affront, Chair, to your admonishing me about relevancy and failing to see it, and then I find you reading material that has nothing to do with what I am saying. In view of that, I am going to insist on my democratic right to go through every word of my presentation tonight, and I do not give a fiddler's, excuse me, I do not really worry about how long it takes. I am quite incensed.

Moderate changes in aggregate demand normally cause output to vary, but firms in the manufacturing and distribution sector tend to leave their markups unchanged. However, when there is substantial increase in aggregate demand over a relatively short time period, some ministers will find that at their normal markup customers want to purchase more of their product than they can produce with the existing capacity. Some of these firms will extend the delivery date to sell their products to consumers; others will increase their markups by raising the price of their products.

Once this happens, the new markups tend to become the normal markups and profits of these firms increase. In addition, a substantial increase in aggregate demand is likely to increase commodity prices in the competitive sector which are inputs into the manufacturing and distribution sector, thereby increasing direct production costs on which markups are applied. So you have these increased profits as a result of this, and instead of taxing those profits or even maintaining the corporate tax rate where it was a decade ago, those are reduced. To offset that, you introduce legislation such as Bill 70,

and you cut back on education at the post-secondary level in this province.

There are relatively few cases in which initial cause of inflation or a combination of causes produce an explosive wage price spiral or hyperinflation. Unemployment, the threat of unemployment, and weak bargaining may result in some workers not being able to raise their wages sufficiently to protect their real compensation. Inadequate demand for certain products, or in certain regions, may mean the producers and distributors in these industries and regions cannot completely pass on cost increases. Eventually the effects of the initial change work their way through the system, produce a new pattern of prices, income distribution, and unemployment, which reflect altered power relations.

I suggest to this government that this is what they should do. Let these processes take place, rather than the arbitrary and bullying way in which they are doing it with the introduction of Bill 70.

\*(2130)

Since the Second World War, Canada, the United States, the United Kingdom as well as other countries in the developed capitalist world have been subjected to political trade cycles. These cycles are created by government policies designed to jazz up the economy, increase aggregate demand in order to reduce unemployment, usually close to election time, followed by policies to throttle down economic growth and reduce aggregate demand when inflation increases.

This recurring stop-go activity creates inefficiencies in the form of high costs and increases in prices as many industries expand and contract the use of labour and other resources over relatively short periods of time.

Furthermore, inadequate aggregate demand during the stop phase may produce tendencies for many prices to rise, or at least not to fall. This will happen to the degree that unit direction production costs rise in oligopolistic industries, when the operate levels of output and specialization below those which they are designed. So they have power, they can exercise that power. We cannot.

When aggregate demand is expanding rapidly and high levels of employment are being attained, changes in the composition of output between the production of investment goods and consumption goods often are associated with rising prices for

consumer goods and services. In this situation, optimistic businessmen and women create an investment boom which shifts labour and other resources from the production of consumer goods and causes the price of consumer goods and services to rise.

An investment boom and shifts in the composition of output can be provoked also by election victory or a political party sympathetic to business interests, a war that creates new demands for productive facilities, or by a new breakthrough in the science or exploration. So you have this hand-in-glove relationship between the government and capital employers, and we are the third party of the game without that same power, without that same collusion.

What I am suggesting to you is, Bill 70 is a contribution to that. A far better way would be a sharing and a consultation and consultative process that would allow us to work out something that is livable to both parties. It would not be perfect for the government, it would not be perfect for us, the employees of the government.

There are two periods in the change in political power relations—

### Point of Order

**Mr. Manness:** Mr. Chairman, I have to leave the room for a short time. I am wondering how much longer Mr. McDonnell will be, and ultimately, whether or not he would care to balance a decision to exercise his democratic right with the wish of those other people who have been here the same length of period of time as he has, and whether or not he might like to see this committee rise sooner rather than later.

I am just curious if he could give us any indication as to how much longer his presentation might last. It certainly would make decisions easier with respect to not only the way this committee conducts itself, but indeed I am sure other presenters would also like to know that information.

**Mr. Chairman:** There is no point of order, but would you care to answer the question that was put?

**Mr. McDonnell:** Certainly, Mr. Chair. Forgive my ignorance of the process, Mr. Minister. If it is the wish of the committee to rise and I come back another time, I suppose I would be amenable to that depending on when that time might be.

With respect to other speakers, if the committee would allow me a few minutes, I would certainly undertake to discuss with other speakers waiting, and see what—you know, explain to them my point of view of what I am trying to achieve here.

**An Honourable Member:** What are you trying to achieve?

**Mr. McDonnell:** I am trying to very simply get this government to reconsider its decision to introduce and pass Bill 70.

### Point of Order

**Mr. Manness:** Mr. Chairman, on a new point of order. I gather Mr. McDonnell will not share with us. He will not be so open with us to try and give us some indication how much longer he will require to make that point.

**Mr. Chairman:** There is not point of order, but there is a question that has been put.

**Mr. McDonnell:** I am sorry?

**Mr. Chairman:** Did you want to—on a point of order?

**Mr. McDonnell:** No.

**Mr. Chairman:** Would you want to answer the question?

**Mr. McDonnell:** I want to apologize to the minister, I missed that part of his question.

I am at page 27 of my presentation at this point. I have a total of 47 pages to present. Now, in that, I do want to go into the collective bargaining process and some of the issues that have been nullified, or will be nullified if this bill goes through. So I would suggest, to be quite lengthy, and I believe the Chair is keeping track of the time. You reminded me once of the time already. How long has it been now?

**Mr. Chairman:** An hour and a half, an hour and thirty-five minutes.

**Mr. McDonnell:** Well, with respect, I would say it would be at least that long again.

**Mr. Chairman:** Thank you, proceed. We have not set a time limit on presentations. We will be here as long as you want to be here. We will continue the committee sitting, if it takes all night until tomorrow morning.

\* \* \*

**Mr. McDonnell:** Mr. Chair, with respect to the other issues Mr. Manness raised, I appreciate the work that the committee is doing. You know, I have a

vested interest in this. I am employed by the government and I am getting double taxation as are my fellow members of the Manitoba Government Employees' Association. So I feel it important to present the economic background, but I do not want to—given the effort that has gone into the committee hearings by MLAs, if it was the desire to adjourn now till Monday, I would be willing to go along with that.

\* (2140)

**Mr. Chairman:** Continue your presentation.

**Mr. McDonnell:** The other question or issue that he raised was—

**Mr. Chairman:** We will hear them all.

**Mr. McDonnell:** —my deference to other speakers.

**Mr. Chairman:** Proceed, please.

**Mr. McDonnell:** Perhaps then, in an effort to co-operate or to—if there was some recognition that the background, the economic theory and the practical results of improperly applied economic theories, such as the depression and the recession of '82 and the recession of 1975, if there is some recognition on that and the relevance of that to Bill 70, perhaps I can speed up and remove some of this and not have to lay that groundwork.

**Mr. Chairman:** Mr. McDonnell, would you repeat what you just said? I am sorry, I did not understand.

**Mr. McDonnell:** What I was saying, Mr. Chair, was in deference to the other speakers, I would be willing to curtail the comments and eliminate a lot of the economic argument in terms of the economic theory in relationship to the depression of the '70s and '80s that I have done so far, and eliminate that—in other words, shorten the presentation if there was some recognition that these things tie in. You know, I am a bit hesitant to do that because I am hearing that there is no relevance.

**Mr. Chairman:** Please continue.

### Points of Order

**Mr. Manness:** Mr. Chairman and Mr. McDonnell, it is not for me to try and pass judgment as to the degree of relevance. The theories that Mr. McDonnell is presenting are theories—the people around them have taken empirical evidence and in his view have proven them. The way I see it, he is saying that if we would only, if government listened to those theories, we would take a different course of action. In essence, that is what I think he is

saying, that our theories are wrong. He has made his point very clearly, abundantly clear. I do not know what else—I accept his presentation of the theory and his understanding of it. The fact that I might not agree with it and will not change course, he cannot hold against me. I understand his theory.

**Mr. Chairman:** Mr. Minister, there was no point of order.

### Point of Order

**Mr. Ashton:** Just on a point of order, in order to proceed, I do feel the presenter raised a legitimate point and recognizes the situation facing other presenters and the dilemma he is in and I am sure he does have a lot more material—I, by the way, found it quite relevant—and I am wondering if it would not be some assistance, not just to the presenter, but to other presenters, if we could get some indication as a committee as to how long we plan on proceeding tonight.

**Mr. Chairman:** I am sorry, I am going to have to interrupt. Hansard is out of tape, and we are going to have to recess for five minutes to reset the tapes.

Thank you. The committee is recessed for five minutes.

\* \* \*

The committee took recess at 9:43 p.m.

### After Recess

The committee resumed at 9:52 p.m.

**Mr. Chairman:** Committee is called to order. I apologize for the delay, however, I would ask Mr. McDonnell to continue, please.

**Mr. McDonnell:** Mr. Chair, during the break, I met with some of the other presenters and in light of the Finance minister's comments that he accepted the theory and in the spirit of co-operation, I will be curtailing my presentation substantially and accelerating the presentation. I have to do some fast editing as I go along, so please bear with me and I beg your indulgence if at times it now becomes a little disjointed.

When unions argue that high profits cause inflation, they are arguing about that power relationship in the economy and the change in it. Firms have been able to increase markups in direct production costs, and that argument maintains inflation has been caused by increases in corporate power. I put it to you really that the public service workers were not the main players here. They did

not share in the decline of provincial government revenues. They are not the cause of flat revenue growth.

Even if profits or dividends are controlled—what I am referring to here is the one-sidedness of Bill 70, strictly a control on the payroll expense of government, without any other controls on other expenses of government and without any controls on the costs or the expenses of those employees. Even if those were controlled, enterprises can use expense accounts, insurance, trust funds, golden handshakes, stock options and all these devices to distribute that income. Workers affected by Bill 70 do not have these options.

Who else is sharing? Suppliers are not covered by Bill 70. Does the government's polling agency have to live with a legislative freeze on the revenues they derive from government action? Do any other suppliers? Suppliers of stationery? Is there a legislative act that says we will not pay any more for stationery supplies than we do currently? Is there a legislative act that says that any given company in the province of Manitoba will have to supply their product at a rate frozen in a legislative act?

We supply labour to government. It is a commodity, the same as any other commodity that the government purchases. Yet, this is the only commodity that has been frozen by a legislative act. Example: If the dental fees were frozen at the 1988 or '89 levels by a legislative act, it would have the effect of not creating a rollback in benefits for government employees. Because we are being frozen, the dental fee schedule increases. We are on a cost-shared basis, and we are only getting coverage of 50 percent of the—I believe it is the '89, I stand to be corrected—of the '89 fee structure. So when that goes to '91, the 50 percent that we get through that benefit is thereby reduced to 35, 40 percent or somewhere in that figure, but I do not see any legislative act proposed, unless there is the Bill 90 that the Finance minister alluded to earlier that would correct that imbalance.

We went through this with the AIB. Civil servants in this province under the Schreyer government were subjected to wage controls and the whole function there was to reduce inflationary expectations and lower the long-run inflation rate for the betterment of the economy. It failed in that objective, and the only losers were really those workers who were the weakest really, because we were the only ones subjected to direct legislative

power and we were the losers in that. We are repeating that again in Bill 70.

Then we had, in '82-83, '83-84, the six and five program—another legislative program parallel to the proposed Bill 70—and the budget at the time cynically described that method of financing as a concrete application of the principle of solidarity and sharing. Some Canadians have been asked to give up certain benefits to help the unemployed and troubled sectors of the economy. Sound familiar?

Solidarity, sharing and being asked all imply volunteerism. None of these programs were voluntary any more than Bill 70 is voluntary. A significant number of those who were volunteered for real income reductions under the six and five programs of '82, '83, '84 were low-income categories, and we have the same with Bill 70.

The lower paid in the public service are the clerical workers—90—I think, I stand to be corrected—96 percent of which are women. A substantial number of those are single parent households, and they are being, again I use the term "double taxed" because of the incremental taxations at the federal level and the provincial portion of that, plus the taxation at the top by the wage freeze called for in Bill 70.

We are hearing that in '91. Not even the buzzwords have changed. We are being asked, we are being given an opportunity to share, but where is our opportunity to say no? We have already shared more than any other sector. If you look at wage increases in the provincial economy, in the different sectors of that economy, the public service is the lowest.

\* (2200)

Would you like a lesson on Reaganomics? So, yes, I am one of those 48,000 workers. I have worked hard to build calibre and credence at the course I teach, often in the face of adversity brought about by government action, and I do not limit that to the current government. Action is taken without consultation, without research and without due consideration to repercussions or to alternative options.

Money is only one part of collective bargaining. There are many nonmonetary items, non-cost items that have to be dealt with that now cannot be dealt with under the proposed legislation. Let me give you some examples.

We asked for a human dignity clause. This was brought about as a result of verbal degradation in

the workplace at the lower levels, particularly the clerical and the cleaner level. Many components reported this, but there was no avenue of redress. It is not covered in the collective agreement and you cannot grieve on anything that is not covered in the collective agreement. We had cleaners in some government buildings referred to by their supervisors, by their managers, as scum, as grunts. They are here to clean, they are not allowed to think, they are not expected to think. I may shock you, but those are the actual terms used. Some of the comments made to our clerical workers were of the same vein. They were nothing in the Civil Service.

We asked for a sexual orientation language in the proposed new contract. This should have been an easily agreed to housekeeping amendment to bring the agreement into line with changes in the human rights act but we were fought at the table by the government negotiators. Now that is frozen. Changes to layoff positions that we suggested would probably save the government money in the long run with smaller payouts.

Now I would like to outline for you how the bargaining process works and how this government has handled it. We have nine components in the Civil Service directly. We negotiate a master agreement for those things that cover all components: sick leave benefits, vacations, and so. Then in the subagreements we have clauses to cover those items or those issues that are germane to particular workplaces or particular fields of endeavour. We go through a long consultative process with our members, preparatory to negotiations. That is a democratic process. We have local meetings throughout the province and the workers, the employees of the government, decide democratically the items they would like to see in a new contract. Those proposals are then looked at at the master bargaining committee and uniformity is put to them so that we can move onward and try and not have inconsistencies across different components.

Bargaining started in the summer of 1990. I was elected first vice-president of the Manitoba Government Employees' at the end of October, and I came into the process in November of 1990. Despite some 15 or so meetings spent with the government negotiators to that point in time, not one single item of ours had been discussed at that stage. We were still dealing with the government's proposals which, at that point, numbered over 400.

Some of their proposals even violated current labour standards. For example, their proposals and hours of service over cycle violated the overtime clauses of the labour standards act.

Some of the items we were bargaining should not even be in the wage package, but in the other expense category of doing business. We cannot trust the element—the level of trust has deteriorated to the point where, on a scale of one to 100, it is probably about three at this level. We cannot trust governments and that is why we try and negotiate things like meal allowances, mileage allowances and so forth, which are nonpayroll expenses in the normal process of doing business.

Prior to teaching in the community college system, I was a manager for a national hotel firm, so I know what it is to meet a payroll, I know what it is to do a P and L. It really surprised me when I got to the negotiating table, that what we considered business expenses—when our sales force, for example, were out in the cars, we paid mileage. This was not a payroll thing, we did not discuss that, or have to negotiate that with the unions that represented our workers, but here we do.

Women expect to stay late. Child care costs, the government would not discuss. Particularly galling then to hear through the media, government statements to the fact that we did not bargain in good faith.

Now Bill 70, besides the wage freeze, freezes everything else. Those items that I will now go through you quite quickly that are frozen in Bill 70: a positive work environment, the statement of principle relation to the workplace that every employee of this government has a right to basic dignity as a human being at no cost to the government, frozen in Bill 70. An LTD plan, which is in place, wanted to improve the benefits pursuant to that plan. We knocked 1 percent off in 1984 to get an LTD plan. This was the costing the government gave us as an estimate of the cost of it. The reality has been it has been one-quarter of one percent since that time. It has been a substantial saving to the government to have an LTD plan vis-a-vis a pay increase—again frozen.

Child care: We proposed that the government pay for child care in certain situations, specifically, when a person is required to work overtime and incurs daycare costs or child care costs. I should say, because of that, that should be considered

another business expense. It is affirmative action that we are told the government endorses, and I would like to point out that is systemic discrimination against the female employees of the province and frozen with Bill 70.

**Employee assistance program:** We are requesting specific funding of the program which has been in place for a number of years. We have proposed \$3 per government employee for it. The private sector is finding this cost saving to introduce LTD plans and major businesses are operating them. Again, I see no cost increase.

**Bilingual training:** The position, the government on bilingual services to Manitobans—I personally endorse, the MGEA endorses and see it as a proactive contribution to the multicultural mosaic of this province—a nonpayroll cost frozen with Bill 70.

**Employee monitoring:** It follows that there be no electronic monitoring of employees, a cost-saving frozen with Bill 70. Interpretation of proposed amendments to the interpretation sections existing, master agreement—no cost, frozen. Application of agreement—no cost, frozen. No discrimination in sexual orientation, again, as I pointed out, just to bring the collective agreement in line with current provincial legislation under The Human Rights Code. Not only at no cost, but government negotiators fought us—would not agree to that. It is one of the few items of ours that we got to discuss and would agree to that.

**Recruitment and appointment article:** We proposed an article to set out specific criteria and procedures which we would negotiate to more closely governed promotions and selection procedures, because, folks, it is a farce at times right now. The merit system is not working as it should in the public service. Again, a “no cost” to the government, a cost saving in fact. We have seen reports recently of some of these abuses. There is not only a backlash within government, morale is—it has an effect on those communities out there who feel that they have been disallowed because of that kind of favouritism that article would address.

**Contracting out:** Cost saving based on the Alberta, B.C., Saskatchewan, and even some of the attempts here at contracting out, would have been a cost saving.

**Layoffs:** Also part of the employee security, MGEA proposed the article be amended to provide for bumping in a government-wide basis across

department lines. We have the situation right now where people working in one building with 15 years seniority, 20 years dedication, to the public service are being laid off and in the next building or even the same building somebody with three years’ commitment to the public service is continued in employment. The point I want to make here is that would be a cost saving to the government—frozen with Bill 70—because by paying out, by laying off the newest into the public service, you would be paying out less in severance benefits and layoff benefits.

\* (2210)

**Loss or damage to personal effects:** You lose personal property in the process of doing your job as a public servant. Is it unreasonable to expect that the reimbursement for that would be speedy? We are having a problem with the delays. Again, frozen with Bill 70.

**Privately owned vehicles:** MGEA has proposed the amendments to bring it in line with the increased cost, including the monies that the government is collecting at the gasoline taxes. The ironic thing about this, members of the committee, is our ability to negotiate rates for privately owned vehicles used in government service is frozen in Bill 70, and at the same time government negotiators come to us and say, we want to negotiate the mileage rates for government employees using government cars on personal business. Now where is the fairness? Where is the sharing?

**Meals and miscellaneous expenses:** These are out-of-pocket expenses incurred by public service employees while on government business. They have not been increased in three years. Costs have gone up—frozen in Bill 70. Where is the fairness?

**Qualifications:** We have proposed employees with certificates, testing their skills will not be required to take further tests. A cost-saving to the government—frozen.

**Deferred salary relief plan:** Frozen with Bill 70. Again, because income is deferred for up to a five-year period—a cost saving to the government.

**Educational allowance:** People taking courses related to the work may be reimbursed for the cost of tuition and books, a small cost to the government, short term, an investment in the long run, recognized by most major enterprises now. A cost saving because of the better trained employees. MGEA has proposed employees be granted leaves of



absence without pay upon request. So, if you have used up your vacation, there is a slow time there and you want to get away, you can save the government payroll, it is a cost saving or a gain—not negotiable because of Bill 70.

Emergency response teams for our corrections officers: The new reality in work locations, hostage-taking incidences and client-employee conflict has risen. This could be another cost saving, long-term saving, because it avoids serious injury or death to employees. Again, we cannot negotiate because of Bill 70.

Traumatic incidents in our mental homes: We have had our members assaulted in the corrections institutes, in the youth centres. We have had our members assaulted, and we propose that there should be some assistance there. Again, that is long-term saving potential because it gets the employee back to work more quickly. I had a number of others that I will skip over in the interests of time.

So we are public servants, and as such we are often caught in a double blind. One thing that air conditioning is doing is improving my eye-hand co-ordination and reaction time. First, we have to enforce the rules and regulations and explain them to an ever-hostile public who is frustrated by them. These rules, by the way, we have no input into. We have to deal with ever-increasing demands for service with reduced staff.

The other day, for example, it took me 35 minutes to get a driver's licence replacement. Of the six service wickets at the counter, only two were staffed by two harassed, but nevertheless patient, clerks. I noticed in that line-up the grumbling in the line was directed at the employees, not at the government who initiated the cutback.

Yet, as public servants, we cannot fight back. We cannot fight back against the public. We have difficulties going public in the press and so forth. We have to take the lumps. On top of that then, we are given Bill 70, so we cannot even negotiate. We find that this abuse from the public is precipitated and often exceeded by our employer.

It is the government that encourages public abuse of civil servants by dumping on them incessantly in public. Every rule of every employer-employee relationship is broken in the process of propagating the lies about the realities of government and civil servants. For example, we had a no-layoff clause

as a quid pro quo for accepting two zero pay increases, but this only covered full-time permanent staff at the time of signing.

There was ample opportunity three years later to make changes in the Civil Service complement without affecting permanent staff, but our collective agreement and the seniority rights were violated with the wholesale cutting. We still have not settled two and a half months after that budget. We still have to meet with the government. The contract calls for 20 days. We still have to meet with the government to talk about those people.

Minister Praznik suggested earlier today, I was listening, that it would not be anywhere near the 958. I would love the opportunity to sit down with the Civil Service Commission or with the Minister of Labour (Mr. Praznik) and go line by line with those employees affected and have their jobs and their rights protected. We have people with 20 years service on a thin thread right now, waiting two and a half months—and the collective agreement says 20 days—waiting two and half months for us to get an opportunity to say that these people have been hard done by under the grievance procedure. So we found out just how tenuous permanent really is in the Civil Service.

In respect to everyone must share the goal, we have shared. We have made our contribution. As I pointed out earlier, payroll has dropped from 10.5 percent of the provincial government revenues to 9.2 percent. MLAs, judges, doctors, university professors, public schoolteachers, and private sector have not contributed in the same way.

Yet again we have to bear the brunt of government mismanagement. Before the government brushes the blame onto the federal government because of transfer payments and says it is their fault—I will agree in part—where it is another example of why this government lacks credibility with us. How can we blame one level of government while, at the same time, duplicating its philosophies and strategies and budgeting in our own backyard?

Let me point out that this government has been just as avaricious in attacking our health, social and education programs as the federal government has been. They are just as guilty of offloading responsibilities to a lower level of government as has Mulroney and Wilson.

\* (2220)

Bill 70 not only questions the voracity of the Premier's (Mr. Filmon) statements, but also fails to recognize the contribution of civil servants over the past few years. That is why the level of trust of our employer is so low at this point in time.

It also fails to recognize others who are not expected to share the goal. Money has been poured into The Pines project—somewhere along the line the fan got to me, I am missing a page. We have the Oak Hammock fiasco. Every group involved in the environment, in conservation, with the exception of Ducks Unlimited, is opposed to it, yet we have money for that.

We have the spectre of board governments for the community colleges, \$2 million start-up costs, and government estimates of \$800,000 a year after that, for another layer of administration. Four new college boards are another indication of a poor budget. Do you have to introduce 35 or so new positions at the trough, but have to suspend bargaining rights, so that we can share? Where is the logic? Where is the justice? Where is the fairness? Where are the management skills that the government claimed they had at election time? What other employer uses this sort of Draconian tactic when dealing with employees and dumps on their staff publicly? Now, as a result of these hearings, we have the spectre of the Manness amendment.

How are schoolteachers in the public or university system different from teachers in government institutions, such as MYC or Agassiz? Their wages are frozen, but there was an increase given to the public school system and an increase given to the universities. Public schools got approximately a 3 percent increase in funding in the last budget. Universities got approximately a 4 percent increase in the April 16 budget. The funding to the community college system, the only nonuniversity, post-secondary education available in the province, got a funding cut of somewhere between 7 percent and 10 percent.

How are college instructors different? Why is one group singled out to carry the burden of this government's ideology, and again, in the process of that, reduce the aggregate demand in the provincial economy? Nurses employed by the provincial government are frozen—I see the Minister of Finance (Mr. Manness) shaking his head. I know I am not permitted to ask questions, but I would ask at some point if he would give me some elaboration

on that and why one classification out of the entire public service would be singled out for that special treatment.

My understanding—and again I must admit I have only been at the bargaining table since last November. When we were offered zero on December 18, there was some consideration given, possibly, they said, to nurses, depending on what the nurses' union settled. I have not seen anything since, and I think it would be wrong just to single out nurses compared with every other employee and employee classification of the Civil Service. I am not saying that they should not get an increase; I am saying that they should not be the only ones.

So I tell you, this is not really responsible legislation. This is not responsible bargaining. This is not good employee-employer relations. In fact, if you look at the literature, you would find that every tenet of good employee relations has been violated. What it is really is a straight unadulterated, schoolyard bullying. It is just rotten fiscal violence tantamount to back-alley battering. That concludes my remarks. I thank you for your time and your indulgence.

**Mr. Chairman:** Thank you, Mr. McDonnell.

**Mr. Manness:** Thank you, Mr. McDonnell, for a well-structured presentation. I would just like to ask you a couple of questions, first of all, re benefits. Have you not heard, in and around, although I know you would not have seen anything officially, that the government is trying to find ways of, on the regulation side, to ensure that benefits, the premium flowing through to the wage package, such which if they were frozen, the benefits, particularly in dental cases, might not flow? We are trying to find regulations around that, and particularly with the Civil Service, of course, the pure Civil Service, i.e., let us say instructors in colleges, that we have set aside additional money in the benefits package and, indeed, they will flow. I am talking now—using your example in the dental area.

**Mr. McDonnell:** With respect, Mr. Minister, that is akin to me going to the Ramada Inn where the Hell's Angels are currently conventioning, getting the living hell pummelled out of me, and them offering me a Band-Aid.

**An Honourable Member:** You brought it up in your presentation.

**Mr. McDonnell:** I did. What I said was that these are rollbacks. What you are saying, and correct me

if I am wrong and I do not want to put words in your mouth, is that we will look after the rollbacks, and this is the first I have heard of it, but nothing else.

One more comment on that, if I may. We get different messages from different ministers on different issues, and we are bloody confused. We went through hearings the other night on college governance. The minister protested vehemently they had always maintained he would protect pension rights. We never got that from anyone in government, the minister included, until he referred to it in the House last Friday.

The point I made at that hearing was, put it in the Memorandum of Agreement. Sit down and discuss it with us, because you who sit in the House should be the assurances to me. I would like, as a citizen of Manitoba and as an employee of the province, to be able to, when the minister speaks in the House, to say I am safe now; he has made a commitment in the House; I can live with it. I can rely on it. I can take it to the bank, but the Premier (Mr. Filmon) of this province three times in the House said, he would not interfere with collective bargaining. What was the end result of that? Bill 70. So can you understand why we do not trust, and why we are confused?

**Mr. Manness:** Mr. Chairman, I would ask whether Mr. McDonnell also had not heard an interpretation whereby the government said that their own employed nurses would be treated similarly to those within the MNU, and that any hard-fought gains through, what I consider, free collective bargaining in the month of January would be provided to all nurses in the province.

**Mr. McDonnell:** I am sorry, did you say in January?

**Mr. Manness:** Yes.

**Mr. McDonnell:** If you will bear with me a moment, I brought with me my notes from the last session we had, which was December 18, 1990, where we were called back from a board meeting, allegedly for negotiations, and got from the government negotiators the same press release that you released two hours later in the Legislature. Going through that, it was a two-year agreement, September 1990-92, component level—they will address pay equity inversions, nurses, med techs and service workers; prepared to examine the nurses' salaries vis-a-vis MNU after MHO settle.

There has been nothing at the bargaining table. Our chief director of bargaining, Robert Olien, to the

best of my knowledge, has not received this. As chair of the master bargaining committee, I have not heard this.

I will confess that I have been in Ottawa for the past two months, and if there is some official communication that I have missed, then so be it. I would like you to share that with me if there is.

\* (2230)

**Mr. Manness:** Mr. Chairman, I would refer Mr. McDonnell to my press release on June 3, and also explanations I believe recorded in the House subsequent to that time.

My final question, Mr. Chairman, deals with a request I made of Mr. Olfert on Tuesday night. I asked whether or not he would share with us the ballot provided to all MGEA members so I, myself, could ascertain as to what choices they were given. At that time, he indicated that he would send that over. He did not give me an indication when. Do you know when that might be coming, that ballot?

**Mr. McDonnell:** No, I do not, Mr. Minister. I will say, though, as you and I both know, Mr. Olfert is an honourable man, and if he made that commitment to you, he would certainly honour it.

**Mr. Ashton:** I would hope that—in fact, I am sure he will respond in a more expeditious fashion than the government does to some of our requests for documents. It can often take a year or two, so I appreciate that.

**Mr. McDonnell:** If I may just throw in an aside here—and certainly more quickly than they respond to our grievances on layoffs.

**Mr. Ashton:** In fact, perhaps, following from that, the government may be embarrassed into dealing with matters more expeditiously. I know there have been a lot of difficulties, and it is interesting watching this process.

I just wanted to finish with a couple of questions because one of the by-products of a lengthy, detailed presentation is that in many areas there really are no questions necessary. You have clarified things fairly well—very well, I thought. By the way, I know there were discussions of rules in terms of committees earlier, and I did look, and it states quite clearly that committees should give complete due consideration to matters, and I think you have done that in more ways than one.

I just want to deal, though, in terms of the question of bargaining in good faith, because one thing I find

rather bizarre is when I hear the Minister of Finance (Mr. Manness) and the Minister of Labour (Mr. Praznik) talking about how the MGEA has conducted itself, what votes have been conducted, what was on the ballot, et cetera.

We have already seen selectors in the case of one MGEA unit, the casino workers, say the government did not bargain in good faith. We have seen it in another case, too, in terms of the operating engineers.

We have seen in this particular case one announcement before the election, even up until November, statements about free collective bargaining, a statement in December talking about overall targets in terms of wages, sort of a—and I hate to use this analogy—but it has almost been a public relations striptease. There has been one different veil taken off at a time in terms of this, when, in fact, the Premier (Mr. Filmon) has indicated to The Winnipeg Sun in comments several months ago that he had—or others were talking about this months ago.

I just wanted to ask on that because I want to deal with the "good faith" aspect of this. When was the first time the MGEA ever heard about this bill, Bill 70, and in what form was it communicated to the MGEA?

**Mr. McDonnell:** The specific date I really cannot share with you, Mr. Ashton, because as I mentioned earlier, I was out of town, but I would venture to say that it was done in the same way that all other labour relations activities have been conducted with this government.

There has been no prior consultation. There has been no discussion; example, the budget. We were called into the Minister of Labour's (Mr. Praznik) office as a joint council meeting, which is part of the act, 30 minutes before the House sat. While the bells were ringing calling MLAs to the House, we were told of 958 layoffs.

The contract calls for, I think it is 40 days' notice of layoffs to the MGEA. The purpose of this, and I think this was put in, I stand to be corrected, but I think this was put in during the Lyon administration so that we could work together to handle the layoffs. That is not the word I am looking for, but so that there could be some degree of co-operation on layoffs and some direction given from the MGEA so that dislocations would not be in the wrong place.

I have situations right now where I have one member under a high degree of stress, suffers from multiple sclerosis. She functions in her present job and functions very well, but when she goes to apply for a job elsewhere, she is going to have difficulty because she has difficulty with her speech and difficulty with her walk, and as new hire, it is not the same as somebody who has given 14 years' service.

Not only that, but she will be covered under our LTD plan in two, three, five, seven years, you know, when that insidious disease takes its toll. As a pre-existing condition, she will not be able to qualify for LTD if she gets new employment. Now that is frustrating. When you sit in cabinet, you do not have to deal with those things. We have to deal with them as working members of the union on a day-to-day basis. I could keep you here till six o'clock in the morning with similar cases like it. I will not.

The particularly galling thing about this, is this woman has been two-and-a-half months on this tread, and there is absolutely no reason for it because she should not have been laid off in the first place. If the Minister of Labour (Mr. Praznik) and the Civil Service Commission who comes under him had honoured the collective agreement, we would not be faced with those situations. We could point these things out. We could say these people should not be laid off because they have seniority over these and this is where you can shift. This is where you can shift and, in the end, the newcomer in, the most recent person who does not have the investment in the public service that the more senior one has, will be the one that will be subjected to layoff. You would achieve the end, and you would get the same savings in terms of payroll. You would get greater savings in terms of less severance pay paid out, and you would not have the dislocation among the public service that you have created to date.

**Mr. Ashton:** Indeed, I have, in this same committee room, discussed many of these issues just a few weeks ago with the Minister of Labour (Mr. Praznik), the Minister responsible for the Civil Service Commission during Estimates.

I want to just focus in terms of—not the layoffs, I realize we are not dealing with that—but just the way in which this government is dealing with the public service because as I said, just in my previous question, there are repeated comments that I hear

from the government, attacks on the leadership of the MGEA.

We have even heard the Minister of Labour (Mr. Praznik) in this committee room suggest that many public servants are quite happy to, quote, share the burden, as the minister uses. I was quite shocked when I heard those comments because I was surprised that the Minister responsible for the Civil Service Commission seemed to feel that he could now be a spokesperson for civil servants in the same year that so many people have been affected by layoffs. No matter how they juggle the numbers, there are still hundreds of people—people—affected and I think you pointed that out.

I want to deal in terms of the relationship that has developed, the very sour relationship, because I am wondering if, in your opinion, this government is not punishing the MGEA and its membership for having the gall, in their view, to criticize the government for the layoffs and cuts in service—in fact, not only that, criticize it after—one, that it would happen, to be advertising, asking what is Filmon going to cut?

I am wondering if you feel this is not part of the agenda with Bill 70 that it is not—and when I hear some of the comments from some of the members, including the Minister of Labour (Mr. Praznik), quite frankly, I wonder if the agenda is not to punish the MGEA and punish the Civil Service for speaking out against this government and its policies.

**Mr. McDonnell:** Most definitely. On the first point, as civil servants who are in favour, I am somewhat surprised that the government is not saying, they are happy to do it. It is selective hearing. You go to the Chamber of Commerce and you have the higher-level civil servants there who are not nearly as affected as the rank and file that I represent.

Yes, they can go along with it. It is good career-pathing for them to tell that to a Minister of Labour, but let me assure you that the rank and file that I talk to are not happy with it, are not pleased with it. Are they going to storm the Bastille? Probably not. Are they going to resort to violence? Not at this stage.

\* (2240)

They will grudgingly take it, and why? Because at this point we have been, as members of the public service, browbeaten. Saying that the public service employees understand and accept is akin to saying that the person in jail after he has been put in solitary

confinement for a while understands why and is happy to be in that predicament.

With respect to the punishing of the MGEA, yes, and not just the MGEA. In a democratic society, citizens should have not only the right to speak, but the freedom to speak out without fear of reprisal and certainly without fear of economic reprisal. Now I understand there should be some limitations to that. A deputy minister, for example, cannot go on the public record against a policy initiative of the government and so on down the line. We have members afraid to say anything to the press, afraid to talk in coffee shops, anywhere, and say anything negative about their government because there will be reprisals.

We had a vice-president of administration at Red River Community College fired a week before last, 20-odd years of service, no reason given. Our suspicion is that he has been criticizing the government's position on board governance. Now I cannot verify that but, in short, to your answer, Mr. Ashton, yes, it is punishment. Openness in society and debate—college governance as an example, absolute no debate whatsoever.

In academia, this sort of suppression of opposing thought—and usually when you have different points of view brought about, consensus building, consensus decision making is, and it has been shown and studies have shown this in the private sector—better decision making process would not allow that.

**Mr. Ashton:** Indeed, it just amazes me that so soon after the election of a majority government we are seeing this, and I am reminded of, you know, the saying that power corrupts and absolute power corrupts absolutely. In Canada, one might substitute the power of a majority government that has lost touch with people, gotten into a bunker mentality, corrupts to that degree.

I just want to finish off asking one more question because I know there are other presenters and I appreciate that you shortened your comments and I know from previous presentations and in committee that you probably had a significant number of other comments to make and will probably make them at another time, another forum. I am just looking at the way ahead because we talked about what has been happening, the vendetta that seems to be taking place against the MGEA, certainly the leadership and the union,

generally. Other presenters have talked about the fact that public sector workers generally are being made scapegoats. There was a presenter just earlier today talked about divide and conquer. I am wondering where the next step is.

We have seen, in the space of a few months, how a government just a few months ago could be saying one thing about collective bargaining and change its mind, one thing about final offer selection and change its mind. A government that can come out and lay off hundreds of workers, eliminate 958 positions and then after the fact that has taken place put on the table a suggestion they might be able to give job security and a no-layoff clause until the next budget, that I found to be the most bizarre contract offer I have ever heard from any government anywhere. After you have laid off 958 people, say we will not lay anybody off until we lay the next batch off, which is absolutely meaningless—how do you trust anything that this government says?

**Mr. McDonnell:** Well, on that last point, the government did not put on the table a no-layoff clause. It has never been brought to the table. The member for Portage, Connery, in the smoking room the other night, was saying that this was offered to the MGEA and they turned it down. It has never come to us. This came out of a discussion, off the record, with the Premier (Mr. Filmon) and Mr. Olfert. So it was not an offer saying, would you, if we did that, accept it? It is a bit like giving us a fire department after you have burned down the house, you know. You lay off a thousand people and then say, we cannot think of any more right now, folks, but sure—so we will give you a no-layoff clause until we can.

**Mr. Ashton:** I just want to clarify it because there are various different discussions going on. You mention one, and I think Mr. Connery is still part of the government who is under one impression, and I was under another impression from discussions in the Civil Service Estimates. I do not know if an offer was made. There was some communication of -(interjection)- Well, the minister says the offer was made on paper signed by Gerry Irving. I do not know if it was worth the paper it was written—was it made at the bargaining table? Now, was it an offer in response for something?

**Mr. Manness:** Mr. Chairman, I will engage in this question and answer in the House on Monday if the member wishes, not today.

**Mr. Ashton:** My apologies. I was just trying to get it absolutely clear because I would like to know if this piece of paper still means anything because if it was an offer at a bargaining table, obviously, they could say it is off the table now because there is no more bargaining, but if it is a piece of paper that says there will be no more layoffs, I ask you, would you not feel that, I mean not that it means much anyway, but that it would still apply?

**Mr. McDonnell:** I do not know whether it would apply or not and this is probably the reason, if any offer like that was made, it was rejected. You see, there is a collective bargaining process that has evolved over time. You look at labour history, you look even during the Winnipeg strike in 1919 we did not have Draconian legislation like this brought in, and the Taft Act and the Industrial dispute agencies of 1945. This whole process has evolved to the point where we are now, but it is being bastardized and ripped to shreds by the present government.

You know, we negotiate from early summer to November and discuss the government demands. At that point we had not got into anything of the MGEA member's proposals for adjustment of the agreement. December 18 we have to meet. Suddenly there is a demand to meet and we are given an ultimatum, not a bargaining position, an ultimatum. Now, in the interests of collective bargaining it is a generally accepted practice that you meet and both sides can enjoy some degree of confidentiality. Positions are put on the table and they are discussed and negotiated, and they change—it is very fluid. We had an opening position there that was quite extensive because again, as I pointed out, the democratic process by which we collect proposals from our members—we know going in that we are not going to get everything that is in that proposal. That is life. That is expected. The government knows that we are not going to get everything, and the government knows, and it is the same with any other employer whether it is railway and the government, or the post office and what have you, the other side knows they are not going to get everything. So you discuss, you negotiate, you argue, you try and convince and you end up with a package.

Unprecedented though, I know, is for the Minister of Finance (Mr. Manness) to put a costing on the thing and then go public with it while negotiations are allegedly still going on and takes the top figure of 30 percent. I do not know whether it is 30 percent.

I am not accepting that figure. I think it is less. These are proposals brought in. We have a duty once the members pass them to present them at the table. We know that is not the end-up package, and it frustrates and usurps the collective bargaining process by doing it that way. -(interjection)- Then, sir, you are not familiar with the collective bargaining process as you should be.

\* (2250)

**Mr. Ashton:** Mr. Chairperson, indeed I agree with the presenter. I think one of the problems with this government—and the Minister of Finance often says he is not a labour relations expert. I think he is proving that, because one of the things I cannot believe—if you had a private sector employer that conducted itself the same way this government has, I am sure that you would immediately have a complaint filed in terms of unfair labour practice, in terms of bargaining in poor faith. The one thing that amazes me is that this government still does not understand that it cannot dictate to a union when and how it deals with its membership. It cannot dictate to another democratically elected organization, in this case the MGEA, any more than the MGEA can tell the government how to run its business.

It can suggest, et cetera, but it has one other sanction and this is something that has been a sacrosanct principle in terms of labour relations in this country, and that is the overwhelming power of an employer who has the ability to hire and fire. What amazes me, and I put this to you because I would appreciate your comments being on the other side, is that you can have a government that in the same year it is hiring and firing people, can be talking this way—like the school yard bully, as you said before—in this case, taking great offence when the union refuses to say, yes sir, Mr. Manness, yes sir, Mr. Praznik, we are going to put a vote whenever you want, under whatever conditions you want, with whatever gun at our head, whatever threat of layoffs and we will do whatever you want. If any private sector business person did that, they would be subject immediately to action in terms of unfair labour practice.

I want to ask you, since the Ministers of Labour (Mr. Praznik) and Finance (Mr. Manness) say they are not labour relations experts—

**An Honourable Member:** No, no. He did not say that.

**Mr. Ashton:** Well, the Minister of Labour we will leave out. He has not said that. My apologies. He will be judged by his actions on that. The Minister of Finance has said that. Perhaps you can say it to the Minister of Finance and Labour as well, whether that is standard practice, whether it is acceptable practice and how many years it has really been in terms of labour relations legislation in this country since we have had provisions that protect working people against that kind of blackmail tactic. Maybe put that in perspective for the minister who says he is not an expert and explain to him just how serious the ramifications are of an employer who can hold the gun to the head of a union and can blackmail them the way this government has been doing as evidenced ultimately by its introduction of Bill 70.

**Mr. McDonnell:** I cannot think of any antilabour legislation like this, so one-sided, since Prime Minister Macdonald's second term of office, with one exception and that is the proposed federal legislation that is parallel to this, you know, and the numbers are the same, coincidentally, after the meeting of Finance ministers, I think, but I stand to be corrected.

**Mr. Manness:** Mazankowski does not take a lead from me.

**Mr. McDonnell:** I was not suggesting that, Mr. Manness. I was suggesting that you take the lead from him.

**Mr. Manness:** I have not yet.

**Mr. McDonnell:** I think part of the problem you have touched on—we do not have a body of experience in this government in labour relations. I do not know that we have a body of expertise in this government in employee relations, because the last time we had a problem in the economy and major cutbacks was under the Sterling Lyon government. At that point there was a Minister of Labour who came with a labour background, Ken MacMaster, and our feeling is, and I was not active in the labour movement at that time, that he seemed to have an understanding of the process and could articulate that at cabinet. It is a supposition on my part because no minister has admitted it or articulated it, but I think that might be part of the difficulty here now.

The other point I forgot to talk about, but forget the government for a moment and the MGEA and just take the players in another milieu, you know. Would they do this in the private sector, and if they did this

in the private sector, what would happen? A reasonable government would not allow it because it would be violating labour standards acts that bargain in good faith. When we have two bargaining sessions where we can introduce our proposals and then we get called to a bargaining session two hours later that the government goes public with on the steps of the Legislature outlining the position that they have just given us before we have a chance to study it, when we are called into the minister's office for a joint council meeting for the first time in I think it was 11 weeks—30 minutes before the announcement is made in the Legislature—this, folks, is not good faith. This is bad faith, and that bad faith has created the mistrust that I have not seen in this government since I came to its employ in 1975.

**Mr. Ashton:** Incidentally, I ran against Mr. MacMaster in 1981 and defeated Mr. MacMaster. I had many disagreements with him, but I agree—

**Mr. McDonnell:** With respect, perhaps if you had not done that we would not have the problem today.

**Mr. Ashton:** In fact, it is with regret that there is not someone of that type on labour issues. I had many disagreements with him on other issues, but I have always said publicly that, on labour issues—and that government itself was at least neutral if not overly sympathetic to workers, but I would certainly echo your comment. Thank you once again for your presentation.

**Mrs. Carstairs:** Thank you, Mr. McDonnell, and I always want to call you MacDonnell. The issue, I think, is: Did, at any point in time, this government act in good faith with the MGEA, throughout the process of this negotiation? It would seem to me that asking or telling people that maybe they would consider a no-layoff clause after they have laid off 958 people is like closing the barn door after the horses are all out. You mentioned there were 15 meetings from the time the agreement came to an end, or perhaps some of them were before the termination of that, up to the 18th of December meeting. At any time in there, was there any offer legitimately given by the government which said, would you negotiate with us in order to save jobs, and that might mean no increase in wages?

**Mr. McDonnell:** I cannot speak for the meetings that went on at the bargaining table prior to my being elected chair of that committee, but since we were discussing government proposals, I feel very safe in

saying no. From the time I came to the table, there were no discussions, no offers like that. The final word on it was on December 18, 1990, and this was the one. This was the last meeting we had with the government as a negotiating committee.

Excuse me for a moment. I cannot find it quickly. Here we are, item 3(5), no-layoff clause to lapse, no discussion.

\* (2300)

**Mrs. Carstairs:** We have used this word on a number of occasions by people saying they were glad that they could participate in the sharing and caring. I have had two reactions, I have to say, from members of the MGEA with whom I have had contact. I have had people say they are glad, glad they were not laid off, glad to have a job at all. I think that is an understandable position that, if you have to choose between degrees of gladness, you are more glad not to be unemployed than you are to still be employed.

The other position that I have had from members of the Manitoba Government Employees' is that they would have prepared to have shared in some of the burden had their fellow workers not been laid off, that they would have been willing to lower their demands if they had a commitment of job security for all of the participating members. Has that been expressed to your leadership as well?

**Mr. McDonnell:** Certainly, we have been made aware of that, and with respect to the comments earlier of some government members, well, we talked to MGEA members, and they give us this. We have a broader feedback. What are the choices? Ask anyone, would you rather lose your job or get zero? Who would answer, I would rather lose the job? Are those the only choices?

There are others, as I pointed out, in the items that we had on the bargaining table. There are items that are no cost to the employer, no cost to the government. If there had been some movement on those, we could probably have cut a deal. I cannot speak for the membership because it would have to be ratified, but based on my involvement with them and conversations with them around the province, during bargaining processes, they are cognizant.

I mean, there are mature, intelligent people who work for the government, and they read the newspapers. They go to the grocery stores. They know their costs are rising. They know what the unemployment rate is, and so on. I think, if you look



at our track record, very responsible approach to the economy and the demands that the MGEA members have made of their employee—if you look at the last eight years, we are behind even other public sector workers in the wage settlements that we have agreed to in order to protect jobs, and we have agreed to conditions in the collective agreement that make the workplace a more positive environment.

Those things, as I pointed out in this bill, if it goes through, are frozen. Those are the areas in which the government could have moved if they were bargaining in good faith. To constantly go to the press release and bargain in the public is not bargaining in good faith. It is bargaining in bad faith. To ignore those areas where there could be room for movement, is bargaining in bad faith. The no-layoff clause was a quid pro quo for zero percent increase.

We have taken zero in the past, and I think that would be indicative of, given other circumstances, what we take in the future if the government presented an argument that was cogent and palatable or convincing. We did not get that. They could not produce the studies that would show why revenues are flat. They could not explain why they have to cut back post-secondary education by 7 to 10 percent, and at the same time there is an extra \$7 million in wage welfare for their corporate friends. Those sort of budget decisions will not stand the test of scrutiny, and that is why they are bargaining in bad faith, I feel.

**Mrs. Carstairs:** Finally, it is more of a comment than a question. When you made reference to some of the child care benefits that you were negotiating on behalf of MGEA, you said there was systemic discrimination against women. I take exception to that as a woman, and I take exception to it because I think it may be systemic discrimination against parents. The child care responsibilities are not just the responsibility of women. We may get them in 99.9 percent of the cases, but it is not our only responsibility.

**Mr. McDonnell:** Your point is well taken, and by no means, did I mean to infer that child care was the responsibility of women only.

My comment was made in this context, that it came from our clerical components in the main, and are women-dominated components, where they are expected to work overtime. I cannot give you the

percentage offhand, but a goodly percentage of those are single parents. They are systemically discriminated against because they are forced to work overtime, and the overtime rate does not cover the cost of additional day care. To me, that is a legitimate claim against your employer. If you are incurring costs to provide services to your employer, same as driving a car on government business or employer business, the same as travelling and incurring meal expenses on an employer business, incurring day care expenses or child care expenses for an employer's benefit should be covered by that employer. I think it should be sacrosanct. I am surprised we even have to try and get that point across to the employer.

I apologize if I gave the inference that it was the responsibility of women only. It is out of that context that it is our female-dominated, our women-dominated components that asked for that.

**Mr. Chairman:** Thank you, Mr. McDonnell, for your presentation.

### Committee Substitution

**Mr. Chairman:** Could we have leave to make some changes to the committee?

**An Honourable Member:** Agreed.

**Mr. Chairman:** Leave. Go ahead, please.

**Mrs. Render:** I move, seconded by Mr. Sveinson, that the composition of the Standing Committee on Industrial Relations be amended as follows: Mrs. McIntosh for Mrs. Mitchelson.

**Mr. Chairman:** Agreed? Agreed and so ordered.

\* \* \*

**Mr. Chairman:** We will continue then with presenter 131, Denis Belcourt. Is Denis here? No. 132, A. Sawatzky; 133, Allyn Taylor. Allyn is here. Allyn, would you come forward, please? Have you a written presentation to put before the committee?

**Ms. Allyn Taylor (Private Citizen):** No, I would just like to read what I have here.

**Mr. Chairman:** Would you proceed, please?

**Ms. Taylor:** My name is Allyn Taylor, and I work for the federal public service. Ladies and gentlemen, I am here to speak on the rights of ordinary Canadians, the rights of Manitoba unionists and nonunion workers who are being denied the right to collective bargaining, who are being denied the right

to a fair and decent wage increase, and against Bill 70.

Manitobans have seen tax increases through personal and income taxes at every level. We have seen the cost of living rise to astronomical proportions. We have seen an exemplary medical and social service system destroyed by Gary and his Conservative barbarians. We have witnessed Gary the philanthropist make patronage appointments, give heads of Crown corporations exorbitant wage increases. We have watched this government waste our valuable tax dollars studying this and that, and we have nothing to show for it.

We have watched these elected officials make promises to their friends and relatives to the tune of millions of dollars, and The Pines is a current example of this. Does this government concern itself with the loss of jobs at the airport if The Pines is approved? I, as a taxpaying Manitoba, am absolutely sick and tired of it. To expect that their workers, with diminishing purchasing power, should just sit back and accept a zero percent decrease is totally unacceptable. The terrorist tactics that were used to fire the provincial people from their jobs is totally unacceptable.

This government is only interested in imposing their own policies and procedures. The human toll is overlooked. Why should we allow an elected government to create a working-class poor? We should not. I am hoping, Mr. Manness, in your absence, that you and your Conservative ideology will rethink your position on Bill 70 and start to bargain in good faith. Why should civil servants, or rather slaves, give up their livelihoods to accommodate and pay for this government's gross mismanagement and waste of our tax dollars?

A pay increment is a sign of a job well done. Without this, a person feels they have not done a good job and becomes dissatisfied, disgruntled and disheartened. Good labour relations are very important in this country. Labour unrest will cause problems for all of us. It is very interesting that the last general strike was in 1919, and here we are in 1991, with the numbers reversed, considering strike action again.

How can we call this a democracy when basic rights such as collective bargaining can be legislated away? We are not dealing with a democracy. We are dealing with autocracy, and that scares me. I have been reading in the

newspapers and heard on the TV that the recession is over. If that in fact is the case, then there is no need for Bill 70 and this ridiculous wage freeze.

I am asking this government to start treating people with the dignity and respect that they deserve. Give back the right to collective bargaining, drop Bill 70, and remember, you are only elected. Thank you.

**Mr. Chairman:** Thank you, Ms. Taylor.

\* (2310)

**Mr. Ashton:** You indicated you are employed with the federal public service.

**Ms. Taylor:** Yes, I am.

**Mr. Ashton:** Of course, the federal government is doing very much the same thing as the provincial government, in the sense, putting restraints on public servants, refusing to bargain—is that basically what has been happening?

**Ms. Taylor:** Yes, that is true. This year for our reward we received a nice little cup with "EIC—Where People Matter," and we received a daily agenda with a lot of Conservative propaganda attached to that, and a nice little black pen. So that was our reward.

**Mr. Ashton:** The same thing seems to be happening federally, then, as is happening provincially, in the sense that we have heard presenters come here from the Crown corporations, for example, who have just had their wages frozen, who are told on a daily basis that people matter, that they are an important part of the corporation, that they are the reason that the corporation is doing well, that they are the reason that the corporation is profitable, and they are not receiving anything. So you are saying the same thing is happening with the federal government. They are treating you in a very tokenistic way with the efforts of people, but not recognize it in terms of bargaining?

**Ms. Taylor:** That is right, Mr. Ashton. Our collective agreements are up, and we are currently in negotiations. The talks have fallen down at all of the tables, and we are looking at going to conciliation. Even at the federal level there is talk of strike action. It is a very sad statement for our country when we are talking of strike action and the possibility of shutting down government services.

It is also, for myself from a personal level, to be standing here and speaking to you today on some

very important issues that are overlooked by governments, and even at the federal level.

**Mr. Ashton:** Have you had the opportunity to present many times before, before a committee of this type?

**Ms. Taylor:** I am sorry, would you speak up? There is a little bit of a hearing problem.

**Mr. Ashton:** Sorry. I am just wondering if you have had the opportunity to present before on issues of this type before a legislative committee?

**Ms. Taylor:** No, I have not.

**Mr. Ashton:** The reason I am asking that is because a lot of people came forward and said it is the first time they have come before what it a very intimidating process, you know, with all the things that have gone back and forth in terms of the rules and the lengthy sittings, et cetera. I am just wondering if you can put it on a personal level. I realize you are a federal civil servant, but you are faced with much the same difficulty that provincial civil servants are faced with, and I am just wondering how you react when a government says: We have problems, financial problems; we have to do this, that and the other; and that includes, first and foremost, taking it out of wages that might otherwise have been paid to civil servants.

We heard a presenter before earlier who is employed by a Crown corporation—I do not know if you heard his presentation—who talked about his own budget and how essentially the government was taking money out of his own personal budget which is pretty tight, to deal with their own budget situation. How do you feel on a personal basis with that type of policy, philosophy, ideology, whatever word you want to use, that is being applied?

**Ms. Taylor:** I find it very frustrating in that I think government employees are always attacked. We are attacked not only by our employer, but we are attacked by the people on the street. You know, people say we have no support, but yet they are willing to come in and attack us at a personal level for doing our job. I have been with the federal public service for the last 10 years, and in the last eight years I have never been treated so badly as I have since being under a Conservative government. I have seen people come and go within the service; and, even at the provincial level, I know of people who work for the provincial government. When they have left, they seem to get a colour back into them, some life. I guess I can look forward to that day, but

right now I do need a job. There are no jobs to be found out there, and I guess we just have to keep plugging away, but these kinds of cuts, these kinds of wage freezes, they just make it impossible to work within.

**Mr. Ashton:** I find that interesting because the government says it did not like the decision it took on Bill 70, it took no satisfaction in it. I have sat in the Legislature and seen rather a different reaction. People seem to feel they have political support, they have much to gain politically from this—and by the way, I have run four elections in my own constituency, and there are always a few scapegoats that get trotted out every election by Conservative candidates, and the number one in my constituency has always been civil servants.

I am wondering, in this case, if you are not seeing a government, in the case of the federal, and a government, in the case of the provincial, that has spent so much time getting political points out of this kind of scapegoat tactic. I know members have difficulty with that, but I have sat on platforms with candidates for their party who have talked about that very clearly for every election I have seen in my own constituency. I am asking that because I am wondering if you feel that the government now has got it to the point where people are taking their frustration out on public servants, when, in fact, they should be directing their energies to the people who are making the decisions that are frustrating, the government itself.

**Ms. Taylor:** It is very hard to convince the people as they are standing there in front of you, who the real players are. We are front-line workers, and we are only implementing the policy of the elected officials; but, as you have an irate client in front of you, you are telling them, no, especially, say, if they are cut off their UI, and you have to tell them no, and the reasoning for that. You have to tell them that it has been legislated. They do not give a damn about that; what they care about is that they have a family at home that they have to feed.

We watch workers, especially in the UI department, and before Christmas time, who are working hours and hours and hours of overtime. They are working six hours at night, they are working Saturdays, they are working Sundays to ensure that those cheques go out, all because of cutbacks. We do not have the resources, the people in there, to do the job. The same thing is happening now with the provincial government. More cutbacks, more work

to be done, more policies to be implemented, and not enough people to do it with, and yes, we do take the flak for that.

**Mr. Ashton:** I find it interesting in terms of the frustration because I have found one of the problems that some of the government members are having in dealing with this bill is just understanding the situation people are going through. I mean, you are saying that government employees generally, whether it be federal or provincial, are getting this kind of frustration expressed directly. I have seen that, by the way. What I have always found ironic is people will shoot the messenger. They will go and they will complain to the receptionist. By the time they get to the office of the director of the department, all of a sudden the relationship shifts. The person who has the power sitting behind a desk is in a position where they get different treatment than the person who is the receptionist. I have heard this in terms of hospitals. Nurses—it is one of their major frustrations—get all the front-line concerns.

I am wondering what something like Bill 70 does, what is happening federally does, to that morale which is already difficult enough, and particularly to the front-line workers, such as yourself who are dealing with people. You are the one who has to say, no, not the minister or deputy minister or the assistant deputy minister who makes the decision. How does that impact on morale within the Civil Service?

\* (2320)

**Ms. Taylor:** I guess I have watched the erosion of morale within the office for a number of years. A person does not feel good about going to their job, and I am finding more and more of it where people in the offices are calling in sick, where they are what they call burning out. I guess that speaks for our whole political system in that a lot of times the politicians who set these policies are not available. By the time an irate client gets to their politician, some of that anger has worn off. They are also afraid. They are afraid to walk into these political offices and vent their views and their opinions. A lot of them do not even know who their politicians are. They have no understanding of the whole political process. There is not enough time in the day to be explaining all of that to people, but as far as morale within the service, I think it is right to its breaking point.

**Mr. Ashton:** I appreciate your bringing that personal perspective, because indeed it has been expressed by other presenters working for the provincial government expressing the same kinds of frustrations. I thank you, and thank you for your patience in waiting to present to the committee.

**Mrs. McIntosh:** I am just curious about something here. I wonder if you could clarify for me. You mentioned that Manitobans have had increase in personal income taxes, in your presentation. I wonder if you could tell me what you mean by that.

**Ms. Taylor:** I have certainly seen my income taxes go up in the last few years. Whether the provincial government is taking that or whether the federal government is taking that, I know that I am seeing less on my pay cheque.

**Mrs. McIntosh:** You are not aware then if it is provincial or federal government?

**Ms. Taylor:** All I am indicating is that I am seeing my income taxes, my purchasing power, the dollars that I have left over in my pocket, decreasing.

**Mrs. McIntosh:** Thank you.

**Mr. Chairman:** Thank you, Ms. Taylor, for your presentation. We will move onto the next presenter, 134, Lynne Bobier. Lynne, would you come forward, please. Have you a presentation to distribute to the committee?

**Ms. Lynne Bobier (Private Citizen):** No, I do not, just a written one.

**Mr. Chairman:** Would you proceed, please.

**Ms. Bobier:** Thank you, Mr. Chairman, and assembled members. My name is Lynne Bobier, and I am employed with the provincial government. I am a single parent with two teen-aged boys. I am the sole breadwinner in our family. I am here today to voice my concern about Bill 70.

In our country, as in our province, the process of election is one of a democracy; however, within this trusted process, we are confronted with decision making that is completely autocratic and destructive.

Recently, on one of our local TV stations, I heard Mr. Manness in dialogue with Susan Hart-Kulbaba, and in conclusion, he reiterated that the people of Manitoba elected the government, and they not only make the decisions, Manitobans must trust their decisions. In other words, because they are elected, they will do as they wish.

In a system where ideology negates one of the most fundamental processes within a democracy, a democracy is redundant, such as collective bargaining, community-based involvement on decision making. The very essence of the worker's dignity and rights is extrapolated. It behooves me as to why and at what level of social consciousness our trusted elected officials function. The whole concept of ethical government decision making and moral action comes to my mind. We all know that within the Conservative ideology of government, the rich will become richer and the poor become poorer. You have a society, as at no other time, where the gap between the classes of people is much greater than ever before.

I question the logic of wage freezes, again the lack of foresight or vision within our administration. Wage freezes, in actuality, are decreases when you consider inflation. For example, in my own situation, I have a severely asthmatic son who requires medication, medical attention constantly, and at times we use the emergency services. My health care costs take a large portion of my wages. Thank God, for Blue Cross and Pharmacare. Please do not legislate that away, or introduce costs to visit the doctor or emergency ward.

With no wage increases but constant increases to medicines and health care products, it is very much of a struggle to manage some days. My ex-husband was a victim of free trade. He has not worked since Christmas last year, nor does it look like he is going to find a rainbow with a pot of gold in the near future. He is a man who has worked for 25 years and suddenly without a future.

I have two bright, strong sons, 13 and 15 years old. In a couple of years, they should be working. I am hoping there will be work for them. Having a father who is unemployed, as well as a mother who has brought home many depressing tales of job layoffs and decentralization from my work, I think my sons' confidence in a secure future is pretty shaky.

When governments start interfering in jobs and offering no alternatives, there are bound to be problems. Bill 70 is another form of terrorism and keeping the troops in line. I, for one, have enough headaches without more interference from a government without a heart. Leave the collective bargaining alone. Workers are only trying to protect jobs that are needed in our province. It is the people at the bottom who are the workers getting the job

done, and only asking for their fair share and some sort of security.

I am asking you for the future of my children and my own to please drop Bill 70 and let the workers get on with the business of keeping Manitoba running. You expect us to work in good faith; now we are asking you to bargain in good faith. Thank you.

**Mr. Chairman:** Thank you very much, Ms. Bobier.

**Mr. Ashton:** I appreciate your perspective as a single parent with a family to support and obviously financial pressures. We have heard before from presenters. I am just wondering if you could give some people some idea of the kind of financial pressure that Bill 70 is going to put on, because we discussed earlier that it is \$1,000, it is \$1,500, \$2,000 in that range, for most public servants. What kind of financial situation are you faced with currently, and how is that going to impact if Bill 70 is passed?

**Ms. Bobier :** Without a pay increase or some sort of extra money coming in, for a job I am doing, which I feel I am doing well. As a type of reward, I am finding my—as I mentioned, my son is asthmatic—medical costs every year go up. It is not even so much even the medicine that I have to buy him; it is like every time you go to buy bandages—he also has a deformity on his hand, I guess you would call it; it is a type of birthmark, and he has to have constant cream to put on it and a bandage to wrap it. Every time I go to buy bandages—he requires quite a few, at least once a week we are doing this sort of thing—I find that it has gone up another 25 cents, 30 cents.

I find every time I go to the grocery store—I mean, they are big boys, they like to eat—tomato soup has gone up another 10 cents a tin. I am finding meat costs—we like to eat meat, we like to eat, we like to have a little bit of a social life. I am buying a pair of jeans for one of the fellows, and you know, they are \$50 a pair. They constantly go up.

So I know without a wage increase and no option of getting one with this Bill 70, that my purchasing power—and I have cut back on every possible thing I can think of. I know without a wage increase or some sort of—I feel I have lost all of my bargaining power even to say I need a day off because my child is sick. You know, something like that. I do not know if I have answered what you have asked me, but I am pretty new at this.

**Mr. Ashton:** By the way, your perspective is exactly what I am asking for. I know it is an intimidating process, but I am trying to get people who might be thinking of supporting this bill to understand what you are going through. I can understand. I have a son who is asthmatic. I know the costs that are involved for medication which are not covered by Pharmacare. It always seems that you save up Pharmacare receipts and it is never quite enough, but you still have to fork out the money to begin with. So I understand that. I understand the pressures of having two children of whatever age, particularly I can imagine the teenage age, because mine are not quite that old yet.

\* (2330)

I am just trying to get some sense—perhaps you can communicate to the committee members. You are saying it is difficult enough as it is that you have to budget pretty tightly, by the sounds of it. There is not a lot of money to spare even now. How are you going to manage with essentially having \$1,000 or \$1,500 taken out of your pocket through this Bill 70?

**Ms. Bobler:** I do not know how I am going to manage. I mean, I have—like, I come from a family who have dealt with lots through the years and we have always managed, but it was not like somebody was putting the screws to us and saying, well, you are not going to get anything anymore, this is it, you take it and you like it.

I mean there was always—it seemed like there was some leeway that you get a couple of extra dollars on the go or something, but I am finding with the economy the way it is right now—my situation at home is such that I cannot go to work part-time. If I do, everything I make is eaten up in taxes because, if you are working part time, you are paying more taxes again. I am really in a frustrated position right now as to what to do for my family.

I love my kids and I want the best for them. It angers me when I see people who are working in \$120,000 jobs a year getting a big pay increase. I mean, there are three of us trying to live on less than \$27,000 a year, and here is one person, I do not know what their family situation is, but I am pretty sure it could not be any worse than mine, where they are trying to manage on \$120,000. I could do a jim-dandy job with \$120,000.

**Mr. Ashton:** Well, indeed, and it must be staggering I know for a lot of people when you get, for example, the chief executive officer of MTS

getting \$20,000 more than the previous chief executive. So that is virtually what you make in—what?—nine, ten months?

**Ms. Bobler:** Yes, probably, yes.

**Mr. Ashton:** Once again, at your income, you are still paying taxes, whereas what we have seen, we have many people with \$200,000 a year incomes who pay no taxes.

I just want to deal on the tax question a bit because this, by the way, as you have probably heard tonight, is one of the reasons the government trots out as being why they are bringing this in, because they want to hold the line on taxes. I have suggested to the government that this is really a tax on public sector workers, and it is a pretty major one.

If you are earning \$27,000 a year, you are losing \$1,500, \$1,600 a year. How does that make you feel when the government talks about fairness? The other thing they have suggested, by the way, is that public servants are quite happy to share the burden. I am not quite sure who else is supposed to be sharing the burden out of the other 90 percent of Manitobans who do not work for the public sector.

I think you have indicated some of the people definitely are not sharing the burden, they are getting more benefits, some of the people with Tory connections, but what do you have to say to the government when they say, that is fair, that is sharing the burden? Also, what do you have to say to them about their suggesting that the people working for the public service actually support this? I mean, the people you know, do they support Bill 70, the people you work with?

**Ms. Bobler:** A lot of people that I work with are not even aware that Bill 70 is going on and the ongoing effects that it will have. I mean, myself personally, I do not understand all the ins and outs of it either, but I know it is going to affect me. I feel like I rarely take a stand on anything, but I feel when it is going to affect—it is almost like a personal thing with me that we have no bargaining power left.

I believe in paying my fair share of taxes. I have paid taxes for years now. I was married to a man who paid taxes for 25 years and now is out of a job. I have come from a family that has always paid taxes. We are original people here in Manitoba, and we have never strayed very far from Manitoba. We love our province. We like to pay our taxes. We like to keep ourselves honest. When things like this are happening and, like I say, I do not speak out very

often, but I feel you have to start taking a stand somewhere along the line, and I believe I am starting to take my stand now.

**Mr. Ashton:** And doing a very good job of it, by the way. We could use more of your kind of perspective in this Legislature, because I think sometimes too many people who are making these decisions are losing track of what these decisions really mean out there in the real world. I realize that at 11:33, after we have sat here for thirteen and half hours and there have been about 50 hours of presentations, it may not seem like people are listening or you are made to feel like you are not having much impact, but believe you me, the fact that you are here is significant, and your message will be carried on.

I can indicate, we will certainly be raising this throughout the debate on this bill, because this bill affects real people like yourself. I really thank you for coming forward.

**Mr. Chairman:** Thank you very much, Ms. Bobier, for your presentation and also for your indulgence.

**Ms. Bobier:** Thank you.

**Mr. Chairman:** Number 135, G. Wingert, is next; 136, Pat Clark; 137, Bob Young. I am sorry. Is there leave for a committee substitution?

**An Honourable Member:** Leave.

**Mr. Chairman:** Leave.

### Committee Substitution

**Mr. Plohman:** Mr. Chairman, by leave, I move that Ashton be substituted for Friesen.

**Mr. Chairman:** Agreed? Agreed and so ordered.

\* \* \*

**Mr. Chairman:** Number 139, Mike Zubriski; 140, J. Maxwell; 141, Roberta Cliche; 142, Wayne McNabb; 143, Julie Roney; 144, Donna Chamberlain; 145, Connie Fennell; 146, Tara Higgins; 147, Dan Will; 148, Alan Porter; 149, Craig Strike; 150, Doug Reimer; 151, Cliff Reimer. I am sorry, Jeff Reimer. It is getting late. 152, Tim Sale; 153, Harry Peters; 154, Gordon Mackintosh; 155, Rick Sherrin; 156, Jason Loughead; 157, Jawinder Singh; 158, Wayne Growacki; 159, Erla Ziemer; 160, Gaylene Hamilton; 161, Peter H. Ward; 162, Shannon Ward; 163, Gerald Joyce.

**Mr. Joyce,** have you got a written presentation to present to the committee?

**Mr. Gerald Joyce (Private Citizen):** No, I do not. I just have a few notes I will be reading.

**Mr. Chairman:** Would you proceed, please.

**Mr. Joyce:** I guess I may be a little bit unique from most of the other people I have seen in the 11 hours that I have been sitting here today in that I am not a government employee. I am a member of the Canadian Auto Workers. I work for Ford New Holland, which is current Fiat Geo Tech right now.

This piece of legislation scares the hell out of me, because do not for one minute believe that what you people do in here does not have an effect on everybody else out there. Do not for one minute believe that the corporate agenda is any different from yours, Mr. Manness.

I have seen the same words come out of my corporation for the last five years that I am hearing out of your mouth now, and their corporate agenda is maximization of profit. What that basically boils down to is that the workers at the bottom end of the scale lose it all. They are pushed out, kicked around. Nobody cares.

One of the notes that I have here is a little pamphlet that was written by the CLC. It is general history, easy to get ahold of.

Sir John A. Macdonald in 1872 passed a law recognizing unions, the right to form a union, the right to achieve better wages and conditions through collective bargaining. This is some 119 years later, and you are trying to take that away? One hundred and nineteen years of progress and, with the stroke of a pen, you want to throw it in file 13. It scares the hell out of me. It scares the hell out of the people on the plant floor around me.

I am not here speaking for the Auto Workers but for the few whom I have talked to. There are people higher up that will speak to you at a later time; I will let them speak for the Auto Workers as a whole.

We did not give in to Chrysler in '82, and I will be damned if we will allow you to treat our brothers and sisters like dirt now.

You have an income shortage problem. I contend that the reason you have that income shortage problem is not because you are not collecting taxes from myself and brothers and sisters on the floor and nonorganized labour as well. You are collecting more than your fair share out of them.

\* (2340)

When I have to work from January 1 to June 28 to pay my tax bills, you are getting more than your fair share out of me, but when the same corporations that I go and work for or buy my products from are only paying something in the neighbourhood of 12 percent, I have to wonder where the priorities are with all the governments in this country, not just Manitoba, but because I live here, I will speak specifically on Manitoba government.

I commend the City of Winnipeg for toeing the line on the property taxes. Great-West Life said that they were going to move out if they had to pay an extra \$500,000 in property taxes. I say, fine, when you make \$97 million in profit off of the working people in this country and argue and complain about paying a million dollars in property taxes, it is 1 percent. I have to pay 54 and they are going to cry and leave the country over 1 percent. Forget it. Let them go. We do not need them. All they are doing is sucking us dry, and in turn that sucks your government dry because you do not get the taxes out of me.

Income taxes, personal income taxes—for low-income people, the rise in personal income taxes to them are something in the neighbourhood of between 6 and 9 percent over the last decade. Middle-income has risen between somewhere in the neighbourhood of 14 to 19 percent in the last decade. High-income has dropped just under 1 percent.

We keep giving concessions to different corporations, different people, loopholes. Close up some of the loopholes in your tax laws. Make the corporations pay their fair share. I am not asking for a reduction in my taxes. I am not complaining because I pay 54 percent. I am complaining because I pay 54 percent and get about 5.4 percent in return. That is my complaint. I get nothing for my dollar. You take my dollar and you turn around and you hand it to Ford, you give them \$40 million to buy a plant in Winnipeg. They turn around five years later and sell it to a multinational corporation out of Italy and they get the same \$40-million, interest-free, 10-year loan.

I cannot borrow \$4 interest free. Anybody want to give me a loan? I am trying to raise four kids. I am the sole income earner.

I have been laid off for six months, and you propose stuff like this so that when I go back to work—our contract is coming up September 30. I

know damn well that when we get to that bargaining table the first thing that Ford is going to say is, well, look at your own government, they are not giving their people a raise, we are not giving you diddly either. Do not for one minute believe that they will not use that argument, because they will. It will be the first one they use. It will also be the first one that gets blown out of the water.

I had a lot of things I wanted to say, but eleven and a half hours of sitting on my duff, my brains are tired, so I will just leave it at that, because I am a little too emotional and the next thing that is going to happen is, I am going to start swearing, so I will just leave it to questions.

**Mr. Chairman:** Thank you, Mr. Joyce. Are there any questions?

**Mr. Plohman:** Mr. Joyce, did you say that you were laid off right now?

**Mr. Joyce:** Yes, I am.

**Mr. Plohman:** Is this a temporary, seasonal kind of layoff, one that you get recalled from after a few months every year, or is this something new for you?

**Mr. Joyce:** No. This has been happening to me for the last 10 years since I started working for that company. Off, on; off, on. This year, they are blaming it on the recession. June 28, they shut down the plant until December 3, claiming that there is no hope in sight.

Yet, everybody in the governments and economists and everybody else say the recession is over. The fact of the matter is, we have a contract coming up September 30. They had a vacation shutdown over the summer anyway. This is a perfect way for them to give notice to the government of six weeks or whatever length is necessary. They can call us back anytime they want. They are just trying to shut us down. They are trying to tell us there is no money in their pocket.

**Mr. Plohman:** Do you believe then that this action by this government fits right in with their agenda and they will just pick up and use this for an excuse or as a precedent to take further action to reduce their costs on the backs of the employees?

**Mr. Joyce:** That is exactly right. Exactly.

**Mr. Plohman:** How much do you pay in taxes in the time that you work? I guess you are on unemployment insurance the rest of the time?

**Mr. Joyce:** If I happen to work a full 12 months, my income tax bill alone is something in the



neighbourhood of \$6,000 to \$7,000. That is income tax. That is not any of the sales taxes, GST, anything else. That is just straight, pure income tax. I could not give you a figure on the rest.

**Mr. Plohman:** Do you know how much your employer pays in income taxes in a year?

**Mr. Joyce:** I have no idea.

**Mr. Plohman:** Do you have any idea? Have you ever asked them during negotiations what they pay in terms of their portion of their revenue that goes towards taxes?

**Mr. Joyce:** That is like a mouse asking a cat to help him find a hole.

**Mr. Plohman:** Well, there are ways to find that out, and I guess they would not tell you that directly if they were not paying very much but, certainly, Mr. Chairman, Mr. Joyce is obviously aware that his taxes have gone up and that personal income taxes have gone up a great deal since 1984, some \$1,500 per family at the national level in taxes for a family of four.

Are you aware of what proportion the corporate sector is paying towards revenue in Canada as compared to say 20 or 30 years ago?

**Mr. Joyce:** I am not sure on 20 or 30 years ago, but I do know that corporate tax revenues nationally have dropped from something in the neighbourhood of 42 percent to about 12 percent currently. Now what that means in dollars, no, I am not sure.

**Mr. Plohman:** On a slightly different topic related to this, do you feel that the action by the government with regard to the public employees who are being asked to shoulder another \$1,500 tax, selectively, some 48,000, that this is going to cause difficulty in the—I think you have alluded to that, and I would just like you to clarify—private sector with regard to the approach that organized labour is going to take and also the approach that management is going to take in response.

First of all, do you think labour is going to be more militant in its requests or less likely to be co-operative as a result of the actions that are taken in the private sector because they will have more suspicions of what is going to happen, or do you not see that happening?

**Mr. Joyce:** Yes, I do see that happening. Since the Conservatives won their majority here, I have seen more and more militancy on the plant floors; I

have seen more solidarity in the brothers and sisters around us, more people waking up.

Years ago, nobody knew how any of this stuff existed, how you went about doing all this stuff. We are learning, maybe late, but we are learning, and the time of governments being able to just slough things over is gone.

As far as what effect Bill 70 is going to have on the private sector, the fact of the matter is, government is expected to set standards. This government is setting a standard. It is setting a standard where every other private industry in Manitoba is going to attempt to follow it. What I am here to say today is, by God, if we can help it, they will not follow that standard. If we can turn the government around, they will not set that standard either.

**Mr. Plohman:** We have had relative labour-management peace in this province, one of the fewest days lost due to strike over a number of years. Are you forecasting that that is going to change with the climate, the environment that is created by this legislation?

**Mr. Joyce:** It already has. Ask Mr. Manness about the comments on the steps of the Legislature approximately two weeks and a couple of days ago. I believe he got an earful then. Ask him how many times that has happened to him prior to that, prior to the majority government.

**Mr. Plohman:** I agree with you, and I think that is already happening. It happened with FOS. It started the process, and it will continue as long as this government takes these kinds of actions as this freeze in Bill 70. We hope it does not continue, but it does not look good.

I appreciate your coming here tonight and giving your views on this bill, particularly since you are not directly affected right at this time as a public sector employee, and sharing your concerns with us.

\* (2350)

**Mr. Manness:** Mr. Chairman, I have only one question. Mr. Joyce, you obviously feel that the government deserves more than criticism for bringing in this bill. You bring forward a lot of criticism, obviously from your point of view strongly meant and well meant, for the government for bringing forward Bill 70.

How come the last budget brought down that was passed by the former government, which imposed

a tax increase which was equivalent on average to 15 percent, and subsequent to that I brought down four budgets that did nothing but decrease the personal tax, not a lot, marginally—can you tell me why people in your position and indeed of all walks of life were not as upset with that taxation move as indeed you obviously are right now?

**Mr. Joyce:** It is very simple. I am not asking for a free ride. I am willing to pay my share of the taxes, but if I have to pay the taxes, I want the services that go with it. I do not want education funding cut, because my kids have to learn from that school. I do not want medicare services cut, because my children go to those hospitals, and so does my wife. I do not want services cut, and that is what you have been continuously doing. Sure, you have held the line on income taxes but, in the meantime, how many people have you turfed out on the street on unemployment? How many people are sitting on welfare.

Whatever monies you are saving on people you are turfing out and laying off is just going straight into the City of Winnipeg welfare coffers or the Province of Manitoba welfare coffers. I have had to go that route myself and it is no fun. It is no glory. That ain't no way to live for none of us. That is not even a human way to live. It is an attempt at it, but it has a helluva long way to go, but that is what is happening in here.

All the services that you are cutting, you are cutting them and at the same time the only people who are making any gain are the corporations. I am not getting anywhere. I am losing my job. I am not getting anywhere because my taxes are not going down, they are staying exactly the same, but in the meantime I am losing all the services. I am losing all the support groups. I am losing all the public libraries, all the rest of the stuff. You can just go on and on and on down the list.

I take my kid out to a beach someplace and there is no lifeguard because there is no money in the coffer. The kid drowns. I am gaining by that? You expect me to be appreciative of that? No way. Not when Great West Life sits across the street from us here and literally tells you people what to do. We want to try and get sick pay benefits out of them for one member on the plant floor and they say, well, we do not know what is wrong with him so we will not pay him. The poor guy is out on welfare, and at the same time he is too sick to work anyplace.

That is the kind of corporate agenda we are dealing with. That is the kind of agenda that is being handed down from the Conservative government that is in power today. As far as I am concerned, Mr. Manness, you are in bed with them, and I hope they kiss you first.

**Mr. Chomlak:** Mr. Chairperson, I was going to ask Mr. Joyce some questions, but I think he very eloquently expressed the viewpoints that I was going to query him on, so there is no need to add anything to that.

**Mr. Enns:** Mr. Chairman, I am not going to try to solicit from you any support for any government, but I would ask you just one question. The farmers in Manitoba, grain farmers, not just in Manitoba, right across Canada, a few years ago were getting \$5 for their bushel of wheat. Today, they are getting half of that, \$2.50, if they are lucky. I do not know what you are getting, sir, and that is your business, not my business, but I do want you to contemplate taking a reduction, a full half reduction of your income. That is what the grain farmers are facing in Manitoba and in Canada.

Now you, sir, are making the machinery that you are hoping the farmers will buy. We have been told by many presenters here, in fact, the vice-president of the MGEA has told us economically how bad it was that we put a freeze on the public service sector because, in economic terms, it takes purchasing power away from 48,000 employees. That is true.

I think, by the same argument, you can understand that a grain farmer whose equipment, whose tractors, combines and swathers that you so capably make at New Holland, who three, four years ago was getting \$5 for his bushel of wheat, is now getting \$2.20, \$2.40.

My simple question to you is: At the workplace when you are working on this machinery, do you and your fellow workers worry about that or talk about that? Is that a subject that comes up occasionally at lunch talk when you are not busy? I know you have lots of other complaints, complaints against government, something like that, but just at the situation that your industry faces, that understandably—I understand you have been employed there for the last ten years—do you concern yourself with that?

**Mr. Joyce:** Yes, I do. One of our major concerns at that corporation is putting out a quality product so that that farmer does not break down halfway

through harvesting. Our other major concern there is that there has been some meddling in the grain market that that farmer is only getting about 5 percent of what he should be getting.

The answer to the problem is not to bring me down to his level, but to bring him up to mine. That is where the government should be setting standards, not trying to knock me down. -(applause)- Excuse me, I have the floor, and I am not finished. You asked for two points.

The other point is, when Ford bought that company, there was approximately a \$20,000 difference between a Versatile tractor and an equivalent John Deere tractor. The first thing that Ford New Holland did when they bought that company was to bump that price up so that there was a \$6,000 difference. Did you ask them to reduce their price? No, but you want me to reduce my wage, but they can keep charging whatever price they damned well like.

The same thing happened with Trudeau back in '72, wage and price controls. Sure, let us control wages. Prices, well, okay, that is justified. No, it does not work. You know that. You should know it from history unless you have never read history books. Maybe Mrs. Carstairs should teach you some. I understand she is a very good teacher.

**Mr. Enns:** Mr. Joyce, you know, I am going to solicit from you a compliment for this government and for this Minister of Finance based on the answer that you have just given, because this Minister of Finance and this government believe in what you have just said, that we should try to do something for the farmers. So we have committed \$40 million to \$50 million of our tax money, your tax money, so that we can try to guarantee the farmer a price of \$4.15 for that bushel of wheat so that farmer can keep on buying some of that equipment that you manufacture. Surely as a fair-minded person—

**Mr. Joyce:** Mr. Chairman, can I call for a point of order?

**Mr. Enns:** —you would be prepared to say, thank you, Mr. Manness, and thank you to the Progressive Conservative government.

**Mr. Joyce:** Excuse me, Mr. Chairman, it seems to me earlier this evening a few different people have been called out of order for being irrelevant. I would think that was about as irrelevant as it gets. We are talking about Bill 70 and wage freezes here.

\* (0000)

**Mr. Chairman:** Thank you, Mr. Joyce, for your presentation.

We will move on to the next presenter. Number 164, Bruce Scott; 165, Debbie Mintz; 166, Julie Marleau; 167, Gary Flanagan; 168, Rudolph Schwoedic; 169, Neill Nedohin; 170, Nancy Anderson; 171, Patty Lapkin; 172, Keith Scott; 173, Jim St. Germaine; 174, Wayne Sinclair; 175, Cheryl Fiel.

**Mr. Ashton:** On a matter of procedure, Mr. Chairman, I have a motion. I think it is important for the committee to decide whether it proceeds later on tonight and, at the current point, we have indicated at previous sittings that we feel that committees should not sit past midnight unless it truly is to accommodate presenters and particularly should not be reading names of people who, I think, reasonably cannot be expected to be here at 14 hours into a committee hearing on what is now a Sunday morning, so I have a motion which I am prepared to explain afterwards.

I move that this committee not call any further names of presenters past midnight but that it hear presenters currently present at the committee wishing to make presentations tonight.

**Mr. Chairman:** It has been moved by Mr. Ashton that the committee not call any further names of presenters past midnight but that it hear presenters currently present at the committee meeting wishing to make presentations tonight.

Is there any debate on the motion?

**Mr. Ashton:** Mr. Chairperson, I know we have a meeting scheduled Monday, and I know it is not the government's intent to close proceedings tonight. I recognize that, and I know the Minister of Finance has indicated that, but all throughout this process, beginning on Tuesday, we have said it is unreasonable to expect people to be here, particularly past midnight, unless it is under the circumstances allowed for in this motion, which is where members of the public do not want to have to come back on another day. I am, quite frankly, as a committee member, prepared to sit here to accommodate members of the public, but I think it is unfair to go through the process we are currently going through.

What will happen is, if we continue to read the lists, there will be people who will lose their opportunity to present to this committee, because we are currently, I believe, on the list where virtually

everyone has been called once. There may be a few who have not. The difficulty then becomes that people essentially become disenfranchised and do not have the opportunity to present.

So I move the motion in the hopes that we can hear everybody who is here tonight, come back on Monday and give the remaining people, even under the rules that have been set by this committee, the opportunity to present.

**Mr. Chairman:** Thank you, Mr. Ashton. Any further discussion?

**Mr. Plohan:** I want to support the motion, and I also concur that if there is anyone here who still wants to make a presentation tonight that we hear those persons, but I do not believe that for other reasons than those mentioned by Mr. Ashton we should be asking the public to be making presentations on Sunday. It is now Sunday. I am prepared to make an exception for those who are here, but I do not think that we should be expecting anyone else to be coming here to be making presentations on Sunday, which it is now. I think for that reason, as well as what Mr. Ashton has stated before this committee, we should support this motion.

**Mr. Ashton:** Mr. Chairperson, just before, and since the matter will be coming to a vote, I had not realized that the Leader of the Liberal Party had not been moved on to this committee. She is in a difficult position. They only have one member, so it is difficult for them to do that. Just as a courtesy, it will not affect the outcome of any vote, but I was just going to suggest so that the Liberal Party can register its position officially that we, by leave, and I would move, by leave, that the composition of the Standing Committee on Industrial Relations be amended as follows: Mrs. Carstairs for Mr. Edwards.

**Mr. Chairman:** I find this is a very unfortunate situation. However, we do have a motion on the floor, and procedure simply would not permit that we set aside the motion and vote on another motion.

**Mr. Ashton:** I just want to point out, I understand your concerns, but this is essentially moved in the House. Really, this is by leave to register this fact now, and it will be moved in the House afterwards.

I am just asking as a courtesy, by leave. It will not affect the outcome of the vote. Of course, Mrs. Carstairs cannot move it herself, and she has no other member of the Liberal caucus sitting on the

committee. There is only one representative on the committee.

**Mr. Chairman:** Mr. Ashton, procedurally, what I have stated to you is correct. However, I will ask the committee, what is the will of the committee? Is it the will of the committee to set aside procedure and allow Mrs. Carstairs to be put on the committee?

**Some Honourable Members:** Agreed.

**Mr. Chairman:** Okay. Agreed.

I would entertain now a motion from Mr. Ashton that we appoint Mrs. Carstairs to the committee.

### Committee Substitution

**Mr. Ashton:** I move that the composition of the Standing Committee on Industrial Relations be amended as follows: Mrs. Carstairs for Mr. Edwards, with the understanding that this change will be moved in the House.

**Mr. Chairman:** Agreed?

**Some Honourable Members:** Agreed.

**Mr. Chairman:** Agreed and so ordered.

Could we proceed now with the original discussion on the motion?

\* \* \*

**Mr. Manness:** Can everybody hear me?

**Floor Comment:** Only if you speak into the mike, Clayton.

**Mr. Manness:** All right. Thank you. I did not realize I had any fans back there.

**Floor Comment:** You do not.

**Mr. Manness:** That is what I thought.

**Mr. Chairman:** Proceed, Mr. Minister.

**Mr. Manness:** Mr. Chairman, I have made a commitment to the House Leader that I would not push unduly hard today. We have heard over the last 13, 14 hours, by my count—and I will be out a couple—22 presenters. We expected today that we would hear roughly 60 or 80, because today was a very important day. Today was the day when, of course, there would not be work for most people, that would probably suit those people coming from out of town, and, I think in being fair to that process, that we really thought that we would probably have an opportunity to hear many more presenters.

I do know, and that is the reason I asked the Clerk to go out on two occasions today, the last time I think

around nine o'clock, to ascertain as to whether or not the presenters that were here, whether they wanted to present tonight or Monday. The Clerk, by her information at least, indicated that most would prefer to present tonight. I know that is not what the issue is. The issue is, let us keep the franchise open, the opportunity open for people to address us, come forward on Monday.

What I find strange in this, is that Saturday was the day when I would have expected that there would have been a maximization of the number of people that would be in attendance to make presentation

**Floor Comment:** Some of us work for a living—on Saturday.

**Mr. Manness:** Yes, that is true, and that is exactly why I asked and petitioned those to see whether or not, if they worked and made dispensation to be here today, and instead wanted to go on Monday, we would try and do our best to accommodate them.

Mr. Chairman, it is not my intention to call out the whole list. I have said that. I indicated that to Mr. Ashton earlier. I asked him to tell me who it was that he thought he would like to see come to committee on Monday morning. I also indicated to him that those individuals who had been called for the first time tonight, they would not be called for a second time tonight, because if they were not here before, obviously they will not be here now.

I think I have been quite reasonable, and yet Mr. Plohman mutters, Sunday. I will take the criticism of this being, at this particular time, Sunday. I will let the record speak for itself. We set into motion a process on Tuesday. It was democratically brought into place by the rules of democracy in this committee, and I say, Mr. Chairman, we have to follow it. Unfortunately, we are going to have to vote against the motion.

**Mr. Ashton:** I regret that the government is selecting this course, and I want to remind the minister of the difficulty that this process has placed members of the public in.

\* (0010)

There have been people here today, that I have spoken to who have indicated that they cannot sit in this committee for 14 hours, who looked at the list, saw themselves well down the list, who tried to get some idea of the progress of the committee, and I think probably would have reasonably expected that the committee would not be calling names this late.

I say that, Mr. Chairperson, as I said, I have talked to people specifically who have been attempting to get some idea as to when they might come up.

I note that at midnight, we still have a number of people in the audience who wish to present, and I am not suggesting we not accommodate them tonight. That is part of the motion, but the difficulty I have with this, Mr. Chairperson, is this idea that the government seems to have had, that this process should be held and that this committee process should be subject to this legislation by exhaustion. I am exhausted. I have been here until five in the morning one night, three in the morning another night, 1:30 in the morning two other nights.

I do not think, as I have observed committee members, including myself, that we function the best when we get into that process. I have looked out in the audience today, and I have seen people who have been here for 14 hours. We have not had a break for lunch, supper, or anything. I do not think this is the proper procedure.

I have been on other committees before, and I have been on committees, Mr. Chairperson, where there have been significant numbers of presenters, but this is without a doubt unprecedented in the sense that we have had close to 700. The only comparison has been in terms of the Constitutional Task Force, and in the case of the Constitutional Task Force, there were hearings held outside of the city, something that was rejected by the government majority at the beginning, but, at the same time, the number of committee hearings that were held were significant. This government, in this particular case, seems to want to get this matter over with as quickly as possible. I do not think that is conducive to the best interests of public policy.

I want to indicate again why we have moved this motion. It is to protect the right of the individuals who will be dropped from the list, period, if this motion is not passed, because anyone who is called currently—and I have checked the list; virtually everyone has been called once—under the government's new regulations before this committee, because as the minister knows, committee rules, powers of committee are essentially set by the committee themselves.

There was a new set of rules that was put into place this time around. The government said, for example, was not going to introduce time limits. Well, it did not introduce time limits, but introduced

an even greater limit on the ability of the members of the public to present. What it did, it has said, Mr. Chairperson, that individuals who are called once are then dropped to the bottom of the list, called again, and if they are called again, they cannot present.

In the 10 years that I have been here, indeed there is a process of calling names, and indeed people go to the bottom of the list, but I have seen people's names called once, twice, three times, and the general operation of committees is based on the ability to—the attempt, Mr. Chairperson, to hear as many people as possible. I have sat at meetings—I remember the final offer selection, which was a fairly large committee meeting a couple of years ago, when the last committee, I believe we had one person present, but the committee sat that extra time and ensured that nobody was excluded, and I believe that one person, as a matter of fact, had not been present before, had been registered.

That is all I am asking here, that we not disenfranchise people, and I would suggest that in the future we may wish to consider some rules that bring some sanity to this process, because I find it unfortunate. I, Mr. Chairman, must apologize if earlier, in the heat of some of the discussion, we engaged in some comments back and forth about the process of this committee, because indeed, we are the only province that has public hearings on every bill.

I believe you were, while I may have to disagree with some of your comments, I believe that was your basic point to presenters.

I have never seen so many presenters frustrated about the process. What we are doing here, I think, by not having a more sensible set of rules, is we are creating frustration for members of the public who just want to have their say. That is all this resolution would do, this motion, is ensure that we not disenfranchise people after 14 hours of committee hearings at 12:15 on a Sunday morning.

**Mr. Manness:** Mr. Chairman, just two small points. Firstly, the member for Thompson, Mr. Ashton, I think argues against himself because we have already disenfranchised, using his argument, 65 people who were not here obviously when their names were called. So he wants to set them aside from the others who might be forthcoming.

Secondly, when he talks about latitude or flexibility, I have never seen, and if he wants to

compare this to the Constitutional Task Force, I am led to believe—I know there were time limits there. I know this is the greatest freedom of democracy that has ever been exhibited in a committee room. Mr. Chairman, where time limits have not been in place, there has been great latitude around the bill itself, and I have to say, in my experience in being in this House for 10 years, I have never seen a greater demonstration or a greater opportunity for the public to come forward and make a presentation. I feel badly that we had to do so much of it late at night, but the only option in not doing it late at night was to unnecessarily delay the bill for many, many more days. As the member is fully aware, there is plenty of precedent for having sat past midnight. We do it often, and I have to say to the member that, in my point of view, his argument is specious.

**Mr. Ashton:** I want to respond to that by indicating that we said very clearly from the beginning we disagreed with the rule that had people drop from the list if they were called a second time. If the minister is concerned at the fact that, under his rules, we have gotten through 175 names and they are being dropped, I can indicate right now that I am willing to accept an amendment or move a motion that would ensure that any of those first 175 presenters would not be disenfranchised. If that is what the minister is suggesting, I would appreciate whether he wants them to be re-enfranchised and not be subject to that.

The second point I wish to make in terms of the minister's concern about unnecessary delays—my view as a member of this committee and our view as a caucus, the New Democratic Party caucus, is that we are prepared to sit as many days as is necessary to accommodate members of the public wishing to make presentations. We were willing to sit outside of Winnipeg, and we are willing to sit—if it takes additional days, we are willing to do it. I indicated to the minister we have been willing to refer this to an intersessional committee which would have had the opportunity to take not just days but weeks, and I have some difficulty in understanding, Mr. Chairperson, why the minister is so anxious to ram this through. In fact, this legislation is retroactive, and it is retroactive to the day in which the bill was introduced. So really the passage date does not really impact on the implications or the application of the bill. I want to stress that. That is the intent of this resolution. That

was the intent of the resolution we moved the first night.

I would note, the first night we did not call people after midnight. On other occasions we went to the point where, through discussions, we were able to prevent large numbers of people being called. My objection in principle is to people losing their right to speak to the members of this committee when they are called after midnight. That has never happened.

**An Honourable Member:** They were not here today.

**Mr. Ashton:** Well, Mr. Chairperson, I indicated before there were people who were here earlier today who I—

**An Honourable Member:** Who?

**Mr. Ashton:** Mr. Chairperson, I spoke to people in the back of the room who indicated they could not stick around all day, and they would not—

**Mr. Manness:** Oh, oh.

**Mr. Ashton:** Well, Mr. Chairperson, the minister goes, oh, oh, oh. I do not know how many people the minister knows who want to make a presentation before this committee, but I am sure if he was to talk to some of them directly instead of making those comments from his seat. What I am asking for is for anyone who wants that opportunity who has registered for this committee to be able to do so. I think that is only reasonable. It is standard practice, and I believe the minister shows discourtesy to those members of the public.

I will just finish by saying, this is not the most democratic committee we have been before. If it was that democratic, why would members of the public be so frustrated about the kind of manipulation that has taken place with the process? If it was so democratic, we would have people coming before this committee and congratulating committee members. Instead, we end up with a tired committee. We end up with tired members of the public and we end up with the absurd situation of sitting until 12:20 on a Sunday morning and having people disenfranchised from appearing before this committee. That is not democracy. That is absurdity.

**Mr. Plohman:** Mr. Chairman, I am frankly shocked by the Minister of Finance's (Mr. Manness) reaction to this. Quite frankly, I am. I am really surprised that he would be this undemocratic, particularly

when a request is being made dealing with a Sunday. I am frankly shocked. I should not be, I guess, because any government that would bring in Bill 70 would also expect the public to be coming to committee hearings after midnight on a Sunday morning to make presentations.

\* (0020)

It is unbelievable, quite frankly, that this minister would push it this far to try to get this bill through, to try and get people off the list when they have made known their intention to make presentations on this. It is something that this minister should know is not becoming of his conduct and his responsibility this way. It certainly is not democratic. It is not the most democratic committee that we have seen. We have had many committees in the past that have gone on for days and weeks and where we have not sat till five o'clock in the morning to expect people to come forward to make presentations. I think that is probably unprecedented insofar as the committee sitting.

We have sat in the Legislature, when we have wound up, all night on the final day, but we have never asked the public to come in until five o'clock in the morning and then to disenfranchise them because they are not sitting there at four o'clock in the morning any longer waiting for their turn. It is absolutely absurd.

I think the minister should at least recognize something about family needs and the sanctity of the Sabbath, if nothing else, insofar as the sitting of this committee. We do not sit on Sundays. We do not ask the committee to sit on Sundays. We never have. The minister can talk about all the precedents. The Chairperson earlier on talked about a process that has been long established. That is not what we are—we are deviating from that process here. So I ask the minister to look at a compromise rather than digging in his heels at this particular time, to look at a way of accommodating those people here today and perhaps a few names, if he feels he has to call, but not to disenfranchise all of those people who are on this list, surely, and I agree, no one should be. It is just like this bill, try and improve a bad bill. You cannot do it.

Surely the minister can recognize that what he is doing here is asking for or demanding or imposing an unprecedented requirement on the public to come before legislative hearings and committees on a Sunday, which it now is. I think it is disgraceful,

and the minister should obviously take this opportunity to look at some amendment to that process right at this time.

I believe what my colleague presented was reasonable. The people here who have sat all day and they want to make their presentations, yes, let us make that exception. They are here now, but not ask other people to come before this committee, expect them to be coming after midnight when we are talking about a Sunday for the sitting of this committee.

**Mr. Manness:** Mr. Chairman, I am hoping that I can hear the rest of the presenters. I am hoping to have part of a night's sleep, and I am expecting to be at worship tomorrow. I say to the member for Thompson (Mr. Ashton) that to compromise this in some part, if he can give me the names of the people who he talked to and he says he knows, I will certainly not strike them off the list and save a slot open for them on Monday. If he would give me a list of those people—he said there were some—and if they are genuine in a sense that they want to come back and present on Monday, I will hold open a slot as against their name. To me that is a fair compromise.

**Mr. Chomiak:** Mr. Chairperson, I just want to add a few comments, perhaps to the minister to have him reconsider his position. Mr. Minister, we are dealing with a bill that is unprecedented in our history and in labour relations. We are dealing with a bill that is retroactive in its application, and we are dealing with a bill that takes away people's rights. We are dealing with a very significant piece of legislation that affects people on a day-to-day basis. It affects their lives directly. It is not an administrative bill. It is a very significant bill. On that basis, one would think that the right to be heard and natural justice would say we would do everything possible to allow those who want to comment on the bill to provide them with that opportunity.

I am saying that any reasonable person looking at this committee would say—any reasonable Manitoban would say coming to the Legislature at 12:25, if you are number 400 and whatever on the list, would not be a reasonable request that we would make of any Manitoban. Indeed, Mr. Minister, we have sat here through 14 hours of hearing, and the reason is that we have heard very heartily expressed viewpoints by these people. Any individual who would observe these proceedings

would be shocked to think that they would have to come down to get their name on a list if there were 201 on a list or 299 on a list at 12:25 on a Sunday morning, a day when we in our own legislation do not expect people to do things. It runs totally contrary to our principles in the Legislature, to the principles of any reasonable person who would view these proceedings. I am relatively new to this Legislature, but it strikes me as extremely odd that we would disenfranchise people at this hour on a Sunday morning on a matter of this kind.

**Mr. Chairman:** The question has been called. All those in favour of the motion, say yea.

**Some Honourable Members:** Yea.

**Mr. Chairman:** All those opposed, say nay.

**Some Honourable Members:** Nay.

**Mr. Chairman:** The Nays have it.

**Mr. Ashton:** I would like to request a counted vote.

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

Yeas 4, Nays 6.

**Mr. Chairman:** I declare the motion lost.

Number 176, Randy Taylor; 177, Mike Richels; 178, Rosemary Deans; 179, Ingrid M. Grywacheski; 180, Norma Restall; 181, Garry Robinson; 182, Terry Haberman; 183, Harold Oake; 184, Nancy Peters; 185, Shauna MacKinnon; 186, Kathy Doherty; 187, Kim Swanson; 188, Ruth Hammond; 189, Ken Partridge; 190, M. L. Brooks; 191, Gord Segal; 192, Valerie Vint; 193, Linda Keeper.

Linda Keeper, would you come forward please. Linda, have you a written presentation to present to the committee.

**Ms. Linda Keeper (Private Citizen):** No, I do not.

**Mr. Chairman:** Would you proceed, please.

**Ms. Keeper:** One thing, I have been here for three evenings in a row as well. I am not sure what to actually say. Does the process that this committee has just gone through where a motion was made with the yeas and nays, where the nays won, which the Chairman did not reread the motion so that the people in the public sitting back here could follow it after all the debate that you have gone through; could I get some understanding—if I do not come and speak tonight, does that mean that I lose my spot?

What has been happening with this committee is I got a phone call at home and teenage sons are not



the best answering service—it was a phone call about Bill 70. Well, that is nice. The phone call about Bill 70, okay, here is the phone number. You can phone today or tomorrow. Okay, so I lost my first spot, so I have been here for three nights in a row. This is my third night in a row, 473, 373, now 193.

\* (0030)

This bill is a rotten bill. I have grown up here as a Manitoban for 40 years. I have been working in the labour force since I was 16. I have been a civil servant for five years and recently decided not to extend my term contract after being a term employee for five years, because the only way as a worker, a person can state to their employer that they no longer want to work for them. As an aboriginal woman living in Manitoba, often our people call government workers sell-outs or apples. You do not have very many aboriginal people working in government, so this bill is something that I find really offensive. I have worked on other kinds of struggles in terms of my community and other communities, situations on mercury pollution for White Dog and Grassy reserves, South Africa, immigrant women, refugees, Chile, all kinds of situations where people have lost their rights. I have been on information pickets in the middle of winter, so I know what being on a picket line is like.

I have one sister who was on a picket line with the casino workers all last summer, and that really affects not only her family, she is a single parent—I am a single parent, we have kids, we have to help each other out and that is what we do. Strike pay is not very much. My other friend, who is 192 on the list, has worked hard to be in a nontraditional trade, an operating engineer. If you think that is an easy thing to do, it is not any easier than trying to be an aboriginal person in the Civil Service.

Harassment, discrimination, all those kinds of things. She has been one who has been a fiercely self-sufficient, independent person. Nobody wants to go out and strike, but she went out on strike in the middle of winter. Fiercely independent, would not ask you, me or anybody else for a loan or anything. So that is what she did. She was out on strike, have to make child care arrangements for her daughter, go out on strike. Now this Bill 70 comes along. All the things, things that she lost, things that she had gone without, this bill turns around and what is it going to do? Affect her rights. These are just two

personal examples of how this bill is affecting people.

The reason why I decided not to continue working for the government of Manitoba, because I could no longer stomach it. I made my decision after the budget came down, to see more and more cuts. I have worked in my job with people who get five bucks an hour and I had said to myself, well, I do not think that is a decent training salary. I still do not know why I agreed to work with that, but I did. Those people struggled with the budget cuts. Thirty bucks a month does not seem like a lot, that is a ticket to maybe a concert or something like that, but on a student allowance it is.

This Bill 70, people are saying, enough is enough. I would rather be unemployed. I am unemployed—or self-employed or selling my labour to somebody else now. It is really hard to stomach that. So that is why I am here and I have been waiting. I have been used to waiting, I have been used to being patient, I have been used to being somebody who works hard and maybe is the only one foolish enough on a Sunday morning and in some ways feeling disrespectful to come up here and speak, but I cannot spare any more time to come to this committee and wait my turn. I do not want to lose my turn if that is what that meant, then that is how long I have been speaking. I could speak much longer than this. I do not know whether I should or not, but I will tell you to get the point across. I think I have.

This bill is completely unacceptable to any Manitoban. I have listened to and heard all the other discussions and arguments and viewpoints of people who have come here, so I do not need to repeat a lot of them, but this bill is unacceptable. As a public servant, I had worked very hard, extremely hard at cost to my health, my family life in some ways.

To me, the salary, it is just somewhat not worth it for me personally, but I really know a lot of people in the public service are working hard and need to keep working hard. Most people think I am out of my mind to leave a good paying job and go and be nothing, but it is rather my health.

My colleague, I sat with her, my former co-worker, sat with her till 2:30 in the morning when she presented the other night. She talked about some of the issues that we have faced as public servants: term employment, renewed, renewed, no job

security for term employees, ask to be put on permanent staff, given reasons like, well, we did not renegotiate the Northern Development Agreement so you still have to stay on term. It is hard to work under those conditions. As my co-worker was saying the other night, we had not seen for a long time people who were on so many medical leaves. One of my friends left, in fact four other aboriginal people have left employment with that department because, for us, for me, it is difficult to work in that system.

What we look at is attacking other people's rights. The collective bargaining right is completely something that many, many people when you have evidence with the number of people who had originally signed up for these committee hearings—you have a slim majority in this government. It is very slim and that should say something to you.

I hope that is a good book. That is another thing that other people in this committee brought forward, saying that some of the respect that people showed to others, so I will not continue any longer. If you have some questions, that is fine. I would normally have, if this was not a Sunday morning, spoken a bit longer.

**Mr. Ashton:** Indeed you are quite correct in terms of what would have happened if you had left five minutes before you started your presentation. You would have lost your chance, and that is why we moved the motion, but I really appreciate the dedication you have shown in staying in this committee. I find it unfortunate, as you say, that you feel curtailed in making your presentation because of the late hour, and I know the pressure as well when there are other people who have been waiting the length of time they have as well, and I know you are probably feeling somewhat pressured by that, but I really encourage you to continue with what you are doing, because it shows real dedication.

\* (0040)

I just want to ask one brief question, because you sort of touched on it when you were referring to how this government has a narrow majority, and I have asked this of other people. Indeed it is a narrow majority on this bill. It would only take one or two government members to vote this bill down or to abstain, and the bill would not pass. I realize that perhaps not every government member is exactly listening, whether they are on this committee or in

this committee, but if you could sit down with one or two of those people in the government caucus who might still be thinking of voting with their conscience on this, or have an open mind or undecided, and if you could really sit down and have them listen to you on a personal basis, what would you say to them to get them to change their view, to go against the line of their government and vote down Bill 70? What would you say on a personal basis to them?

**Ms. Keeper:** It is somewhat of a difficult question for me. First, I am not sure which members are the members who have kept their minds open to what has been talked about by all the people who have presented. I am not sure which members have wrestled with it themselves on whether it was an appropriate way to go with the bill. I would probably say some of the same things I was just saying now, that the bill is not a right kind of bill.

**Mrs. Carstairs:** Ms. Keeper, I probably felt your remarks that you made about being an aboriginal woman, being part of a public service where your own community feels somewhat estranged from that because they have been betrayed so much by governments of all political stripes that they do not encourage their fellow community members to participate in holding government jobs. I found that the most poignant part of your representation, and I would really like to say to you and through you to other members of your community that I hope some day you will feel more comfortable within the public service and that you will be able to return to it.

**Ms. Keeper:** When I was talking about my experience in the public service, it did not mean that I did not feel proud of the work that I did in the public service, because I worked hard. My employer, or the department that I worked with, every one did not want to see me leave because of my hard work. People in the community, some people who do not know me very well, may have given me a rough time about being a government worker, but most people respected my integrity and my decisions and the way I conduct my life, so those are the people who are important to me.

The one thing that I know I did, I worked hard in my job, I accomplished a lot in my job, a lot, not only of benefit to the people whom I was training, but a whole range of community benefits because of the work that they had done, so I am proud of those accomplishments, and their accomplishments.

Now, with what is going on in terms of a lot of the government funding is those same people are also being affected by the cutbacks, just the kind of decision making that is made around financial areas in the government, the people who worked in the Child and Family Services area or with inner-city youths. I felt very positive about my career as a public servant in spite of going through some of the oppression and adversity of some of the working conditions generally in government that has really affected morale, and this bill tops it.

**Mr. Chairman:** Thank you, Ms. Keeper.

**Mr. Chomlak:** Ms. Keeper, your comments prompted in my mind something I wanted to ask some of the other presenters, so I will ask it through you. We have on a list 528 people who signed up to present to this committee. In your comments in your presentation, I had the impression that for every one of you people who came forward, there are maybe 10, who knows, 100, who because of distance or because of time or because of their Civil Service status—and that I can speak to because of my constituents who are afraid to come forward because of their Civil Service status—but who, because of those reasons, are unable to come before this committee. Do you feel, and I do not want to put a burden on you, that you represent—you are not just speaking for yourself but for maybe 10, 100 or 500 people out there?

**Ms. Keeper:** They often say that the one person who writes a letter to government represents hundreds. Yes, I think I represent a fair chunk of people who wanted to come and say something about this bill, a fair chunk.

**Mr. Chairman:** Thank you, Ms. Keeper. Any further questions? Thank you very much for your presentation.

I call No. 194, Brent Chamberlain; 195, Jack Gang; 196, Susan Stark; 197, David Stark; 198, Kim Reeme; 199, B. Thorvaldson; 200, S. Thorvaldson; 201, Vita Rodgers; 202, Maria Marcellini; 203, Nanette Kanhai; 204, Elaine Murray; 205, Doreen Dufault; 206, Ed Clairmont; 207, Connie Heppner; 208, C. B. Clark; 209, Derek Honke; 210, Barry Wadsworth. Barry, would you come forward please?

Mr. Wadsworth, have you a prepared text that you would want to distribute?

**Mr. Barry Wadsworth (Private Citizen):** No, I do not.

**Mr. Chairman:** Would you proceed, please?

**Mr. Wadsworth:** Quite a few hours ago I wrote up an introduction for this little piece. It started out with good blank—whatever time of day I presented, I would fill in the word. Well, it is not good. It is not good morning, it is not good afternoon, it is not good evening. It is not good.

I am a vice-president negotiator of an MGEA local at St. Boniface General Hospital. I have been at the hospital for ten years. I have seen a lot of changes there. I have seen a lot of structural changes, a lot of attitude changes. When I was first elected to the negotiating team at the hospital, I negotiated with the St. Boniface General Hospital. Then I started negotiating with the government through the St. Boniface General Hospital, and now I am not negotiating.

I think it is pertinent to note here that I do not work for the Manitoba government; I work for the St. Boniface General Hospital, a Grey Nun corporation, and I cannot negotiate with them because of the things that you are doing?

\* (0050)

The subject of this public forum is not only to discuss the freezing of wages for unionized employees in the public sector. It is about a process, not just payment. There was a time when custom set the wages for working conditions for individual working people. There were and are times in which competition for selected parts of the labour force allows workers to make demands regarding wages and working conditions. I am not boring you, am I?

(Mrs. Shirley Render, Acting Chairman, in the Chair)

Where the safeguards of custom and competition are missing, workers have felt the need to combine in order to bargain collectively. Collective bargaining provides the arena in which the forces of labour and management can have their effect. It is not a shelter from reality, it is a reality. Each party can bring to the attention of the other the reasonings which have brought it to the table. The Labour Relations Act, The Civil Service Act and the final offer selection process provided a framework for the process of collective bargaining and conflict resolution. Each of the parties were aware of the boundaries in which they must exist.

This proposed legislation provides the opportunity for labour and management anarchy.

No one can tell where the boundaries are any more. The rules which once applied no longer hold true. Is this the fault of my employers, the Grey Nuns? Certainly not, but it is they who will have to bear the brunt of these changes. If unions are blocked from taking initiatives with management, except through the grievance procedure, they will naturally devote much of their time and effort to the development of issues which can be brought through the grievance procedures, much as an overpressured steam line will find a release or explode. This process, or lack of proper process that you have instituted, is neither effective or efficient. It will serve only to create an atmosphere of constant tension and disharmony. I cannot believe that a democratically elected government in my country would have this as a political end.

Governments have a responsibility, not only in terms of providing for the common good, but also in setting a code of conduct. Recently, the governments of the world let it be known that it is no longer acceptable for a powerful group to act unilaterally to the detriment of another. An example was, of course, Kuwait. Finally, perhaps the world has come of age.

This government has a responsibility to set an example for employers in terms of labour relations, but what this bill says to the employers of Manitoba is, bargain until such a time as you have to make a concession, then act aggressively, act with impunity, and act without thought to the repercussions. We the government of Manitoba will show you how. Perhaps it is time for the government of Manitoba to come of age.

The government of Manitoba, through the introduction of this bill, is saying to the unionized labour, that the negotiation process for the purpose of contractual disputes is no longer an option which is available to them. Where, then, do these disputes get settled? In the grievance arbitration process.

That which was once available, namely, the clear-headed, give-and-take negotiating process has been replaced with a third party, who may or may not come to understand the history, nuances, and feelings which surround a dispute over the interpretation of an article within the collective agreement.

This situation is one in which the members of my bargaining unit and I presently find ourselves. Let

me take you through the process, which, if this bill is implemented, will negate a year of collective bargaining, a prospect which leaves our employer and the members of the bargaining unit in quite a quandary.

Are all of the agreed changes going to have to be renegotiated should new management be put in place, or new union negotiators be put in place by the next round of bargaining? In all likelihood, yes. The dynamics will have changed. The perceptions will have changed, and the histories of those involved will have changed. More importantly, there will be an ever-present spectre of The Public Sector Compensation Management Act.

This is no longer an environment in which negotiations take place. In June of 1990, the bargaining unit to which I belong served notice to our employer that bargaining should commence. Our agreement was set to expire on October 1, 1990. Both sides put forward their positions, and a series of clarification and negotiating sessions were scheduled and subsequently held. The contract expired per se, but under the terms of The Labour Relations Act, and under an article contained within the collective agreement, the two sides mutually agreed to continue under the present agreement, until such time that a collective agreement could be reached through a collective bargaining process. Contract language was modified, or added, to reflect the changes in the workplace, changes in attitudes, or the occurrence of a problem which might never have taken place before.

A major block to the completion of this process was the lack of a mandate to negotiate monetary items. Our employer made constant and sincere presentations to the negotiating team of the union, that the political masters had not given the commitment in terms of dollars to be able to discuss these issues. In the intervening time, the government had approved and construction had begun on \$48 million worth of renovations and construction at the St. Boniface General Hospital.

I am fully aware of the difference between capital dollars and operating dollars which flow from the government, or with the government's backing, to health care facilities of this province. But it takes more than a conceptual leap to explain to the members of my bargaining unit why we are increasing our area of the hospital by over 40 percent in the next five years, and yet there are no

funds for them to keep up with that black dog that is known as inflation.

Of course, there was the nurses' strike. Of course, not suffering the deprivation which the nurses suffered because of the lack of income, we did suffer the cold with them, and the lunches, and the evenings and the weekends. But the government held the purse strings and the negotiators on both sides of the table were held hostage to that fact, and of course, the government stayed in the background and pulled the strings tighter and tighter. At one point, it was announced that patients would have to be sent out of the province due to the extreme circumstances of the strike—scare tactics.

It was quietly forgotten about, and there was no mass transferring of patients to Saskatchewan. Of the 900 beds at the St. Boniface Hospital, I believe the lowest got to 530 in terms of numbers. At times, it was in the high 600s. We have a 900-patient-bed hospital.

Eventually, an agreement was reached, not with a dictate from the governing authority, but through a process which has served the interests of both labour and management for decades. In addition, there was a dispute which was taking place between several health care facilities and the International Operating Engineers. Once again, the government held the purse strings and the negotiators lived in limbo, but in this case, the negotiations were ignored or forgotten, and the strike lasted 60 days. It was only through the auspices of the final offer selection process that the dispute was brought to a conclusion.

Services were once again provided, and wages were once again paid. Then came the introduction of this bill, and the process was undercut entirely. During our entire negotiating process of almost a year, as of the point at which you put forward this legislation, not once was a monetary package tabled—and then to have the rug pulled out from under our feet and the hospital's feet by the government. I was told by one of the senior administrators of the hospital that he had heard about it after it was announced, while driving home in his car, on CJOB. This is a man who runs a 3,000-person department. He is not even told about what is going to be happening to him, and he is going to have to live with the effects—a matter of courtesy alone should have told you.

\* (0100)

So who do we go after? Were they acting in bad faith? They were negotiating to the best of their ability, or at least I believe so. They dealt clearly and effectively with all the nonmonetary issues on the table. It was also not in my best interest or in my worldly sense to attack the Grey Nuns. The truth is that it appears and continues to appear to be that the government is the one that is the silent partner here, and we should be negotiating with them. They are the silent partners in Hydro, the silent partners in health care. They are the silent partners in MPIC and the silent partners' contribution to the process of collective bargaining with Bill 70.

Where were our members who prudently decided that negotiations were the way in which to get a collective agreement? They were nowhere. They were nowhere in the minds of the government. They were nowhere in the process of negotiations. They were nowhere in the terms of increased job security and benefits, but now, at least, they are nowhere near the right wing of the political spectrum.

The wage question is very important to me, and it is certainly important to the members of my local. However, there have been very eloquent representations on that subject. My personal concern here is with the process by which this wage freeze or compensation management has been implemented. If the government was sure of its position, it would allow the process to take place. I can only assume that it is so unsure that an independent arbitrator will see through their arguments that they have decided to disrupt the process. Only a few days after the announcement of this bill, that proved true. The operating engineers were awarded a settlement beyond the government's, and just to insure that the injustice was complete, they rolled back settlements which had already been awarded but had not taken effect before the introduction of the bill.

The insidious part of this bill, from my perspective, is its name, The Public Sector. The public sector is the area in which the government has directed the bill. However, through the definitions which are used and the clause which allows for the extension of the bill by an Order-in-Council, the perception is that the bill allows the government to interfere in collective bargaining in the private sector. It has been denied by the government, and they have said that this is not what the bill's intent was, but the

Premier of the province has also said that he would abide by the collective bargaining and FOS processes. Draw your own conclusions.

There is also the very real prospect that, come this September of 1991, the members of my bargaining unit will find themselves in the exact same situation they did a year ago. The government holds and holds until such time that they determine that they will extend the proposed legislation for one more year. Once again, the process is disrupted, and the bargaining is swept into a corner by the time the government might also be dictating contract renewals and rollbacks in the private sector. Then the name of the bill will be known—the collective bargaining death knell. If such is the case, then we might as well appoint Buddy Brownstone from the Chamber of Commerce as the Premier and get it out in the open.

I truly cannot believe that a popularly elected government cannot see that negotiations and formalized dispute-solving mechanisms are significantly more preferable than the dictating of terms to a weaker group. Withdraw this bill, and let the processes envisaged by previous legislation, The Labour Relations Act, The Civil Service Act and the final offer selection process, have the effect they were meant to have, the resolution of a contract which both sides can live with and a process that neither should live without. Thank you.

**The Acting Chairman (Mrs. Rønder):** Thank you, Mr. Wadsworth.

**Mr. Plohman:** Mr. Wadsworth, thank you for coming tonight and waiting this long to make your presentation.

I have an aunt who is a Grey Nun, and I am sure she would be not only extremely upset with this bill but also with the fact that we are still dealing with it on Sunday morning. I wanted to ask you, do you represent just operating engineers or other staff at the St. Boniface Hospital?

**Mr. Wadsworth:** I am with the Manitoba Government Employees' Association, the trade section, at the St. Boniface Hospital. We do all the maintenance throughout the facility.

**Mr. Plohman:** So it is all the maintenance. What kind of jobs are included in that umbrella?

**Mr. Wadsworth:** We have painters, plasterers, carpenters, electricians. We have plasterers. We have electronics technologists, bio-medical

engineers. We cover the entire spectrum of maintenance throughout the facility.

**Mr. Plohman:** What would be the pay-scale ranges of all of those, the trades people? Are there some that would be less skilled?

**Mr. Wadsworth:** We have groundskeepers. The starting pay scale is around \$12.55.

**Mr. Plohman:** \$12.55 an hour and then ranging upward from there.

**Mr. Wadsworth:** Yes, sir.

**Mr. Plohman:** So that translates, Madam Acting Chair, to Mr. Wadsworth, that would translate into an annual salary of perhaps starting under \$20,000 or around that, \$25,000?

**Mr. Wadsworth:** I would assume it would be in the area of \$24,000 to \$25,000.

**Mr. Plohman:** Madam Acting Chair, these are the people who are being asked to pay an additional tax of \$1,200 to \$1,500 based on perhaps a 5 percent increase. What was the FOS award for those people?

**Mr. Wadsworth:** For the operating engineers, I believe it was in the 4.5. I honestly do not know. It did not affect us. Our steam engineers are part of the MGEA. I will tell you, our little groups is about as small "c" conservative as you can get. They are hard-working people. They like the facility. It is not even a matter of liking a hospital. You do not like a hospital; you live a hospital. You cannot walk into that facility and not get involved in it. To say to these people that the values that they have believed in for all of their lives are now coming back to haunt them, that the people who they trusted are coming back on them, how can you do that to them? You are here to protect them. You are here to govern. You are here for their good. You cannot honestly believe that dictating terms to people is better than negotiating with people. You cannot.

\* (0110)

**Mr. Plohman:** What you are saying, Mr. Wadsworth, is that this is causing a great deal of strife and pain amongst the workers, that part of your bargaining unit, that they feel betrayed.

**Mr. Wadsworth:** As I said, my group is a very small "c" conservative group. A year ago, I could not have gotten them anywhere near a large organized union rally. I had almost all of my people here at the Legislature two weeks ago. They are upset, and I do not blame them. I am not working them up. I do

not have to. You did it for me. Thanks. I have union people now. They want to be union people. They do not like what you are doing.

**Mr. Plohman:** I am not sure that is the effect that the government wanted but certainly is one of maybe the only positive things, the bright lights, that comes out of something like this.

**Mr. Wadsworth:** Yes, sir.

**Mr. Plohman:** How many people do you represent in your little unit, as you call it?

**Mr. Wadsworth:** In the area of around 65 or so.

**Mr. Plohman:** Yes, Madam Acting Chair, and just to conclude, you feel that these members who were not very involved and were not very politically aware have become quite the opposite in recent times, and you feel that they will continue that involvement and that activism as a result of what has happened.

**Mr. Wadsworth:** I would believe so. I am sure no one would think it strange, but I had people who had not read their collective agreement. If they had a problem, they came and they asked us about it. We interpreted or told them about it, and they let us go. I had people who wanted this legislation. We interpreted for them, but they wanted the legislation. They wanted to be able to go and show it to their kids, show it to their wife, show it to their friends, show it to their co-workers, give it to their brother and their brother's dog. It is important now that they know what is going on, that they see that the government is not there for their good. They do not understand it, because governments are supposed to be there for their good.

**Mr. Plohman:** Thank you, Mr. Wadsworth. I appreciate your remarks.

**The Acting Chairman (Mrs. Render):** Are there any other questions? Thank you, Mr. Wadsworth.

**Mr. Wadsworth:** Thank you.

\* (0120)

**The Acting Chairman (Mrs. Render):** Number 211, Norm Kockucky; 212, Dale Walker; 213, Jim Hoaley; 214, Kim Kerr; 215, Howard Williams; 216, Phil Marleau; 217, Garry Couckuyt; 218, Shelly L. Young; 219, Shirley Armstrong; 220, Tom Glassey; 221, Jim Hopkie; 222, Ken Check; 223, Ron Pratt; 224, Leo Desilett; 225, S. Chernowski; 226, Paul Solowey; 227, Carolyn Stadler; 228, Mike Halabura; 229, M. Malanowich; 230, E. Lyons; 231, Harry Kramer; 232, Christine Woloshen; 233, Gord Lyndon; 234, Cecile Cassista; 235, Harold Pacaud;

236, Oskar Brauer; 237, Barry Henry; 238, Greg Kuleza; 239, Murray Smith; 240, D. Wolbaum; 241, A. Wolbaum; 242, Laurie Chapman; 243, Ross Dobson; 244, Mrs. D. Funk; 245, Annette Chop; 246, Brenda Chop; 247, Louis Ifill; 248, J. Champagne; 249, H. Sawatzky; 250, Rick Hubka; 251, Bob Feniuk; 252, Dave Robertson; 253, Erik Borgersen; 254, Alan McBride; 255, W. Comstock; 256, E. Jones; 257, L. McEvoy; 258, I. Cardenas; 259, Gail Leco; 260, Janice Innes; 261, Irene J. Laker; 262, Ashley Laker; 263, Ken Laker; 264, Paul Huzil; 265, C. Huzil; 266, Walter Tokar; 267, S. M. Kowenko; 268, Larry Crawford; 269, Gary Kotowich; 270, Roland Doucet; 271, A. Kardal; 272, A. Cerilli; 273, Harry Claydon; 274, Debb Hesse; 275, Gil Ramm; 276, Eric Penner; 277, Larry Hogue; 278, William Kedlluk; 279, Wayne O. Lynch; 280, D. Brentnall; 281, B. Vouriot; 282, Ray Kumar; 283, Mary Declercq; 284, Pat O'Brian; 285, Kim Davidow; 286, Paul Williamson; 287, Tom Moody; 288, Joanna Plater; 289, Shelley Wray; 290, David Martin; 291, Coleen Malloy; 292, Wendy Elliott; 293, Dave Moon; 294, H. Donahue; 295, J. K. Julius; 296, K. Kryshka; 297, D. Ewanchuck; 298, Anita Lewis; 299, Marla Niekamp; 300, Walter Niekamp; 301, Darlene Bergen; 302, Wayne Bergen; 303, Rose Powers; 304, Ron Bodri; 305, Pat Tambakis; 306, Elizabeth Doerksen; 307, Josie Musgrove; 308, P. Joe Davis; 309, Rod Moore; 310, Frank Cleary; 311, Gordon Diakow; 312, Shirley McKenzie; 313, M. Reimer; 314, G. L. McCreer; 315, Bloodworth; 316, Karen Bilowus; 317, K. A. Knudson; 318, Gary Goodman; 319, Glen Besteck; 320, Claudio O. Silva; 321, Fran Ester; 322, Pat L. Moore; 323, Dean Spencer; 324, Valerie Denesin; 325, K. G. Campbell; 326, Yvonne Campbell; 327, Richard Stefane; 328, Roger T. Lorteau; 329, Marie Rowan; 330, William Rogodzinski; 331, Bonnie Gibson; 332, Jeanne Schiavon; 333, Darcy Anderson; 334, Elsie Apetagon; 335, Lorette Deschaneur; 336, Doreen Apetagon; 337, Ron Turner; 338, Dennis Slack; 339, Henry Mackie; 340, Al Schmidt; 341, Val Tores; 342, Bob Carmichael; 343, Rory Behrendt; 344, Robert Ages; 345, A. K. Faber; 346, Susan White; 347, Brian Timlick; 348, Tim Bell; 349, Donna Finkleman.

**Ms. Donna Finkleman (Private Citizen):** I am here.

**The Acting Chairman (Mrs. Render):** Do you have a presentation that you would like to pass out?

**Ms. Finkleman:** I do not have a written presentation that I can share.

**The Acting Chairman (Mrs. Render):** Good morning, Ms. Finkleman, go ahead.

**Ms. Finkleman:** I am here as a private citizen but, for the record, I am also an employee of Red River Community College. I represent Red River Community College education component staff through my position with the MGEA.

Before I begin, I want you to know that for approximately 15 years as a civil servant, I held an excluded position. I worked for personnel services. I sat on the opposite side of the negotiating table. I negotiated on behalf of government against the MGEA, and I purposely use the word "against" because that is what it was. I left that. For approximately three to four years I held a position which was included in the MGEA and, while I had some interest, I was not especially active. Last fall, I made a decision to become purposely active in my union. This government helped me make up my mind. In a way I am glad you did.

Let me tell you what I am going to be talking to you about today. I have a strong concern about the polarizing effect of this bill on our community, and I am speaking as a private citizen. I have a very strong concern about the unforgettable, negative impact on my basic rights.

This bill, we have been told, affects directly approximately 48,000 people in "public service." Perhaps others have reminded you of this, but it also affects their families. I do not know what statistically, or for the purpose of statistics, is an average family these days. If you simply double 48,000, a conservative estimate is 96,000 individuals who are affected by this. Certainly at least 48,000 are tax-paying, voting consumers, but obviously the number is larger.

Up to and perhaps more than 96,000 people who are affected by this buy produce grown in Manitoba and, in so doing, support our agricultural community; 96,000 approximately, maybe more, maybe less, by-products made, distributed and sold in Manitoba. We support the business community.

We create jobs. By supporting our agriculture and business community, we create employment for others. This is a homespun lesson in economics. We had a bit of trouble with the last one. When we buy groceries or when I as a citizen buy groceries, I create jobs for Manitobans. When I buy clothing,

I create jobs for Manitobans. Indeed, if I choose to make my own clothing because I cannot afford to buy it, I still create jobs for other Manitobans. The minute I walk into my house and turn on the lights, I create jobs for other Manitobans. In the daily business of living, I and my colleagues create jobs and support agriculture, I support business, health, government and various other segments of our community. I want to continue doing so.

Yet instead of recognizing me and this larger voting tax vein consumer groups that we know as public servants, instead of recognizing us as the vital contributing members of our community that we are, this government has chosen to treat these people, has chosen to treat us as a collective parasite that only drains resources and this negative approach to labour relations has created hostility and mistrust on the part of the very people who help you do your jobs and in the process contribute to agriculture, business, health, and so on.

Through our taxes we support you—obviously you know that—while you are in office, and when we spend our hard-earned money, we put money into the pockets of those, perhaps of you, who also are involved in agriculture, business and so on. In that sense, in my view, I am both your shareholder and your customer. This government's approach to labour relations is leading to a polarization of our community. That concerns me tremendously and I will tell you why in a moment—a polarization among labour, agriculture, business and other groups.

\* (0130)

The perception is, and you have heard it before, that public service consists of lazy, ne'er-do-well, malingering clock-watchers who simply take and give little in return—an inaccurate stereotype. I have read and listened to various comments in newspapers, on the radio, TV, when civil servants had been maligned by individuals from other segments of our community. A polarization has taken place. It is counterproductive at a time when we should be stressing co-operation.

Through Bill 70, the government appears to me and to my colleagues eager to perpetuate inaccurate stereotypes of public servants and indeed is encouraging the maligned of those in public service. Bill 70 presents an opportunity to officially scapegoat a large segment of our community. Restricting due process and legal rights through Bill 70 will not stimulate the economy.



It certainly will not encourage me to spend. Changing the laws when you do not get your way will not put money into the pockets of you, your colleagues in business, industry and agriculture—quite the contrary.

Bill 70 serves only to alienate a very large segment of the very people, customers, who contribute to the private and nonprofit sector support. This disdainful attitude toward people who not only work for you, but also support you in other ways only serves to alienate them.

I know a little about the headaches associated with running a small business, about the realities of being self employed. I know about some of the things that keep business people awake at night, especially during a recession. I had some experience with that during the last recession when the interest rates were 18 percent, 19 percent, 20 percent. I sympathize and I empathize with business people who are going through rough times, and I wish you and the rest of us strength to overcome those tough times. I also know, however, that alienating one's customers and one's employees does nothing to contribute to the success of the business. Indeed, it is an invitation to failure.

I know that restricting customers' and employees' due process does not put more money into the business person's pockets. Arbitrarily freezing some consumers' wages does not encourage them to contribute to a business's success. Indeed, my frozen salary or my restricted legal rights will do the reverse.

Bill 70's theme of organizational machismo does nothing to create a healthy environment or resolve problems. Organizational machismo is seen merely as an effort to appear strong in front of one's buddies by hitting someone. The stronger preying on the weaker is not impressive. It is shameful. Strong leadership does not require that vulnerable individuals or groups be abused at a time when strong groups and individuals not only remain untouched, but continue to profit from the misery of the weaker. That is immoral. Such bullying tactics are obscene. Financially beating up on people because circumstances do not favour you or your philosophy does not strengthen your leadership or resolve problems and recognize for your sake that bullying tactics are effective only until someone stronger comes along. It is just a matter of time.

I suggest to you, and it has been suggested by speakers who preceded me, that a far more productive approach would be to work co-operatively with the groups impacting and impacted by the economy—labour, business, industry and so on—to work out solutions to economic problems. That type of approach would be more consistent with true leadership; that type of approach would be recognition of the value of those constituencies to the economy of Manitoba. That approach would be an opportunity for all constituencies to take joint ownership of the problem and its resolution and that would be an enlightened approach.

Bill 70, in restricting so far one specific group's rights, is shortsighted and dooms labour relations. What a negative approach and a negative way to use human energy. What a shabby way to treat your customers and your employees. What a dreadful way to treat a large segment of your taxpayers. As a taxpayer personally, I consider myself to be a forced shareholder, and I really resent this treatment.

My parents immigrated to Canada after the Second World War. Owing to totalitarianism at that time, my mother and my father suffered terribly. As a young girl, my mother was imprisoned in a Nazi prison camp. She was fortunate to escape, and it was only divine providence that was on her side. I am fortunate she escaped. My father was imprisoned in Russia, Siberia specifically. He claims he does not have to read *The Gulag Archipelago* because he experienced enough to have written the book himself. Solzhenitsyn merely beat him to it. After much suffering, my parents came to Canada because it was a country that provided freedom, opportunity, and those are not abstract words to us.

My parents and their children struggled against difficult circumstances. They contributed financially and otherwise to their community. They taught their children the difference between right and wrong. Having experienced some of the dreadful things that people do to each other when they become polarized and look for someone to blame for difficult economic conditions, they tried to teach us not to do the same. After having had their rights severely restricted and having escaped that situation, my parents valued highly life in a country where rights, human dignity and quality of life are protected by law. Indeed our elected representatives are

expected to protect our rights and human dignity under law and not take them away.

Bill 70 changes our rights drastically. It takes away our rights to negotiate or to even ask a fair price for our services. For that matter, if we disagree, we cannot even ask a neutral third party to assist in the process. The rationale seems to be the government's ability to pay, yet my supermarket that sells produce grown in Manitoba, perhaps by some of you, does not charge me on the basis of my reduced ability to pay. My supermarket's prices have not been frozen. My mortgage company does not reduce my payments because of my reduced ability to pay. My utility bills are not determined on the basis of my reduced ability to pay. Indeed we know that some of the utility companies are taking people to court, most of whom I suspect are affected by their own reduced ability to pay.

There is no consideration of the public servants' reduced ability to pay, and these public servants are supporting organizations that, quite frankly, are not concerned about that, or at least so it seems, except to withdraw their products and services when the person can no longer pay. I know this is a federal matter, but on January 1, '91, by virtue of the GST coming into effect, my ability to pay has been reduced by 7 percent or my cost of living has gone up by 7 percent. Regardless, I pay more. I can afford less.

I suggest to you to let the labour relations due process take its course. Restricting that is not going to improve the situation. Please do not change the rules of the game because you think the game is not going in your favour, and I ask you to please continue to let the game be played according to the rules that were set before you arrived. If under the rules you or we require a referee or an umpire or an arbitrator to render a decision, let him or her do so. Please remember that public servants are paid to deliver service intended to make you look good and do not destroy that already very fragile relationship.

A previous speaker was asked how staff are reacting to this bill, and he mentioned a number of points. He did at one point though say that people are afraid to speak up publicly; some are. In fact, some are turning into activists, but some are afraid to speak up publicly, but they are quite aware that they vote by secret ballot. Thank you for your time.

**The Acting Chairman (Mrs. Render):** Thank you, Ms. Finkleman.

**Mr. Ashton:** I appreciate the work you put into your presentation. I particularly appreciate, by the way, your perspective in terms of polarization. One thing that bothers me about what I see happening in terms of labour relations is the polarization that is going to develop from Bill 70.

We are seeing from this committee hearing the anger, the frustration from people, in many cases people who have worked for companies like MTS and Hydro where there has never been a strike, worked for the Civil Service where there has never been a strike or work in areas where there have infrequently been strikes, because in the public sector of Manitoba we have very rarely had strikes. I think even the nurses' strike, the most recent example, was the first time there has really been a full-fledged nurses' strike in Manitoba history.

\* (0140)

You wonder how that makes you feel coming from that perspective, and I really got a sense from your presentation of how that was part of your family upbringing, you know, the unique situation of having both your parents having been victims of authoritarian regimes of both left and right, being in that situation of seeing what happens when people are polarized.

How does that make you feel in terms of where we are headed in Manitoba, where previously we had not been polarized, where it appears because of Bill 70 and some of the other things happening we are headed in that direction?

**Ms. Finkleman:** It is frightening because of some of the things that can occur. I certainly hope that we never get to that extreme, but history has shown us—we get some manifestations of it from time to time that when economic conditions are tough, people take things out on other people who do not deserve to be blamed. That is dangerous.

This is also very frustrating to me because there is so much human potential, there is so much human energy that can be channelled in a positive fashion, and we are, if you will, sinning through omission by not channelling that. We could be doing so many positive things to become competitive, to improve our quality of life. We are not doing it. We choose to fight. It is also frustrating, because there are times when it appears that people do not want to listen.

**Mr. Ashton:** I understand that frustration. I particularly appreciate your comment in terms of the

fact that in tough times people often look for a scapegoat. There have been many presenters who suggested that this week's or month's or year's scapegoat is the public sector. Many have said before this committee, what is the next scapegoat if this government can succeed in terms of public servants?

I raise that because I am not trying to put this government in the light of some of the regimes that your parents had experienced, but I do know one thing from people who have been through that in talking to them. In a lot of cases it started with a scapegoat. It was one scapegoat. People said, well, that is not me. Then it moved to another scapegoat, and it still was not them.

There is a very fine quote which I will not read to the committee, but eventually the quote pointed to the fact that eventually that person was the scapegoat, but there was nobody around to protest what had happened. I am wondering if you had any comments on that to finish off what I think is a very, very thoughtful presentation, excellent presentation.

**Ms. Finkleman:** I have heard the quote. I do not remember it word for word, but I can relate to what you are saying. My comment is that having the opportunity to do some wonderfully positive things in this province, do not waste it, do not turn an opportunity that can be very positive into one that will be negative. If someone like me can come from 15 years of working in management in an excluded role and do a complete turnaround and become a union activist, that should tell you something. There are other people like me. It is not because we had nothing to do. It occurred last fall. My decision was precipitated in great part by some of the things that were happening to employees under this government. There are others like me.

**Mr. Ashton:** I think fundamentally it takes an open mind and the kind of thought that you obviously have put into a lot of these issues to be able to do that. Perhaps, once again, what we need on this bill is for people to show an open mind, some flexibility, some willingness to listen. I hope that presentations such as yours make at least some of the government members who might be considering supporting this bill, even if they have second thoughts, at least it will have accomplished something, because perhaps next time even if they do not vote against this bill, they may be a little bit more hesitant in proceeding with the next step, the next scapegoats, the next

changes of this kind. I once again thank you for your very, very thoughtful presentation.

**Ms. Finkleman:** Thank you.

**Mrs. Carstairs:** Thank you for the eloquent presentation, Ms. Finkleman, which equals your equally eloquent one earlier this week on Bill 49. That is really what I want to address.

You happen to be here representing yourself, but also with your other roles as representing the instructors at Red River Community College. Do they feel they are getting a double whammy between Bill 49 and Bill 70? Do they come off one punch only to be punched in the other direction?

**Ms. Finkleman:** Absolutely. I think they do not even know which way to turn anymore. Bill 49, budget cuts, Bill 70—you know, it becomes difficult to separate or to determine exactly where the next blow is coming from or how one is being hit. What we do know is that, certainly in the colleges, people are being hit from a number of different perspectives—budget cuts, they were referred to earlier, Bill 49, which still has not been finalized, but there were some difficulties associated with that. We are optimistic that some of those difficulties will be resolved.

Now this, Bill 70, and this to be experienced by people who have seen their colleague's employment terminated, people who have been asked to pick up a higher work load, and they have done so, people who very desperately want to maintain their professional credibility, but circumstances are making it difficult if not impossible for them to do that.

No one wants to be remembered as a poor employee. I do not want to be remembered as a poor instructor. You do not want to be remembered as a poor politician. I do not want some student 10-15 years from now saying old Finkleman could not do her job. I mean, I am willing to take that if I, through circumstances within my control, do not do a good job, but I resent having to be put into a position where, through circumstances beyond my control, I am not able to do a good job, but I have to be at the front lines to answer for someone else's decision.

Yes, there is a very serious problem with morale, with respect, with trust. I urge you to change that.

**Mrs. Carstairs:** Thank you.

**The Acting Chairman (Mrs. Render):** Are there any further questions? Thank you very much, Ms. Finkleman, for staying so late and for presenting.

**Ms. Finkleman:** Thank you for your time.

**The Acting Chairman (Mrs. Render):** I would like to call: 350, Ken Hildahl; 351, Korin Kaminski; 352, Fagie Fainman; 353, Victor Dobchuk; 354, Mukhtiar Singh; 355, Tom Campbell; 356, Barry Hammond; 357, Richard Dilay; 358, Terry Kennedy; 359, Henry Heller; 360, Randall McQuaker; 361, Cathy Hellsten; 362, Erika Wiebe; 363, Tom Simms; 364, David Hesco; 365, Gordon Landriault; 366, Marian Yeo; 367, Susan Barnett; 368, Richard Menec; 369, John Miller; 370, Joanne Pindera; 371, Rosa Orlandini; 372, Lynne Gibbons; 373, Jeffery Dunn.

Do you have a presentation that you can distribute?

**Mr. Jeffery Dunn (Private Citizen):** No, I do not, Madam Acting Chairman.

**The Acting Chairman (Mrs. Render):** Okay, please proceed.

**Mr. Dunn:** I am speaking in my capacity as a private citizen. I work in the private sector. I do not like the implications that are contained by the intended passage of Bill 70.

\* (0150)

Number 1, it freezes the salaries of public employees for one year, even though collective agreements have been negotiated under final offer selection or binding arbitration. To me, the government does not even—seems to be inconsistent in its own approach to the legislation. Why only part of the Civil Service, why not all of it? Do you or do you not have the courage of your own convictions?

Number 2, it does nothing to control the prices in the economy. Why should working people bear the brunt of our misguided economic policies? Why does the government not do something about that instead of all the tax breaks that are given away to big businesses that can in a lot of cases well afford to pay their fair share of taxes? Why should working people always bear the brunt for misguided economic policies?

The government in its policies—when you cut services and you cut real income, people do not have the income to buy goods. It is a self-defeating policy when people do not have income to buy

goods and services. It has a snowball effect in the economy.

I damn well resent the implications that the working people of this province are irresponsible. To my mind, it is you, Mr. Manness, who is being irresponsible. If you want real trouble in this province in terms of industrial relations, it is going to be on your head and not on the working people of this province.

That is all I have to say.

**The Acting Chairman (Mrs. Render):** Thank you, Mr. Dunn.

**Mr. Ashton:** I note you have been here for quite some time. How many hours have you been waiting to make your presentation?

**Mr. Dunn:** I have been here off and on since about eleven o'clock this morning.

**Mr. Ashton:** That is 15 hours. I must say, noting from the tone of your presentation, it shows just how you have the strength of your convictions. You mentioned about the government. To stay that length of time shows that conviction.

I just have one general question. You mentioned about the impact that Bill 70 is going to have on labour relations. I know you are from the private sector. I am just wondering how you see the reaction out there, because this government seems to feel that it has a huge amount of support. It has even claimed it has it from public sector workers, something we have heard from presenters is not the case. What is the reaction? What do you think is going to happen with working people in the future if Bill 70 and similar legislation are put through by this government with its majority?

**Mr. Dunn:** Basically, what is going to happen is you are going to give the business in the private sector a club to beat the workers over the head with. If they see the government doing that to public servants, they are going to use that as an excuse to beat up on the working people in Manitoba.

**Mr. Ashton:** It is interesting you mention that, because I talked to somebody who had made a presentation earlier. One thing he said is that there are complaints coming in now from private sector workers who are being told by their private sector employers that the private sector employer can only give them a zero percent increase because that is the new government regulations.

I take it from your comments and from what I have heard from other presenters, you are concerned that this is going to influence everyone, whether they realize it or not or whether they are even directly involved in the legislation. It is going to probably affect even perhaps people such as yourself and people you work with, because of the kind of mentality, the kind of direction the government is going to be giving to other employers.

**Mr. Dunn:** I can relate in a personal experience that right now, where I am working, we are in the midst of negotiations with the company that I work for. We are having a tough enough time trying to negotiate a collective agreement without having the threat of Bill 70 hanging over our heads.

**Mr. Ashton:** Indeed, if the governments, to my mind, set examples—and I do not see it being any wonder that you are running into difficulties if the government itself is—to use its own words a few months ago—using a club against its public service workers.

I once again thank you for waiting the length of time you have, the 15 hours. Thank you for your input.

**Mr. Dunn:** Thank you very much.

**The Acting Chairman (Mrs. Render):** Are there any further questions? Thank you, Mr. Dunn, for remaining so long.

I would now like to call: 374, Bill Kitson; 375, Jasper Robinson; 376, Michael Roberts; 377, Bernard Woods; 378, Denis Fitzpatrick; 379, David Orlikow; 380, Barbara A. Featherstone.

Do you have a presentation that you can distribute?

**Ms. Barbara A. Featherstone (Private Citizen):** No, Madam Acting Chairman, I do not.

**The Acting Chairman (Mrs. Render):** Whenever you are ready, Ms. Featherstone.

**Ms. Featherstone:** Before I begin, I want to just make one comment that has to be said. I sincerely hope the book that Mr. Enns was reading is something about labour relations. I am pleased to see that you are now at least looking at me, because if my children or any one that I was speaking to had treated me in the manner that you have treated most of the speakers who have so far presented this evening, I would have sent them to their room or I would have left the room and not continued to talk. Thank you.

Madam Acting Chairman and honourable members of the Legislature, while I do a fair amount of public speaking in my job and in the volunteer work that I do, I did not originally intend to speak at this hearing. Last Tuesday evening I came with my husband who spoke as No. 8 on the list, and I became quite interested in the process. I was already interested in the issue.

I came to Canada five years ago from the United States and have a great love and respect for this country, its laws, its programs and its people. I want to speak to you now because of my concern about my perception, and one that I think is shared by many of the other speakers I have heard here in the last several days, that Bill 70 represents a grievous violation of the rights of some of these people, the workers in Manitoba.

I am not by nature a political person. I have no affiliation with any party here and had none with any in the United States. I always believed that the person running was more important than the party. Only two times in my past have I become involved beyond voting in the political process. The first was in the late 1960s and early '70s. I was deeply disturbed about my country's violation of the rights of my peers who were sent against their will to fight in a war they opposed, when they did not even have the right to vote for or against the leaders that were sending them to risk their lives.

After marching in protest at the Democratic National Convention in Chicago in 1968, much to the distress of my very Republican father, I went away to nursing school. There I continued my involvement in the peace movement quietly in what little spare time I had during my studies. I saw the tragedy of angry protest to lawmakers turn more violent with the senseless slaughter of four students at Kent State, when I had met with other students there only four days before.

I decided if I could not change things from the outside I would try from the inside. I joined the United States Army Nurse Corps supporting my countrymen, even though I opposed the war. During basic training I spent three days refusing to fire a weapon on principle. The colonel finally gave up. I realize now that my efforts then had much in common with Don Quixote. I hope that my efforts now, and all of those of the other speakers here, are more than battles against windmills.

\* (0200)

In my job I work as a nurse in a clinic that cares for people with AIDS. Their cause is the second one that prodded me into political action. I am working with letter campaigns to try to influence the U.S. government to sign into law the legislation that would remove HIV infection from the list of diseases that prohibit one from entering the United States because they represent a danger to the public health. I feel my presence here is similar to this situation in that I am advocating for the rights of those who are being, or have been, denied the ability to exercise their rights. The right in question is free collective bargaining.

In my own past I have been connected with both sides of the work force—labour and management. I grew up in a very pro-management household and can remember my father working in the Barber-Green factory instead of in his office during a strike. As a nurse in the States I was not a union member and had no desire to be one, feeling it was beneath my profession. I saw some of the worst offences of unions, but also became increasingly aware that my own government had become one of big business, by big business and for big business, and these were not the principles it was founded on.

Since coming to Canada I have been part of two unions. The first was MONA, now MNU, when I was the assistant head nurse in St. Boniface General Hospital's emergency room for three years. Now I am a member of CUPE through my employment at Village Clinic. Yes, I am one of the nurses who is directly affected by this bill.

I also have a husband who is the assistant business manager of Local 2034 of the IBEW. He recently completed a three-year labour relations certificate course at the University of Manitoba. In reading some of his papers—although a long time elapsed between the first one and the following ones because I was a bit too critical in reviewing his early work—and in the discussions that we had, I learned a lot about labour history, theory, law and practice. I began to understand, appreciate and respect the place of labour unions in society and a lot more.

My 16-year-old son is here with me today. I was glad when he took me up on my offer to see what my husband and I had been doing at the Leg this past week, as we have spent many hours here, and the family is not quite sure what we were up to. I am glad he had this opportunity to see basic democracy in action. While he, and our other three children, ages 17 to 26, may not think our family is a

democracy, as I try to say it is—they often feel it is more of a dictatorship, and sometimes not a benevolent one—he has learned that Bill 70 represents a much greater threat of dictatorship than he has ever experienced in our home.

As I mentioned earlier, I am part of a two-income family that will be directly affected by Bill 70. While our combined incomes are well above the \$20,000 a year that some workers will be forced to continue to try to live on, the passage of this bill will affect us financially, too. I will not detail the Featherstone budget at this time, as I am not sure whether Mr. Featherstone has seen the most recent MasterCard bill, but I will tell you that my car is six years old and needs serious work or replacement. This and other things will wait as, while our wages will be frozen, the price of gas, groceries, clothing, electricity and other necessities will not be. In case you have not experienced the food bills for feeding teenagers, they definitely represent a fiscal challenge, and I cannot freeze their appetites.

I want to make one last point. As I said earlier, I have no political affiliations. I have not in the past, nor do I expect to in the future, agreed with the policies or positions of any one party. I was and still am in favour of free trade, believing as I learned in economics in principle, that the freer the trade the better life is for all involved.

I also believe in the process of free collective bargaining as defined by The Labour Act, and that it can be used by both parties to find equitable solutions. I am trusting that your motivations for seeking office were to serve the public, not for all the glory, because my motivation in nursing was to serve people. It was, believe me, not for the glory. I am begging you, imploring you, to please go back to those ideals. I implore you not to destroy the process that was hard fought for and fairly won. Whatever replaces it could be much worse. Those who sow deceit shall reap it in the end. Thank you for your attention.

**Mr. Ashton:** I appreciate your perspective, your involvements on other issues and the heartfelt sense you have about the kind of struggles that you have seen and been involved with. I was particularly struck by your last comments, because one of the things that has concerned me is the fact that essentially this bill throws out about 50 years of legislative practice that is based on many more years of struggle by working people, by the labour movement, for this type of recognition and

acceptance of the free collective bargaining that you talked about, and I am wondering what you see as the implications of this bill for the future, because of the fiscal circumstance of the province in 1991, we can throw out so many decades of struggle for that kind of recognition.

**Ms. Featherstone:** While I have grave concern about this bill, as I expressed, I have even graver concern about what happens after this bill, what other rights of the people leave by legislation or by agreement or by whatever means, because we have seen that happen in other places. I have always been very grateful for the fact that I was born in a country where I was free and where I had an opportunity to have an education and where I had an opportunity to practise my profession. I believe that those freedoms are so important. This, I believe, is every bit as important as those other freedoms. My concern is that when this one is eroded or destroyed, which ones come next?

**Mr. Ashton:** That is a sentiment many people have expressed. I have a further question. I realize it is late, and I do not want to inconvenience yourself or other presenters. That is one of the unfortunate aspects of sitting at two o'clock on a Sunday night.

**Ms. Featherstone:** I have only been here 11 hours.

**Mr. Ashton:** Okay, so I do not feel quite as bad, but I still understand the pressures we are under. There is a question I have asked other people, and you have heard me ask it, I am sure. I will not repeat it in detail, but it is essentially, if you are able to get away from the formal aspect of a presentation and talk to—and here I focus on government members, because the opposition members in this committee have already stated very clearly that they are going to vote against Bill 70. I certainly will be, and there was never a doubt in my mind that I would be, on the government side, if there were members, it would only take one or two to either abstain from the vote or vote against it to lead to this bill not passing.

What would you say on a personal basis? I know you have given us really a very personalized formal presentation, but more in an informal way to one of the government members who might be considering voting on conscience or might be considering keeping an open mind, might even be having second thoughts on this, what would you say to try and get them to vote against Bill 70?

**Ms. Featherstone:** I would say, go back to your people who elected you and find out if this is truly their wish. If you can really and truly and honestly say that having done a good poll of your people and searched your own heart that you are voting in the conscience that you are representing your people, then you have to vote with your conscience. I do not believe that you can go back and truly listen to your constituency and vote for this bill in good conscience.

\* (0210)

**The Acting Chairman (Mrs. Render):** Are there any further questions? If not, thank you, also both to you and your son for staying for so many hours. We appreciate it.

**Ms. Featherstone:** Thank you very much.

**The Acting Chairman (Mrs. Render):** Okay, I would now like to call 381, Penny Trefflin; 382, Peter Vanderelst; 383, Doug Vanderelst; 384, Donna Flanagan; 385, Richard Orlandini; 386, Janice Prairie; 387, John Peterson; 388, Larry Stinson; 389, Marilyn Weimer; 390, Iris Taylor; 391, Laurie Hanuschuk; 392, Gladys McDonald; 393, Kathy McLean; 394, Marjorie Robinson; 395, Debbie Marantz; 396, Bev Byhof; 397, Dennis Celcko; 398, Steve Hamon.

**Mr. Steve Hamon (Private Citizen):** I am here.

**The Acting Chairman (Mrs. Render):** Okay. Is that Steve Hamon? Do you have a brief you would like to distribute?

**Mr. Hamon:** No, I do not.

**The Acting Chairman (Mrs. Render):** Okay, just whenever you are ready, Mr. Hamon.

**Mr. Hamon:** Ladies and gentlemen, I am here as a private citizen who resents unequivocally being here at two o'clock Sunday morning to try to present a position to politicians whom I pay out of my pocket with my dollars, who, as I have sat here tonight and watched, cackle amongst themselves. I castigate all parties on this. I do not throw stones just on one side of the table, but I do point out the interesting observation that the right-wing people sit on this side. It is amazing. -(interjection)- No, no, you are at the wrong end of the table, Clayton, and I am speaking, please be quiet, point of order, Madam Acting Chair. I think those are the rules. I am not quite sure.

I really resent the fact in the sense that I am the boss paying the bills. I and every other taxpayer are

shareholders in the company. We have you elected officials sitting here and I watch that man read a book. I watch other people shoot cute little snark remarks across the table. We are paying the bills, folks, now dammit, why do you not listen to us? These hearings are taking a long time because the public is outraged, whether you want to read that into the papers or not.

We do not like Bill 70. You have intruded upon the lives of workers. I am a worker and I resent somebody saying to me, you, sir, do not have the right to bargain. If I did that to anybody in this room you would be the first ones to grab me by the throat and say, hey, bozo, let's go to the parking lot. No, we are civilized. We have hearings. We present briefs.

You have all the economic arguments, but you people know full well that there is an ideological difference of opinion over whether you are going to control wages and therefore supposedly bring prosperity to the province on the backs of working men and women. The answer is, it ain't gonna happen, folks. It did not before. It has never happened in any country in the world and it is not going to happen in Manitoba. You all of a sudden have \$5 million to fix the concert hall. You have \$150 a day to pay an ex-Tory MLA, but all of a sudden you cannot pay workers?

I am here with two hats, one as a really, really mad taxpayer and, if I could figure out a way, folks, to take my tax dollars and refuse to pay your salaries until you started to listen to the public of this province, I would do so. I did not see one politician go around this province during the last election and say, I will promise fiscal responsibility by freezing the public sector's wages. Mr. Manness did not say it, Mr. Filmon did not say it, and thank God that Mr. Filmon is the only guy who might get his picture hung in here as a matter of courtesy. It has nothing to do with respect.

I listened to Mr. Manness talk about, I am elected, you have to respect me. I got told by my daddy a long time ago about respect for traditions in this country of ours, this great country we call Canada. One of them was the justice system. One of them happened to be Parliament. One of them happened to be the Manitoba Legislature.

I got told to respect the people who sit in the seats. They go out, they put their reputations on the line,

and they get elected. We are supposed to respect them for that thing. I respect the position.

I have to tell you, after seeing how the current government with Bill 70 has decided to trample on workers' rights and seeing how these hearings have been handled, and again trampling on people's rights, I say, uh-uh, ain't no respect no more. You signed an oath when you swore in to be an MLA. You think you deserve to be called honourable people and the answer is, up your nose, Jack. That is not the way the people of Manitoba think, and I can tell you this. Speaker after speaker after speaker has said, you are bringing the folks together. You really are. I point east for the people on the right-hand side of the table. Remember Ontario. It might take time to build, but you will be buried. Your right-wing agenda, Ceausescu is gone; Hitler is gone; Mussolini is gone; Canada is not the place to trample workers' rights this way.

I did nothing wrong and yet you take away my livelihood. The other side of the coin of what I do is that I am a union representative. With this law, you have put me on welfare. Thank you very much. That is bullshit. I have a job to do to represent my members. You do not have the right to take my job away. Now, I can motivate the voters and take your job away, and I am going to tell you one thing, if you do not rethink this bill, and I do not care about amendments, about saying, well, it will have a start date and an end date and this bill will also have—to split the labour movement—it will not go past the public sector, because I know that is a cute little game you are going to think about playing. We do not need any of that. You need to rethink the whole bill and pull it. Manitoba does not need this kind of regressive legislation.

Now, if you people are so bright, and some of you I know for a fact have never worked a day in your life. You have acquired positions and you have known people who have given you jobs, well, I stripped zinc for Hudson's Bay Mining and Smelting for 18 years. I know what it means to get down, get dirty, get hot and get hurt, and very few of the Tory caucus knows that. I know that for a fact because I have been there, they have not.

Now, Mr. Enns and Mr. Filmon came to my office when I was in Flin Flon and I used to be the president of the union at that time, and I said to Gary Filmon, quite honestly, and I still profess this to this day, that there will always be a place for Mr. Filmon in Manitoba politics. At that time he was the Leader of



the Opposition. This kind of bill proves the point. I was exactly right. That is the only place that he deserves to be, that is the Leader of the Opposition. Trampling on people's rights does nothing to advance the economy.

I worked for a company where they bent over backwards and people kissed them on the rear end and they gave them money because they said, hey, we cannot clean up this plant, guys. Now they are back at the public trough wanting more of my tax dollars. Funny thing, money goes to De Beers diamonds in South Africa, and I do not care what they call it any other way, but the government allows that. That is my money.

You then say to me, as a worker under Bill 70, we are going to eliminate the right to bargain. Why? I said to Ed Connery, Ed, what are you afraid of? Give us the right to bargain. Yes, but, Steve, he said, you have arbitration under The Civil Service Act. Well, take it away, ladies and gentlemen. Take arbitration away. As a representative of MGEA, I will stake my reputation on my organizing ability and my negotiating ability. Take arbitration out of it. I do not give a damn. I will live and die then by the sword as you will on the other side of the table, and if I can organize and if I can negotiate, fine and dandy. We will live that way, but no, the excuse is, we had to introduce Bill 70 because you guys can run off to arbitration.

\* (0220)

Let me tell you a little something about arbitration. Bob Pruden, who happens to be the chief negotiator of the government, says to me in my office in front of witnesses, Steve, we have to settle the casino. Now, this current government, due to its lack of skill, made those workers strike for 10 weeks to get a first collective agreement. We now go to contract No. 2 and they send a chief negotiator to my office. Four of us in a room, we cut a deal, as Mr. McGregor said, a gentlemen's agreement. I signed on the dotted line. I would take the government off the hook over a variance order hours of work problem which could have cost hundreds of thousands of dollars, and for that, Mr. Pruden, and I quote: We will not offer preliminary objections for the casino workers to use final offer selection, Mr. Hamon. You can use the process.

We used the process, and we proved the fact that the casino does not function on the ability to pay. What did you do? Oh, we do not like the award. We

are just going to cancel it. We do not like that. We are going to change the rules now. Well, we are going into negotiations in two months time. Are you going to change the rules again? Do you want a casino or do you want them on the street again? I did not play those cards. Those cards are played with Bill 70 by telling those folks that what they fought so hard for 10 weeks on the street for counted for squat.

Those people work for a living. Many of them work till—they are still working. Let me tell you, they are going to work after you leave here because they work till three or four in the morning every night, not just because there is a controversial bill. The government says, no, we are going to change the rules. You want to talk about fairness. You are building a wall. This ain't Berlin, but it is going to be, and it is going to be organized labour, and it is going to be called bury the Tories, because you will not listen to dialogue.

Any time you do not get your own way, you change the rules. Bill 70 is a direct attack on free collective bargaining. I say to you, repeal the bill. If the concern about costs is so dramatic and so strong, then come to the major unions involved that you have to negotiate with where they have over years achieved arbitration basically in lieu of no-strike clauses or the gentlemen's agreement that they will not go on strike, but obviously we are talking about people who do not believe in gentlemen's agreements. We have seen evidence of that already today.

If that is the case, take arbitration away, and tell the unions okay, we will now have free collective bargaining and you do your best shot. No, you did not have guts enough to do that. You do not even talk to the people. That is why we are here at 2:30 in the morning. Why not? My question is, why not?

I get back to, I walked around this building for many, many years. I grew up in Winnipeg. I got taught to respect the institution of the Legislature of Manitoba. I take a look at the plaques in the hallway and I come in this room and let me tell you, I am disgusted at what I see with this bill. That is not the tradition of this building; that is not the tradition of Manitoba, and I am telling you, Mr. Manness, people like you do not deserve your seat if that is the way you are going to treat the citizens who invested their trust in you when they cast their ballot. If you had told them during the election, this is what I was going to do, fine and dandy, then you win the game, but,

sir, you and your party did not do that. I have always maintained, you tell us folks what the score is, then the ballots get cast, and then you live by the decision because that is democracy.

What you have done with this bill is underhanded because No. 1, you did not have the guts; No. 2, you did not think you could have won the votes. You and I both know that in terms of government, 120 votes changed a minority to a majority, out of the whole province of Manitoba. Well, there are over a million people living in this province, sir, and I suggest to you that 120 people did not want anybody to destroy free collective bargaining in our society. They did not want to jeopardize the institutions that we believe in and that we got taught in.

For poor little rich kids, it is one thing, but for the single people who are out there with a pair of kids for whatever reason, struggling under the economic crunch that we are under, what you have done is not only unfair, it is very, very hurtful. That hurt, and you have heard it from other speakers, is going to transpose itself. Those people will not forget. Those children, I am sorry, they will not forget. They will remember. I am telling you, people learned a lesson after 1981. They did not learn it good enough obviously because you are now the government, but you are now going to greater lengths.

Even a right-wing government under Rufus the Red here did not say he was going to try to destroy organized labour and the gains that working men and women in this province have made, but a majority is a majority is a majority, but we also know that from Hansard we cannot trust a Tory. I had a deal for the casino and somebody said, no you do not; I do not like it, and the deal got kiboshed. That is going to the courts, because May 28, as Mr. McGregor said, under The Labour Relations Act, contract does not have to be signed. May 28, the casino workers had a contract. That is prior to June 3 on my calendar. We will carry that fight forward on behalf of those poor people who you are working till 3:30 in the morning, which is also a different story.

In terms of fairness and what you have done to this province, I urge you to think about this, I know that when it comes to dealing with politicians, I have been doing this business for 20 years, a little longer than Mr. Praznik has probably been working, I suppose. I mean, he is a young man, and I know he does not have that much experience with labour,

but I have had, mainly because I have worked for a living.

People will remember deeply. They really will, and when they do, the price that some of you personally will pay—do not whine about it after the fact, I am sorry. It is going to happen in Saskatchewan and it is going to happen in B.C. and if people are going to whine about it, it is a matter of, look, you did not want to use common sense. You were offered alternatives. You did not listen and the people will remember and the change in Manitoba over the long term, because of the policies that you are talking about with Bill 70, which is the beginning, I believe, as the one who is paying the bills, as an attack on working men and women—and I do not know where it goes. I do not know what the agenda is. I am skeptical and I am really afraid, but Bill 70 is the beginning and I do not think you should go down that road.

If you choose to go down that road, that is fine. Some of you will end up retired, some of you will end up fired. That is the way it is going to be, and people like me will go out of my way to make sure that happens and if you doubt my ability, then you check my record, I have yet to lose an election. Thank you.

**The Acting Chairman (Mrs. Render):** Thank you, Mr. Hamon.

**Mr. Manness:** Madam Acting Chair, let me thank Mr. Hamon for a very powerful presentation. I followed closely his logic and certainly there was more than a little bit of logic there. I was particularly impressed when he said that if the people do not like what we are doing, they will throw us out of office. I never heard truer words spoken, and that is democracy and that is what that secret ballot is all about, and that is why we asked the MGEA to take to their members by way of secret ballot our offer, so that maybe Bill 70 would not have been necessary. You are a strong believer in democracy, sir. I am too. The people ultimately will decide. Thank you.

(Mr. Chairman in the Chair)

**Mr. Hamon:** Mr. Minister, if you want to get into how negotiations go, then we can do that. I suggest you do not do that, because there were no negotiations with MGEA. I sat at a bargaining table and I sat through the sessions, sir, and if you want to go on the record and say there was real collective bargaining, you go right ahead.

**Mr. Manness:** I did not say that.

**Mr. Hamon:** Well, then do not talk about some kind of mythical offer that was supposed to be offered to MGEA members, and when we talk about when the electorate will make a decision, when you mislead the public by saying, elect me and I will give you A, but you come out with B, that is crap. That is what you have done. What I said was, you will pay for that down the road—plain and simple.

\* (0230)

**Mr. Ashton:** Indeed, a powerful presentation. I know the presenter from his steelworker days in Flin Flon, and I know you bring perspective having been through a lot of hard negotiating. I mean, let us face it, Hudson Bay Mining and Smelting is not exactly a pussycat in dealing with its employees.

You have been through that, and I just want to ask you, given your experience in negotiating with people, how would you categorize what this government did with the casino workers? You touched on it in terms of the fact that there were deals that were not kept, but how do you categorize what they did to the casino workers, putting them out on the streets for the 10-week period and then essentially stealing away the final offer selector's award. By the way, we are not just talking about words here. I had the signed document of the government House leader saying that final offer selection would be in place until March, something which covered the casino workers, and now they have taken it away. With your experience with companies such as Hud Bay, how do you categorize this government in terms of that?

**Mr. Hamon:** One word that comes to mind is treacherous. Another one that comes to mind is nefarious, unfair. The problem that I have is that the people who are calling the shots in terms of the government are not the people they send to the table, so in effect there is a whipping boy. What has happened to those whipping boys, and that includes the chief negotiator Bob Pruden, they can no longer be trusted because on Monday they give us a deal and then on Tuesday their masters, the political masters, tell them to tear it up. What that has done to the negotiating climate is, it ain't there.

In terms of my experience as a negotiator, I do not mind hard negotiations, give-and-take, good and bad, yes, no problem. Like other speakers have said, and, as I recall, Mr. McGregor was very eloquent, you cannot change the rules in

midstream. What you have now done is you have taken a group of employees, namely your Civil Service staff relations people, and you have gutted them. They have no respect with the MGEA negotiators. Nobody will believe anything they say anymore because of what happened expressly with the casino. When the chief negotiator representing the government says to the union, you have a deal, you can do this—and he is in our books the head guy and he says that—so we go through the process, much like Mr. McGregor said. Just because the government does not like it—and it had squat to do with the ability to pay because the casino makes lots of money, everybody knows that, and the money does not go into general revenues, everybody also knows that—but to steal that away from the casino when on May 28 they had a contract and your legislation talks about June 3, that is grand theft, abominable. They complain about the Hell's Angels being at the Ramada Inn; I suggest to you there is a bunch of them at the Manitoba Legislature.

**Mr. Ashton:** Indeed, in talking about what has happened with the casino workers, I want to stress again that you are not the only one who was directly deceived on this. We were deceived in the Legislature because we were told it would be in place. I want to tell you, by the way, because I have raised this in the Legislature when I spoke; I want to tell you what the response of the Finance minister was.

I asked the question rhetorically, because I could not put a direct question, how much it cost the government or how much it would have cost to settle with the casino workers at the level awarded by the selector. I did not have the exact figure, but I figured it would be in the tens of thousands of dollars perhaps in a year, maybe a hundred thousand, not a major amount given the revenue of the casino. The Finance minister said—I want to tell you exactly what he said because I want your reaction to this—that it saved the government \$20 million, if I remember correctly, \$20 million. In his mind, if those casino workers got this then everybody else was going to get this, so they had to be made an example of, to my mind. It did not matter if there was a selector decision. The government had in its mind that those casino workers who walked the picket line for 10 weeks, they were going to cost this government \$20 million. I want to know what your reaction is to that statement to that rationale. I know the minister talked about the logic in your

presentation; let us talk about the logic in that statement. What kind of logic do you see in that?

**Mr. Hamon:** If that is Mr. Manness' logic, the province is in deeper trouble than I really thought, because if that is the case after a 10-week strike at the casino that cost a million dollars a week, why did he not put everybody else in the province out on strike and save everybody a shitload of money and balance the budget? I mean do it all at one time. You want to use logic; there is good Tory logic from his perspective. The problem is, that was not true and he knew full well that would not be true.

There are 140 people who work at the casino outside the Civil Service because the government, which he is part of and responsible for, made the point of saying they could not be part of the Civil Service. The union had to go to the Labour Board and had to organize and had to do all that kind of fight. They worked side by side with people who are employed by the Civil Service, covered by the master agreement. Oh no, we are talking fiscal responsibility here, so you hire a lawyer to go to the Labour Board. That takes a couple of days of hearings, but that is okay because that is an allowable expense. We will pad the account a little bit maybe.

I do not know where they come off doing this. I am directly involved and I know exactly what it does and what it costs our union. I know that the bill on the other side is as expensive. It is crazy, but they went and did that. These 140 people at the time of the strike, they tried to say we are going to set the tone. People went out on strike, what for? My God, to set the world on fire. No, what did they go on strike for? Sick leave and a dental plan and at that they were unable to achieve the sick leave that civil servants have, 15,000 other people. According to this particular government and that particular minister, we are going to break the bank. Oh, funny thing we have money coming out our ears.

In fact, we have enough money that we can pay some bozo who mistreats the workers, stays in the Fort Garry Hotel for five days, and you paid the bill, Mr. Manness, because he gambles \$10,000 a week. That is called complimentary and that is called good business. I have members who get mistreated by this jerk, and I raise the issue with management and only after the third time I raise it do they finally say we are not picking up his hotel bill anymore. Total bill to the province for the comp and for the advertising close to \$9,000. That was raised with

management and nothing happened. They do it all the time. You want to talk about fiscal responsibility, then get with it, and let us do it, cut the horseshit.

**Mr. Ashton:** I am aware of that, because I have talked to people directly who have outlined that particular concern. I appreciate your focusing on the fact that these are real people with real concerns, in this case, won the benefits back in the strike. That was the issue. I hope you will relay to them by the way that they are sharing in this great sacrifice the government is doing. They would have cost the government \$20 million according to the Finance minister if they had gotten what the final offer selector had awarded them, because those were his exact words.

I want to go further, though, because I want to deal with some of the other points you raised. One thing that I have been amazed at with this bill is the unprecedented attack not only on the leadership of the MGEA and other public sector unions, but on the very union itself and the way in which the union operates. You touched on the fact that this government did not exactly run around the province promising to freeze public sector wages. I think seeing some of the concerns expressed by people here at this committee, whether it be Civil Service or Hydro or MTS, I think I can see why. Maybe some of them would not have voted for this government. I know many did. Somebody must have for them to be elected.

I want to focus in on that, because I want to ask you, since this Minister of Labour (Mr. Praznik) and Minister of Finance (Mr. Manness) seemed to feel that they should be able to trump up whatever they consider an offer and then either get it directly put to a vote at any given time, in any way, shape or form they want, a vote directly to the union at any time they wish, or else afterwards they will go around saying, well, the union does not operate in a democratic manner.

I am wondering how you compare what they say about the MGEA and what they did. They went with an offer to the people of Manitoba with one thing missing here, which we are now getting, the public sector wage freeze. Do you think they have any credibility with those kind of attacks on the MGEA on the one hand, when on the other hand they have been absolutely treacherous in dealing with the public on the whole question of the wage freeze itself?

\* (0240)

**Mr. Hamon:** If either the Minister of Finance, Mr. Manness, or the Minister of Labour, Mr. Praznik, wish to become educated about not only collective bargaining but the constitution of the MGEA, they are quite free to phone me. I will sit down with them for a couple of days, much like I do with any other member, and explain the process, because what we went through clearly was not the process.

We offer advice to government in terms of bills, recommendations, this, that, the other thing. The perspective might be you are telling us what to do. We have these committee hearings, and we have other bodies that we focus through organized labour to offer up our point of view, our advice. We do that usually on matters of policy.

We do not tell Gary Filmon to tell Darren Praznik what to do. We do not tell Gary Filmon or the president of the Conservative Party how to run the party. For some reason they think they are going to tell the president of MGEA, notwithstanding the constitution that is voted on and considered by the membership—who developed it, by the way—how to run the union. Well, that is not a two-way street. That is a complete crock.

If they wanted to seriously negotiate and then put an offer, which is considered an offer, in front of a union, whether it be MGEA or anybody else—and this is why I say I am quite willing to give them a course on collective bargaining and how the process works. Number 1, you do not do it in the press. I would like to see somebody negotiate a tractor deal in a fish bowl. I am sure Mr. Manness would not stand for that, especially if he had to sign the cheque. He is going to want to be in the back room knowing how many nuts and bolts are on that tractor.

Well, that is the way unions operate when we negotiate with employers. We go behind closed doors. We iron out our differences. We have an offer. It is a tentative offer at that time. It gets taken to the members. We do not unilaterally have somebody phone up our members and say, oh, hey boys, here is the offer; yoo-hoo, my name is Chamberlain; I just got back from Berlin; vote on this—bullshit.

Now in a democratic society we get the information by negotiation, and we then take it to the membership.

**Mr. Chairman:** Mr. Hamon, I would like to—I have heard you use the word "bullshit" now three times.

**Mr. Hamon:** Bovine excrement—I am sorry.

**Mr. Chairman:** I had hoped the first time would have been a slip. I would ask you to use parliamentary language if possible. Thank you.

**Mr. Enns:** Oh, Mr. Chairman, I use it on the ranch a lot—

**Mr. Hamon:** Well, hey, Harry is in agreement with me. I will vote with him.

**Mr. Ashton:** Indeed, I think up North that is parliamentary. I think Steve is going back to his northern roots.

I just want to finish off, though, because I appreciate the perspective that you have put forward as someone who is dealing out there with people, know what is going on and has had an experience with both public and private sector. I just want to really focus in on what this government is saying to the MGEA, because it really scares me. It violates every principle of labour relations in this country.

Maybe to put it in a more extreme way, I am just wondering what the reaction would have been in Flin Flon, when you were president of the steelworkers' local, if Hudson Bay Mining and Smelting decided during contract negotiations, one, they were going to tell you what to do—I think I know the answer to that—or, two, try and influence the members or, three, not only try and influence them but try and get a vote put any time they wanted on whatever they wanted put forward, whether it was on a letter—this mythical letter that we have heard reference to which talked about no-layoff clauses.

What would the reaction have been from yourself and your members in a private sector situation recognizing that the analogy I am drawing here is exactly what has happened in the public sector, because the Minister of Finance is trying to tell the MGEA president what to do; he is trying to tell the MGEA membership what to do; and he is trying to put whatever the heck—pardon me—he wants in the way of a vote before the membership. Comparing those two examples, what would have happened when you were president of the steelworkers' local in Flin Flon?

**Mr. Hamon:** Well, in Flin Flon, No. 1, the company would have not tried it; No. 2, if they had, given a mythical situation, the plant would have gone down.

That is it. It would have been shut down for us to study what they were doing. At the same time then, unlike here, the company would have met with the union to discuss the problem, not what took place here. What took place here was Bill 70. We do not like the way things are going. We do not think we got confident negotiators, or we do not know how to do the job. Whatever the excuse, bingo, Bill 70. We will eliminate the right, therefore we do not have a problem.

In terms of what happens tomorrow, the bill opens the door for anarchy, quite frankly, in the province of Manitoba, because nobody sitting on this side of the table will put any guarantees out to anybody about what the next step on the agenda is. Are they out to dismantle the labour movement, never mind MGEA? Are they out to really hammer workers, period? Nobody will give you an answer.

We get all the platitudes in the House. We get all the rhetoric in the newspaper. The facts speak for themselves. We have a bill that opens the door for anarchy. If you do not think it will not happen, then you better see to it that Offert trades me to SGEU for two future draft picks, because I am telling you I am very good at what I do and, by God, you will pay the price down the road.

People are mad. You have trampled on their rights. If you would have said something else other than removing the right to bargain—Mr. Manness, if you would have sent your negotiators, even with the zero offer, to the table and told them their objective had to be, negotiate that; sir, we would probably, maybe, still be negotiating. I am one of the major government negotiators. I can tell you that if that was your direction, it did not get down to the guy who met me at the table with my representatives of the workers. They did not negotiate a damn.

Now if they would have, and even if the fiscal policy of the government had to be that it was zero, negotiate it, by God. Tough negotiations, any union person can live with. Unilateral wiping out of people's rights—if I took away some rights of yours, do you not think you would be miffed, sir? If you say no to me, then I am sorry I have to call you a liar, because that is not true. Any time somebody tramples on your rights—if I said you did not have the right to wear your hair as long as you do, it had to be shorter, you would get a little upset, because you would say to me, pardon me, I think I look okay, it is short enough.

That is a very fundamental example. That is what you have done with this bill. You did not send those people—or maybe you did and they did not carry it out. I can tell you, you did not negotiate. You took it away through law. Wrong, that is wrong, sir. You did not get elected to do that. You got elected to try to govern this province as other people have said. You did not get elected to remove people's rights that have been built up a whole lot longer than you have ever been living, and those rights will exist long after we have put you in an urn, let me tell you that, because democracy is what it is all about. It is some 2,000 years old and you do not have the right and your party does not have the right to try to dismantle and destroy it. Every person of your ilk in history who keeps going down the road that you have started upon has lost. The history books are full of them and the latest one is Ceausescu. Do not follow that road, sir. Rethink the bill. Repeat it.

**Mr. Chairman:** Thank you, Mr. Hamon. Are there any further questions? Thank you again for taking the time and staying.

\* (0250)

**Mr. Chairman:** I call next, 399, Mike Lysohirka; 400, Ronald Hinipe; 401, Marj Decker; 402, Peter Carroll; 403, Paul Rogers; 404, Dahlia Rogers; 405, Roy Rawluk; 406, Bertha House; 407, Frank Herin; 408, J. C. Colbert; 409, Mary Jane Lysohirka; 410, Charles Sullivan; 411, Junior Colbourne; 412, Molly Burton; 413, Mabel Humby; 414, Niel Karen; 415, Les Clark; 416, Ray Carswell; 417, Doug Boe; 418, Al Coze; 419, Ken Spilchuk; 420, Tim Thiessen; 421, Don B. White; 422, Annie Hudson; 423, E. Erickson; 424, Brian Dale; 425, Roland Lalonde; 426, Kevin LeBlanc; 427, Mel Johnson; 428, Mike Parsons; 429, Paul Decker; 430, James Westwood; 431, Brian Boyce; 432, Barry Renaud; 433, Bryon Skelton; 434, Ron Ferguson; 435, Murry Dunsmore; 436, R. Beswathick; 437, Ron Brown; 438, G. Proctor; 439, O. Laibeau; 440, Tim Lye; 441, B. Binding; 442, John Berger; 443, Mary Ann Seymour; 444, Coreena Saunders; 445, Tanis Berthardin; 446, Pat Comb; 447, Larry Puffed; 448, Norm Peddle; 449, Lorne Peddle; 450, Brenda Fenwick; 451, Sue Lauzon; 452, Dianne Carroll; 453, Alison Herst; 454, Grant Ogonowski; 455, Michael Alberg; 456, Marianne Hayden; 457, Betty Wilcox; 458, Archie Campbell; 459, Marlene Wylychenko; 460, Patrick Martin; 461, Rick Cadorath; 462, Gail McIvor; 463, Dale Neal; 464, Robert Dewar; 465, Brian Hirst; 466, Dave Pexhler; 467, B. McWilliams;

468, Carl Martz; 469, J. Webb; 470, M. Emberley; 471, C. Scott; 472, John Sasi; 473, Tibor Polgar; 474, Jeri Kostyra; 475, Mike Roberts; 476, Bob Bayer; 477, Jocelyne Poirier; 478, Connie Verdonck; 479, Ray Bouvier; 480, J. Bouvier; 481, Debby Neufeld; 482, Bryan McMillan; 483, Yoshi Msakki; 484, Susan Carmen; 485, Elly van Meisto; 486, Wayne Andon; 487, Bob Carmichael; 488, Carmen Carlson; 489, Randy Kilpatrick; 490, Brenda Lesyk; 491, Robert Gilmohr; 492, Tony Sproule; 493, Brian Gay; 494, Maria Gay; 495, Beth Halbrook; 497, Don Plowman; 498, Ian C. Hedgelock; 499, R. Les Roope; 500, Michael Welfley; 501, R. Dwaliwal; 502, Erril Black; 503, Bob Manwaning; 504, Peter Tartsch; 505, Jane Ricketts. Jane Ricketts would you come forward, please?

**Ms. Jane Ricketts (Private Citizen):** Thank you.

**Mr. Chairman:** Have you a written presentation that you would like to put before the—

**Ms. Ricketts:** I do not.

**Mr. Chairman:** Would you proceed, please?

**Ms. Ricketts:** Thank you. Good morning, by the way, and it is almost three o'clock in the morning. I hope you guys are awake.

As a single parent of two, as a taxpayer, I am appalled that everyone would think that this bill would be considered fair. I have gone through rough periods in my life where I have fought tooth and nail to maintain dignity in my life, struggled to raise my children when it would have been much easier to give up and give in. My pride in myself as a person has kept me going. My pride in my job has also kept me going. It would have been much easier to leave that behind.

I am a health care worker. All day, every day, I work. I look after sick and dying people. The emotional demand placed on health care workers is monumental. When I leave my job to go home, I do not leave just my job. I also take it home with me, because you cannot leave a health care person's job there. It always comes home. I also wonder, really, what happens to each of my patients when I leave them? It also comes back to me.

So I go home with a lot of the burdens of my job with me and to cope with a different set of problems that face me there also. Which one of my bills will I try to ignore this month? Which creditor will scream the loudest? That is the one that will get the money because there is just not enough of it.

I have heard people say that you should not use credit. I cannot afford it. I can not afford to use it. After the essentials are paid like the rent, water, hydro, telephone, cable—by the way, I do not have cable, I cannot afford it—the things that have to be paid first, or they will be taken away from me, I still have to worry about food, clothes, transportation to and from work. I can understand that I do not have to worry about the clothes for me. I have to worry about my children. How are they going to be able to live, or how am I going to support and provide for them? They have to go to school. Are they to be known as the poor kids on the block, something they will have to accept? That is what people keep saying, you are going to have to accept that. I do not agree with that.

I want to be able to support my family. I want to be able to provide for my children. I want to be proud of this, and I am proud of what I am doing now. I have lived through periods of my life where I have been forced to live through social assistance, when I have to accept strangers into my home to help raise my children. When they are strangers, they know just about everything about me.

\* (0300)

I am willing to bet that not one Tory in this room has any idea what social assistance does to a person, the dignity. Being on social assistance destroys—the humiliation of having some agency know everything there is to know about you, strangers monitoring your life. It is degrading. I fought back. I got off my backside, and I got a job. I got off social assistance because I do work hard. I have to work hard. I have worked hard all my life, and now you are trying to tell me, in all your arrogance, that my work is worth nothing, my work is less than nothing; after 20 years in my job, my work has no value, unless I do it for free, for nothing.

I work full time at the hospital. I have got a part-time job to subsidize and substitute my income. I spend my days off at another job. By the way, this is my first day off in three weeks. I have spent it here since nine o'clock this morning; it is now three o'clock in the morning. I do have to work tomorrow, and my next day off is another week and a half, so my time is valuable, not only for me, but my time is valuable for my children, too. I am working two jobs to make ends meet, and sometimes it does not work.

I decided to do something totally frivolous one time, to go for a vacation. Well, I used

plastic—great fun. After the vacation, I came back home, added to my worry about where am I going to find the money which I had spent. I have spent 20 years of my life not going on a holiday, and I finally did it. Well, it is a great life, eh!

What about the dreams of people like me, educating our people, buying a car, owning a home, buying a new refrigerator. Well, that is all they are, just dreams, because with me and the people like me, they just do not ever come true if this bill is implemented. What about my children, the next generation? How do I bring them up believing in a system that hard work pays off? How do I teach them that working hard to do their share will bring them rewards? The reality is that the rewards that are given to us are higher taxes, destruction of my rights, struggling to make ends meet and a wage freeze.

I am now and have always been willing to do my part, shoulder my share of responsibilities, and enough is enough. You have heard about the straw that broke the camel's back, well, the Tory government looked hard enough, found that last straw and promptly dumped it on the back of the camel, the low-income earners in this province. This bill will break my back for sure, if it is implemented. You cannot take what is not there. Do not delude yourselves or try to delude other Manitobans into believing that this will be only the freeze of my wages for a one-year period. You are taking money away from me, and in my books, that means decreasing my present salary.

Explain to me, please, how can I live on less money when what I have now does not cover expenses. Making me a scapegoat for the economical situation in Manitoba is cowardly—attacking those people you feel are least powerful, those people you think have the least to fear from. I just want to remind you, I am a taxpayer. I am also a voter. I would hope, with all my heart, that the members who have the power to vote on this bill, the power to destroy my lifestyle, also find the courage to do the honourable thing and put this bill in the trash can where it belongs.

**Mr. Chairman:** Thank you very much, Ms. Ricketts.

**Mr. Ashton:** Thank you very much, and I—

**Ms. Ricketts:** May I make a point before you continue?

**Mr. Chairman:** Certainly.

**Ms. Ricketts:** This is the very first time I have ever spoken in public. It is the very first time I have ever entered into speaking—(interjection)—Thank you very much, but I am really appalled by a lot of things there that really go on. I am sort of getting into it now, into seeing what is actually happening, and I am very confused, frustrated, just as a normal person. I am a single parent, and there are thousands of single parents out there who are in the same position as me. I have waited here all evening to even speak, almost the last speaker, and the only reason why I did that is because I am not the only one. There are so many women, men now, who are so much like me, who do have children, who are concerned about my wages, or their wages, too.

Now what would happen there? I freeze my wages. I am trying to make ends meet now, like I said, rob Peter to give to Paul, and I am trying to maintain it. Now what is going to happen if they do freeze my wages? Everything goes up, everything from food, clothing, anything that will even provide a stable—I am not even saying a high lifestyle, a stable lifestyle. That is my frustration.

**Mr. Manness:** Mr. Chairman, I thank the presenter for her words. You made a very subtle point when you talked about going on a vacation, enjoying it on plastic and then coming back and realizing the impact of it. My problem, and the reason that I brought Bill 70 in, for the most part, is that this province has been spending on plastic for 20 years, and all of a sudden, it cannot handle itself any more. That is why we are here today on Bill 70.

**Mr. Chairman:** Thank you, Mr. Manness.

**Mr. Ashton:** What the minister is saying is that he wants to take it out of your plastic, money you do not have, to pay for it rather than other ways which we could suggest—(interjection)—Well, he says taxes. I would like to ask you if you do not feel this is basically a tax on you because it singled you out. This might just as well be called the public sector employee tax because it is not going to affect your neighbour if he or she does not work for the public sector. It is not going to affect the people you might see down at the shopping malls if they do not work for the public sector, but it deals with you and you alone. I am wondering how fair you feel that is?

**Ms. Ricketts:** As far as plastic goes, I will not use plastic again because I cannot afford it. Because of Bill 70, I will not be able to use it. I will not probably be able to go on holidays ever again either. As far



as how that affects me, I feel that is unfair because I have the right there to judge if I should use it or not. You have taken that away from me.

Dealing with the fairness of this bill, I think it is unfair. How am I going to maintain myself even now? It is almost impossible because everything has gone up, just as an ordinary citizen. I am not very versed in political wordings and that, but just as an ordinary person who is on the street—I have been on assistance. I know what it feels like. I know about pulling myself out and going to a job. Now my job may be in jeopardy. I may be laid off. What will I do? I will have to go on assistance. I do not want that. I do not need that. That is my concern.

A lot of people out there, they do not want to go on assistance but they are almost forced into it because Bill 70 will actually put you on a—you are limited. You cannot use that privilege of freedom to have a choice. There is no choice there at all because you are forced into doing things that you just do not want to do.

**Mr. Ashton:** I just want to ask a few questions, too, about your own situation, if you do not mind. You mentioned you worked at a health care facility. I am just wondering what kind of facility it is and what your job is at that facility.

**Ms. Ricketts:** I work in the Health Sciences. I work in the medical intensive care at the Health Sciences. I have been there for a number of years because I care for people. There is a lot of death and dying, like I had mentioned earlier. I deal with a lot of people from the public. Cutting my job, like you know, that would be quite a dramatic thing.

What do I do? I provide a lot of support, and I am a clerk, too. I do doctors' orders. I deal with the public greatly, because I speak to them and I provide them with whatever information that they require. I also provide them with some kind of emotional care, and that, there.

**Mr. Ashton:** A pretty stressful job by the sounds of it.

**Ms. Ricketts:** Very. It is very stressful.

\* (0310)

**Mr. Ashton:** Sometimes when other presenters have expressed this frustration, this idea that somehow public sector workers are well paid, some people say they are overpaid. I never mean to pry in terms of things, because I am not asking you how

much you make. I mean, some people do not mind saying that. Others do. I am not trying to pry in that sense.

What do you think you are paid? Are you highly paid, one of these supposed highly paid civil servants, public servants?

**Ms. Ricketts:** Am I highly paid? Not for the work that I do, because of the fact that I am the first person that the public enters and looks at. I am the first person that they approach. I am also the first person there that asks questions about their loved ones and the patient care. I am the one that also directs them. If they do become very frustrated, I am the first one there that they hit on right off the bat. You are also the one who has to direct them to the areas of frustrations and the areas there and calm them and provide a little bit of consultation there to whatever situation that there is.

**Mr. Ashton:** I appreciate your sharing that with us, because one thing I am hoping from these committee hearings is that the government members who might be considering supporting or not supporting this bill, because certainly we in the New Democratic Party opposed this right from the beginning, but the government members who perhaps have not had the chance to talk to people such as yourself in this direct way and get some sense of what you are going through and the financial impact, I am hoping that from your comments they will be able to understand just who this bill is going to impact on.

**Ms. Ricketts:** We are classified as the middle class income, but we are also classified as the lower-middle class income because of the fact that we work. We are just above the poverty line almost, but we still work. I will give you an example. Not too many years ago, I can honestly say that I had a friend who lived across the street who pulled out her welfare cheque. I also happened to have gotten my pay cheque. It was only \$20 more.

Actually, I was really appalled. I looked at it and I was really surprised about this, going gee! I worked eight hours a day and you did not. You have that right to be whatever, being on assistance and needing the help and support there. I still have my pride, and I like to feel that I am dealing with it myself. If I have a bill that is here saying that you can only make this much money, I am stopped. You are stopping me in my tracks, because there are people out there who are just an ordinary Joe Blow who do

not want to come up here and speak or they are scared to speak or they do not know how to speak, even like me. Here I am here at quarter after three—I am sorry about this—and I am trying to voice my very big concerns of the lower-middle income people who you will be taking. I pay my taxes. My taxes went up. My hydro, my lights, everything went up. My income has not. That is all I can—

**Mr. Ashton:** As you say, many people perhaps would not have come before this committee. I am wondering if you could give some idea of the people you are working with, who they are and what their reaction to this bill is. Is it the same reaction you are having? Are they opposed to this?

**Ms. Ricketts:** It is very much the same reaction that I am feeling. They are frustrated. They are very concerned. What is my job going to lead to? Do I come into work one day and find out I do not have a job? Where am I going?

**Mr. Ashton:** I really appreciate, by the way, your bringing that perspective here. By the way, regardless of the time of day or this being your first time, you have done it very effectively. Probably this is one of the better presentations that we have had because you have really spoken from the heart about the impact this bill is going to have on people like yourself.

I hope, by the way, that you will follow the process that is going to happen here and discussions because I can assure you, as Labour critic for the NDP, that I will be raising your concerns—as well other opposition members—in the Legislature. I also hope you will take word back to the other people who you were talking about to express their views too, whether it be in a formal process such as this, whether it be phoning their MLAs or writing them or contacting them, because they need to hear from people like you.

I really thank you for your presentation.

**Mrs. McIntosh:** Just two things—one, to indicate that you spoke extremely well for your first time speaking. I am very aware of the work you do, especially if you are in medical intensive care at the Health Sciences. I just wanted to reassure you that many of us on this side have been poor, very poor, desperately poor. Many of us work, maybe not as union members, although we have a former shop steward here or vice-president of his union, but we have worked very hard. I have worked on

construction crews when I had children; you know, grovelling in the dirt, sweating in the sun. We have been without a vehicle for years, no car, no dryer, no vacuum cleaner, for years with children. We are not unaware. We are not unfeeling. You know, I am 47 years old, I never had a vacation until I was 41. I mean, we do have some understanding of what it is like to live in the real world.

I have to say on the record at this point, because I have been listening to this all day, the assumptions that are being made that somehow we were born privileged, we were not. Some maybe in this room were, others definitely were not. We have cares and one of the cares we have that is very important to us, that we said very clearly, when we were campaigning in response to the taxpayers who said that they felt they were being bled to death by taxes, that we would do our utmost, we would do everything we could to keep government spending down.

You made a good presentation.

**Mr. Chairman:** Thank you, Ms. Ricketts, for your presentation. Again, we appreciate your staying this long.

I call next No. 506, George Fisher; 507, Fiando Siebert; 508, Anthony Doyle; 509, J. W. Nidrof; 510, Doreen Plowman; 511, Linda Geary; 512, Dan David; 513, Dwane Babe; 514, Daniel Cutforth; 515, Murray Huska; 516, Glenn Kaleta; 517, Bill Milner; 518, Carl St. Goddard; 519, Peter Swintak; 520, Margaret Day; 521, Bill Comstock; 522, Elyllt Jones; 523, Larry Brown; 524, Ed Madden; 525, Larry Wright; 526, Gerry Berard; 527, Kerry Kruger; 528, Delores Waletzky; 529, Ernest Gallant. Is Ernest still here?

**Mr. Ernest Gallant, Private Citizen:** Yes, I am.

**Mr. Chairman:** I am glad you persevered, Ernest. Have you a written presentation?

**Mr. Gallant:** No, I do not. I have a few notes which I have—

**Mr. Chairman:** Would you proceed, please.

**Mr. Gallant:** —scribbled here while I have been waiting.

**Mr. Chairman:** Thank you for bearing with us.

\* (0320)

**Mr. Gallant:** That is okay. I seem to be in, I guess, a favourable position to be the last one to address you tonight. I do not know whether maybe it is favourable, maybe not. I am not sure. Anyway, I

prepared a few notes. I certainly do not expect that they will be as elegant nor as beautiful as some of my predecessors at the podium. I am sure that my presentation pales in comparison with those and I beg for your indulgence in this. I make my living with my hands, not with words.

I am a power lineman for Manitoba Hydro. I have been in this capacity for 19 years. I am certified as a journeyman and work in the St. James district here in Winnipeg, although the first 13 years of my employment were of a transient nature.

For some 18 years, although a member of the IBEW, I took no active part in its operation. About a year ago the opportunity arose for me to take an active role in the union through a seat on the executive board. I decided to accept the responsibility because I felt that my financial situation and that of my co-workers had been eroded by 10 years of below-inflation wage increases. The reason why we fell behind is somewhat obscure to me, but it apparently had something to do with reduced revenues. I guess I felt a rush of indignation and became determined to improve my financial lot in life along with that of my co-workers. How naive it seems I was.

I sat through three months of negotiations with management. With the exception of wages, each article of the contract was dealt with several times, with both sides putting forth a real effort to reach a consensus. Ultimately we did in fact reach consensus on all the articles with exception of wages. That consensus was not reached totally at the expense of either side; it was reached through bargaining. Some long hours were spent at the negotiating table and the whole process was a wonderful learning experience for me, an experience I am not sure I care to have again, but I did learn that the process works.

Unfortunately, we were unable to negotiate wages. A message was delivered to us that on advice from the Finance minister the Hydro board had decided to offer us a wage package of zero in the first year and 2 percent in the second and that there was no room for negotiation. In view of the declared profit of my employer, I felt very frustrated by this edict, particularly in view of statements made by Hydro's chief executive officer that were made that we were all going to receive a fair and reasonable settlement and that we would be suitably pleased at the outcome. Upon reviewing our situation, we decided our only option would be

to apply for FOS. Unfortunately the proposed legislation will remove that last avenue to an equitable wage settlement.

We at Local 2034 feel angry and frustrated at government for our arbitrary inclusion in this proposed legislation. We cannot understand why Hydro employees, who are paid by the corporation, not funded by government, should be bound by Bill 70 or how our being involved can improve the province's financial situation. Hydro is a strong viable operation that has projected significant growth in the future, particularly in the area of staff over the next five years. I understand Hydro has been allowed a rate increase over the next year at 3.5 percent.

It is obvious to me that if this legislation is passed, the effect will be that union members will then be in a position of subsidizing Hydro's operations and also indirectly subsidizing energy rates to the consumer, which are already among the lowest in Canada.

As a representative of the union, in my workplace I am constantly being bombarded with questions about the effect of Bill 70 on us. I am very careful to shift the blame for any negative effect away from Hydro's management and fully onto the shoulders of the party in power. I hope this will somehow placate the anger we all feel and direct it outside of the company so that we can maintain a healthy work environment. This is important because Hydro workers are faced with life-threatening situations on a daily basis and studies have shown that a positive attitude can reduce injury. I personally have had friends killed on the job, two to be exact, and another so severely injured he lost both an arm and a leg.

Another negative effect on both my co-workers and on Hydro as a whole is a loss of certified tradesmen who are being enticed away from Hydro to other electrical utilities across the country and even right here in the city of Winnipeg. Advertisements have appeared in the Free Press in the past few days for various locations offering power linemen positions at rates of pay \$3 or \$4 an hour more than my present rate here in Manitoba. This ongoing loss of qualified workers will obviously increase as a direct result of Bill 70 as Hydro's pay scale drops even farther behind neighbouring utilities. The deterioration of Hydro's work force and resulting loss of productivity will most certainly have a detrimental effect on the operation of the whole utility.

In my opinion, these highly trained technicians are the backbone of Hydro's operation, and allowing this drain of our human resource not only hampers the corporation but also has a negative effect on society as a whole here in Manitoba. I mentioned earlier that we have lost people to Winnipeg Hydro because of the wage disparity. This perhaps is the worst insult to our workers because of the fact that we all live in the same province, the same city, we all face the same daily expenses, we do identical jobs, but they are paid a significantly higher rate.

I will skip one paragraph. I added a few thoughts while I was waiting.

Linemen risk injury or death each day, and at Hydro we are paid lower than tradesmen in the private sector who face nothing nearly so ominous. We also do our jobs in all kinds of weather, 24 hours a day. We are very proud of the work we do, and we feel that we are indispensable to the lives of every Manitoban. Part of our responsibility is to make ourselves available for work at any time. Even booked vacation can be cancelled in response to a major power disruption. Our reward for all this devotion to duty is the lowest wage rate in all of western Canada, and now as the final insult, we have been told we will receive no increase this year.

In conclusion, I would like to make it clear that if this law is passed, I myself will not forget who is responsible for it, and I will do all in my power to see that my co-workers do not have memory lapses, particularly when the next provincial election is called.

**Mr. Chairman:** Thank you, Mr. Gallant. I certainly appreciate your having the fortitude to almost stay until 3:30 at night.

**Mr. Ashton:** I appreciate your perspective. We have had a number of people come before this committee in the last several days who work for Manitoba Hydro, a number of people who work as linemen. What I want to ask you—they have been very blunt, very straightforward, in their reaction to this bill; they do not like it, the people who come before this committee who work at Hydro. How about the people you work with? What has their reaction been to Bill 70? Are they for it, or are they against it? What kind of reaction did they have when it was announced?

**Mr. Gallant:** I can say truthfully that all of the 65 to 70 people I work closely with daily are of a common mind on the subject. They are all against Bill 70.

They were actively involved in negotiation process with me up to and including the present time. Because I have been actively involved in negotiations, they come to me periodically to ask for updates on the situation, and, of course, I made all information very available to them, particularly in light of the proposed legislation as it changes the face of the whole situation where I work. They are all painfully aware and they are all very upset. Comments have been made to me drawing parallels between the situation as it exists here in our province and the situation in Russia where things are going, they feel, in the other direction, more freedom and more equity occurring there and it is going in the opposite direction in our society.

\* (0330)

**Mr. Ashton:** I can understand that frustration, because I know I have talked to more and more people on this and other matters where people really start wondering what is going on in this country and who really is in charge anymore and what really the agenda is. The reason I asked for that reaction is because I want to ask a follow-up as well and that is: Were people expecting this when it came? Were people expecting a wage freeze?

**Mr. Gallant:** No, they were not. We were all so engrossed in the negotiation system that we were dealing with. The thoughts of this eventuality never entered most people's minds. I will admit that I may have had some feelings that there was something in the offing, but my limited expertise and my limited knowledge of government would preclude me from making statements to that effect.

**Mr. Ashton:** I am just curious too about your reaction to the fact that—we have heard this from other presenters as well—your union membership voted going to final offer selection. The choice was really for many people final offer selection or else, possibly, a strike if there was no settlement. We have heard many people from IBEW indicate that was a distinct possibility, and a significant number of people, I understand, voted against going to final offer selection.

I am just wondering what your reaction is to the fact that the government signed an agreement. I signed it as well from the NDP ensuring that final offer selection would remain in place till March and, in fact, that would have and has included IBEW, and that process is underway right now, has not been negated, but essentially this government is now

saying, well, it does not matter what happens: You get nothing.

How do you feel about having been involved in the negotiation process where under the laws, under the rules, if you like, the laws of this province, you had that and you worked in good faith toward that and now this government is saying they have changed the rules after the fact?

**Mr. Gallant:** I do not know what I was expecting when I entered into the negotiation process. I was, of course, a novice. I had never been involved in any aspect of labour relations before. As I say, I do not know what I expected, but certainly what I discovered was something of a shock and the implementation of this legislation or at least the introduction of this legislation seemed to throw the whole process completely out of whack for me. I am disappointed that I was not able to follow through the whole process to its culmination in a way that would be typical. My whole idea of a typical scenario has been destroyed. I hope some day maybe I could be involved in a situation like that, but at this point in time I am frustrated with virtually all aspects of labour relations, I am afraid.

**Mr. Ashton:** I can understand that, and I take from your comments you would have preferred if this had gone to a negotiated or, at least where that was not possible, a situation where it was decided by a neutral third party, in this case, the selector, and have it imposed by the government.

**Mr. Gallant:** Yes, very much so. I would have preferred to have negotiated all aspects of the contract. I will admit that negotiations were not as easy or as fruitful as I had expected on other articles, but it is satisfying to have gone through the process and completed it. At this point in time, I feel that I have been left somewhere up in the air and do not feel a sense of accomplishment associated with those three months I sat for those long hours in that hotel room trying to hammer out this solution to our woes, the woes that we all have in terms of finances in our utility.

**Mr. Ashton:** So, for you, it has been, in a sense, frustration, a feeling that time was wasted. I know I have heard that from other people, and I want to ask you another question, too, whether you plan on going through that process again.

**Mr. Gallant:** Are you referring to me personally?

**Mr. Ashton:** Yes, you personally.

**Mr. Gallant:** I have not made that decision. I have thought about both directions, and I think that perhaps it would be to everyone's best interest if I did not, because I think my enthusiasm toward that process is probably at an end.

**Mr. Ashton:** I think that is probably one of the most unfortunate aspects of what has happened, and that is the impact it has had on people, not just employees, but people who worked in good faith on the bargaining process, and quite frankly, I would not blame you for doing that, although I sense from your comments, you may pursue your frustration in other ways, in terms of reminding people and letting them know what happened. I do hope you do, by the way, because I think one thing I find encouraging about these committee hearings is that I have seen the dedication on this particular concern that goes beyond just a bill. This is not a bill for a lot of people. It is a question of good faith. It is a question of a system that has been in place. It is a common-sense system. There are a lot of principles involved, but there is a lot of common sense.

I congratulate you for coming forward at this time in the morning, quite frankly. I know that, with your job, it is probably a little bit easier than it is for most. You are on call most times of the day, but I am sure you were not expecting to be on call at the Manitoba Legislature at 3:36 to do a public presentation. I hope you will stick with this one way or another and also take back the word to the people you work with that this will not rest with this committee hearing or even the passage of Bill 70. Indeed, you will remember, and I think a lot of people will. We will certainly be raising it ourselves as members of this Legislature.

**Mrs. Carstairs:** Mr. Chairperson, I hope you will rethink it because not all negotiations have to end the way yours have ended, and I think it is unfortunate that this was your first experience and that you have not experienced what can be a very good high when in fact negotiations come to a successful conclusion. I hope that you will give yourself the opportunity to experience that as well as just this negative experience.

My question has to do specifically with the comments that you made about Winnipeg Hydro. There certainly has been some discussion at higher levels of Winnipeg Hydro wanting to buy that aspect of Manitoba Hydro which is in the city of Winnipeg. There has also been discussion about Manitoba

Hydro wanting to buy all of Winnipeg Hydro. What is the present differential at your wage rate between Manitoba Hydro and Winnipeg Hydro?

**Mr. Gallant:** To the best of my knowledge, at present there is something slightly in excess of \$2 in my particular category, and, as I understand, these people are in line for a raise which would put them considerably higher.

**Mrs. Carstairs:** So they are presently negotiating their own contract which, one can only assume in line with what the other City of Winnipeg workers got, might in the line of 5 percent.

**Mr. Gallant:** They are a part of CUPE 500. They are a part thereof and therefore they will receive any benefit achieved through that negotiation process, so that would put them, as I understand it, somewhere close to the \$21 mark per hour.

**Mrs. Carstairs:** I was also interested in your comment that you are trying to deflect the condemnation away from Manitoba Hydro and onto the government of the province of Manitoba where it belongs because Manitoba Hydro, I think, gave every indication of wanting to negotiate in good faith and it has been the government that has come along and done otherwise.

\* (0340)

I hope that the effect of your work will maintain the feelings of the workers because you are in, as the previous speaker was in, a very stressful occupation. Stress and the kind of work you do do not lead to good results if you find yourself, as you often do, in a potentially dangerous situation. Keep on encouraging your workers to direct their anger where that anger really should be directed.

**Mr. Chairman:** Thank you, Mr. Gallant, for your indulgence and your presentation.

We have one more name, Laura Steiman. Is Laura Steiman here? If not, I understand we will go back to the beginning of the list.

Number 1, Mike Zubriski; 2—

### Point of Order

**Mr. Ashton:** Point of order, Mr. Chairman, I thought the government House leader indicated he would not be calling individuals twice in one day. These were names that were called for the first time earlier today.

**Mr. Manness:** Mr. Chairman, I wonder if we could have about a two-minute recess so the opposition House leader and myself can have a discussion.

**Mr. Chairman:** We will adjourn for two minutes.

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The committee took recess at 3:42 a.m.

### After Recess

The committee resumed at 3:44 a.m.

**Mr. Ashton:** Mr. Chairperson, I have some committee—

**Mr. Chairman:** Just a minute, Mr. Ashton.

I would like to call the committee back to order. Committee in order.

### Committee Substitutions

**Mr. Ashton:** First of all, Mr. Chairperson, by leave, I would like to make some committee substitutions.

**Some Honourable Members:** Leave.

**Mr. Ashton:** I move that the composition of the Standing Committee on Industrial Relations be amended as follows: the member for Wellington (Ms. Barrett) for the member for Kildonan (Mr. Chomiak), the member for Broadway (Mr. Santos) for the member for Dauphin (Mr. Plohman), with the understanding, of course, this change will also be moved in the House on Monday.

**Mr. Chairman:** Agreed? So ordered.

**Mr. Ashton:** If I might have leave again to—

**Mr. Chairman:** Is there leave? Leave.

**Mr. Ashton:** By leave, that the member for St. James (Mr. Edwards) be substituted for the member for River Heights (Mrs. Carstairs), under the same understanding that be confirmed in the House.

**Mr. Chairman:** Agreed? So ordered.

Should we proceed?

**Mr. Ashton:** Mr. Chairperson, I stayed out of courtesy until quarter to four over objections on the process to hear presenters. If the government members of this committee wish to continue and, in this case, call names that have already been called earlier, that is their will, those are their rules. I do not agree with that. I will have no part of that.

Quite frankly, to my mind, it would be far more fair and logical if this meeting adjourned and not go through the farce of having people called twice in

one committee hearing. I realize it is now actually into a Sunday. I very strongly object to the process. If the minister insists on doing that, the government insists on doing that, I think it is unfair. I want to register that. I have no intentions of continuing to sit here any longer.

I have sat here, I know as have other committee members, now it is close to 18 hours. To expect that names be called twice on one day and the people should have had to sit here for 18 hours to be heard is the most absurd thing I have seen happen in any committee in this Legislature. I quite frankly am very surprised at the move of the government.

I would still suggest the more logical thing to do, even given the policy of this committee, would have been to leave the list where it was. If the government does not wish to do so, they have the majority, they can do what they wish.

**Mr. Chairman:** I call No. 2, Bernard Christophe.

**Mrs. Carstairs:** I just want a piece of clarification here. I understood we were meeting again at ten o'clock on Monday morning. By reading this list, are you now precluding that?

**Mr. Chairman:** No, we will meet at ten o'clock Monday morning.

**Mr. Manness:** Mr. Chairman, the committee has been called for Monday morning and it will meet at that time. I have made an offer to Mr. Ashton that if there were three or four presenters who he thought should come forward at that time, and if he still does, I will honour that word.

The committee still has been called for ten o'clock Monday morning.

**Mr. Ashton:** Mr. Chairperson, I want to indicate that I will have no part of what the minister has been suggesting. I told him that continuously. I have no intention of cherry picking three or four people I might know from the list. There are many members of the public. I do not know many of these presenters. It is not fair to them for this minister to suggest he is willing to come back on a selected basis.

I quite frankly am amazed that this minister, after we have gone through this process, throws this in. He indicated before on the record of the committee, as I understand it, that people would not be called twice. Certainly it was my understanding. This is a change once again at quarter to four in the morning.

I do not know why the minister is doing that, quite frankly, in terms of that.

He knows—I have indicated to him on many occasions—

**Mr. Manness:** You know why, because we had a deal.

**Mr. Ashton:** Well, the minister should know, I have said to him repeatedly, I will have no part of butchering the promise.

**Mr. Manness:** You broke your word.

**Mr. Ashton:** The minister says, I broke my word. I can say this minister has changed his indication of what the rules have been in this committee repeatedly. Mr. Chairman, he has broken his word to me in writing. He has broken his word to me repeatedly during this committee. What he is doing right now is not what he indicated to me several hours ago. It is not what he indicated.

If that is the way this Minister of Finance operates—maybe that is the way the Conservative caucus operates. This is a committee of the Manitoba Legislature. After 18 hours, I have had enough, and especially of this minister, who, after we had completed under his agenda, throws this in at the end. I quite frankly feel that he is wasting the committee's time even coming back on Monday. Why does he not just now clear out myself and the Liberal Leader and decide this as if this was the Conservative caucus?

We cleared through the committee now. Do what you want.

**Mr. Enns:** Mr. Chairman, Steve Ashton is deliberately misrepresenting the situation that is occurring here. I and other members of the committee distinctly heard him make the reasonable suggestion—and it is a reasonable suggestion, which the minister is prepared to honour. We would not expect people to wait here for this length of time to be called a second time.

He said—and you said, sir, all of us understood that you had spoken to individuals in the back who were leaving, and the minister said, fine, give me those names and we will hear them on Monday. That was the arrangement. I am prepared to put on record that I certainly heard—

**Mr. Ashton:** That was the proposal from the minister. I never accepted it. I said that right—

**Mr. Enns:** No, you offered that. I am sorry, you offered that. You said you had spoken to members

in the back room who were now leaving and would they be given a chance to make presentations. That is, sir, what is the case. That is the position the minister is prepared to offer. Thank you, Mr. Chairman.

**Mr. Ashton:** That is what the minister suggested. I never accepted that. That is not true—

\* (0350)

**Mr. Chairman:** Order, order.

**Mrs. Carstairs:** I do not agree with the Minister of Natural Resources (Mr. Enns). I think if we look at Hansard very carefully, we will see that Mr. Ashton did indeed say that he had spoken with a number of people who left. He did not, to my knowledge, at any time agree to then contact them and have them show on Monday, nor did he—

**An Honourable Member:** The minister acknowledged that he would do that.

**Mrs. Carstairs:** The Minister indicated that he offered, but there was no acceptance by Mr. Ashton of that, and I think Hansard will very clearly show that. It is very late, and we are all very tired, but I do not think words should be put in people's mouths, and I do not think there was any acceptance by Mr. Ashton of any conditions put down or laid down.

I have a concern about this. I had the impression, rightly or wrongly, that when we finished reading this list tonight that that would be it. I had no concept that we would go to the beginning again, and I can only assume that others felt the same way, particularly others who were in the audience and, therefore, I do not think that people who were contacting—let us be honest, there are labour representatives here, and they are making phone calls and they are bringing people in. If I was left with the impression that we would not go to the beginning of the list again, I suspect that they were left with that same impression and, therefore, I think we are doing them an injustice by going to the beginning of the list. That is all I am going to say on the matter.

**Mr. Chairman:** Thank you, Mrs. Carstairs. We will recess for two minutes. Committee stands recessed for a few minutes.

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The committee took recess at 3:51 a.m.

### After Recess

The committee resumed at 3:53 a.m.

**Mr. Chairman:** Would the committee come back to order, please? Item No. 2 is Bernard Cristophe; 1, Mike Zubriski, he is also item No. 139 and has already been read for the second time; 4, Roger Dheilly; 6, Bernie Atamanchuk; 8, Robert Ziegler; 9, Don Keith; 10, Nancy Oberton; 11, Hugh McMeel; 12, Colin Trigwell; 14, Karen Bell; 15, Lou Harries; 16, Jim Sanford; 18, Ron Fotti; 19, Darlene Dziewit; 20, Joyce Cameron; 21, Debbie Oram; 22, Karlene Grant; 23, Susan Rawdon; 24, Sandra Phipps; 25, Anita Evans; 26, Robert Whittle; 27, Pat Katwaroo; 28, Ron Cote; 29, Aline Audette; 30, Michael Jubinville; 31, Erskine Lord; 32, Gilbert Lorteau; 33, Luc Jegues; 34, Bernie LeBlanc; 35, Beatrice McTavish; 36, Colombe Mironuk; 37, Nadine Semenchuk; 38, Beverly Seman; 39, Shannon Kulesza; 40, Glory Lister; 41, Beverley Coates; 42, Malcolm Thomson; 43, Brian Dagg; 44, Michelle Massery; 45, Rosemarie Bailey; 46, Karen De Groot; 47, Terry Haberman; 48, Harold Oak; 49, Stephen Rich; 50, Victor Vaughn; 51, Brian Dick; 52, John Mitchel; 53, Dan Goodman; 54, Joanne Trakalo; 55, Jan Clayton; 56, Robert Northcliffe; 57, Colleen Pearce; 58, Marilyn Dark; 59, Connie Heppner; 60, Shirley Haarsma; 61, Blaine Vermette; 62, Jennifer Little; 63, Darlene Swiderski; 64, J.P. Petit; 65, Corey Pelland; 66, Dave Rossnagel; 67, Cliff Kitchen; 68, Sid Sibilo; 69, Scott Browning; 70, Jerry Towle; 71, Stephan Logan; 72, Bryan Drachenberg; 73, Debbie Enstedt; 74, Lila Hornby; 75, David Watts; 76, Gary McGowan; 77, Harry Carr; 78, Dale Clarke; 79, Bruce Kennedy; 80, Marjorie Robinson; 82, Ron Wally; 84, Randy Diduch; 85, Harold Kelly; 86, George Smith; 87, Ned Funk; 88, Ken Wonnek; 89, Des Booker; 124, Frank Goldspink; 125, Cliff Anderson; 126, Harold Shuster; 127, Barrie Farrow; 128, Deny Kaiouac; 129, Gene Fontaine; 131, Denis Belcourt; 347, Brian Timlick; 348, Tim Bell; 350, Ken Hildahl; 375, Jasper Robinson; 376, Michael Roberts; 377, Bernard Woods; 378, Denis Fitzpatrick; 379, David Orlikow; 531, Laura Steiman.

Are there any more presenters? I call a second time, are there any more presenters? If not, Mr. Minister.

\* (0400)

**Mr. Manness:** Mr. Chairman, now that all of the presenters have come forward to give great input to



Bill 70, I would move that on Monday morning at 10 a.m., the committee begin to hear clause-by-clause with respect to—Mr. Chairman, there is an individual whom we had said that we would hear Monday morning. His name was Lang, and I would in my motion move that the committee hear him, and secondly, after hearing Mr. Lang, that the committee begin clause-by-clause consideration of Bill 70.

**Mr. Chairman:** Agreed?

Motion that the Standing Committee on Industrial Relations hear Mr. John Lang on Monday, July 15, at 10 a.m., and after his presentation begin clause-by-clause consideration of Bill 70.

**Some Honourable Members:** Agreed.

**Mr. Chairman:** Agreed and so ordered.

**Mr. Manness:** Mr. Chairman, I move committee rise. I am sorry.

**Mr. Chairman:** I believe we have a committee change.

### **Committee Substitution**

**Mrs. McIntosh:** Mr. Chairman, I move, with leave, seconded by Mr. Sveinson, that the composition of the Standing Committee on Industrial Relations be amended as follows: Mitchelson for Praznik; Ducharme for Render, with the understanding that the same changes will be moved in the House on Monday.

**Mr. Chairman:** Agreed? Agreed to the changes?

**Some Honourable Members:** Agreed.

**Mr. Chairman:** Agreed and so ordered.

Committee rise.

**COMMITTEE ROSE AT:** 4:03 a.m.