



Fourth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

STANDING COMMITTEE

on

ECONOMIC DEVELOPMENT

42 Elizabeth II

*Chairperson
Mr. Jack Reimer
Constituency of Niakwa*



VOL. XLII No. 12 - 9 a.m., TUESDAY, JUNE 22, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

Tuesday, June 22, 1993

TIME — 9 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRPERSON — Mr. Jack Reimer (Niakwa)

ATTENDANCE - 11 — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Enns, Manness

Messrs. Alcock, Ashton, Dewar, Helwer,
Laurendeau, Pallister, Penner, Reimer, Storie

APPEARING:

Kevin Lamoureux, MLA for Inkster

Darren Praznik, MLA for Lac du Bonnet

WITNESSES:

Lillian Boudierlique - Private Citizen

Myrna Phillips - Private Citizen

Ron Wally - Manitoba Association of Health
Care Professionals

Brenda Froese - Private Citizen

Clarence Clarke - Private Citizen

Susan Hart-Kulbaba - Manitoba Federation of
Labour

Neil Harden - Professional Institute of the
Public Service of Canada

George Bergen - Private Citizen

Maureen Hancharyk - Manitoba Nurses Union

Glen McCoubrey - Private Citizen

MATTERS UNDER DISCUSSION:

Bill 22—The Public Sector Reduced Work
Week and Compensation Management
Amendment Act

* * *

Mr. Chairperson: Will the committee on
Economic Development please come to order.

The committee will continue to proceed with
public presentations on Bill 22, The Public Sector
Reduced Work Week and Compensation
Management Amendment Act.

I have a lengthy list of persons wishing to appear
before this committee. For the committee's benefit,
copies of the presenters list has been distributed.

Also, for the public's benefit, a board outside this
committee room has been set up with a list of
presenters that have preregistered. I will not read
the list since members of the committee have
copies. Should anyone present wish to appear
before the committee who has not already
preregistered, please advise the Chamber staff at
the back of the room and your name will be added
to the list.

At this time I would ask if there is anyone in the
audience who has a written text to accompany their
presentation. If so, I would ask you to forward your
copies to the Page at this time.

As moved by motion at the first committee
meeting, this committee agreed to hear out-of-town
presenters first, whenever possible. At this time I
would ask all those who are present and from out of
town to please raise their hands and the Clerk will
circle your name on the list. There is one out of
town. The Clerk will come and get your name then,
Madam.

I would like to remind all members and the public
that there are three committees scheduled to hear
the presenters on Bill 22. The meetings will take
place on the following days: today, which is June
22, from 9 a.m. to 12:30 p.m.; Thursday, June 24,
from 7 p.m. to 12 midnight; and on Friday, June 25,
from 1 p.m. to 5 p.m. The meetings will take place
in this room, which is Room 255.

We will now continue with public presentations to
Bill 22.

Will Marion Bernier please come forward?
Marion Bernier? Myrna Phillips—

An Honourable Member: There was a person
from out of town.

Mr. Chairperson: I am sorry, Myrna. There was a
person from out of town, and we did agree to hear
her first.

Number 14, Lillian Boudierlique, do you have a written presentation?

Ms. Lillian Boudierlique (Private Citizen): I have a written presentation.

Mr. Chalrperson: You may proceed.

Ms. Boudierlique: Thank you.

What is the point? It is illegal. We have a contract.

Good morning, ladies and gentlemen. The comments I have just made were ones that were made by fellow employees when they heard that we were being laid off for 10 days this year. I agree with them.

Who am I? My name is Lillian Boudierlique, and I am a civil servant. I got my position because I was the most qualified applicant, not because I was a politician's wife or a friend of a politician. I have worked for the province as a clerical supervisor for 19 years and until now have been very proud to do so. I was, as my records will show, the type of employee who worked through coffee breaks and five years ago spent, for 18 months because I was seconded to Winnipeg, two hours a day driving on my own time and numerous unpaid hours of overtime to help bring assessment reform into being. I was supplied a government vehicle which, unlike the Minister of Finance (Mr. Manness), I gassed up and washed on my own time.

Why did I do this? Because, ladies and gentlemen, I really did care about my job, but I can assure you I will not do that again. As of a few months ago, I now work seven and a quarter hours per day, as required, and I take my coffee breaks, for what is the point? Why care?

My husband and I, collectively, make approximately \$46,000 a year doing three, not two, three jobs, 1.5 each. That is gross income, not net, before taxes, UIC, pension, et cetera. We have to pay income tax on every single dollar of that income. You, I understand, have salaries of approximately \$42,000 and only pay tax on two-thirds of it. Why?

I have to wait until I am at least 55 years old before I can take my pension, while you get a pension after eight years or two complete terms. Some of you get perks or expenses of \$19,000 which is tax free, while I am told there is no money to pay me for a full week of work, let alone overtime.

There is enough money to bring in an American consultant for \$4 million to do the work that hospital administrators are supposed to do. There is \$65 million to divert a river to the Pembina valley whose representatives just happen to include the Minister of Health (Mr. Orchard) and the Minister of Finance (Mr. Manness. Mr. Harry Enns also intimates that there is enough money to try to secretly give yourselves a raise.

Three years ago you imposed a zero percent increase on my fellow employees and myself. You did it in the guise that this was to prevent further layoffs and reduce the deficit. Many of my fellow employees believe that keeping quiet would save their jobs. Since then, you have laid off hundreds, if not a couple of thousand, more.

Civil servants on April 29 of this year received a letter from the minister of the Civil Service claiming that a 10-day layoff was necessary on the grounds that it prevented the need for substantial layoffs. I noted with interest this morning the news media reported that there could be 600 people laid off at the Hydro. Since then, 49 speech therapists and psychologists, 60 employees of the Children's Dental Program and 58 engineering aides have been laid off, and I might point out the deficit has gone up. How much more? How many more? Why should we believe you? What is the point?

You have told the general public, which I might inform you includes me, therefore I am your employer, that there will be no service reductions to them. How can you justify this? Common sense tells them that if they really want to access or converse with their respective government departments and agencies for four days a week instead of five, then it has to be a reduction in service.

Just think, last year if you had a car accident on Friday, you had to wait to see an adjuster till Monday, two days. That was an inconvenience. Now if you have an accident on Thursday on certain weeks you will have to wait till Monday, three days.

* (0910)

On Friday of just last week we had reason to phone the business office of the telephone company, only to hear: We are sorry, the business office is closed today in support of the Filmon cutbacks. I did not know that before I phoned. If that is not a reduction in service, what is?

I am an assessment clerk. One of my duties is to make sure the newly registered owner obtains the correct documentation pertaining to property tax bills. There are certain deadlines that must be met. We have a hard time meeting those deadlines now, even with the freebie overtime, let alone with losing 10 days and no overtime.

These are only three very simple examples that the ordinary general public uses, and they do not include important departments like Health, social services and Education. There are many, many more.

I, and I think most other civil servants have always tried to give service to the public, but what is the point? Why even try when you take away the time to do it?

On Saturday, I was at Darren Praznik's constituency office and pointed out that his office will be open on Fridays. He said he will be working for free and I should try to do the same. Well, Mr. Praznik, I have pointed out I used to work for free with all the unpaid overtime. Where did it get me? I also complete old age pensioners' and others' income tax for free, but at least that gives me some satisfaction. What about Mr. Praznik's assistants? Are they working for free also? I do not think so. Surely it is more important to bring service to the public than promote your own political careers.

The Finance minister has said that we must all share the pain, but why must some share more than others? My husband and I not only get this 5 percent rollback, but because he has an ileostomy it will cost us \$85 a month more, up to \$300, for his ileostomy bags that he cannot live without. This is an imposition, as far as we are concerned, of the beginning of user fees for medical service.

Count on top of the other expenses your budget imposes on us and you will find a dramatic reduction in our disposable income. How can the chamber of commerce and business think that this is a good idea? Surely, they can see that we 15,000 public employees will have no choice but to cut back on our spending, which in the long term will affect them. Surely they can see that it makes no sense to be removing this amount of money from the economy at the very time Manitoba is trying to recover from the worst recession since the '30s.

At the beginning of this presentation I made reference to the bill being illegal. I have been

taught that a contract is a contract. If, for instance, I buy a car for \$10,000, I then cannot drive that car off the parking lot and say I will only pay \$9,000. If I agree to a mortgage of \$60,000 for my house, I cannot move into the house and tell the bank they are only going to get \$55,000.

You and I know I would get sued real fast. It would be nice, but I would get sued.

Please tell me what is the difference between the contract I have with you through the collective agreement? Article 201 to 205 of the clerical agreement states, among other things, that employees shall work seven and a quarter consecutive hours per work day, exclusive of meal breaks, and 36 and a quarter hours per week. This contract was for a three-year period, at your insistence.

I would also like to know if the government is considering bringing in legislation to reduce other contracts they have made, like rents for office space, highway contracts, et cetera.

I can assure you at our upcoming convention our union hierarchy will be urged to follow the legal aspect through to the Supreme Court if necessary. Our contract will be open for negotiations next year. What will be the point of even starting discussions when with the stroke of a pen you can negate everything we agree to? The Labour Relations Act with you is a farce. It might just as well not exist as far as you are concerned.

Finally, how will I cope with a 10-day layoff? Well, I am one of the lucky ones. I am no longer a single mother or a young person trying to buy a house or a young person living from paycheque to paycheque. I have paid my dues in that respect. But I am considering getting a part-time job, another one. This will probably do some poor student out of a summer job. I will cut back on my purchasing. I have no choice. I will definitely not be able to give to charity like I used to. I used to take the grandchildren to McDonald's for lunch occasionally, but not anymore. I may just stay home on Fridays and work in my garden and dream of a retirement in three years or so and hope the government does not take that dream away from me also. Thank you.

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

Mr. Steve Ashton (Thompson): I want to thank you for your perspective on a number of items, and

I particularly want to focus in on what you said in terms of the contract because this is one of the things that has bothered me about what the government has done is the fact that if you or I wanted to unilaterally just say we were not bound by a contract, we could not do that. We would end up in the courts.

But what the government did in this particular case is they first said they thought they could do this through the collective agreement. When they found out they could not, they brought in legislation. I am just wondering in terms of—you have given your perspective, but what are other civil servants saying about this? Do they think it is fair that a government can unilaterally rewrite a contract such as a collective agreement?

Ms. Bouderrlique: Absolutely not. One of the comments that I have heard is, my God, I was short of money last year. Could they give me a raise immediately because I did not have any money? We have a contract.

Mr. Ashton: I note, too, you have referenced your own family circumstances, and this is something we have heard from a lot of people who presented before the committee, that this hits pretty hard. I mean, in your case combined income of \$46,000 doing three jobs.

I am wondering if you could give some idea of what you make, because I think that is maybe—and I do not mean to pry here, but I think it is important for some of the government members in the committee to understand how much you make in a year for working for the government.

Ms. Bouderrlique: Mr. Ashton, I am a senior clerk. I supervise. I make around \$34,000, \$35,000 a year.

Mr. Ashton: What will that impact, the 3.8 percent, be to you on an average paycheque?

Ms. Bouderrlique: I believe it works out to about \$50 per paycheque or \$100 a month. I have not really seen what it comes out to, but that is approximate. We will know this Friday apparently.

Mr. Ashton: I am just wondering, because some of us have likened this to a tax on civil servants, if you could give some idea, because to my mind \$100 a month, if that was a tax on the general public, there would be a riot. I mean, let us put it very bluntly—\$1,200 a year—and this is the same Minister of Finance of the government saying that they have not raised taxes. To my mind, it is a tax.

I would just like to ask you, in your mind, is this equivalent to a tax on civil servants?

Ms. Bouderrlique: I do equate this to a tax. Like I said, with all the other budget cuts, this is going to affect us dramatically. It is ridiculous, but my neighbours do not have this kind of an imposition put upon them. They are working five days a week. Right now, the public does not think much of the civil service. One of the reasons being is because we have to implement the government policies.

What do you think this is going to do now? They are going to look and they are going to say, oh, the government is giving you another 10 days vacation. They do not see my paycheque that has gone down. This is a kind of a tax on me.

Mr. Ashton: I find it interesting what you mentioned, because it has got to be a bit frustrating. You know, you are implementing government policy on a daily basis and as you said, if people are mad at the government, they will take it out on civil servants. At the same time, you are getting hit by a government policy as well. So it is sort of a double whammy.

* (0920)

I am just wondering in the case of Steinbach and the people you know, if there are other people in the community who are affected by this, other civil servants, because I think sometimes in rural and northern communities in particular, there is a tendency to forget how many people can be affected and how much of an impact they can have on the local economy. I mean, you pointed out your own personal circumstances that you obviously will not be in the position of purchasing as much and spending as much in your local economy, but approximately how many other people are you aware of that would be in the same situation in your local area?

Ms. Bouderrlique: Because of decentralization, we have some other departments that have moved into town, just in the Steinbach town. I am not sure about the surrounding area. I am not an economist so I do not really look at how much it is going to bring down the spending reduction, but it must bring down an awful lot. I know of people that I work with, and I work in a small department, one was going to buy new bedroom furniture this year. She is not. Another one was going to buy a house. They are not because of the fact that they are scared stiff of their jobs. They have heard there are

further layoffs coming, and therefore they are not spending. If they do not spend, the economy of the town has got to go down.

I noticed with interest the other day something that has happened in Steinbach that is a thriving community. We now have a pawnbroker's shop. We have never ever had a pawnbroker's shop in Steinbach. In the last month or so, one has started up.

Mr. Ashton: Well, it is an interesting fact in terms of that. [interjection] Well, it is. I hope the member for Emerson (Mr. Penner) would pay attention to what is happening, in terms of the economy in Steinbach, and that is what I am trying to get some picture of in this particular case. If we were to take your situation, for example, and to take 50 people in the same situation, that would be \$50,000 out of the local economy.

Ms. Bouderville: Absolutely. There are more than 50 people that are in the public sector in Steinbach. [laughter]

Mr. Ashton: I am not sure what is so amusing about a pawnshop.

Ms. Bouderville: I do not think that it is amusing that there happens to be a pawnshop in Steinbach.

Mr. Ashton: Another question as well because—

Mr. Jack Penner (Emerson): We used to call them secondhand stores.

Mr. Ashton: The member for Emerson says we used to call them secondhand stores. Pawnshops are not secondhand stores.

Mr. Chalperson: Order, please. I would remind members that we are questioning the presenter here around the table.

Mr. Ashton: The other question I wanted to ask and I think you hit another point, something we have raised. Every time the government does something, they say it is to, you know, prevent layoffs. I think it was used on Bill 70 and there were still positions eliminated and people did lose their jobs.

They have said it on Bill 22, that it is to save so many jobs, but there is no commitment from the government to prevent further positions from being eliminated or layoffs or anything of that sort. I just want to ask you—it is a very straightforward question—do you believe them when they say that Bill 22 is going to somehow save jobs in the civil service?

Ms. Bouderville: Why should I believe them? Their past record has shown that they lie. I am not sure if you can say that in committee hearings, but they lie. It is as simple as that. We are supposed to pull in our belt to save jobs, and it does not happen.

Mr. Chalperson: Mr. Storie, I believe there are only about two minutes left for the presenter.

Mr. Ashton: I just want to thank the presenter. I just want to say that we cannot say that in a committee, but certainly it is your right as a member of the public to judge the government, and I think that is increasingly clear on Bill 22. People will judge the government on it.

Mr. Jerry Storie (Flin Flon): Ms. Bouderville, first of all, thanks for your presentation. As you know, the government originally claimed that it was going to save probably \$100 million, perhaps in excess of \$100 million. Since that time, they have backtracked on a number of their, I guess, proposed closures.

In my constituency, the South Indian Lake ferry, a ferry which is the only means of access during the summer to the community was about to be closed. Yesterday, in the Legislature, or the day before, the minister finally came to his senses and said, no, they would not force that closure. So they are not going to save the money.

My question however is, since many large companies in the past few years have gone through cost-saving exercises, I am wondering whether you, as a supervisor, as a front-line employee, had been consulted, whether you were asked, whether in fact you could find the roughly 2 percent that the government has chosen to take off as a tax on employees. Did they ask you whether you could find a 2 percent saving in your department?

Ms. Bouderville: Sir, that is very interesting, because not too long ago I watched some bureaucrat come on TV and say our civil servants are being consulted. We are saving all sorts of money listening to them.

I never got a phone call. I did not get one phone call. I do not know anybody that did in the civil service. When I brought that up and started asking, did they ask you, did they ask you, they said no.

Nobody has been consulted in our department, and in fact as a clerk, I am sure that they would not listen to me anyway.

Mr. Storle: Thank you for your presentation, and could you find 2 percent if you were asked?

Ms. Boudierlique: I probably could.

Mr. Chairperson: Thank you very much for your presentation, Ms. Boudierlique. As previously agreed, we agreed to listen to out-of-town presenters. I believe that was the only out-of-town presenter that made him or herself known.

Therefore, I will start at the top of the list and call Marion Bernier again. Marion Bernier? Then call on Myrna Phillips. Do you have a written submission? No? Okay, you may proceed then.

Ms. Myrna Phillips (Private Citizen): Before I proceed, Mr. Chairperson, may I ask, through you to the minister, whether my appearing before the committee will have any repercussions on my job?

Mr. Chairperson: I am not in a position to make that type of commitment or assumption, unless there is some sort of direction that I could seek from the committee.

Ms. Phillips: . . . I ask through you, Mr. Chairperson, to the minister in charge of this legislation.

Mr. Chairperson: I guess I can ask the will of the committee if the question can be asked. Is it the will of the committee?

Hon. Clayton Manness (Minister of Finance): Well, Mr. Chairperson, my response will be very short. Ms. Phillips knows very well that there will be no imposition. I mean, she is more overtly political than I am and always has been, and I do not have to really overly dwell on an answer to a question of that nature.

Ms. Phillips: Mr. Chairperson, I do not know if that was a yes or a no.

Mr. Chairperson: I can only assume that you can make your presentation, Ms. Phillips, and the direction of the committee, the way I am interpreting it, is that there is no imposition on your making this presentation. So you may proceed.

Point of Order

Mr. Ashton: Well, Mr. Chairperson, we are not in Question Period. I know in Question Period the government does not have to answer questions, and I think it is a straightforward question. I mean,

all the minister has to do is I think make assurance that any member of the public that comes before this committee will not in any way, shape or form face any repercussions in their employment. When you are dealing with the civil service—believe you me, I have talked to people who are not here because they have told me they do not want to risk their employment, and I think it is a very legitimate question. We would like just a straightforward answer. All the minister has to do is say, of course not. No one will be impacted in their employment. I think it would be very useful to this committee if the minister could just make that statement on the record.

Mr. Manness: Mr. Chairperson, I am just trying to keep my cool here. I resent the question so much that I have a hard time even putting together an answer. I will not be blackmailed to give any answer.

We know very well, and I say to my honourable friend the member for Thompson (Mr. Ashton), he knows better. I do not mind using this as a spectacle for whoever wants to make presentation on this bill, but I think it is highly out of order that the government be asked a question like that. We know the long-standing traditions of all governments. I have never ever chastised the NDP for all the years that I sat in opposition, and the presenter at times chaired these meetings, or at least if not chaired these meetings was in the highest position of impartial judgment within the House. Never did I ever see a question put to the NDP like this, and I am shocked that somebody would drop that low to put a question of this nature to the government.

This government, in all of its activities through significant reductions in positions within the government have had the Civil Service Commission—thank goodness, we have it—impartially adjudicate to make sure that the process that was followed was the correct one. I dare say if what the members are saying, if what they are trying to get from me, is that if you make a presentation at this committee, if 15,000 public servants made a presentation at this committee, and that the government, then was hamstrung for making the choices that it is responsible to the citizens to make, then I would say, what a sham.

* (0930)

What an absolute sham! Believe me, my regard for members opposite who would put that question to the government certainly has fallen. If the members want me to give a general acceptance that nobody will have attribution directed their way as a result of making presentation at this committee, as a general principle of course, there will not be.

But, I mean, to be asked a question of that nature—I better stop now.

Mr. Penner: Mr. Chairperson, you asked what the will of the committee was, I would suggest to you that the question is highly out of order. That is not only a leading question, but it is a demanding question, therefore I would suggest to you that you rule it out of order and ask the presenter to proceed with her presentation.

Mr. Chairperson: The question was put before committee, the will of the committee has been heard. The answer has come forth.

* * *

Mr. Chairperson: You may proceed with your presentation, Ms. Phillips.

Ms. Phillips: Mr. Chairperson, I am pleased to hear that the long tradition of anyone being able to present at this committee has been reaffirmed. The reason I asked the question is that one of my colleagues, in fact the person who was to speak that you called first this morning, was told she was not able to come or there would be severe repercussions on her job.

I wanted to make sure that was not the case. In fact, it was intimidating enough that I did consider this morning not coming, but I am on union leave. The union is paying my salary this morning to be here, and I will proceed with my presentation.

I am the director of the social science component for the Manitoba Government Employees' Union. In that capacity I have been going around the province. I have been to all regions of the province speaking to my brothers and sisters who have been affected by this legislation.

These are employees, Mr. Chairperson, who deal on a one-to-one basis with people who have serious problems, whether they be financial problems, emotional problems, whatever. These are people who are facing daily an increasing caseload because of the economy of this province.

I find that having this bill before an Economic Development committee of the Legislature is almost an oxymoron in that to put a Tory government and economic development on that same statement is like military intelligence, unfortunately.

These are people who daily are finding that not only are their caseloads increasing, but that their cases are becoming much more complex. So, for instance, if in past years when someone was a probation officer and they were dealing with a person who, say, had been incarcerated because of a crime that put them under provincial jurisdiction, when that person was released from Headingley or wherever, they were dealing with trying to integrate them back into the community. They were dealing with having them try to find employment, helping them to reunite with their families. Now they are finding those cases have multiple problems. This might be a person who was abused as a child, who came from an abusive home, who has multiple kinds of problems. They can be suicidal, they can be very desperate, they can be very disturbed. They can be very angry and they can be very hostile.

The civil servants who are dealing with these critical cases are the front-line workers between these people and society. They are the ones that you are putting your faith in and your trust in to help them overcome these problems and become productive members of society again. Whether we are talking about the institutionalization of people from Brandon mental hospital, whether we are talking about people who are mentally challenged, our members are the ones that are working to keep them functioning, to keep them employed, to help them with their family problems.

Where that breaks down, when their caseloads get so heavy that we cannot possibly reach out to all the people who need help, then you end up with really serious problems. Sometimes I feel people think that all these troubled folk are just in the core area of Winnipeg, but they are everywhere throughout the province. I think you only have to look at the increase in very serious, unusual crime in rural areas to agree with that statement, and you should be looking at these kinds of social problems and adding more staff to deal with these increasing numbers and increasing complex cases.

So, for instance, when you have someone shoot a person at a bus stop, when you have the tragedy

that happened in Elie, when you have the tragedy that happened at Graysville at the festival, when you have the young fellows down by the border who shot that farmer, these are all out in your area.

These are the people that the civil servants in my component, my brothers and sisters, are dealing with every day or are called upon to deal with. We are the one that have our fingers in the dike.

When you talk about laying people off, when you talk about cutting back 10 days this year, and certainly your legislation includes 15 days and is over a two-year period, I would assume you have full intentions of exercising that in the next fiscal year. When you are talking about 15 days—and I do not have my crystal ball with me—but I would suppose that your intention is, if this goes over well with the public, that you would be moving to a four-day work week after this two-year period.

When people are in desperate circumstances, to leave them for that length of time without resources, I would say, is cruel in the utmost. We are talking about this being the solution to no more layoffs, and I think my sister previously outlined a number of layoffs that have taken place since this legislation was tabled.

* (0940)

I also understand that the home support workers are going to be cut from the Home Care Program. That means that invalid people who have in the past relied on civil servants to come in and help with their housework are no longer going to be able to stay in their homes unless they can afford to hire privately.

I understand that people who have been receiving that service have received letters telling them of the private services that are available in their community. So it is not just a layoff in that circumstance. It is also a privatization. If you think that you are going to save money by farming that work out from having the civil servants who have been doing it most efficiently, I think that you will see down the road as you have with other services, like the Queen's Printer, that that is not going to be the case. It is most false economy.

The other problem that is happening with members in our component is that there are less resources available to them as workers to help them in dealing with all these cases. There is no training. The training budgets were cut, what two, three, four years ago? There is no training

whatsoever. They are talking to me about increased stress on the job. They are talking about intimidation. They are talking about burnout, and basically what they are telling me is that they are victims of the politics of fear, if they speak up about the conditions under which they are working that there would be severe repercussions.

These are people who are already doing six and seven days work in five. They are overloaded. You have a probation officer in Thompson who has a caseload of 200 people. Now, how do you expect her to deal with 200 people in any meaningful way?

These people are now going to be expected—for instance, yesterday, before I left work at twenty after four I went into my wonderful modern message manager—14 phone calls. Now, how does a person return 14 phone calls in 10 minutes, and that was the first chance I had all day to retrieve those messages. Now, you have to make a quick assessment as to whether any of those are critical calls, just from the small message they leave on the answering machine. It is not like when we had a clerical person answer it who was able to determine whether that was an emergency situation.

So we do not have those people as backup. We have to make all those assessments ourselves on the spot, under severe pressure and very difficult working conditions. There has been no staff increase at the working level. I was absolutely appalled in your latest reorganization. For instance, in the Department of Education, where the directors used to report to an ADM, now you have changed the name of director to manager, and you have put eight directors in there so that they can tell this person to tell that person, and heaven knows what the message is when it gets up to you after it goes through all these people, but there are no more people at the working level. They are dealing with numbers that you can only, just in your wildest imagination, imagine.

The sister before me talked about productivity and morale, and I want to just touch on that briefly. When I first started in this department five years ago, many of us stayed until six, six-thirty, seven o'clock to get people's assistance out. We are not doing it anymore. The number of hours that you have lost, both with Bill 70 and then since this was first talked about, there have been thousands of hours of volunteer work that you have lost.

People are at the point where they say, if they do not care, I do not care. These are people who are social workers, who have had a very high degree of commitment to their clients and to their jobs. You have lost that. It is almost impossible to imagine what you could do to turn that situation around.

They do their jobs. They do them efficiently. They do them to the best of their ability under the circumstances, but there is that kernel of caring that you are denying the clients. Not only are these people going to have to do six or seven days work in four, but many of them, being single parents or where there are two-income families, are going to have to pay for daycare for the day they are not at work. That is the only way that they are going to be able to save their daycare spot. They have been told, you want to keep your daycare spot, you pay for the Fridays.

You have lowered the subsidy level or the income level for subsidy to such a degree that there are many, many parents who are having to pay the full shot for daycare, even though their wages were frozen and are now going to be decreased. If you do not think paying four Fridays for one or two children in daycare is an extra burden on a decreased salary, not to mention what it does to the staff at the daycare centre if there are not those children there—they do not need the staff. The ripple effect goes on and on. My sister talked about the ripple effect in the retail economy. If you look at what is going to happen to the daycare centres over this—I do not even think you have considered that.

I have been out to meetings in your constituency, Mr. Minister. I have had people from Morris, Manitou, Morden, Winkler, Carman and St. Claude talk to me about the number of calls they took on their own at home, because people in the community know that they are the civil servant who deals with those particular social service issues. It is nothing for them to get a call on a Sunday afternoon where they have to counsel a person for two or three hours on the phone. They are not going to do it anymore.

They are just not going to give any more. You have an on-call system through this plan. It is the most ridiculous thing I ever saw, frankly, the outline of how this is going to be implemented. I have never seen anything quite so contradictory.

First of all, it says: All government administrative offices will be closed to the public on 10 corporate closure days. I thought we were government, not a corporation. No alternative closure days will be permitted, and then it goes on to say: Most employees will be required to take their leaves of absences on closure days.

So there is a system here for people to be on call for the same normal way they are on Saturday and Sunday, to be on call on Friday. If the staff person is on call that day, they will take the calls. If they are not, they are not going to do it anymore for free.

Then this goes on to say: All government offices and most other operations will be subject to this model. We have all kinds of instances where people are expected to come in to a closed office and work on a Friday, where the program as outlined says that if the office is normally closed on Easter Monday, and if it is normally closed on December 24, then that will not happen, that that office will be closed on the Friday, and yet there are instances where they are expected to volunteer to come in on the Friday. If they do not volunteer, then they will be told which Friday they have to come in on.

In terms of economic development, the only growth industry that this government can boast about is the fact that the welfare budget is growing by leaps and bounds. That is the only area in which there is a growth industry. I was absolutely amazed last week when I sat at committee hearings to hear the minister ask the presenters for advice on what else he can do. It seems to me that after six and a half years of listening to the Minister of Finance (Mr. Manness), I thought that he had all the answers.

I thought that as soon as he got rid of the payroll tax, as soon as he got the shackles of government off the backs of free enterprise that this province would just blossom, that they were the smart managers. They were the ones who could fix it if only the government of the day would get out of the way, they would have all the economic answers to get this province back on its feet. I have not seen any evidence whatsoever. In fact, this retrogressive, dangerous labour legislation—and I do not understand why the Minister of Labour (Mr. Praznik) is not the one trying to defend it. It is labour legislation after all.

* (0950)

Mr. Chairperson: Excuse me. Order. I would like to remind you your time has expired, Ms. Phillips.

Ms. Phillips: It has expired?

Mr. Chairperson: Yes, it has. Thank you very much for your presentation. I have already allowed an extra four minutes because of the point of order for the presenter. I am sorry, but the time has expired.

I would now like to call on Ron Wally, the Manitoba Association of Health Care Professionals. Mr. Wally, do you have a written presentation? You may proceed, Mr. Wally.

Mr. Ron Wally (Manitoba Association of Health Care Professionals): The Manitoba Association of Health Care Professionals represents over 1,300 professionals employed in both the public and private facilities across Manitoba. I think it is important to note that, from our perspective, when it is convenient we get lumped in as civil servants, and when it is also convenient we get lumped in as part of the private sector. So most of our membership is caught in a never, never land of neither being civil servant nor being private.

More than 95 percent of our membership is female. Many of our members work in highly specialized fields such as tissue typing. There are only two technologists in the province who perform this vital service necessary to determine successful kidney transplants. I believe in the presentation that I presented you on Friday, I had the word "liver" in there. It should be "kidney."

We also represent the one and only EMG technologist in the province. Many others of our technologists work in rural or small northern communities which have great difficulty in recruiting and retaining trained laboratory, radiology or cardiology technologists. Communities such as Snow Lake, Gillam and Lynn Lake require their technologists to be available for emergency work 24 hours a day, seven days a week, 365 days a year. That is a pretty rough requirement when full staffing is only two technologists and in Snow Lake's case, one.

(Mr. Jack Penner, Acting Chairperson, in the Chair)

Many communities and facilities lack the resources to supplement these services. Others such as the radiation therapists—and currently there are about 30 radiation therapists in the

province of Manitoba—who are employed at the Manitoba Cancer Treatment and Research Foundation, have to cope with a six-week waiting list for patients who require timely radiation treatment for their afflictions. Only with the recent hiring of an entire graduating class of new grads has the foundation been able to operate at full staffing in this vital area.

Westman Lab in Brandon has been forced to cope with three-week waiting lists for certain lab tests and only recently were given approval to hire the equivalent of four new technologists to deal with an ever-increasing workload of referred-in lab tests from all over western Manitoba.

Larger northern facilities such as Thompson have barely enough staffing to manage the shift rotation necessary to provide proper services and emergency services over evening and weekend and night periods. Agencies such as the Community Therapy Services, which provides a province-wide service of physiotherapy and occupational therapy to small hospitals, nursing homes, personal care homes, and personal residences across Manitoba, are currently struggling to keep sufficient therapists on staff in order to provide expert community-based care.

The impact of Bill 22 will have some major consequences in the provision of services to patients and clients that use our health care system for the maintenance and preservation of life and limb. Timely cancer treatment will be less timely. The equivalent of 300 days of therapy will not be available to a system that currently has an extensive waiting list.

The loss of up to 10 days this year and the possibility of a further 15 days of pay next year will not discourage those five new grads from considering positions in other jurisdictions such as B.C. or Texas where the pay is greater and the threat of layoffs less.

The association has taken its responsibility for negotiating fair and reasonable contracts for its varied membership seriously. It adheres to the provisions of voluntary essential services in the health care field with all its public facilities. All agreements, we believe, are vetted and approved by the Ministry of Health, negotiated freely under the watchful eye of the Ministry of Labour and within the strict guidelines of The Labour Relations Act.

The imposition of forced days off without pay in the light of the increasing need for its members' services, would suggest that the government does not take this agreement seriously, a situation, if true, that causes concern for all of our members. The association, in its latest round of difficult bargaining, came to a settlement in early December of '92. In fact, we are still signing those agreements, and on Thursday, I have to go up to Ashern, which has two therapists, or two technologists.

In those agreements we acknowledged that the government did indeed have financial difficulty. As taxpayers and Manitobans, who firmly believe in our health care system, we came to a meagre settlement which provided for no increases in the first year.

(Mr. Chairperson in the Chair)

The association's membership expects its elected government to honour that agreement.

Bill 22 as it is written casts great doubt on our process of collective bargaining in Manitoba, a process which has survived the test of decades. Approximately 35 percent of our membership works in part-time or casual capacities. Many others are principal or sole breadwinners in their families, lots of single parents, attempting to create a better life for their families and communities. Most are not well paid for the education and training they possess, nor for the services they provide.

The equivalent loss of 3.8 percent in pay over the course of a year will add considerable stress and strain to people who, in 1992, received no pay increase, and in 1993 received a 2.02 percent increase, while food, housing, clothing, telephone, hydro, Autopac and the like have increased their costs.

The advent of health care reform has seen considerable strain and stress occur in the workplace. Employers have responded to the new reality by cutting back positions, declassifying people to lower classifications, hiring a larger percentage of lower paid and less trained personnel, and by changing full-time positions into part time, part time to less hours and to casual positions.

Short-term vacancies due to maternity leaves, sickness or vacation are simply not replaced. Employees, because they are concerned about their patients and clients, are more apt to come to

work sick rather than stay home to recuperate because there are no replacements for their absences. So smaller community facilities, outpatient services are simply cancelled.

Bill 22 will simply exacerbate the situation and lead to more stress in our system, which will result in poorer morale, more absenteeism and lesser services to those most in need. Should the bill be passed, there is fear that the effects of Bill 22 may not be evenly distributed to all public facilities in an equitable manner.

For example, management does not appear to have to take the same equivalent number of unpaid days. It would appear that in some areas, management could take less days off than their employees just so long as the 3.8 percent equivalent reduction in pay takes place. The association believes that service delivery will be significantly lessened if Bill 22 is implemented as proposed.

For example, many of the therapists who currently provide services to rural facilities and communities do so on a one-day-a-week, or a half-a-day-a-week basis. Many places and homes are visited on a once-a-month basis. By reducing their service hours, many patients or clients will not be able to see a needed therapist for weeks and in some cases months on end. Such service reduction would not contribute to patients or clients returning to a self-sustaining work environment.

The provisions in Bill 22 that provide for consultation with unions on the manner in which the work reduction is to take place does little to enhance a sense of partnership or trust in the process. There are no penalties on an employer to enter into meaningful discussion with a union on any aspect of the implementation of this bill, yet the employer can force a union's membership to accept its version of reduction.

* (1000)

The legislation furthermore lacks any means of effective appeal to ensure fairness and equity for all. The association is concerned that many of our members will be forced into accepting unpaid days off on the one hand, while being requested to perform those same tasks on an unscheduled basis at premium overtime costs.

In those cases, savings would simply not materialize. The association is also concerned that many of our best young minds, after great cost to

our education system, will turn their backs on Manitoba and proceed to where they are more appreciated. Many others will simply shy away from the professions due to the lack of opportunity for gainful employment. Both situations create the possibility for an incalculable loss in the future, not only for Manitobans, but also for others looking to Manitoba as a place to invest and grow.

The association would suggest that the government postpone the implementation of this bill until all those factors have been examined and dealt with in an open and frank manner with all the affected unions and employers in the province. Failing the acceptance of that suggestion, the association would suggest that its membership at least be considered exempt from the legislation due to the highly specialized nature of its work, and the negative impact that the reduction of its members' availability will have on the health of Manitobans.

The association, as before, is willing to work a partnership with any government committee to ensure that Manitobans have access to the best possible health care at the lowest possible cost. Thank you.

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

Mr. Reg Alcock (Osborne): Mr. Wally, just a question. You make a strong case for the essential services provided by the people you represent. Have you had discussions with your employers about this? I mean, are they saying this is not an essential service?

Mr. Wally: Well, the employers have not actually talked to us about essential services. In some cases now with the 3.8 reduction, it would be far below the level of essential services that we would have, and had to employ in some cases. For example, the Manitoba Cancer Treatment Research Foundation's position on essential services during our last set of bargaining was that all of the therapists were essential.

Yet, in this case, we are talking about a 3.8 percent reduction. I think it is further interesting to note that as we speak, there are discussions taking place at the Manitoba Cancer Treatment Research Foundation to attempt to establish an evening shift, which would mean significant overtime costs in order to try and reduce the workload that is on the waiting list.

Mr. Alcock: Just help me to understand part of this. The demand for therapists is such that the current number of trained technologists in the field cannot meet the current demand. Is that correct?

Mr. Wally: That is correct.

Mr. Alcock: The other concern that you have is that, given that fact and given the demand for these services in other parts of the country, if there is not some accommodation made, all you are going to be doing is forcing people to seek employment elsewhere.

Mr. Wally: Yes, that is correct. I think we have had a history with the Cancer Foundation where radiation therapists that were employed were able to secure positions right across the country and also in the United States. There is a great demand for them, and we have always seemed to have a shortage of therapists soon after the graduating—even after the graduating class is up and hired.

So our experience has been that, though there are 30 on staff now, with the continued overtime and the reduction at 3.8 percent, frankly, all that will happen is that many of those who are able to move will simply go pack their bags and leave for places that do not require those kinds of commitments.

Mr. Alcock: Have you had any discussions with the government, the Minister of Labour (Mr. Praznik) or the Minister of Finance (Mr. Manness) about the request for exemption?

Mr. Wally: We have not had any discussions up to now in regard to those exemptions. No.

Mr. Storie: Just a couple of questions, Mr. Wally. First of all, thank you for your presentation. I am particularly interested in the impact of Bill 22 on some of the smaller health care facilities.

You referenced Lynn Lake and Snow Lake in your presentation, and I am wondering what arrangement the government is going to make in those circumstances where technologists, for example, cannot be available on a seven-day-a-week, 365-day-a-year basis. How are they going to get someone into Snow Lake to offer the services that your members would normally offer?

Mr. Wally: It is interesting that you speak of that, because there are two impacts upon the health care field. One is the health care reform, and, secondly, is the potential impact of Bill 22.

In relationship to health care reform, and in particular we mentioned Lynn Lake, there has already been a reduction of 45 minutes a day in the workload. Yet, on the other hand, there has also been the requirement that each technologist would have to be on call or available for work 24 hours a day, seven days a week. In that regard, there have been a number of cases in which requests for annual leave, vacation time, which has already been earned, has been turned down because of the unavailability of people to staff.

When we look at Lynn Lake again, because I just had conversations with the unit yesterday, unit of two, they had just hired a technologist, and it had been the only applicant that they had received in the previous four months for a position that had been advertised.

So it is extremely difficult for many of those communities to get sufficient assistance in those areas. As far as I am aware from discussions with the people from the hospital, there have been no other alternate plans made as to how they might service the needs there.

Mr. Storie: Mr. Chairperson, I just sort of want to go back to a point that I think my colleague for Osborne (Mr. Alcock) was making, and that is, the definition of essential services. I mean, we have laboratory technologists and radiation technologists providing what I think most Manitobans would consider essential services. Certainly, if someone has been waiting a number of weeks for a cancer treatment and they are now told that they have to wait another day, or another week, that would seem to be unacceptable to most Manitobans. I am wondering where those discussions went. Obviously, your association and the agencies that your members work for have made that case. Who is making the decisions on what an essential service is?

Mr. Wally: We are not sure who is making that decision at this particular time. We do know that there have been really no discussions in the last little while with the facilities in regard to essential services, because they themselves do not appear to know what services they will be able to provide after the dual impact of health care reform and Bill 22.

I can also tell you that there are many other areas that are negatively affected. I just used some, but, for example, the MRI, which is a state-of-the-art

item at St. Boniface Hospital, also will be impacted upon, because it means that there will really be a reduction of 3.8 percent of the hours that will be available for treatment for a piece of equipment that is in great demand.

We have a number of those areas in which there is a great deal of problem. From our perspective, it does not seem to us to make particularly good sense to have to cut people back by 3.8 percent and then to have them come back and work at time and a half, double time and double time and a half to fulfill those needs.

Mr. Storie: Mr. Chairperson, to Mr. Wally, I think the point Mr. Wally is making needs to be made again and again to the government. The net benefit of this to the government is going to be substantially smaller than they believe.

I am wondering whether your association has done any sort of preliminary calculation on what the saving might be, given the fact that people are going to be called back. Lab techs and others are going to be called back for routine work that they normally would have done and get paid time and a half or double time or on call.

Mr. Wally: We have not made any ascertainment in terms of what the total cost will be. We have looked at some areas, and we believe that the cost will be far greater than the anticipated savings simply because they will have to now bring people in at overtime cost to fulfill those services.

* (1010)

Mr. Storie: I guess the other concern, and a couple of presenters—I do not know if you were here earlier to listen to the other presentations—talked about the impact of this legislation and the lack of consultation really on morale and its subsequent impact on the willingness of employees to provide additional work and overtime simply because individuals want to do a good job.

I am wondering whether in fact there are cases where your members are now saying that they have had enough and that they are not going to contribute their own time simply to the health care system when it is not being supported by the government.

Mr. Wally: The message that we are getting back from our units, wherever they are, is the issue of providing the little extra that would be required, the provision of a little extra overtime, any of those sorts of services. They are simply not willing to do

that anymore. I do not even know how to describe it.

The morale is as low as I have ever seen it. I compare that to when I stepped into the association in 1981 when the arbitration award that basically chopped our members' wages by roughly 20 percent at that point; this appears to be even a lower sense of—there is a lower morale. There is less willingness now to believe in either the administrations of the hospitals or in the government. They simply do not believe that they are being consulted or asked how these savings might take place, and they have always been willing to do that. They simply do not believe, and they are not willing to extend any more energy in that regard.

Mr. Chairperson: I would thank you, Mr. Wally, for your presentation. Your time has come up.

I would like to now call on Mr. Roger Kirouac. Ms. Brenda Froese? Brenda Froese, you may proceed.

Ms. Brenda Froese (Private Citizen): Mr. Chairperson, good morning. My name is Brenda Froese. I work for Manitoba Hydro as a power electrician and I am a member of the International Brotherhood of Electrical Workers, Local 2034. Now I say I work for Manitoba Hydro to the best of my knowledge, because I was informed this morning that layoffs are to be announced and I am not sure whether I am going to be affected by that.

I live here in Winnipeg in the Wolseley area. I would like to make it very clear to this committee that I do not support Bill 22. I do understand that the people of this province are facing some hard economic decisions and I understand the need for fiscal responsibility. I think this government has a good grasp of the fiscal part of that, but the responsibility part seems to have eluded you.

Bill 22 is not a responsible piece of legislation. I think it will cause more economic damage than good and it is but one more example of this government's contempt for the industrial relations system the people of this province and this country have built over the past 50 years. I assure you that I do not take either of these things lightly.

Let me explain how your wage reduction plan will affect me personally. Every year I sit down and I make up an annual budget. Usually my income is very predictable. This year it will be 3.8 percent less than I had anticipated when I made up the

budget. This translates into a loss of approximately \$1,000 in take-home pay for me.

Last fall I bought a house. It is an older house, built in 1913, and it needs some fairly extensive renovations. This year I had planned to fix the roof. Now I will not be able to do that. If this wage reduction plan is implemented in a second year, I will not only have to forgo repairing my roof but I will have to forgo upgrading my electrical system. This affects not only me personally, it affects my entire community. The tradespeople who would have been employed suffer a loss of income. My neighbours suffer because my property is not being maintained. I suffer a decline in my standard of living. Every time it rains, my roof leaks, and every time my roof leaks, I will remember this government.

When I think of this government, I will think of Bill 22 and Bill 70 and how this government has thrown the collective bargaining process out the window. I happen to value that process. A lot of workers, employers and legislators have contributed their time, energy, knowledge, experience and insight over the past five decades toward the creation of this system which balances the interests of workers, employers and society in general within the context of a market economy. By passing Bill 22, you by-pass that system. That is irresponsible. Please do the responsible thing and reject Bill 22.

Mr. Chairperson: I thank you very much for your presentation.

Mr. Storie: Mr. Chairperson, I want to thank Ms. Froese for, I guess, personalizing what the impact of Bill 22 will be for a lot of people in the province of Manitoba. What Bill 22 is, in effect, is a \$1,400 tax on public servants. That is essentially what it does. The government can say it is not increasing taxes, but this is really just one giant tax grab, and, unfortunately, it focuses on one group of people who serve the public of Manitoba.

My question is, what are the repercussions of your being away from work for 10 days or potentially 30 days over the next couple of years? Is there likely to be in your work situation any repercussions?

What I am getting at is, it does not strike me that the kind of work you do is the same as, for example, health care professionals, but I am wondering if you can tell us what kind of repercussions you can foresee.

Ms. Froese: Well, I think there will be repercussions. I mean, in the area I work in right now which is a transformer overhaul facility, we are already scrambling to try and meet the work, you know, try to address the work requirements we have, taking into account the loss of work hours we are facing.

I mean, even prior to this 10-day layoff we are going to be having to work with, we are already behind schedule, so this certainly will affect us. What we do in our shop facility there is we maintain some of the electrical equipment that is used in emergencies, for example. If there is a power outage during a storm for example, we maintain some of the mobile substations which are put into service to restore power to the customer.

So I think that if we are not able to do our job as effectively, certainly it is going to impact on the timeliness of the service we can provide, if nothing else.

Mr. Storie: That was my point. Of course, in the paper today, they are talking about a loss of power to a number of rural communities and some city areas, as well.

I am no power expert, and I did not know exactly whether your job related directly to providing service in the event of power outages, but I assume from your comments that some of the work you personally do could impact on the availability of power to Manitobans at some point.

Ms. Froese: Yes, it could. Certainly.

Mr. Storie: I asked a number of the other presenters about their participation in the consultation process that the government talked about, and I am wondering whether you or any of the IBEW members you know were asked whether they could find a better way to save what amounts to about 2 percent of the total provincial budget. Was anybody, to your knowledge, asked for their suggestions on how to reduce costs at Manitoba Hydro?

Ms. Froese: To the best of my knowledge, nobody has been consulted, not from my work group anyways, on ways this reduction could have been effected.

Mr. Storie: I think therein lies the problem, and Ms. Froese, in her presentation, acknowledged that we all want to be fiscally responsible. When we need to reduce costs, we want to do that in a responsible way. What is being left out here, of

course, is a recognition that people in Ms. Froese's position and the presenters before us are in a position to tell managers and the government how to save that money.

* (1020)

I am wondering, do you believe that if you and your colleagues in your local had been asked whether you could find the 2 percent whether you could have found it without resorting to attacking people's incomes.

Ms. Froese: I guess I cannot really speculate on whether we would have been able to do it or not. We were not, that is the case.

Mr. Storie: Mr. Chairperson, just getting back to the comments that Ms. Froese made on the spin-off effects of the loss of income, do you believe that most of your colleagues, most of your brothers and sisters in the IBEW are in a position or would be in a position to use most of their disposable income buying goods and services?

Are your members the ones, you know, putting money in stocks and bonds or are they the ones who are spending their money on day-to-day living?

Ms. Froese: I would just like to say that I am here speaking on my own behalf and not on behalf of the other people that I work with. I am not really all that familiar with their own financial situations. I would guess probably most of them do not have a lot of extra disposable income to invest and probably their disposable income is spent on goods and services, so that if their disposable income is reduced, there will be a drop in spending on goods and services.

Mr. Storie: I am just wondering whether you can share with us any reaction from your friends and neighbours, people who know you and who know where you work. What is the general response you get when you tell them what the government is telling you you must do? Do they understand your position?

Ms. Froese: The response that I have most often got is that we are getting extra holidays. There does not seem to be a good understanding that there is going to be a loss of production at the workplace and that it results in a loss of income for me personally or to the people that I work with.

Mr. Storie: Any understanding in your view of how that affects them by virtue of the fact that you are

not hiring your roofer and not buying your supplies? It tends to be viewed just superficially as time off?

Ms. Froese: Well, as I mentioned in my presentation, I mean, I believe that there will be an impact on my community and that it will be a negative impact.

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

I will now call on Mr. Dave Hardy. Mr. Clarence Clarke?

Mr. Clarke, I believe we have your written presentation, and we will distribute it. You may proceed.

Mr. Clarence Clarke (Private Citizen): Mr. Chairperson and members of the committee, my name is Clarence Clarke. I work for the Department of Highways, Mechanical Division. I am a heavy-duty mechanic.

As I see it, Bill 22 will be an impediment to my family's standard of living. At the moment, the impact may appear to be insignificant, however, the long-term effects will prove to be disastrous.

This bill will affect my family in many ways. I will address three issues pertaining to my situation.

First of all, Bill 22 will impact on my family by reducing my spending power. So what is the big deal? If you do not have it, then you cannot spend it, right? That is exactly my point.

This unilateral decision will substantially reduce the spending power in my family. I will not be needing transportation on those days off; hence, less gasoline on those days off. I am not advocating support for these companies.

Consequently, I will not be visiting the malls or my favourite store, as there will be no money to spend. Projects such as painting, fencing and all the renovations will have to be put off for a future date. Essentially, what this postponing does is to increase my proposed renovation costs which will, in turn, set me further back financially.

This bill will limit my ability to effectively support my daughter in university. On one hand, I will have less income to support her, while on the other hand, tuition fees have increased considerably. To further complicate the situation, my daughter's prospects of finding a summer job have been greatly reduced.

The financial burden thrust upon me to support my daughter at home and in university is greater

than ever. Of course, I realize that this is my responsibility, but Bill 22 will erode that responsibility.

Secondly, one of my daughters is in the child care field, so we are well aware of the fact that daycare workers are basically bordering on the poverty line. This bill will further increase the number of workers already on the poverty line.

For instance, when a family member is on an extra day off, their child or children will not be in the daycare centre. Should there be, let us say, six or more families whose children are not in daycare on days off, then there will be no need for daycare workers. A worker then who is already on the poverty line, as my daughter is, will find herself falling further and further behind the poverty line. Bill 22 has an impact on myself in the public sector and on my daughter in the private sector.

Realistically, what this bill will do is to prolong the misery and increase the helplessness of those who are trying desperately to reach the first rung of the economic ladder. This bill is designed to create a defeatist attitude, cynicism and disdain for the attempt.

We are all familiar with the commercial, pay me now or pay me later. This principle holds true when applied to the Highways department. Closing the department for a period of 10 days will eventually cost more in the long run.

Our roads are already in very, very sad shape. If they are not maintained right now, several years from now, our highways will be very expensive to repair and to maintain. It makes economic sense to concerned citizens to maintain what we have at present rather than putting off repairs for a future date.

The economy of this province revolves around the transportation industry. Good highways are essential in delivering supplies effectively and efficiently. Consequently, when our highways are allowed to deteriorate, everyone ends up paying more.

There is a drive to promote tourism from which all Manitobans will benefit. However, greater effort should be spent in improving our highway system. If we do not have a good highway system, tourism will decline. No one would want to travel on our highways that are substandard. It is imperative that we continue to maintain and improve our

highway system. In doing so, we will all reap the rewards of tourism and economic growth.

That concludes my presentation, Mr. Chairperson.

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

Mr. Storle: Mr. Clarke, there are a couple of issues I want to deal with in your presentation, but before I begin, I thank you for being before the committee and presenting. I know it is not always easy to come before a legislative committee and share your personal views and your concerns, but it is appreciated, certainly from our side anyway, because this bill, I think, has very broad repercussions.

* (1030)

Many people in the public appear to believe it affects only public servants. As you pointed out, it affects even our highways, something inanimate and distant for most people, but it affects their lives.

I want to deal first of all though with your comments on how it affects your daughter who is in the child care area. I am wondering whether amongst your colleagues, there is discussion or comment or concern about the fact that, in principle, this bill is unfair because it imposes something on people who have bargained in good faith and worked to achieve something collectively that they thought was responsible and fair, and now it is being taken away from them, but it also impacts on people with different income levels differently, that, in fact, it is much more significant and damaging for someone with an income of \$15,000 than it is with its impact on someone with a \$40,000 or a \$50,000 income.

Is that a matter of discussion? Is that one of the elements that people think is unfair?

Mr. Clarke: Well, most of my co-workers would agree with the principle that the bill is unfair because it attacks those who are—well, it attacks everybody, but for those who are at the lower scale of the income ladder, it affects them most because their spending power has been reduced, and, also, in the long term, their costs will also increase, so, therefore, they will have a hard time in making up that difference.

Mr. Storle: Do you have any sense of why the government chose this approach?

Mr. Clarke: I am not too sure. I probably would like to say it is for political reasons, and this is one of the beliefs that many of my co-workers have.

Mr. Storle: I have asked a number of other presenters whether, in fact, they believed as individuals in a workplace, if they had been asked, that they could have found a way to reduce costs for the government without attacking people's income directly.

Mr. Clarke: Well, there has not been any consultation, but I am sure if there was, the department would have come up with ideas which would present ways in which there could be savings to the government as well as to the department. I am sure if there was consultation, this would have quite easily taken place.

Mr. Storle: Mr. Chairperson, Mr. Clarke indicated that he was a heavy duty mechanic. I am just trying to figure out how this bill will impact on the services provided by the Department of Highways. If industrial mechanics are taking Fridays off, does that mean then that a piece of heavy equipment, the grader or whatever, I am not sure what kinds of equipment Mr. Clarke may work on, but does that mean that some Highways equipment may be sitting idle for a longer period than they otherwise would have as a result of this legislation?

Mr. Clarke: Yes, that is correct. The equipment will be sitting longer. For instance, we are not too sure how it is going to be implemented because we have a sealcoat crew which starts out in May and they finish in October that will not be shutting down. I do not know who will be repairing the equipment when they break down on Fridays. We also have the street paint crews. If they have a breakdown, I am not sure who will be repairing the equipment because we will be closed.

Mr. Storle: So we could see, theoretically, the kind of ludicrous situation of a crew being paid to wait while their equipment, which should have been repaired had you been working on Friday, is sort of waiting your reappearance on Monday.

Mr. Clarke: Yes, that is correct.

Mr. Storle: Mr. Chairperson, Mr. Clarke also mentioned that because of the, I guess, different tasks that are undertaken by the Highways crews that some people will not be taking time off. I thought this was kind of universally applied, and I am wondering how someone on the sealcoat crew is going to be affected by this. [interjection]

Mr. Chairperson: Order, please. The questions are to the presenter.

Mr. Storie: Mr. Chairperson, the minister who is responsible for this legislation can jump right in any time he likes. I was referring to the seasonal nature. I assume that some of these are seasonal employees that Mr. Clarke was referring to. If I am wrong, I hope he will correct me.

Mr. Clarke: On the sealcoat crew, most of the employees are seasonal. I should say probably 98 percent are seasonal. We are not sure how it will affect them because they are finished in October anyway. It all depends on the budget. They might finish in early September or late October. The paint crew are regular employees, and simply because they are always running an average three or four months behind, then they have so much work to do, so they have to put in long hours and they have to work on Fridays.

Mr. Storie: I do not know about the sealcoat crews, but I am wondering about paint crews and in your own position whether you are already seeing circumstances where industrial mechanics, for example, or heavy duty mechanics are called back in to work. We heard a number of other presenters say that the government probably is not going to save any money in the long run because they pay overtime and overtime and a half to people who are on call. Are there situations in the Maintenance department that would require the callback of mechanics?

Mr. Clarke: There is not any situation right now, but my main concern is the winter. If we get a storm during—or shutdown—then everybody will be called out. All the operators will be called out, and the equipment might not be ready. For instance, if you get a major storm, the big plows would not be ready. So we will have to work overtime to get that equipment ready.

The graders might not be ready, so therefore it will be quite a job getting that equipment ready if we get a major storm just over the Christmas period.

Mr. Storie: This may be a little out of your particular area, but obviously it is also going to have an impact on the operators themselves.

In the department, is it possible that people are not going to be available to operate the plows if storms, if they are called out? [interjection]

Mr. Chairperson: Order.

Mr. Storie: The people who are called out will be on overtime or double overtime, would they be treated any differently?

Mr. Chairperson, if the member for St. Norbert (Mr. Laurendeau) wants to ask questions, please let him jump in.

Mr. Chairperson: Order, please. Mr. Storie, to continue his questioning.

Mr. Storie: Mr. Chairperson, the point is that if people are off on Fridays because of Bill 22, then the callbacks, as opposed to normal wages, will now be overtime, as well as the Saturdays and Sundays.

Mr. Chairperson: Order, please. Mr. Storie, to continue asking the questions. Mr. Penner, on a point of order.

* (1040)

Point of Order

Mr. Penner: The honourable member Mr. Storie invited those of us on the government side of the table here to ask questions, if we so desired.

It is my desire to ask a question.

Mr. Chairperson: You do not have a point of order, but the honourable members of the committee are able to ask questions. At this moment, Mr. Storie is asking a question of the presenter.

Mr. Storie, to continue with his presentation.

* * *

Mr. Storie: Mr. Chairperson, I appreciate Mr. Penner's eagerness to ask a question.

I was simply trying to find out how this bill is going to impact on the highways program. I did invite him, and when I am finished my questions, the member for—I can never remember where it is—Emerson (Mr. Penner) can ask his questions.

My question was basically trying to get to the point that the government is unlikely to save any money as a result of this, whether it is as a result of equipment not being repaired or people being called out. I gather the general impression is, in the Department of Highways anyway, that this is going to not save the government as much money as they think it is going to save.

Mr. Clarke: I do not think that it is going to save that much money in the long run.

Like I said, if we get a major storm, our equipment will not be ready and calling out the operators will be an additional cost. There will not be much saving to the department.

Mr. Storle: Mr. Chairperson, can Mr. Clarke indicate whether in fact his unit was consulted at all about the need for Bill 22?

Mr. Clarke: To my knowledge, our unit was not consulted. I am not aware of it.

Mr. Storle: To your knowledge, were your supervisors consulted? We had a supervisor in here from—I cannot remember which department—probably Rural Development, who said she had never been consulted. Were your supervisors consulted on the impact of the legislation?

Mr. Clarke: If they were consulted, this was not relayed to us. I have no indication that this was done.

Mr. Storle: Just back to the issue of the impact of this legislation on the roads and, I guess, the condition of roads in Manitoba.

Is it likely that the way the Department of Highways is carrying out their regular maintenance program, for example, that it is going to accelerate the deterioration of our highways system?

Mr. Clarke: I am sure it will, because the roads are not being properly maintained at the moment, and with the present four days or three and a half days or if you get a week that it is raining or several days that it is raining, then everything starts backing up, and this also puts further pressures on the maintenance system. It will take a long time before it is caught up.

Mr. Storle: What are the repercussions in your view of the deteriorating circumstances on our highways and our provincial roads? Who pays the costs for that?

Mr. Clarke: We will all pay the costs in the long run because the way the highways are at the present time, undermaintained, taxpayers eventually will pay the costs somewhere down the road. Whether it is a year or two or three years or 10 years, it will cost a lot more. I think it would better if we were to continue to upgrade and maintain it to the present level or maybe to a better level than it is now.

Mr. Chalrperson: The member's time is very close to expiring. If it is for one quick question, Mr. Storle.

Mr. Storle: Mr. Chairperson, you referenced the cost to the provincial government and the taxpayers only in terms of the obviously necessary cost the government will incur when it finally gets around to fixing the roads and to maintaining them.

I was also asking the question more broadly about how this would impact on the costs of maintaining vehicles and the cost of operating vehicles on roads that are substandard.

Mr. Clarke: Well, it will cost a lot more to everybody, because if the roads are not maintained, then your equipment also, your personal vehicle, it will cost a lot more to maintain it.

Right now, what is happening with our present highway system is that—

Mr. Chalrperson: I thank you very much for your presentation, Mr. Clarke. [interjection] I am sorry, Mr. Clarke.

Mr. Clarke: Now, what I am saying is that it will cost a lot more to maintain our vehicles and also the Highways equipment that we have, because of the way the roads are deteriorating and their not being upgraded.

Mr. Chalrperson: Thank you for your presentation, Mr. Clarke.

I would like to now call on Mr. Victor Schwartzman.

Point of Order

Mr. Storle: Mr. Chairperson, on a point of order, I had promised the member for Emerson (Mr. Penner) time to ask Mr. Clarke some questions and I am prepared to give leave if Mr. Clarke is willing to have Mr. Penner ask—

Mr. Chalrperson: I am sorry the member did not have a point of order. I am now going to call—

Mr. Storle: It is a point of privilege, his privilege.

Mr. Chalrperson: If there is a sincere willingness to share the time, then I imagine the member should have made that type of arrangement. The presenters are allowed 20 minutes and during that time it is either for presentations and/or questions.

Point of Order

Mr. Penner: Mr. Chairperson, on a point of order. It is quite obvious that the honourable member, in proposing that there be leave given, clearly demonstrates his unwillingness to co-operate with the other members of the committee in allowing

within the designated time limit to share in the questioning. He simply ragged the puck until the game was over and now he wants to lengthen the game.

Mr. Chairperson: I believe the point of order was out of order.

* * *

Mr. Chairperson: We will now call on Susan Hart-Kulbaba with the Manitoba Federation of Labour. The next presenter is coming forth. The presentation has been—

Point of Order

Mr. Storle: Mr. Chairperson, on a point of order—

Mr. Chairperson: I will only allow a short point of order because the presenters are here on their own time and here to listen to the presenters.

Mr. Storle: Mr. Chairperson, I simply do not want Mr. Penner's remarks left unchallenged on the record. Mr. Penner was imputing motive suggesting that I was ragging the puck because I was asking questions of a presenter. The government imposed the time limit on presenters, not the opposition.

* * *

Mr. Chairperson: Order, please. We will now proceed with the public presentations as outlined. Mrs. Susan—pardon me, Susan Hart-Kulbaba, to present. Please proceed.

Ms. Susan Hart-Kulbaba (Manitoba Federation of Labour): That is okay, Mr. Chairperson, I am a Mrs.

I would like to say that I have brought speaking notes because the brief that I have written does contain a great deal of material that I would not be able to get in under the time limits. If I skim over some of that, please bear with me. I would be prepared to answer questions on that; however, my speaking notes will be much more general than that. I would appreciate members of government putting down the newspapers long enough to pay attention to the members of the public.

The Manitoba Federation of Labour is the province's largest central labour organization representing some 85,000 union members who live and work here, and, of course, their families as well. Many of these people are among the hundred thousand public sector workers who are directly affected by Bill 22, but all of our members will feel

its effects through the diminished economic activity that the bill will bring about and the economic climate it creates.

These men and women contribute to economic activity in Manitoba by spending their wages, buying homes, food and a variety of consumer goods. They help create tens of thousands of jobs in the service sector, the manufacturing sector and the public sector. They pay sales taxes, the goods and services tax, income taxes and property taxes to three levels of governments and school boards. They also elect members of the Legislature in good faith, asking no more than that they be treated in a fair and nondiscriminatory manner.

Neo-Conservative governments have contributed in large part to the financial box they now find themselves in by stifling government revenue from profitable corporations and wealthy individuals. Misguided international agreements, such as the Free Trade Agreement and NAFTA, have and will contribute significantly to the government revenue crisis. The absence of effective industrial strategies and job creation policies have aggravated the government's revenue crisis and have driven up social safety-net spending.

* (1050)

The inevitable difference between revenue and spending is cited as the compelling need behind abusive legislation such as Bill 22. Bill 22 is a remedy for a spending crisis, a crisis that does not exist. It is an inappropriate remedy for the real problem, which is a government revenue crisis. In fact, the nearly \$130-million saving the government says this salary clawback will accomplish has a relatively minor impact on the public Treasury and a huge impact on the provincial economy.

Savings that the government hopes to realize will be seriously eroded by the costs related to maintaining essential services, the impact on government income tax revenue, the impact of non or only partial compliance by public sector employers and whatever increased social allowance costs are created by the bill.

Further, savings accrued by Crowns which have separate financial accounts from general revenue like Hydro, MTS, MPIC, for example, will have no impact whatsoever on the provincial budget, nor are they likely to be passed on to the consumer.

The preamble of The Manitoba Labour Relations Act states that it is designed to further harmonize relations between employers and employees by encouraging the practice and procedure of collective bargaining between employers and unions as the freely designated representatives of employees.

Bill 22 sets the MLRA aside, destroying those harmonious relations, stripping legislatively recognized rights from 100,000 Manitobans. It renders meaningless the concept of a legal and binding contract, and it mocks the principle of fairness. There is no requirement that collective bargaining take place and that any plan be subject to mutual agreement.

This concept strikes at the very heart of the collective bargaining process, a process that should lead to harmonious relations between an employer and the workforce through mutual endorsement of a contract. It involves the parties to the agreement, both giving ground in some areas to make gains in some other areas.

For those MLAs who have no experience in negotiating, the absence of collective bargaining and the concept of mutual agreement reduces the relationship between the employer and worker to that of master and servant. It is not simply a matter of a worker walking away from a job if satisfactory arrangement with the employer is impossible. Today, there are no other jobs to walk away to and fewer—in fact, no UI benefits to make the transition possible. The worker is economically a captive of the workplace.

Union recognition rights, the right to bargain collectively and the right to strike were recognized only after lengthy and bitter disputes, disputes which can be measured in hardship, privation, bloodshed and even loss of life. Obviously, workers have attached great importance to these rights. These are the fundamental rights of working people and what the Filmon government is attacking through Bill 22.

It is obvious that any agenda formulated by an employer under this act would be carried out if the employer is prepared to wait for 30 days to elapse. There are no ramifications for the employer's failure to move on their position as exists in the collective bargaining process, while the potential cost for the union is severe, the adoption of the employer's opening position after 30 days.

That fundamental premise in collective bargaining, that concept of balance of power at the bargaining table, that is what is under attack in Bill 22. This bill removes that balance and destroys the effectiveness of collective bargaining. The idea that action or inaction has consequences for both sides is removed from the equation at a direct cost to working people.

Labour relations, as practised in North America, relies on that balance of power between the parties in order for it to be productive. Workers covered by Bill 22 had concluded agreements in good faith with their employers, only to have Bill 22 override them. How are workers to know what future agreements will be ignored and made irrelevant through government legislation? What assurances do we have that this approach will not be applied by the provincial government to other legislation? Will we see future attacks on health and safety legislation, on environment protection legislation, on The Employment Standards Act for people who do not have a union?

It is noted that the definitions section of Bill 22 makes reference to a wide range of public sector workers or workers who derive their income from the public Treasury. I think it should be mentioned that absent from this list are the elite private schools such as Balmoral Hall and St. John's-Ravenscourt. It is this brand of selectivity that accents the focused nature of Bill 22 and adds weight to the criticism that some workers in Manitoba are being singled out by the provincial government for particularly harsh treatment. Can this be another example of the government attacking workers whom they consider to be vulnerable, while leaving their friends' operations alone? Well, we hope not but the appearance is both compelling and convincing.

The bill also balkanizes the application of the wage clawback across the province. Conceivably, every workplace could be meeting the intent of Bill 22 in a different manner. Fairly applied and evenhanded policy is simply not possible. For example, consider the possibility of one group of workers being laid off for the full 15 days allowed by the bill and another group being laid off for six days. The first group of workers will be hit by more than double the impact felt by the second group. This is certainly not a case of people sharing the load in an evenhanded way.

Bill 22 continues the trend established in Bill 23 of this government to abdicate their legislative responsibilities. The government is leaving it up to employers to decide what level of public service is appropriate for Manitobans. The government abandons its responsibility too, if it absolutely feels it is in the best of public interest to implement this kind of legislation. It has abandoned that and said to the employers, you are the ones permitted to make that decision about what is in the best public interests.

Bill 22 also sets the stage for yet another assault on workers, their rights and their collective agreements outside of the collective bargaining process between '94 and '95. It is obvious that the Filmon Conservatives fully intend to victimize public sector workers over a two-year period and not on a one-time basis as has certainly been implied.

Bill 22 puts employees, who are not represented by a union, completely at the mercy of the employer. There are no window-dressing requirements for consultation or notice, simply permission from the employer to issue an edict and proceed. In many ways, this clause represents the unvarnished truth about the Conservative view of the employer-worker relationship, that of master and servant.

The bill sanctions the provincial government's intention to interfere in the workings of a democratically elected level of government, that is school boards. Trustees are elected by their constituencies to administer the delivery of quality education to their children.

Bill 22 interferes with one of the major responsibilities of school boards, and that is the collective bargaining process with their employees. The bill precludes any desire or intention by school boards to live up to the terms of negotiated and signed collective agreements and forces them to participate in an attack on their employees' rights. There is ample testimony already before this committee that the government's actions will have a negative impact on the quality of education in Manitoba.

By removing opportunities for teachers to improve their expertise, their students will pay the price and so will all of Manitoba as we become more and more uncompetitive.

The Filmon government is showing unreasonable inflexibility on how the budget savings will be achieved, only through direct salary loss by reducing the pay scales or through unpaid time off. By limiting the clawback procedures to these two options, the government is guaranteeing the maximum unfair impact on public sector workers and the maximum reduction of services for the general population.

They are also stifling the creativity of its workforce in identifying potential improvements in efficiency and economies that will not have a negative impact for services for people.

The province also makes certain that public confusion about the days of operation of public services will be maximized. I think we already heard some of that this morning from a previous speaker.

The inconsistent application of the government's lockout of public sector workers will turn a situation that is confusing to be generous into a situation that is chaos. As public frustration grows, the MFL will do its best to remind people that this is a result of wrong-headed government policy and not a reflection on public-sector workers.

Bill 22 contains a blatant invitation to employers not named in "definitions" section to take advantage of this opportunity to break collective agreements. It is the groundwork for broadening the assault on working people far beyond the scope already made public.

What if an employer has traditionally patterned bargaining on government collective agreements? Will a request for inclusion in Bill 22 be approved even though the public Treasury is not involved?

What about firms that exist on government procurement contracts or are competing for them? Will they be encouraged to apply for that inclusion?

Those are questions that we do not have any answers to at this point. We believe Bill 22 will have a negative impact on a worker's entitlement to Unemployment Insurance benefits, pension entitlements, Workers Compensation benefits and health and welfare benefits contained in collective agreements. For example, when part-time workers accrue benefits on a prorated basis, they will experience unacceptable levels of hardship under the weight of Bill 22.

By including the retroactivity provisions, the provincial government presumes much. It

presumes to declare events legal that take place in the absence of enabling legislation, legitimate or not. It sanctions the violations of collective agreements.

* (1100)

It precludes the possibility that the public hearing process and the official opposition will be unable to point out necessary amendments, amendments that may remove the clauses that actions that have already occurred rely on for sanction.

It confirms that the government has no intention of altering a single letter of Bill 22 no matter what the public has to say about it at the committee stage.

The government is also eroding the ability of democratically elected MLAs to provide effective service to their constituents under this bill. Constituency offices and their operation are important links between the residents of a riding and their MLA and the provincial government. By cutting into the allowance, the government is diminishing a basic level of the democratic process, and frankly hurting constituency assistants who get paid dirt as it is.

The effect of Bill 22 goes far beyond an unconscionable clawback of negotiated salaries for 100,000 workers through what the MFL considers to be an illegal lockout. As many as one million days of public service will be lost to the people of Manitoba. A million days of service.

Services affected will include those that meet critical needs. Services to abused women and children may be seriously affected; we heard that earlier. Services for seniors will be affected. What impact will there be on the correction system? Will security be compromised? We do not know yet. Health care and pharmacare services cannot go unscathed.

Something as routine as the sale or purchase of a house will no doubt be affected by a return to the days of an escalating backlog of title transfers.

The government may do its best to stick to its claim that it will not allow services to be affected, but quite frankly the people of Manitoba are not buying that.

If public sector workers withdrew their services for one million days, just as Bill 22 has the capacity of accomplishing, we believe the government would immediately legislate them back to work,

complaining about the dreadful impact the strike is having on vital and necessary public services.

The MFL urges the provincial government to let this bill die on the Order Paper. It will not accomplish what the government says it will; that is, improve the provincial Treasury's condition, nor does it appear to be designed to do that. In fact, the economic impact of withdrawing \$130 million from the provincial economy, reducing government income from corporate and personal income tax may offset whatever gains the province imagines it is getting by reducing its salary load.

Bill 22 does severe damage to a hundred thousand Manitobans and their families, their rights as workers and the collective bargaining process in general. It will have a significantly negative impact on the provincial economy and we fear on jobs. Bill 22 is wrong.

Mr. Chairperson: Thank you very much for your presentation, Ms. Hart-Kulbaba.

Mr. Storle: Mr. Chairperson, thanks to Ms. Hart-Kulbaba for her presentation.

I have just a comment. Ms. Hart-Kulbaba talked about the similarity of the approach the government took on Bill 4 and Bill 23 with the approach the government has taken on this particular bill, and it certainly shows contempt for the legislative process, to say the least.

Certainly, in this case, I think Ms. Hart-Kulbaba has hit upon what may be the most disturbing aspect of the way the government is proceeding, and that is because of the imposition of this legislation on school divisions and hospitals and universities, in fact, decisions may be made in those institutions which may not be supported by legislation; that is, assuming that the government is not simply going to use its majority to force this through or is going to continue to attempt to.

I am wondering whether the MFL has had any discussions through its members on, I guess, recourse if parts of this legislation were to be amended.

Ms. Hart-Kulbaba: Of course we have had some discussions about that. Certainly we continue to agree with Justice Samuel Freedman at the Supreme Court when he brought down an award saying that governments cannot act on executive policy, but, in fact, there needs to be legislation in place.

We do notice how the government picks and chooses when they use this kind of tactic. They have used it on Sunday working. They have used it here again, yet when it comes to dealing with aboriginal people and casinos, they have to go in because Justice Minister McCrae says the law is the law.

Well, here we have policy decisions being enacted where there is no law. There is a bill to be discussed, amended potentially. There are huge ramifications, and it certainly does not make anybody want to join into a kind of agreement and through any consultation process maybe come up with a way to agree to it, because that leaves us in a position of not being able to know what, in fact, the legislation is before we have come to an agreement.

Mr. Storie: Mr. Chairperson, we do not have much time, so I am going to jump around here.

My second question had to deal with Crown corporations, because it always strikes me as odd that the government was intending to impose this on Crown corporations which have obviously no direct bearing on the government's fiscal position. It was doing this because of the government's need. I am wondering what the rationale is, in your opinion.

Ms. Hart-Kulbaba: Mr. Chairperson, I really could not tell you because I cannot think that way. My head just does not wrap around in any rational way what would cause people to do that.

In fact, we have seen support by the provincial government for competition being introduced into the communications area, and then as competition is introduced, they tie that Crown's hands for 10 days in order to compete at a time when services are vital. We would like the investment of all Manitobans who have been supporting that Crown for all these years, we would like our investment protected and have it be competitive. Unfortunately, it is not going to be able to.

Mr. Storie: Mr. Chairperson, the government, of course, had also instructed the Manitoba Liquor Commission to prepare ways, consider ways of following Bill 22. I gather that the government has now exempt the Liquor Commission from doing this.

I am wondering whether there is any sense amongst labour community workers in general that the only motive for imposing this on Crown

corporations was to send a signal to workers who were involved in collective agreements that they should not count on the support of collective bargaining and their union to protect them.

Is this an undermining of simply the concept that collective bargaining is something that has helped to build our province?

Ms. Hart-Kulbaba: Absolutely, it is. In fact, we have heard officials high up in the government, not elected officials, but assistants, et cetera, make remarks about how a tax on unions is one way to get themselves back into government.

Mr. Chairperson: Mr. Storie, for one last short question.

Mr. Storie: Mr. Chairperson, I am wondering in particular, going back to Crown corporations again, whether the unions that represent workers in our Crown corporations would have been able, had they been asked, to find a way of saving costs on those Crown corporations without attacking wages, and were they asked, I guess is the question.

Ms. Hart-Kulbaba: To my knowledge, Mr. Storie, they have not been asked. Had they been asked, we would have hoped they would have been given more than 15 minutes to provide input.

Mr. Chairperson: Your time has now expired. Thank you very much for your presentation, Ms. Hart-Kulbaba.

Ms. Hart-Kulbaba: Thank you.

Mr. Chairperson: I will now call on Mr. George Smith. I believe a Mr. Neil Harden is making a presentation on behalf of Mr. George Smith of the Professional Institute of the Public Service of Canada.

Do you have a written presentation? We will hand it out. [interjection] Mr. Neil Harden is making a presentation for Mr. George Smith. You may proceed, Mr. Harden.

Mr. Neil Harden (Professional Institute of the Public Service of Canada): This brief is being presented on behalf of the Professional Institute of the Public Service of Canada. The institute represents over 34,000 professional employees of the governments of Canada, Manitoba and New Brunswick, as well as separate employers such as Deer Lodge Centre and Canada Post.

In Manitoba, we represent 140 professional engineers employed by the provincial government and over 200 registered nurses, doctors and other

health care professionals at Deer Lodge Centre who are impacted by Bill 22. The institute has no political affiliation but does lobby on issues which affect its members. I am the director for the prairie region of the Professional Institute.

(Mr. Marcel Laurendeau, Acting Chairperson, in the Chair)

Bill 22, The Public Sector Reduced Work Week and Compensation Management Act, was introduced in April '93. This bill gives employers in the provincial public sector the ability to require employees to take as many as 15 days as leave of absence without pay for two consecutive 12-month periods. The act is retroactive to April 1 and takes precedence over any other act.

* (1110)

The institute wishes to go on record as opposing the implementation of Bill 22. This bill is an unwarranted intrusion into collective bargaining process and represents the abrogation of legally binding contracts. It de facto represents a 10-day lockout of employees no matter what other name for it is in the legislation.

The institute does recognize that the recession has considerably diminished government revenues and that governments are looking for solutions to the deficit problem. We are certainly realistic enough to recognize this would impact on the collective bargaining climate in the future.

We believe, however, that the collective bargaining process is the correct way of addressing compensation issues. We have always indicated our willingness to discuss creative solutions to the perceived deficit problem.

In January in 1993, the government came to the conclusion that it needed to restrain its wage payouts. Although, in our opinion, the correctness of this conclusion was very much a moot point, it was nonetheless taken. At that point in time, they correctly decided to consult with representatives of our engineering group as well as other public sector unions.

How they perceived the deficit problem was outlined and potential solutions discussed. The meeting ended with the institute indicating we were prepared to have ongoing discussions and that we had to consult with our membership on the issue.

The entire process has since gone sadly astray. Bill 22 contains the requirement for consultation. In

the hands of the Civil Service Commission, however, there have been no meaningful consultations.

The government unilaterally announced the unpaid leave program before we could even get a newsletter to our membership. One got the impression they were not very much interested in what we might have had to say.

Despite our concern about the announcement, we again indicated to the government that we were prepared to discuss the parameters of the program and that we hoped there could be a flexibility in the approach. There has been no such flexibility.

In meetings with representatives of the Civil Service Commission, we probed for flexibility in the employer's position regarding anything about the program. We made numerous suggestions on the program, but none were accepted.

These suggestions included flexibility in the scheduled days off, language in the memorandum of agreement regarding impact on benefits, a supplemental unemployment insurance benefits program, modifying the hours of work, a clause in the collective agreement, and we even discussed a two-year program.

In the labour relations field, you develop a sense at the table of when the other side is interested in reaching an agreement. At no time did we have that sense in our discussions with the Civil Service Commission. The only agreement possible was that which they proposed, and if we did not agree to that, then they would implement it anyhow. On that basis, we had nothing to gain by signing any agreement with the government and so terminated discussions.

This rigid approach contrasts greatly with other public sector employers. We are not going to say that Bill 22 did not have an impact because clearly it did, but the other employers were able to get agreements with their employees, however, because meaningful discussions and compromises took place.

The Civil Service Commission, on the other hand, simply did not care what public employees had to say.

Our members in the engineering group have subsidized government operations for years by having salaries considerably below the median for professional engineers in Manitoba as measured by the Association of Professional Engineers of

Manitoba salary surveys. APEM is the licensing body for engineers in Manitoba and is an unbiased body. As a matter of fact, they give awards to Gary Filmon.

With the single exception of last year, the increases for the engineers have lagged behind inflation for the last decade. Since 1991, the government has been regularly laying off more and more of our members. This group of professional employees, therefore, faces the triple whammy of much below average salaries, permanent layoffs and now Bill 22 taking away more of the salaries of those who remain.

It costs \$1 million per mile to construct a two-lane concrete highway. It is a false economy to attempt to save \$2,000 on the salaries of the engineers who design, construct and maintain this road, when a single error or delay can cost far more to the people of Manitoba.

It is not at this point clear how Bill 22 will impact on our members at Deer Lodge Centre. Discussions are ongoing with hospital management. As bad as the bill is in the direct civil service, it is unworkable in the health care field without compromising patient care. You simply cannot tell the registered nurse, the house medical officer or the dietitian to go home, without affecting patients. Perhaps the patients will co-operate and all go home on Fridays.

We are willing to play the same role as any other citizen of this province in meeting the perceived deficit crunch. We do play the same role. We pay the same taxes as anyone else. We are now being asked to pay once again. It is worth pointing out that, for every incremental dollar paid to a public employee, nearly half immediately comes back to governments in the form of income taxes. It does not matter what level of government. There is only one taxpayer.

If the public employee tries to spend the remaining money on something, a further 14 percent comes back as tax. We are, therefore, talking about approximately a 35 cent on a dollar net savings to taxpayers as a result of Bill 22. Given that each dollar circulates through the economy three times, the net savings is minimal.

One must wonder, if the fiscal situation of the province is so bad, why are the legal contracts with the public employees the only contracts the government seeks to modify in midterm? There is

currently an excess of high quality office space available in Winnipeg. Where is the legislation telling landlords that the province will be paying 4 percent less rent for the next two years?

Bill 22 has been touted as the alternative to more permanent layoffs of public employees. It is not the alternative. It is in addition to such layoffs. Morale in the public service is dismal. The bill only enhances the real enmity that the employees feel for the employer.

Service to the people of Manitoba is being doubly crippled by this bill, directly by the time off and indirectly by poor morale. You cannot take 10 days off without affecting real services. How can you expect the Highways department to have an increased capital program at the same time as forcing the engineers to take two weeks off, and adding to that a major departmental reorganization? Or is there no real intent to spend the capital budget in the first place?

There is much talk these days about the need to manage change in the public service, about doing more with less. We submit that Bill 22 is the wrong way to go about managing such change. True change for the better can only be done by joint efforts of public employees and the employer. There are other ways of doing things and other alternatives to examine.

We urge you to withdraw the legislation and engage in meaningful discussions with us. We challenge you to be creative and co-operative in solving the problems facing Manitoba. If the government is determined to pass Bill 22, we have some specific suggestions to make.

The Civil Service Superannuation Board has estimated the 10 days unpaid leave this year will result in a pension reduction for everyone affected of approximately \$1 per month per \$10,000 in salary. This will be doubled or more depending upon the parameters of next year's program.

The government will generously let our members work 10 days longer before retirement to make up the 10-day loss in pensionable service, provided they do not lay them off beforehand.

The choice of a person's retirement age is their own personal decision and in fact the employer has no way of knowing when an individual intends to retire until that person informs them.

(Mr. Chairperson in the Chair)

If the intent of the Bill 22 is to meet a short-term financial problem, surely there is no need to erode people's pensions. We point out again that Bill 22 takes precedence over every other act, including The Civil Service Superannuation Act.

We believe that all it would take to protect the pension benefits of employees are two amendments to the bill. The first is the addition of a clause in Bill 22 that the unpaid leave count as pensionable service. The second is another clause that for the purposes of the calculation of the final best five of the last 12-year average earnings, the unreduced salary will be used. We urge you to make those amendments.

In the provincial civil service, give flexibility to the employees to schedule the days off as they wish, subject to operational requirements. This would significantly reduce, but not eliminate, the impact of the bill on the service to the public.

Amend the bill to specifically state that the unpaid leave will have no impact on the calculation of any benefits other than pay.

Where a collective agreement is open and the parties are in collective bargaining, they have the ability to address all issues. The bill should, therefore, be amended to exempt any employees whose collective agreements are under negotiation and also for the term of the resulting collective agreement.

Remove the retroactivity from the legislation. It is an affront to fairness to retroactively tell people they will not get paid.

* (1120)

Our members are highly skilled professionals, the sort of people that Manitoba and Canada will require to be competitive in the 21st Century. The ability of the province to attract and retain such people is being seriously compromised by recent actions up to and including Bill 22. The dedicated, motivated and skilled public service is essential to the future of Manitoba. We urge you to stop putting obstacles in the way of such a public service and let us get on with building Manitoba.

Thank you.

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

Mr. Storie: Mr. Chairperson, I am just wondering before I begin questions to Mr. Harden, whether the minister would care to comment on the question

about the impact of Bill 22 on other benefits. Given that the minister is also the Minister responsible for the Civil Service Commission, I am wondering whether the government considered this impact when it first introduced Bill 22.

Mr. Chairperson: Mr. Harden?

Mr. Harden: I think that was a question to the minister.

Mr. Chairperson: I believe that the questions in the public hearings are for the questions to the presenter, so I believe that Mr. Storie—we do not want to waste the presenter's time. He is on a time—

Hon. Darren Praznik (Minister responsible for the Civil Service Commission): On a point of clarification, it is my understanding from our discussions through the Civil Service Commission that with respect to pension in the case of civil servants, if they are losing 10 days on the reduced workweek program, by adding an additional 10 days to their expected date of retirement they should be able to make that up. I will reconfirm that for discussion because it was not our intent to attack pensions, but that is my understanding from experts in the field, that that should provide for a civil servant to make up those additional 10 days and, consequently, not suffer in their pension.

Mr. Chairperson: Thank you for the clarification.

Mr. Storie: Mr. Chairperson, I want to thank the minister for the clarification, and I assume that that means that there is a commitment to ensure that people who were affected by Bill 22 will actually have the opportunity to serve that additional 10 days so that there will not be any net impact—if the minister's so-called expert is correct, it will not have any negative impact on the pensions. I am sure that will be comfort to some extent.

Mr. Harden, your presentation talked about the role of engineers in the delivery of the highway program to Manitoba, and you make the point that it does not make sense to have people off duty when the province is conducting a \$100 million-plus highways program. I am wondering what the supervisors and what the senior staff in Highways are telling the engineers. Are you being urged to continue to work five days and get paid for four?

Mr. Harden: Well, I can speak for my members. They are professional employees. They will try and complete their jobs. They will try and do five

days work in four days, as is the nature of being a professional.

Mr. Storie: You also referenced in your paper the fact that a very innocent mistake on the part of an engineer could actually end up costing the province a considerable amount of money. Can you give us some sort of examples of the kinds of things that can go wrong when professionals and engineers in particular are under pressure? What kind of a mistake are we talking about?

Mr. Harden: It does not necessarily have to be a mistake, it just has to be choices made in the design process. You know, you can say that putting the rebar in the concrete road at 10-inch centres rather than 12-inch centres, that will have a major impact on the cost of that road. The thickness of the concrete, the size of the aggregate, whatever, would have major impacts on the cost of that road.

Mr. Storie: What you are telling the committee is that the government, because it may be missing critical advice, because people under pressure make mistakes, in fact, we could have a situation in the province where there will be major reconstruction as a result of errors that are made that would cost us a lot more than the \$2,000 they are paying an engineer in additional support.

Mr. Harden: That is very correct. I guess one can cite the example of Pembina Highway several years ago. It was not our members. It was in the city of Winnipeg, but where they had to resurface the entire section of road that they had already surfaced because of an error in the asphalt mix.

Mr. Storie: Mr. Chairperson, the other focus was on the issue of consultation. You referenced the fact that while the bill mentions it, consultation in a sort of a peremptory way, there has been very little consultation in the process at all. I am wondering whether your members believe that they could have found a simpler and fairer way to reduce cost to government than the method that they have chosen.

Mr. Harden: When we first talked with the government, our executive made the decision that we would in good faith try and reach an agreement with the province on some sort of salary reduction program or salary rollback, whatever you want to call it.

We were talking with the commission, and it became very quickly apparent that they had no

interest in hearing at all what we had to say, that they were going to do it this way, and this way was the only way they were going to do it. Therefore, on that basis, why should we sign an agreement if it is going to be done anyhow?

Mr. Storie: Without breaking any confidences or perhaps naming names, did you or members of your association meet with government ministers to discuss potential alternatives?

Mr. Harden: We did meet with ministers on two occasions at the start of the process; the discussions on the Memorandum of Agreement, the details of the Memorandum of Agreement were with commission staff.

Mr. Storie: So your impression was that commission staff basically were told that they were not looking for alternatives at this point. What they were looking for was compliance.

Mr. Harden: I cannot say what commission staff were told. At the table, they certainly were not looking for any alternatives to the program—was suggested. They were simply looking for our signature on ratifying what they were going to be doing anyhow.

Mr. Storie: Mr. Chairperson, I assume that you have had discussions with other professional groups that operate within the civil service and within Crown corporations. I am wondering whether there is any indication that the professionals that the government of Manitoba relies on for expert advice in a variety of fields were genuinely consulted in any way about alternatives to this proposal.

Mr. Harden: I cannot state specifically on their viewpoints. I do know that other models for the unpaid leave program were adopted by Manitoba Hydro and, I believe, Manitoba Telephone System.

Mr. Chairperson: The presenter's time has expired, so I thank you very, very much for your presentation, Mr. Harden.

Mr. Harden: Thank you.

Mr. Chairperson: I will now call on Mr. Reg Perry with The Arborg & District Health Centre. Mr. Reg Perry? I will then call on Amy Dellebuur. Amy Dellebuur? I will then call on Mr. Gord Hannon. Gord Hannon? I will then call on Anita Lewis. Anita Lewis? George Bergen? Mr. George Bergen? There he is. He has a presentation? You may proceed, Mr. Bergen.

* (1130)

Mr. George Bergen (Private Citizen): Thank you for this opportunity of what I consider to be a sad day for Manitoba. To put my comments in perspective, I want to say that as a farm kid growing up in northern Saskatchewan during the '40s and '50s, I am old enough to remember what it was like before we had hospitalization, before we had medicare, before we had the larger school units and even before we had family allowances.

I can remember, in the late 1940s, we had virtually complete local community or municipal responsibility and control of all health and education matters.

I dropped out of school at the age of 14 because we did not have a high school in our community, and there was no money or buses to go elsewhere. I left home when I was 17.

To make a long story very brief, since the 1950s I have worked my way through logging camps, mining operations, university, AECL at Pinawa and a union office.

So I have seen a lot of progress, but today we seem to be going backward. Whether it is labour relations, economics, health care reform or education, we seem to be going backward.

I am appearing before you entirely on my own initiative as a private citizen, and I have never had the occasion to become a member of a political party. I am here because I believe that Bill 22 is wrong, unfair and unjust to a large number of Manitoba citizens.

I believe this proposed law is one more unwarranted politically inspired attack against provincial government employees that began in earnest early in 1991.

In the broader context of history, democracy and labour-relations integrity in a civilized society, this proposed law goes far beyond just picking 3.8 percent out of civil service salaries for the next two years.

Bill 22, for the second time in two years, is a massive assault on the free collective bargaining process, a process that only exists in the democratic economies of the industrialized world.

Government or political parties did not invent collective bargaining, just like government or political parties did not invent profits. On the other hand, if you have any respect for history, for

democracy, it is your obligation to strive for a labour-management relations balance where collective bargaining is seen as a legitimate institution in our economy.

The collective bargaining system of compensation determination is not perfect, but nevertheless it is ultimately the best system there is in societies that embrace democracy, free enterprise and freedom of association.

I could go on at length on the rationale in striving for a balanced labour-management relations process on compensation determination, however, suffice it here to ask for your reflection and contemplation on what the alternatives might be.

What committee members here, for example, would favour a province-wide unilateral wage determination that exists in Central and South America or in other Third World economies?

To protect collective bargaining in Manitoba, I urge committee members to give this proposed law one more reconsideration before coming down with an iron fist against the civil service of Manitoba and other public employees.

I want now to address the question of how justified is the Premier of Manitoba in bringing in this kind of draconian law?

In its March 7, 1991, throne speech, the Premier stated: The terrible tragedy of this recession is that it has been self-inflicted through deliberate policies of the federal government, primarily the Bank of Canada's high interest rate policy.

Well, you know, the Premier was right. But instead of facing the real perpetrators, the real adversary in all of this, he and his Minister of Finance (Mr. Manness), like mad dogs, turned on their own employees. And since 1991, the attack on the civil service has been relentless.

Because the past three-year history of attacks on the civil service has been covered by many other presenters, I want to rather focus on exactly how justifiable the government's case against the civil service and the public sector is.

Does the Premier and his Minister of Finance, beyond political expediency, have a valid case in making civil servants and the public sector scapegoats for their economic failures that relate to the current so-called deficit-debt crisis?

In doing this, I want to refer to the hard facts as presented in the following tables, and I will just quickly go over those tables.

The first table presents program expenditures versus deficits. That is without stabilization. How does program expenditures relate to the deficit? You tell me. Take a look at that table, study it.

Quickly going to the next table, that presents government program expenditures again, along with a deficit with stabilization. The \$200 million that the current government took out of the pot in 1988, they took too many dollars out of the pot, spread it over the four years, that is considered here. Even then, how do you relate government expenditures to the deficit? How do you relate them? What you are saying is take money out of government expenditures to satisfy this deficit.

Next, Table 3 provides Manitoba civil service wage increases along with government expenditures. Civil service wage increases are even less than government expenditures. I have not got the overall increase in civil service wages for those years, '88 to '93, but it is 14.4 percent. Expenditures increase 17 percent.

The next table is corporate versus personal taxes. Corporate taxes have gone down by 114 percent. Personal taxes for Manitobans have gone up 18.6 percent.

The next table gives percent wage increases. It covers the Canada-Manitoba and the civil service again and also the cost of living, different tables there. But in the bottom, if you go horizontally along the bottom, for example, the Consumer Price Index for Canada has increased 38.6 percent, 38.0 percent for Manitoba, going horizontally across again to Canada, the weekly composite wage went up 43 percent from '84 to '92.

In Manitoba it went up 36.9 percent. Civil service salaries, again, wage increases, 28.6 percent. That is the reason why in 1971 [sic] the government brought in Bill 70 because they would have lost their shirts if a third party would have looked at this, that is why. Their bureaucrats told them, look, do not go up against the MGEU, because you are going to come out second best, and they would have. Because the civil service salaries have been the bulwark to public sector wages down in Manitoba.

The next table comes from a Royal Bank report that shows Manitoba expenditures per capita is the

lowest in Canada. The next table comes from the European economic community research, gives you a perspective on social spending in the world and EC countries.

The next bar graph is income inequality, just take a look at that. Income inequality in the United States is one the highest in the industrialized world, again. Canada is close behind.

Taxes, as a percent of the gross domestic product, of those countries listed there Canada is second lowest. One of the problems is, there is a tremendous amount of disinformation that is being pumped out there to the public. It is primarily being done by the federal government and the government here in Manitoba.

Now, continuing on, my time is running out. The facts are clear. Civil servants are not the problem and, therefore, should not be the victims that Bill 22 makes them. The government's budget after budget attack and manipulation of the civil service in the guise of economic renewal and stimulus is nothing but shameful and hypocritical.

How can the Premier (Mr. Filmon) and his millionaire Minister of Finance (Mr. Manness) live with their conscience on Sunday morning? The definition of hypocrisy, the fairness and hypocrisy of Bill 22 is compounded by the huge January 8, 1992, retroactive salary increase for the highest paid government bureaucrats.

One month after the MGEU and the government had agreed to a three-year wage settlement in December of 1991, 70 of the government's already highest-paid employees were handed an average 14.1 percent hike ranging from 7 to 23 percent. Here is a summarized table to illustrate what the latest provincial government wage settlement with employees consisted of, and gives a table there of the settlement, the bargaining unit versus senior bureaucrats.

The huge 14.1 percent salary increase for senior government employments in effect insulates them from the wage reduction impact of Bill 22. An increment in their pay range will be offset by the 3.8 percent 10-day layoff plan. Before you vote in favour of this bill, I am asking committee members to review your conscience. Ask yourself, for example, is it proper for Clayton Manness to pick up a \$70,000 GRIP subsidy cheque, while at the same time he cuts the wages of those who in many

cases already earn income below the poverty level?

* (1140)

I just want to make one reference to what Mr. Enns talked about last Friday. He was saying that in the private sector there have been some wage freezes and so on and so forth. Well, I can tell Mr. Enns that in his department he employs probably the lowest mechanics and many of the lowest classifications that can be compared to the private sector. If you look at the wage settlements in here, civil service versus the private sector, you will see that overall civil service settlements have been lower than the private sector. Private sector wages in the area of trades and maintenance are much higher than the civil service.

I just want to briefly turn to the supplement graph or data I have here. The first graph—you might have it here—that is a reference to what Mr. Manness said last Friday. He said that Manitoba has the highest corporate income tax in Canada. That is about the hundredth time he has said that, that Manitoba has the highest corporate income tax in Canada. What does the Royal Bank say? Ask Mr. Manness. I would like Mr. Laurendeau, my representative from St. Norbert, to go back to Mr. Manness and ask him, tell him what the Royal Bank says and ask him. This is the highest corporate income tax in Canada here. This is what the Royal Bank says. I have the Royal Bank report right in my briefcase there.

Floor Comment: That is what is collected. That is not the tax rate.

Mr. Bergen: That is about the collective. That is important. That is exactly it. That is the rate. That is the true rate.

Floor Comment: No, this is what is collected.

Mr. Chairperson: Order, please. Mr. Bergen to continue with his presentation.

Mr. Bergen: I am not worried about a number and then—the total picture is what counts.

You can look at those tables. In any event, that is my presentation. If there are any questions I will answer them.

Mr. Chairperson: Thank you.

Mr. Penner: Mr. Chairperson, I appreciate Mr. Bergen's presentation, and I want to compliment him on the work that he did do on his presentation, and the graphs and documents prepared for the

presentation. It is certainly obvious that he is a student of economics and a student of the system.

I find it interesting that on Table 4 you indicate that Manitoba income taxes, corporate versus personal, have dropped by about \$114 million on the corporate side, and increased by, you say, 18 percent on the personal side. That would demonstrate to me that in light of the fact that we have actually decreased personal taxes through the income taxes by 2 percent since we have been in government, but it also demonstrates on the corporate side a very interesting position which we have noted.

When our mineral prices dropped very dramatically in this province—I refer to nickel—our mining revenues dropped by about \$113 million, corresponding almost identically to the number that you indicate our corporate incomes, revenues, to drop. I compliment you for this, because it demonstrates clearly our corporate revenue decreases almost to the amount of the decrease in mineral taxes raised.

I also note on the personal side that there are increases there, which would demonstrate to me that there must have been increases and incomes on the personal side of those earning income in order for the province to be able to generate that sort of increase in taxes at the same time that we have actually lowered, by two percentage points, our income tax take on the personal side. So that demonstrates clearly a fairly significant rise in the income levels of Manitobans.

Thirdly, I want to reflect on the reference that you made to Mr. Manness and what he collects from GRIP. Being a farmer myself, you should be aware, or the committee members should be aware, that farmers must, in fact, pay a very substantial premium in order to buy the kind of insurance that farmers buy in order to assure that there be some revenue return. In light of the fact, Mr. Bergen, that wheat prices have during the last six years tumbled from \$6 a bushel to less than \$2, I say to you that there is no other sector in society that has taken that kind of decrease in income, not reflecting any amounts of the net income, reflecting the gross revenue declines of that sector. There had to be, whether it was in the province of Saskatchewan, Alberta, Manitoba, Ontario or any of the other provinces that produce agricultural commodities, some sort of an insurance scheme

implemented that would allow for some return of the inputs that sector creates.

If this is a true reflection of Mr. Manness' take, which I do not know, and really it does not matter to me, but if it really is, it is basically a return on an insurance policy that he bought to cover his input costs. I would suspect that his input costs, if I know something about farming, and I think I do, that amount would not even come close to covering his costs of production.

So the question I have for you, Mr. Bergen, should this government do what other governments have done, and our neighbouring provinces to both sides are facing very similar types of situations in revenue decreases as well as cost increases of operating government, and their amounts of interests payable, as ours has risen to \$550 million annually—how should government reflect the balancing of expenditures versus incomes to correctly reflect what services are provided to its citizens?

Mr. Bergen: I will respond to that. First of all, I know that you and Mr. Manness pay 33 percent of the premiums. That is all it costs you, 33 percent of the premiums. Civil servants pay the rest. I know that farmers pay 33 percent of the premiums. I know that, and so do you know that. The rest is paid by the taxpayer.

Okay, so Mr. Manness collects 70, according to the amount of land he has and according to the average payout per acre, that is what he got in 1991-92 crop year. You can ask him; you can check his books, 1991-92 crop year. He got \$70,000. So, even if you take 33 percent off that, he is still getting \$50,000. That is a heck of a lot more than a \$20,000 employee at the Manitoba Developmental Centre, that if you go there one day, you will not push this bill. If you will one day work at the Manitoba Developmental Centre, you will not work for this bill, I guarantee it. I am not finished yet.

You are saying, well, what is the answer? You know what? There was \$320 million paid out in the 1991-92 crop year to farmers in Manitoba. I am not arguing against that. The problem is that 40 percent to 50 percent of that goes to 6 percent of the rich farmers like Manness. I was born on a farm. My dad still lives on a farm, and my brother still farms. The problem is 10 percent of the farmers cannot even pay the premium for this damn

GRIP program. That is the problem. You know exactly what I am talking about. The program that is set up for rich farmers by this federal government and this provincial government. I fully agree with farm subsidies. I fully agree with fighting the EC, fighting the U.S., but I am not in favour of paying rich corporate farmers like Manness.

Mr. Chairperson: Mr. Bergen, I believe your time has expired. The presenter's time has expired. I thank you very much for your presentation, Mr. Bergen.

* (1150)

Mr. Bob Clasper. Ms. Vera Chernecki or Maureen Hancharyk. Do we have a written presentation of yours? If you will just give it a moment, we will pass it out. You may proceed.

Ms. Maureen Hancharyk (Manitoba Nurses' Union): Mr. Chairperson, members of the committee and members of the public.

As vice-president of the Manitoba Nurses' Union, I am pleased to have the opportunity to put forward the views of the Manitoba Nurses' Union on Bill 22. Our union represents 11,000 nurses who provide care for Manitobans in hospitals, personal care homes, health clinics and in the community. Our membership, like those of other public sector unions, are proud of the work they do and are dedicated to providing the best possible care for Manitobans.

Let me state at the outset that our union's recent settlement should in no way be interpreted as condonement of Bill 22. Our members were offended at being forced to bargain under those conditions, and find contemptible any employer who seeks to subvert the collective bargaining process. It is a fundamental principle of a democratic society that workers have the right to negotiate the terms and conditions of their employment. They have the right to sit down with their employers and discuss the conditions under which they will work in good faith and in an environment of respect.

This legislation not only demonstrates the government's complete lack of respect for the thousands of Manitobans who devote their working lives to caring for this province. It also demonstrates this government's cowardice in using their power as elected lawmakers to subjugate their employees and force them to bear the burden of

the largest deficit in our history, a deficit that this government's policies helped to create.

It is unconscionable to me that you are forcing a single parent, for example, one making \$18,000 a year, to take 10 unpaid days off when, as it is, she is struggling to pay the rent, buy food and pay for daycare. This person and others in similar situations are barely eking out a living, never mind having to subsidize the deficit-reduction policies of the government.

Public employees are the middle class of Manitoba. They do not earn exorbitant wages. They are decent, honest citizens who have the right to be treated with respect. They do not deserve to have agreements that were negotiated and signed in good faith nullified, nor do they deserve to be treated in such an autocratic manner. This has left a bitter taste in the mouths of many of our members, as it has with thousands of other Manitobans. I am sure this experience will remain with them for some time in the future. I think elected representatives would do well to remember that, come election time, they may well be reminded who ultimately works for whom.

This legislation demonstrates that once again this government disregards the people who could provide the most valuable information with regard to saving money in the public service. Consult with the people who work in the system, who know first-hand what it takes to run the province efficiently. If you would only look, you would see that our public employees are one of your greatest resources. We know where money is wasted and where it could be spent wisely. Money is not wasted on providing qualified nurses to care for the sick and the dying, or a corrections officer to protect society, or a daycare worker to ensure your child is safe and nurtured. Money is wasted in building a \$38 million hospital in a minister's constituency when there are already two in the area.

Waste is giving an American consultant who does not understand our health care system \$4 million and \$800,000 in expenses to cut, downsize and ultimately Americanize our health care system. I find it ironic that President Clinton consulted Canadian Jane Fulton when their reform process began. Their health experts look to ours as an example of the ideal system. The American system is far more wasteful than ours, yet we allow Connie Curran to get rich at our expense. I doubt that you could have found any Manitoban who

works in the health care system who would have advised you to start charging for colostomy bags and medivac but urged you to make sure you keep Connie Curran in luxury at the Westin.

The importance of the consultative process was reinforced by the Freedom of Association Committee of the International Labour Organization, which said in a report: The establishment of a tripartite group to examine the questions of wages and the anti-inflationary measures should be promoted between public authorities and employers and workers' organizations with the general objective of achieving mutual understanding and good relations between them, with a view to developing the economy as a whole or individual branches thereof, improving conditions of work and raising standards of living.

Consultation is the only process that works. To shut employees out of the decision-making process and then refer to the enforced loss of 10 days pay as a contribution is cynical and manipulative. Consultation does not include saying to employees, I will sit down and bargain with you, but if we do not get what we want in 30 days, we will impose our will.

In summary, nurses in our union believe that Bill 22 discriminates against a particular segment of society and therefore is fundamentally wrong. This bill is an abuse of the power given to you by the people of our province. To use that power to force public employees to carry the burden of Manitoba's deficit is wrong. To take away the freedom to bargain collectively is wrong. To renege on agreements negotiated in good faith is wrong.

There is no positive aspect to this bill. No amendment could improve it. It should be withdrawn.

Mr. Chairperson: I thank you very much for your presentation.

Mr. Ashton: Mr. Chairperson, I appreciate your presentation. I want you to know that there are some that would suggest that the recent settlement in some way represented a legitimate collective bargaining process. I just wanted to ask you so that it is very clear on the record—you are saying basically, as I understand it, that the recent settlement that was reached was a settlement that was arrived at only because of basically the threat of the imposition of Bill 22. That was the driving

factor and would not, under normal circumstances, be considered what would be a normal collective bargaining process.

Ms. Hancharyk: Our members had been at the negotiating table for six long months, and they decided that, with Bill 22 lurking in the shadows, they would stay there and finish the process.

Mr. Ashton: The reason I am asking that question is that there are some who have been trying to suggest that the settlement that was reached somehow was an indication of co-operation and negotiations. You are saying essentially that it was a very one-sided process because of the fact the government had Bill 22 as the hammer, so to speak, that they could bring in if they did not like the results from the negotiations. So really you were negotiating with both hands tied behind your back effectively.

Ms. Hancharyk: I am saying that exactly. In fact, I am saying it was damage control that we were doing.

* (1200)

Mr. Ashton: I want to focus on a couple of other aspects of your brief because I find your comments, in particular on health care reform, to be interesting, and the Connie Curran contract, and certainly we have raised our concerns in the Legislature about that. But one thing that has struck us, I know, in our caucus is the fact that there has been a lot of talk about health care reform, but one of the cornerstones now of the health care reform process is an American consultant, as you point out—it is, I believe, \$3.8 million is the latest figures we have received, \$800,000 in expenses.

One of the concerns that we have expressed is the fact that if you are going to have true health care reform, the first people you should involve are the people that are part of the system. That includes, obviously, patients, but also, in particular, includes nurses and other health care professionals. I counterpose that with sort of the argument that the government seems to be using on Bill 22 that this is somehow necessary to save money for the province.

I would like to ask you if you feel that the Manitoba Nurses' Union is being fully involved in the health care reform process, whether nurses are being listened to; and, in fact, if the government is really serious about health care reform and even serious about saving money, whether they perhaps

could use a different approach in dealing with nurses.

Ms. Hancharyk: I would say, no, we are not being consulted. Connie Curran is here. She has been here, in my belief, for some two years now. I do not know how much information she has been given, but I know that I have gone and heard what she has to say long before this year.

I do not believe nurses are being consulted. I do not believe it is true health care reform. We do support health care reform. We do believe that we have input on the ways that this government could save money in true health care reform, things such as putting doctors on salary, which I see no move—the government is making no moves towards, not even moving towards that; community and preventative health care, which, again, I see no movement towards. Involving nurses more in doing some of the tasks that doctors are presently doing, such things as blood pressure clinics, well-baby clinics, getting rid of the privatization that is occurring instead of increasing it in Manitoba.

There are countless ways to save money, and we do support true health care reform. We do not believe that this government is doing any health care reform. They have got an American consultant in here at, again, a cost of \$4 million-plus, and we could have saved them a lot of money at no expense. The American consultant is doing nothing but laying off nurses and cutting beds and cutting services to Manitobans.

Mr. Ashton: I find your comments interesting, because I think we are increasingly seeing that one of the Achilles heels of this government is its inability to deal with any organized group of employees, whether it be unions or associations, et cetera, and there seems to be a visceral dislike of even having to sit down and talk to unions. I just want to be very clear—[interjection] Well, the minister says that—the minister should hear some of the statements that are made by members of his caucus, including the Minister of Health (Mr. Orchard), who has made no secret of the fact that he will not sit down on many occasions with representatives of various unions because he—[interjection]

Well, we have just heard a very clear answer that there has not been complete consultation. What I want to ask, then, very clearly on the record, is that you are saying: If this government is serious about

health care reform, and even if it is serious about saving money, that if they would just consult more fully with nurses individually and also with the various organizations that represent nurses, whether it be either unions or professional associations, they could get a lot more results than through Connie Curran and Bill 22.

Ms. Hancharyk: Yes, that is exactly what I am saying. In alluding to the comments made that there is consultation, having a meeting with the Minister of Health (Mr. Orchard) every three months and being told what is happening is not consultation. Consultation is getting input and using that input, and I do not see that any of the input that we have had to date has been heard.

Mr. Ashton: I would like to put a few more questions, but I know with the shortness of time I just thought I would ask one more to allow the Liberal member the opportunity to ask a number of questions.

I just want to ask finally, if you can give us some sense of what nurses are feeling now following the contract. I think you have outlined that fairly clearly, Bill 22, health care reform. I know many of the nurses I have talked to feel quite bitter. They feel that they, as are other public sector employees, are being used as scapegoats, that this exercise of health care reform is more of an excuse to cut the system back, and that their jobs are really on the line.

There are also a lot of nurses that I have talked to who feel that one of the things that is completely missing is the recognition of the greater role that nurses can play in the health care system and other health care professionals. I am wondering if you can just, in conclusion, give members of this committee some idea of what the reaction is out there, I mean, in the real world of our health care system to what this government is doing both in terms of Bill 22 and other measures.

Ms. Hancharyk: I think all of your comments are valid, and I think, I guess, the biggest fear that nurses have right now is that—if not daily, then certainly weekly, we all read and hear in the newspaper about hundreds of more nurses' jobs that are being lost. We are not special, and we are not any different from other Manitobans, but we are nurses because we care. I think not only are they worried about their own jobs, but they are worried about how we are going to provide quality health

care to Manitobans. The nurses that are left working now are short staffed, and are not able to provide the kind of care that they want to give and were taught to give.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, for the presenter, I would ask her in terms of—and I am very pleased that the Manitoba Nurses' Union did come before us this morning, primarily because, as the member for Thompson (Mr. Ashton) has commented on, I am very concerned with respect to what the Minister of Labour (Mr. Praznik) has been saying inside the Chamber, not only in terms of his speech but from heckling from his seat, in terms of how proud he is or the government is in the sense that there has been a union—and he often cites the Manitoba Nurses' Union as one that has come with a compromise—that did not require Bill 22. Now it might have been reported on, but I am interested in knowing in terms of how the union itself dealt with the 10 days.

Ms. Hancharyk: I think I need a little more clarification of what you are saying.

Mr. Lamoureux: In terms of Bill 22 and what Bill 22 is asking of civil servants in terms of the 10 days off, how has the union, the Manitoba Nurses' Union, dealt with the 10 days off in their agreement? Can she indicate?

Ms. Hancharyk: We have an agreement. The 10 days off are not reflected in our agreement. We are essential workers, and if that was the way it had been settled with us, nurses would have had to have been replaced. So it was not a factor.

Mr. Lamoureux: So you took a decrease, 2 percent decrease, from what I understand, of the wages. I am wondering if in fact—you know, the member for Thompson (Mr. Ashton) again talked in terms of why it is, and my response to the minister's remarks was much to the effect of having the gun to the head and you were forced into making some form of an agreement. What was the general feeling of the membership in terms of taking the rollback as opposed to not having the rollback, going into Bill 22 and then having quite possibly to take the 10 days off?

Ms. Hancharyk: I think the fact that the members ratified the agreement shows their acceptance of the agreement. But, as I said earlier, it was how they felt that they could best negotiate—not free collective bargaining because we lost that right, but

through this bill lurking in the shadow how they could negotiate an agreement having spent six long months at the bargaining table, and having to do damage control with this bill lurking in the shadows.

Mr. Lamoureux: I guess I would argue, at least in part, that the reason why we have seen this particular bill is not necessarily to give the 10 days off without pay. It is, in fact, to get the rollback because of the government's inability to be at the bargaining table and come up with an agreement in which they could, in good conscience, live with.

Unfortunately, we see legislation of this nature that—and the Manitoba Nurses' Union in itself demonstrates, in terms of the agreement that they entered into, that saw and gave the government basically what they were really wanting, which was to see a rollback, a saving on the salary. I wonder if she would concur with that thought.

Ms. Hancharyk: That we were in agreement with the government and we were in agreement with this bill? Is that what you are suggesting?

Mr. Lamoureux: No, not at all. I assume by the presentation you made that you did not agree with Bill 22 at all. What I am saying is that the government, I would argue, brought in this particular bill as a form of a rollback for the simple reason that they were unable to come to an agreement with the different unions and, particularly, the Manitoba Government Employees' Union.

* (1210)

As a result, we have seen this masquerade of the 10 days off in order to reduce the labour cost of government. In fact, we see the union association, the Manitoba nurses, come up with what they believe is a responsible approach in terms of trying to prevent damage because of the health care services that they provide and took a wage decrease.

What I am asking the presenter is: in her opinion, does she feel that many of the agreements that are being entered into, that this government has entered into, because the Nurses' Union is only one of them, are a direct result of government's inability to have that free bargaining process a successful one?

Ms. Hancharyk: Absolutely. This bill takes away the free collective bargaining process. It totally undermines it. It is gone. That is what this bill has

done. Yes, collective bargaining can still go on, but it is not free anymore, and it is not open anymore.

Mr. Chairperson: I would like to thank Ms. Hancharyk for your presentation. Your time has expired. So thank you very, very much for your presentation.

I would now like to call on Mr. Barry Wadsworth. Mr. Barry Wadsworth? Mr. Glen McCoubrey? Do you have a written presentation?

Mr. Glen McCoubrey (Private Citizen): Mr. Chairperson, I believe I—

Mr. Chairperson: Yes, we will distribute it. You can begin.

Mr. McCoubrey: Thank you very much, Mr. Chairperson. Before I begin, I would like to thank this subcommittee for allowing everybody the time to come before it. As a first-time presenter, I have been getting an education the past few days on the uses of parliamentary power, and it is quite educational.

I respectfully submit that this legislation should not be passed or condoned by any party for the following reasons. As a citizen of Manitoba and an employee of the Manitoba Telephone System, I feel that, at a time when the entire country is trying to come out of a recession which even our governments admit to, this legislation will hinder the efforts of the Crown corporation, which, unlike other departments of government, actually makes a profit, to continue to be profitable.

If it is assumed that this government is not intent on making the Telephone System look like a loser, then I must ask the question of why, at the same time MTS is being forced into a competitive market, which I personally feel is good for Manitoba, this government is intent on forcing us to compete on an uneven playing field by deliberately causing MTS to lose close to 50,000 man-days, which it can ill afford simply to make a showing to the public that it is being fiscally responsible. By doing this, you are forcing our customers to go to the competition which, in one way, is achieving what the government wants to do, but at the same time creating an illusion that there is, in fact, a fair competitive marketplace out there.

As a citizen of Manitoba, I am also a shareholder in this corporation. If this were a private enterprise, I would sincerely question the motivation and possibly the sanity of the directors who seem to be deliberately trying to stifle the profit-making ability

of this enterprise. My question to the ministers is, are they setting us up to be sold?

If they are, then the inclusion of MTS in this 3.8 percent reduction in both pay and man-hours makes sense in that the more blocks that this government puts in our way, the more excuses it will have to sell us. If the intent is not to sell the corporation, then I must ask that this committee seriously consider excluding the MTS from this legislation in order to allow us to compete and grow, thus giving the people of Manitoba the quality telephone system they deserve.

It is widely recognized that perception is reality, and in this case, the perception is that this government does not care about the legal rights of the citizens that voted for it in that it blindly disregards the collective agreements that were legally agreed to—and I stress the words “legally agreed to”—by the workers and management of MTS.

I ask you if this is the type of atmosphere that this government hopes to create in order to attract new business. Keep in mind, both business and labour look at the dependability of governments before relocating to a given province. If a government can run over an agreement that benefits business, it is perceived that it can do the same in order to benefit labour, if it seems politically convenient.

The politicians of this province want the best for the people who voted for them. This, in itself, is admirable. MTS has been forced to spend close to \$750 million in order to provide individual line service to all Manitobans. I ask this committee if they feel any corporation can stay alive if it cannot be allowed to recover this level of debt using all the resources available to it. This presenter feels it cannot, and this legislation is tying the hands of the corporation to fairly compete in order to bring in the revenues necessary to repay this debt.

Lastly, as an individual, I feel this legislation is discriminatory in that, through no fault of my own, my income has been reduced, while other segments of the population only have to ask or complain in order to receive grants on forgivable loans in order to relieve perceived fiscal losses. The public perceives us as being overpaid and underworked. Thus, it will condescend to this legislation, but I say to you that, in comparison to my counterparts in other parts of the country, I probably work harder, as the system has been

undergoing staff reductions for the past two years, and can prove that I am the lowest paid for what I do in the country.

I contend that if this legislation is passed, this will help to drive away quality labour who will go elsewhere to provide and offer their talents. This legislation will help to create an atmosphere of distrust and discontent in the labour force today as it will create a Third World atmosphere for high technology in the future.

Honourable members, governments lead by example, and this legislation is a bad example to hold before anyone who has any aspirations of public service. In order to bring this province into the 21st Century, it needs the best talent it can get. It will not get it by showing the world that it cannot be trusted. I urge you to consider other measures such as reducing capital spending, business grants, lowering agricultural grants in the next year or two in order to achieve the desired reduction in spending.

Thank you very much.

Mr. Chalperson: Thank you very much, Mr. McCoubrey.

Mr. Manness: I thank the presenter very much for his maiden presentation, so to speak, before committee.

I am intrigued with the last remarks, because you are one of the few presenters that has come before us and said this is where you can make your saving, and I appreciate that. I thank you for that. You say I urge you to consider other measures, quoting from you, such as reducing capital spending, business grants, lowering ag grants next year.

We have done all those three things this year, pretty significantly in two of those areas, and we still have a structural deficit of \$380 million. I only point that out to let you know the magnitude of the problem and also indicate to you that of all the problems that some of the Crowns have and that MTS has, certainly this government does not lay any of those at the feet of the employees.

I mean it has been a system that has been inherited for decades now. It has been caught up in this incredible technological change and incredible debt, a lot of it well-intentioned. I can assure you, if I do nothing else, that the reason MTS was included in this is they are part of the family. Just like I cannot throw off my lineage,

neither can any of the Crowns. They are part of the government family. Consequently, we had to include in it, for the sake of fairness, all of those who work for the public sector in all dimensions.

Thank you for your contribution.

Mr. McCoubrey: I would like to thank the minister for his comments and educating me on the fact that you have been reducing grants.

I would like to rebut one comment you made that, in fact, yes, the government considers MTS a part of the family, but on the other hand, this government does not have competition. If this government had competition, i.e., another government in place to compete with it to provide services, then perhaps your comments would be legitimate.

In my case, in MTS's case, the government has forced us to compete, because the government wants to basically put competition into the technological marketplace. As I said in my presentation, personally as a citizen of Manitoba I feel this is commendable. At the same time, Mr. Minister, I feel that in competing, even though we are a Crown corporation, I will say that we must be given an equal playing field in which to compete in. You are not doing that, Mr. Minister.

This government is saying, on the one hand, you must compete; therefore, we will give you competition. On the other hand, you are saying, you must spend \$750 million to provide services to Manitoba; we will take 50,000 man days away from you, and now you go compete with this \$750-million debt which we would not have if we were a private enterprise. We would not even dream of thinking of it if we were a private enterprise, and we would not dream of giving 50,000 man days away to a competition. In one sense, I agree with what you are saying, Mr. Minister, but in reality, this is not the fact when it comes to MTS.

* (1220)

Mr. Manness: Well, Mr. Chairperson, let me conclude this—I know members of the committee want to ask questions—by saying that when you talk about competition, I guess it can be measured and defined in various ways. Certainly the government of the day has massive competition every four years, and the people ultimately decide who is going to be the winner of that game. So I

could make an argument that government does have competition.

Secondly, with respect to MTS and the mandate for government to be involved in the \$750-million capital explosion, your comments are accurate to a degree. I point out, though, that even before that, Hydro on its own could never have borrowed a dollar for the last 30 years if it had not been for some Minister of Finance, at this point myself, cosigning the loan. [interjection] The member for Flin Flon (Mr. Storie) calls me a drag, and I have been called worse. That is a fact. So thank you very much for your comments.

Mr. Ashton: Mr. Chairperson, I will not proceed to elaborate further on whether the minister is a drag or not. I find it interesting that you focused in on the paradox here of a Crown corporation that is now being forced to compete because of deregulation, but on the other hand—and I really find this a sort of interesting twist of terminology when the minister refers to you, being an MTS employee, as being part of the family. Well, it seems to be a very selective family, because there are a lot of Manitobans that are not included in that. We have pointed out some of the friends of this government, a number of Tory fundraisers, for example, that have not been asked to make the same sacrifice that you have. So it is sort of an interesting family that we are talking about here.

But I want to focus in on the very specific question of what it is like currently to be an employee of MTS, and I want to ask this question because, in some context, the government is suggesting this Bill 22 is somehow going to save jobs. I mean, I want to ask you the question: Are jobs being saved at MTS, or are they proceeding to cut back on the workforce currently?

Mr. McCoubrey: In answer to that, Mr. Ashton, it has been stated publicly by our president at our PUB hearings that in fact there is in place a plan to reduce the workforce by a thousand people. This plan started two years ago, I believe, and I am under the understanding that we have not laid off, but we have reduced our man force by approximately 460 to 470 people, which leaves approximately 500 and some-odd people yet to be released before 1995. Yes, to answer your question, there has been a reduction in the workforce, which in several areas has created difficulty, because we just do not have the people in place in certain departments to provide the services

we are required to provide and which we wish to provide.

Mr. Ashton: I find that an interesting focus because you are saying that obviously Bill 22 has not led to any increased job security at MTS, but not only that, you are saying that it is threatening the very competitiveness that you are going to need to survive in this new environment. Some of us have some real concerns, in particular the impact Unitel can have.

They do not have to provide all the same kinds of services that MTS does. They have the ability to cream off long distance revenue. I guess you are saying to this committee that Bill 22 and the large number of days that it is taking out of the system is going to really hurt competitiveness when it comes to Unitel.

Mr. McCoubrey: Yes, it will. I fully believe that 50,000 man days in any corporation that is asked to compete in the marketplace is a very significant number of days. It will hurt our competitiveness. It will hurt more in the services we provide in the future to the province of Manitoba because the people will not be there to provide those services.

Mr. Ashton: I find it interesting too, you focus in on the number of person days lost, because if it was a strike or a lockout, I think people would perceive directly the loss of service. If a certain component of MTS was on strike, they would see it, but you are saying essentially that while it may be spread out in a different time period, it will have essentially the same type of impact on service that would happen if you had those days lost through another mechanism such as strike or lockout.

Mr. McCoubrey: I would honestly have to say that statement is a little incorrect in that if we were told or, let us say, for example, MTS went out on strike tomorrow for 10 days, I would say to you that the professional managers, and I myself am a manager, I do belong to the management union, or association, whichever they like to call it, but as a manager I, and please keep in mind this is purely personal opinion on my part, I would say that the management of MTS would probably not go out on strike if the other two labour unions did.

We would be there to maintain the essential services. What I am saying to you is that these 10 days off are not only for the unionized employees of MTS. They affect everybody in MTS, union and management, and it is the—I would say there are

1,200 or 1,300 management staff in MTS that do the staff operations. Those are the man hours lost that will affect the services that MTS is providing, the planning services, the strategic planning services and this type of thing.

Mr. Ashton: So in effect, Bill 22 can actually have more of an impact on service, because if it was a strike or lockout the essential services would be picked up by management staff. So in actual fact, you are saying it goes far beyond even a strike or a lockout in terms of its impact.

Mr. McCoubrey: Yes, it does.

Mr. Ashton: I just want to focus in on one other comment you made in your brief too, because it is something that is consistent to both employees of Manitoba Hydro and of MTS, and it has been consistent going back to Bill 70 a couple of years ago when wages were frozen for that particular year, and it is a concern that has come up, I know, in both Crown corporations, the fact that wages have become increasingly uncompetitive within our Crown corporations vis-à-vis other employers.

We have seen that with everything from Hydro workers working on the lines to people working in management, et cetera, and I am just wondering if you wish to elaborate on that. When you are saying it is uncompetitive, you are suggesting that because of the impact of these two particular bills, which essentially have rolled back for up to three years now or frozen staff wages, that it has gotten to the point where a lot of people in MTS are now being paid far less than their counterparts in other provinces.

Mr. McCoubrey: Yes, Mr. Ashton. As a member of the negotiating committee 14, which is our management union, I was fortunate enough to be in at the negotiations for our latest contract. Now, several comments that have been made around this table in the last few days concerning how the government treats, you know, and negotiates with its unions, I would say, as a negotiator for the union, we have pointed out several times to MTS that we were the lowest paid for our salary group in Canada. Again, as a negotiator going in knowing that the people we are negotiating with in MTS had absolutely no power, and maybe the minister will correct me on this, to grant anything above 3, 3, and COLA because they knew that that was dictated to them from Kennedy Street— [interjection] Well, Legislature, Broadway.

* (1230)

It was very disheartening in a way to know that in one respect we were in free negotiations, but in another respect there was no sense in us negotiating for anything higher than 3, 3 and COLA because we would never get it. Again, with Bill 70 and this rollback, yes, my counterparts in Bell Canada, a person who does exactly the same job I am doing, is getting between \$10,000 and \$20,000 a year more than I am for doing the same job. This hurts. I say to you and I say to this committee that if he keeps on, yes, the government will gain in the short term, but it will lose in the long term because people like myself—and I consider myself good at

what I do and talented. You will lose that talent, and one of these days you will not have that talent because it will go elsewhere.

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

As previously mentioned, this committee will again sit on Thursday, June 24, from 7 p.m. to 12 midnight and also on Friday, June 25, from 1 p.m. to 5 p.m., and it will also take place in this room, which is Room 255.

Committee rise.

COMMITTEE ROSE AT: 12:32 p.m.