



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

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**STANDING COMMITTEE**

**on**

**INDUSTRIAL RELATIONS**

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40 Elizabeth II

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*Chairman*  
*Mr. Marcel Laurendeau*  
*Constituency of St. Norbert*



**VOL. XL No. 4 - 10 a.m., THURSDAY, JULY 11, 1991**



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

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

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

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

Thursday, July 11, 1991

**TIME — 10 a.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. Marcel Laurendeau (St. Norbert)**

**ATTENDANCE - 11 — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Derkach, Manness

Mr. Carr, Mrs. Dacquay, Messrs. Dewar, Laurendeau, McAlpine, Reid, Mrs. Render, Mrs. Vodrey, Ms. Wowchuk

**APPEARING:**

Gary Doer, MLA for Concordia

Becky Barrett, MLA for Wellington

**WITNESSES:**

David Sesak, Private Citizen

Mary Johnson, Private Citizen

Ray Erb, Private Citizen

David Thurlbeck, Private Citizen

B. M. Hykaway, Amalgamated Transit Union

Larry Pelzer, Amalgamated Transit Union

Bonnie Korzeniowski, Public Service of Canada—Health Care Professionals, Deer Lodge Centre

Jan Marie Graham, Public Service of Canada—Nursing Group, Deer Lodge Centre

**MATTERS UNDER DISCUSSION:**

Bill 70—The Public Sector Compensation Management Act

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\* (1005)

**Mr. Chairman:** Order, please. Will the Standing Committee on Industrial Relations please come to order. This morning the standing committee will be considering Bill 70, The Public Sector Compensation Management Act.

I would like to also remind the public that the process that will be followed by this committee is

that out-of-town presenters will be asked to identify themselves to the committee clerk, and the committee will endeavour to hear from those persons first. Once the out-of-town presenters have been heard from, the names will be called from the list in numerical order.

If a presenter is not here the first time his or her name is called, that name will be dropped to the bottom of the list. If the presenter is not here when his or her name is called the second time, that name will be dropped from the list. However, the committee will attempt to accommodate those persons who indicate they are unable to present on certain days but can attend on others.

At this point, I would like to indicate to the members of the public that under the rules of decorum, the general public watching should not interfere with or impede the proceedings of the committee.

We will be receiving your list—there is an updated list that will be coming out shortly, and the committee will be receiving it. I will be starting off with No. 1, A. Sawatzky.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Chairperson, you mentioned the terms of reference for this morning's meetings. I do not believe there was somebody—I do not know who was asking—was stating that they could not make it at another time than this morning, and there was nobody here. I think they were looking for somebody in the room a few minutes ago.

I wonder whether there is anybody (a) who is out of province or (b) cannot make it at any other time, pursuant to the criteria that you have listed, that we could hear first prior to the list.

**Mr. Chairman:** We will be surveying the room, Mr. Doer, as well. We have received two or three of the people who were here before, and we have a list of them.

Mr. Sawatzky.

**Mr. Doer:** Excuse me. Have you surveyed the room?

**Mr. Chairman:** We will.

**Mr. Doer:** Well, you are starting on the list already. I was just curious to see whether there is anybody—normally, you do it at the beginning of the meeting.

**Mr. Chairman:** Fine, Mr. Doer, I will survey the room quickly. Is there anyone from out of town here this morning?

What is the will of the committee? I have the three names before me who have said they were leaving town. Is it the will of the committee that we go through the list in the numbered fashion that we have been?

**Hon. Clayton Manness (Minister of Finance):** Mr. Chairman, the rules of the committee were set very clearly and precisely. Certainly we will do our level best to accommodate the individuals who are here to present, but there is some incumbency indeed by the rules of the committee that it set to call the names on the list in that order.

As we did last night, Mr. Chairman, we accommodated everybody that was in the room, and we will do so this morning.

**Mr. Doer:** If I recall, and I will read Hansard, the Chair of the committee said, quote, out-of-city presenters first and secondly, that the committee had agreed that those who could not make it otherwise would also appear this morning prior to us going through the list.

I think the second criteria is the—because we are going in hours that are abnormal and a lot of people, quite frankly, should be working today in the public service at 10 a.m. in the morning, in hospitals, in jails, on highways, in areas where there is flooding now in our agricultural areas, in dealing with real jobs in the real economy. Most people are not able to sort of drop in at 10 a.m. on a Thursday morning, as the Minister of Finance (Mr. Manness) well knows.

\* (1010)

Nobody in his department would normally be able to come in if they chose to speak one way or the other on this bill. Most ministers would know that their own departments would not allow people to come here this morning. The Chair of the committee, as I recall, and I wrote it down, said there would be two criteria for consideration which was, I thought after the motions were passed, the understanding of the committee.

I would suggest that we go to those people who cannot make it otherwise and then go through the list pursuant to people who are in the room.

**Mr. Chairman:** Mr. Doer, we had established these rules when we first started that we would be going through the list and then attempting to, as I had worded it previously—I will read it back to you. The committee will attempt to accommodate those persons who indicate they are unable to present on certain days but can attend on others. That is what I had stated that we would attempt to do.

What we have done in the past is we have been going on, and the committee has requested that we go on number by number and call off the names and see that we get these in. That has been the way the committee has been moving. I recommend that we continue the way we have been going.

**Mr. Manness:** Mr. Chairman, we very clearly set a pattern last night. That was that we went through the list. We accommodated everybody. At the end, we certainly did accommodate those who were far down on the list.

What the government is prepared to do is certainly accommodate all of the three individuals who are on the list. We will accommodate them. They will be heard this morning. I can assure members of the committee that, to be fair to them.

Mr. Chairman, the rules of the committee are set. I suggest that we proceed, please.

**Mr. Doer:** Well, the problem of course is—and I do not have any problem with what the committee has done in the last two nights, Mr. Chairman, but we have pointed out before when the government unilaterally passed, through their majority vote, a second-call-and-you-are-out rule, we had pointed out at that point, that because the government was holding meetings at times like Thursday morning and Monday morning and Tuesday morning next week that many of the people who are working in our hospitals, who are working in the child care centres, who are working in home care, who are working in—

**Mr. Chairman:** Order. Mr. Doer, I do not believe this is a debatable item we are dealing with at this time. The rules were established. There is no motion before us. The rules were established yesterday. I believe we should just carry on. Number 2—

### Point of Order

**Mr. Doer:** I would move that members who cannot make it other times who are here to present briefs before the committee be heard now and then we return to the list pursuant to the—

**Mr. Chairman:** Is that a written motion, Mr. Doer? Can I see it, please?

**Mr. Doer:** Well, it is as written as the Minister of Finance's motion was on the other night. I will write it out in hand.

**Mr. Manness:** Mine was written out.

**Mr. Chairman:** Mr. Doer, if I could just inform you, of the committee members, I do not see your name on the list.

**Mr. Doer:** The member for Swan River (Ms. Wowchuk) moves, seconded by the member for Selkirk (Mr. Dewar), that persons here who cannot make it another time be heard this morning—

**Mr. Manness:** They will be heard this morning. Okay, that is fine.

**Mr. Doer:** —prior to the list.

**Mr. Chairman:** Those are not the rules that have been established.

\* (1015)

**Mr. Doer:** Again, Mr. Chairperson, we have normally, when we are in a twilight period of the legislative hearings, allowed committee people to be exchanged, and we have done that for the Conservative side many times.

In fact, it has been the tradition of this House that members of the Legislature are able to—the idea is that we do not exceed our number of three in our caucus, and the Conservatives do not exceed their numbers, but we have exchanged. In fact, once we could not even get a quorum without allowing the member for Arthur-Virden (Mr. Downey) to be considered a member of the committee, if I recall it, when the Public Accounts Committee was before us.

**Mr. Chairman:** It is getting a little emotional here. Let us try and keep this thing in line. I will deal with the motion when it gets presented to me.

**Ms. Rosann Wowchuk (Swan River):** I move, seconded by the member for Selkirk (Mr. Dewar), that persons who are here now but cannot be here later be heard before those people who are on the list.

**Mr. Chairman:** It has been moved by Ms. Wowchuk that the persons who are here now but cannot be here later be heard before those people on the list. All those in favour of the motion, please say yea.

**Some Honourable Members:** Yea.

**Mr. Chairman:** Those opposed to the motion, say nay.

**Some Honourable Members:** Nay.

**Mr. Chairman:** In my estimation, the Nays have it.

We will now deal with the list. Number 2, Allyn Taylor; 3, Lynne Bobier; 4, G. Wingert; 5, Pat Clark; 6, Bob Young; 7, L. Bouma; 8, Connie Verdonek; 9, Mike Zubriski; 10, J. Maxwell; 11, Roberta Cliche; 12, Wayne McNabb; 13, Julie Roney; 14, Donna Chamberlain; 15, Connie Fennell; 16, Tara Higgins; 17, Dan Will; 18, Alan Porter; 19, Craig Strike; 20, Doug Reimer; 21, Jeff Reimer; 22, Tim Sale; 23, Harry Peters. All of those presenters so far were private citizens. Number 24, Gordon Mackintosh; 25, Rick Sherrin; 26, Jason Loughhead; 27, Jawinder Singh; 28, Wayne Growacki; 29, Erla Ziemer; 30, Gaylene Hamilton; 31, Peter H. Ward; 32, Shannon Ward; 33, Gerald Joyce; 34, David Sesak.

Do you have a written presentation, David?

**Mr. David Sesak (Private Citizen):** No, I—well, we will see. I am not a speaker. I am just a concerned government employee.

**Mr. Chairman:** Carry on.

**Mr. Sesak:** Okay, first off, my name is David Sesak. I work for the Manitoba Telephone System. I have been there for 18.5 years. I am your basic, everyday, normal human being, the same as everybody else in the province of Manitoba.

The reason why I am here is because at home I have a wife and two kids who are feeling the pinch a lot more than I guess I am. I have to live with them. Every night I go home to my wife who is really down and out and crying a lot.

Our whole way of life has changed drastically in about the past really five to six years, the reason being my wife and myself want to see the taxes come down. We want to see the debt come down. We all want to do our part and we feel we are. We are not exuberant people. We are normal, everyday people. We go nowhere. We do nothing. We pay our bills. We are, I think, good citizens.

\* (1020)

Working for MTS, we feel we have been fair in that we have not asked a lot. In the past little while, as a company, we have knuckled down really, really well. It probably shows in the amount of profits that we have made and whatever. I do not know a lot about figures. I did not want to come in here with figures and what not, because you people will have a lot more figures and know a lot more about them than I ever could. I am just a concerned human being—excuse me, I am shaking here too. Usually I am a real good talker. I am not doing so well today.

The last resort I had was to come here. I kept leaving the problems in the hands of the people we elected. I felt we always had good people. I always felt that since the majority of the people in the province voted in these people, then they must be the right people.

I should say, I know what you are up against. You are doing as good a job as I imagine you probably could, because I do not know anything about what you have to do and what is really up against you people. At the same time, I just want to be certain that when you people make decisions, you are making them for me and my family, and you are thinking of my best interests also.

We have a feeling in my family at home that we are the problem and we are the fix. Yet, I do not think I have pushed the deficit up. I think everybody has, but not everybody is taking care of the deficit. That, to me, just—I am a normal, basic human being. If there is a big problem, everybody chips in and takes care of it. If it is a little problem, well, maybe we can do it on little scales like this, you know, this group or that group.

This is a big problem, and it is not just the government employees who have caused the problem, as everybody knows. It is a problem caused by every taxpayer in Manitoba, Canada—how far do you want to go? Yet not everybody is taking the blame. Not everybody is standing up and saying, yes, I assume responsibility for this and, yes, I will chip in.

We have, in my family—I have to speak with my family because I do not know the big picture. That is why I am here. I want to see the big picture. I keep seeing these little fixes and little fixes and little fixes, but there has to be a big picture that I do not see. At home I cannot fix a little thing and a little thing. I have to look at the whole picture. I have to look next year, last year and five years down the

road before I make any decision. Now I cannot. I am at the mercy of the government.

At home I get the same amount of money every payday. Even though we have gotten 3 percent raises for the past, I do not know how many years, which we thought was being nice—I think we did a little bit there. When people were being ornery and getting out there and mucking about and pointing fingers and yelling and screaming and all this, we did not do that. We said, there is a problem. If 3 percent per year will maybe fix things a little bit, so be it. Thank you, we are happy to get that 3 percent. We did not get volatile or anything like that. We all felt we were doing our bit.

\* (1025)

Now, we are the problem. I realize you are not saying that, but motions create more than words. That is what is happening. You, government, you are frozen—not all of you, of course, but the basic part of them. Now, I go home and my wife says, well, what have we done wrong? What have we, as a Manitoban—you work for the government, boy, that is too bad, because I have friends at the City of Winnipeg. They are getting raises. They feel bad for me. I have friends at Bristol. I have friends all over who are getting these raises and not little ones, not the 3 percents that we thought would be okay and still sort of help out. They are getting good chunks.

In other words, now, working for the government is more than just a job. If there is a problem, we have to take care of it. You guys carry on over there. You deserve raises and that. We do not because we caused the problem and, geez, we are going to take care of that problem. You guys carry on. We will take care of that problem. Do not be worried. Everything will be okay.

Everything is not okay any more. This is the first year in my life that I cannot make ends meet. I counted on 3 percent. You do not count on it in the sense that you go out and spend the money. I counted on the 3 percent to pay my taxes, my gas, my Autopac, SuperValu and Safeway, wherever we shop and go. It is to the point right now where this year I could not afford to pay my taxes, which went up, on my home. I am a normal person, mortgage, car payment, two kids and a wife at home.

My wife quit her job so we were not a part of the daycare system. We were not going to be a burden on anybody. She quit her job. Her pension,

everything that she had building for the years, 10 years of working, she gave it all up so that we did our bit. We could always hold our heads high and say, we are not part of that problem. We have done everything that a human being can do within their own little scope. We did not go spending here, spending there. We kept it tight.

In doing that, all that happened is I am so far in debt again now this year that I have to go and borrow more money from the bank to pay my taxes. My friends at the City of Winnipeg say, well, we got a raise and, geez, I feel sorry for you, Dave—and Centra Gas. He did not even have to ask for a raise. He came back from holidays and they said, guess what, you have to sign this contract. We are getting 4.4, 4.4 for two years, a better pension and a better holiday. I went, oh, I am happy for you. I say it, but I do not feel it.

It is at a point where my friends do not want to come to my house any more because they feel that badly. They feel sorry for me. I do not want that. They come over and my wife, I am telling you—I have to go home to a wife that really and truly feels like we have done something wrong and we are being punished, because as I say, we cannot make ends meet. We just cannot make ends meet any more.

I guess, okay, the answer that you people seem to feel is: We will knock you down to zero this year, and you will have to live with it. Okay, I am going to go borrow some more money and redo my mortgage and everything and take care of it. What is going to happen next year? What is going to happen the year after? Everything for me to maintain my family is killing me. It really and truly is killing me. I have no control over it.

I go and I ask for raise. MTS, I think, has done a real good job. Now, I am not talking about all government or anything because I cannot. I am not going to bring up things I know nothing about. I know my family. I know my job. I know my company. I know what we have done. From the family to MTS, I think we have all done a lot more than a lot of other people around have done, and it shows because with fewer people we have done more.

It is not because of lack of hard work, let me tell you. It has been tough; a lot of hours away from home and family and everything else, but we will do it. That is fine. Now we are to the point, we are

against the wall and we are being pushed into that wall. I cannot take it any more.

I have nowhere to go, nothing to do but keep going to the bank and take the deficit that we are going to take care of here and pass it over to here. We are not taking care of it. We are just passing it to a different level or a different area.

\* (1030)

I want to see my kids have a debt-free world, same as everybody else. My kids are not going to get to that point, because they are not going to be able to go to university, because it will cost too much money. At the rate we are heading, unless things change drastically—and not zero and zero and spend more and spend more and zero and zero and spend more, spend more—I am not going to be able to afford to send my kids to university.

Now the government is changing my kids' class of life. The debt was one thing. Now you are hitting me in the pocketbook. You hit me in the pocketbook, that goes a little further. I am just curious as to whether or not people who are doing the thinking who we voted in—and I am sure you have a tough nut to crack—are thinking in the long term. You say you are thinking of my kids. Well, my kids have to be taken care of today so we can take care of them tomorrow. We cannot say, well, we have to take a few years out here, and we have to do a few things and let us see what happens, let us just pitch it out there and see if the ball comes back.

I cannot do that at home. I cannot do it with my wife and my kids. It just does not cut the mustard. We have to nail everything down. So I get no raise. That is fine. I will have to live with it. I am going to do whatever I have to do to make sure my kids have a better place to live in. It does not stop there.

Taking me and saying, okay, fine—I am on holidays starting next two weeks. We are sitting at home and we cannot even run the kids' little sprinkler in the backyard because I cannot afford my water bill to go up. It is to the point now where I am like a pensioner. I am on a fixed income. I cannot control the City of Winnipeg taking taxes out of my pocket. There is no PUB for the City of Winnipeg saying, hey you guys, that base is gone dry. They just turn around and slap another bill on me.

MTS, we would like to go and just—I do not know if these figures are correct or not. They said a 1 percent increase in everybody's phone bill—my bill is \$12 so that would be 12 cents a month—would

make it so that MTS could give their people a raise. Maybe a couple more cents a month on a telephone bill would maybe take care of some of the deficit, too. The PUB would say, no, we cannot do that because it is not right. Well, there is a PUB there to watch out for me, so that is good.

There is no PUB to take care of my taxes. Centra Gas, it seems like every time they want to raise my gas, it just blinking well goes up. I have to pay it. I do not have a choice. I cannot say to my wife, you are going to get zero percent on the SuperValu bill this year, because she has no choice either.

It is like everybody can pass things down, but as they say when you get to the bottom of the ladder, it has to stop there. Well, that is where I am. I am at the bottom of that ladder, and there is nothing I can do, absolutely nothing I can do. When I go home I have to see my kids saying, you cannot do that, you cannot do that. No, we are not going to go to McDonald's on payday because I have not even paid my taxes. I still owe another \$500 on my City of Winnipeg taxes. Until we do that, we go nowhere.

**Mr. Chairman:** Order, please. Mr. Sesak, we have been allowing a fair bit of leniency as far as the presentations go. We have been asking that we try and relate a little bit to the bill that is before us, though, and try and stay away from the repetition. We do have 500 presenters, so.

**Mr. Sesak:** True, and I am sure you have heard this all too many times already.

**Mr. Chairman:** That is not what I am saying, Mr. Sesak. I am saying that we should try and just keep away from the repetition a little bit.

**Mr. Sesak:** Oh, I am sorry. What I would like to know then is what is the long-term picture that you are building for me and my family so when I go home, I am going to tell my wife something positive, something besides the fact that I am going to the bank and getting a loan tomorrow to take care of my life and a little bit more, because I know it is going to get worse, because nobody is controlling anyone else. They are just controlling certain points and certain positions.

I just want to know, so I can go home to my wife and my friends who will not come over any more because they feel guilty as hell. What is happening? I am going to give them a better picture than we have already because we have no picture.

I came to the rally to hear Mr. Manness speak, and it was a good rally, and everything else, but I

still went home with nothing. I need more, because it is getting to the point in my house where we are going to have a big medical problem, and I do not know what to do about it. I would like to know a little more, the big picture, the picture that we all have to live by. Like I cannot plan for today, I have to plan for two years down the down, as the government must, too.

So what is the big picture, where are we heading and what can I expect to have to do in the future? Next year are we going to be getting a 10 percent raise to make up for last year because we did good, or is next year going to be another zero? The deficit will not be paid off next year we know that.

So just what is the big picture and how can I plan my life? That is all I want to know, is how I should be planning my life. You people must know that because you are calling the shots, that is all.

**Mr. Chairman:** Mr. Sesak, I appreciate where you are coming from in asking that question, but if I were to recognize the minister right now, I am afraid I might have to hear his statement for 20 minutes. Not that I do not want to hear it, but I believe in all fairness to the rest of the committee this should be a time for us to get clarification from you on your presentation and not time for debate. So if we can just carry it forward.

**Mr. Manness:** I am asking a question to the presenter. I hear the lament and the plea and I understand, I think, what it is you are saying, because many people have made the same comments to me. I am not going to answer your question. The committees are not set up that way, but through a question to you, maybe I will give you some indication where the government is coming from.

When you talk about debt and where it is you are going, I would have to say, sir, that the province's—I guess my responsibility is a million times greater than yours, because I have got the debt of a million people to worry about, and I am grappling with the very, very, very same questions you are.

Do you feel the government would be better off to increase taxes—and I know this is where the philosophical difference comes as between different political parties. Do you feel the government would be better off to increase taxes again, bearing in mind that those taxes, in one fashion or another, either through increased prices that the corporations are



going to charge you and me or increased taxes per se is the solution to this problem?

**Mr. Sesak:** Definitely not. I guess what really gets me is that we are only taking one little group that caused the debt and asking them to be a part of fixing it, that is the only thing that really gets all of us. Like I say, if you are going to freeze wages, why would they just freeze one group of wages? We all created the debt, we shall all fix the debt. I realize we have to start somewhere, but why do we just say government people? Why did we not go the whole route and let everybody take a part of the problem? It just seems like I was not the only person that caused the debt, why am I the only person fixing the debt?

**Mr. Doer:** I appreciate the presentation this morning. I was just wondering, we have had a bit of a debate at this committee and in the Legislature about the new CEO's salary. We have alleged, because the previous incumbent made a certain amount of money and the new appointment of the government is now making well over \$150,000 a year, that represented a 15 percent increase for a person at \$150,000 a year at a time when the government was saying to you, as a line worker in the Telephone System, and saying to your colleagues that are operators and people who are out there probably in the middle of the storm last week getting our telephones back—you roll your eyes, you were probably one of them, you know, out there in the lightening and everything else—your salary was—I do not imagine the members of executive row were out, but you probably were on that storm.

I guess my question to you is: What is the perception from line telephone employees about the fairness of Mr. Pedde getting a 15 percent increase when you and your colleagues have been given a zero? How would you feel about that? We have disagreed politically about that issue.

**Mr. Sesak:** The morale at MTS is very, very bad, so at this present time I guess we have a lot of people who are saying things they should not. I cannot say that anybody is worth X amount or is not worth X amount. I got to meet Reg Bird. Reg Bird was with us for a good period of time. From the time he came in to the time he left, the amazing things he did were astronomical. Now he was quite happy with his wage and, surmising from that, I cannot understand how anybody else could come in and demand more money or you do not hire me,

because the way we kind of see it from our end is you are demanding more money. This is what the job posting had on it, you wanted the job and that is what it paid. Since when do we start negotiating on that? It pays 130 a year, that is what you get. If you do not want it, why did you ask for the job? Just do not take it, we will get somebody else, because I cannot ever say that one person is that important.

\* (1040)

He has a lot of credentials, the man, I suppose, is very brilliant and I imagine he may do a lot of good for our company, but the good that Reg Bird did for our company was just endless. The man was an amazing person. The morale in our company was never, ever—I have been there 18 and a half years, and it was higher than when Reg was there. We are just looking at what the old person did in the job and what the new person did in the job, and we just feel unless he is doing an h of a lot more work and getting an h of a lot more results, which we really cannot surmise because Reg Bird did a lot, then from our side we are just going to have a hard time palating that, especially when you feel that when things have to halt, come down, and we have to take the crunch, then it should be sort of a I am going to do it, too. I am at the top of this heap, I am going to do it and you are all going to do it. It would even cause a different feeling there, too. We would have all sat back and went, well, you know what, he is doing it too so why not, but when your boss says, everybody from here down tighten up; but at his level, it does not cut. It is MTS, MTS from this person to that person. We are all MTS and we have a hard time understanding it.

I imagine maybe it is for the right, I do not know. We just really have a hard time understanding how anybody can go to a job and demand what they want to get. At that level I imagine it is done and it is probably right, but we cannot see him doing \$20,000 more good than Reg Bird, because Reg Bird we felt earned every penny of his wage and this guy here is going to have to do an awful lot more for an extra 20,000, to be honest with you. If times are tight for me, times should be tight for him.

**Mr. Doer:** Well, as a person who brought Mr. Bird in, I am pleased to hear your comments, and I think you are correct about his abilities. Would you say that the employees of the Telephone System that you are talking to on a daily basis feel that you are getting zero and the new CEO getting 15 percent is very, very unfair in terms of what the government is

trying to project today?—because we have been arguing with the Minister of Finance (Mr. Manness) that is the perception in the Crown corporation with the employees. How would you feel as this affects Bill 70 in terms of freezing your wage?

**Mr. Sesak:** The perception within the people in our area—like we do not know what governments do, or do not do, we do not know what is right or wrong in government, we do not understand that executive level of thinking or doing. So we all kind of just say, well, maybe it is right, because if it was not right, the government people would say so. They would say, no, it is not right. I am sorry, 130 was what it was, and if you do not want the job, then just do not take it. That would be like me bidding on my job, it pays 38.5 a year, and I say: Hold it here, I am a harder worker than those people. I have got better credentials than them, so I want 44 or 45 a year, and their saying to me: Boy, I think you are right, you should get it. They say to me: The job was 38.5, Mr. Sesak, and just say you do not want it. Well, I do want it and I will take that then. That is what it came down to.

We are laymen. We are just normal everyday people, and we hope—that is what the government we would like to see, sort of when they speak on TV, or whenever you are talking to these types of people, like my grandma, my dad and myself, we are all low-level type of people in a way. We do not understand the executive ways of doing or whatever, and we are just wanting to be certain that the people who we have elected are doing the right thing, and it just does not seem right, it does not cut it, no. We have a hard time with it, we really do. The job paid 130, if you want it take it, if you do not just say, no, thank you, and walk away.

**Mr. Doer:** Manitoba has had a history of labour relations peace, labour-management relations peace, and we have had the least amount of days lost to strike and lockout right throughout the '80s, except for P.E.I. which really does not have the same kind of a structure as other provinces, so really the best record, I would say, for unionized management work force in the country. Also in the public sector, the record of strikes and lockouts has been exemplary compared to other provinces. Then we go to Crown corporations, of course, you are compared to Bell Canada. It is private enterprise in some provinces in the telephone system and public enterprise in other provinces.

As I recall, there have been very few strikes or lockouts in the Telephone System in the last number of years. Now, you have worked 18 years, have you ever been involved in any strikes or walkouts of any significant nature?

**Mr. Sesak:** No, because strikes are not the answer. We all accept that we have this problem, we all have to do something and we try to be that way. Every year I make less money; every year my buying power is far less than the year before, as I can see because it is always the same paycheque. The 3 percent we always did get we said thank you, but it never cut it. So striking will not do it. You know, that is not the answer either. We are hoping that maybe in being the nice guy, being the nice guy, being the nice guy, that sooner or later the wheels will turn, and there will be a payment for the nice guy; but it does not seem to work that way. It just seems like you are just going to keep being the nice guy and the militant people are getting the benefit. So that thought is starting to change too now. They are starting to say that being the nice guy did not do it—and we have proved it, as you said over eight years, or whatever the figure was, and yet militant groups did seem to get somewhere.

So now that has to be a thought in your mind that, if I am non-militant I get nothing, basically, I get less every year, but if you are militant, you seem to be able to have a little bit of a lever there. You do not want to do it, but you have a hard time just sitting there saying that this is right or that is wrong when other people around you are doing it and gaining something by it, I would imagine.

**Mr. Doer:** This is something that is very interesting because it is something that is coming up in this committee with previous announcements. A person from Manitoba Hydro said the same thing, a line person, a journeyman person said the same thing to us the other day and said that the government was waking up the sleeping giant, groups of people that never ever went on strike, but now say that we are getting our reward for being reasonable, and our reward for being moderate, and our reward for being "nonmilitant" is to get the zero percent.

The member from Hydro said that this will lead to greater strikes, which I think would have concerned the government. Given their own plans and construction in Conawapa and other places, he said that this could wake up the sleeping giant? Now I am asking the Telephone System, there have been

strikes I know with Bell Canada in Ontario; there have been strikes in Saskatchewan when the Devine government brought in wage controls and then tried to lift them off; there have been strikes at B.C. Tel when they brought in government system and then removed them—B.C. Tel, of course, is in the private sector. Manitoba has been tranquil in terms of the telecommunications industry. It has been a moderate environment which is of course one of the benefits to the consumers.

My question, therefore, is: Do you feel now, talking to your own fellow workers in the coffee shop and on the crews and in the offices, there is greater discussion of being more militant now or in the future and that we have risked labour relations peace in the future with this Bill 70 and the zero percent that has been imposed on you?

**Mr. Sesak:** You do not want to hang a cloud over anybody saying that we are going to do this and we are going to do that, or we are not going to do this and not going to do that. It is down to your basic everyday principles that your mothers taught you that if you are a nice guy what goes around will come around and my mother was wrong. Mom, you are wrong, the nice guy does not go around and come around. It does not work that way.

It is funny that you mentioned B.C. Tel because we deal greatly with them and in dealings with them daily, because we are always on projects through Telecom Canada and whatnot. They told us the biggest problem that we have in Manitoba Telephone System is that we are not privately owned. They said, you have to break away from the government. A private company can operate under their own jurisdiction. If they wanted to go to their boss and say, we deserve a raise, can prove it and get it, good. Nobody else can step in there and say, I do not care what you two people decided, it is inxay, out the door.

B.C. Tel basically nailed that down last week to us. They said, your problem is you have to get out of the government, because right now we have got privatization of the telephone business. Who is saying to the Unitels, and who is saying to the Bob's telephone service that he has to do this, do that, do not give him a raise, give him a raise, pay him so much, pay him so much? Nobody. It is tough to be in the government and deal with people in the private sector, because they do not have the rules and regulations or the hinderances that we have.

Every time we want to make a decision we have to go to somebody else and ask permission. In today's electronic era, the term now is ready, fire, aim, but we cannot do that under the government because you have to go to the PUB, you have to go to this hearing, you have to go to that hearing; whereas the privatization company, he just turns around, makes his decision and they beat the system because electronics move so fast that if you are thinking about it today, if you do not get it out tomorrow, Wednesday is too late. You have lost the market.

That is another thing we are working at, that if MTS does not cut the mustard and we lose it to private companies, a lot of these private companies are sending their coffers, their makings state side. They want to take the carriers from Winnipeg down to Fargo, send it to Seattle and bring it back. They want to put their cash into American pockets; whereas we feel that, at least with MTS, we are keeping everything here. I work here, I earn my money here and I have to spend my money here; whereas private companies just put a tower up here, have two people maintain it and they can just rip the pot right out of our pockets.

\* (1050)

These kind of things are scary, too, to us in government. There are so many things that say to us time and time, and day and day again, MTS get away from the government. This is sort of the final thing that just broke our backs. It has been in our minds for lots of years that the government is not good for MTS. The government is a hinderance because the telecommunication era is moving too fast. It is moving so fast and the government cannot move that fast. We have too many departments that we have to ask permission to find out PUB ratings, meetings, debates. By then, the Unitels have kicked into the market, they have got the jump, and once you have got the jump in the telecommunications market, you are there. The guys that come after have to chase. Being the person that is up front makes it so much easier in the telecommunication era. It is not the same as any other business, it is different.

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

**Mr. Daryl Reid (Transcona):** That was an excellent presentation you made, Mr. Sesak. I enjoyed listening to it very much.

I have a few questions from some of the comments that you have made in your presentation and from some of the other questions that I have heard here today. I will start with one and pick up where one of the other members of the committee has been questioning you on, and that is the collective bargaining process.

We have seen, and you have mentioned, that the salaries have been adjusted approximately 3 percent over the years for you as an employee of MTS. I would like to know your thoughts on how this will impact the collective bargaining process affecting you in your company and as you see it affecting the other employees in your company, and maybe elsewhere in other companies?

**Mr. Sesak:** That is kind of what I was getting at when I was saying that certain groups are getting raises, certain groups are not. We should all be taking this. I think things are out of hand and maybe collective bargaining has not been working properly, but in working at MTS, it seems like you are only taking one part of the problem and addressing it. I am not the one who caused all this debt, why am I the one taking the whole burden on my back? The process has failed, but there are a lot of processes out there that maybe are not right and maybe they should be revamped and maybe they should be failing. I do not know, because I do not know enough about the process.

The process, from what I have seen, and I have tried to be active with it, seemed fair. I do not think that we have been out there and really been that prod, you know like getting out there, we are demanding this and we are demanding that. We always come out and we ask.

MTS has told us, and we have had many, many meetings with them saying, you are the backbone of MTS. You are the backbone of this, your hard work and efforts have paid off, look at the books and everything else, and then the next day we came to them and said, excuse me, could I have a little bit of a raise because I am having a hard time paying my bills? My taxes went up, I need to cover \$500 this year just to make ends meet. Well, let me tell you, did I get a rude awakening. I was not the backbone. I was not the, you know, you are doing good work; you are busting your butt; you are doing this; you are doing that; thank you very much; thank you very much. It was like, you are a problem; you are a thorn; get out of here; we do not need you. If we needed people like you, et cetera. It all changed

and then as soon as the government says, zero percent, they all came back again. Well, come on guys; we have to bust it; we have got business to do as usual. It all changes.

You know the government did kibosh collective bargaining, but the bargaining process is having a problem besides the government. If you are private sector, you bargain different than you bargain when you work for the government. It seems like you are not just talking with you and the people at the top of your company, you are talking with him, who represents him, and then at any point in time, like we do not turn our TV on anymore because I do not know who next is going to be on TV who I do not know who is going to be telling me more about my life. I do not see anybody coming up for, say, Bristol Aerospace, for example, saying, whoa, whoa, whoa, this is wrong, we have to do something and stop it.

Every time I turn around somebody is on TV, on the news, telling me that this is going to change, and that is going to change. Change is good usually and Lord knows you need change. It is the '90s, it is moving fast. Unfortunately certain things have to change with it, and if there is a problem we have to address it, we have to do something. Freezing my wages is not the answer because all it is doing is taking the burden of the creation of the whole province and putting it on one group's back, and that is the problem we have palating. They took one group, I am sorry, whoever, took one group and said: You are going to take care of the problem, not everybody. We all caused the problem, let us all take care of it. I say we should say zero percent, fine, let us all do it, everybody.

**Mr. Chairman:** Thank you very much, Mr. Sesak. I would just like to remind the committee members that these questions are for clarification, and there are a number of presenters here who would like to come forward today, if possible in the morning meeting. So if you kept it short for that, I would appreciate it.

**Mr. Reid:** I just have one brief question. This will be my last question to the presenter.

The presenter has indicated that this wage freeze is going to have an impact on his family and possibly his children's education, his university education, could he just elaborate briefly on that for us, please?

**Mr. Chairman:** Mr. Sesak, I am going to ask you to try and keep it relevant to Bill 70, though.

**Mr. Sesak:** Yes. It only makes sense that I have X amount of money to spend every year. My bills are X-plus as of right now. As my kids get older, they are going to get X-plus-plus-plus. I cannot see, like university tuitions are going up, books are going up, transportation to get them there and get them back. It gets to the point where basically a person on welfare has a hard time sending their kids to university. There is no difference between them and me. We are on fixed income. We only have X amount of money to spend and when it is spent there is no other choice in it.

The people who have lots of money their kids may get to go and be on the better hockey teams that cost a little bit more, my kid is going to be on the regular one that is paid by the City of Winnipeg. His chances of becoming an NHL star are far less than a person who is paying the money to go out to hockey schools and what not. It only makes sense that if you have less money to spend on things that you have to spend on your kids to make them a better person, to give them a better chance in the world, cannot be done, because I do not have the facilities to do it with, it is that simple. It is not a smart person who can figure that out.

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

**Mr. Sesak:** Thank you.

**Mr. Chairman:** We will now move on to No. 35, Bruce Scott; 36, Debbie Mintz; 37, Julie Marleau; 38, Gary Flanagan; 39, Rudolph Schweedie; 40, Neill Nedohin; 41, Nancy Anderson; 42, Gari Whelon; 43, Patty Lapkin; 44, Keith Scott; 45, Jim St. Germaine; 46, Wayne Sinclair; 47, Cheryl Fiel; 48, J. F. Gibson; 49, Randy Taylor; 50, Mike Richels.

**Mr. Manness:** Mr. Chairman, I would propose that we ask at this time those from out of the city that are here in attendance to make their presentation at this time.

**Mr. Chairman:** At this time I have only got the one presenter from out of town that has given her name. Are there any others, other than Mary Johnson? If not, Mary Johnson, could you come forward, please? Do you have a written presentation, Ms. Johnson?

\* (1100)

**Ms. Mary Johnson (Private Citizen):** No, I do not.

**Mr. Chairman:** Okay, go ahead.

**Ms. Johnson:** My name is Mary Johnson. I am from Garson, Manitoba, and I want to tell you when

I left Garson this morning the sun was shining and I guess the rain here in Winnipeg has something to do with this bill that the government is trying to pass.

I have just spent 10 days at the bargaining table with Burns Meats, so have not been able to follow a lot of what has been happening with these hearings, but I do want you to know that the bargaining process works, and it works well for both management and employees.

I think that this Bill 70 totally destroys that entire process. The freezing of wages for the government employees does not make any sense at all to me. It destroys their buying power. Our cost of living has gone up substantially in the last little while largely due to government legislation, whether it be federal or provincial, and this freeze on wages destroys it even more. They will not be able to feed their families, they will not be able to meet any of their expenses. You are going to find more and more people going bankrupt. It affects the family life. The child care system will be affected. You will not be able to put your kids in child care, and that has been changed, too.

To get back to Bill 70. I do not have anything written on this, so I am just going to wing it right from the heart here. It totally destroys everything that working people believe in and especially people that get to sit at a bargaining table across from management. The process that we go through at the bargaining table is with management presenting their views and the union presenting their views, and we bargain to come to an agreement that is agreeable to both parties at the bargaining table.

Bill 70 does not allow that to happen, it takes away workers rights. It destroys rights that workers have that we bargained for. For years, and years, and years it has been there, the right to strike. In 1984 I was out on strike for 17 weeks. The reason that strike happened was because management had decided that they wanted to close several of their plants and through that strike they closed down their plant in Kitchener and they closed down their plant in Calgary, leaving the one in Winnipeg open, but what they wanted was wage rollbacks, concessions. After the strike we went back in, but we bargained to go back in and we reached an agreement where we did not have to take concessions, but it was the bargaining process that did that. It was the right to strike that gave the employees the power to get back into the workplace and keep some of their dignity.

Bill 70 takes all that away and you are starting with the public sector. I do not know where it will ever stop. Public employees lead the way for the private employees and where they are going in their life. We use the contracts that the public employees negotiate. For example, when we are negotiating with our private companies, we would have to keep that right, otherwise we will have a minimum wage all throughout Manitoba and we will end up with the same sort of system they have in the States with the very rich and the very poor. We do not need that. We have a good style of living in Manitoba, in Canada. That is being disrupted. Daily you can see all the changes, the disruptions in our lifestyle.

I do not want that for my kids. I have four kids, two of them are just getting in to the work force now. They were able to start—one graduated in June, she was able to start at \$6.50 an hour which is a good wage for kid coming out of high school. That will not be happening a few years down the road if this continues. Those wages will be knocked down so she will be starting at the minimum wage, if the minimum wage stays at what it is now. My youngest kids are 12 and 11. I do not know what kind of future there will be for them when they get out of high school in four years or five years. I see this legislation as destroying their lifestyle, and we do not have a good lifestyle. My wages are only about \$28,000 a year. Feeding four kids on that makes you work really hard, so I do not know how people live on less than that, and I know a lot do.

Bill 70 will definitely destroy all of that. Like by saying you are cutting wages, freezing wages, you are saying you are saving the government money. You are not saving them money, because that is less money that all these employees have to spend. So in the long run, it is costing us money. It is costing the taxpayer money.

I really do want the government to reconsider this, because it hurts everyone. It is not just hurting people in the city. I do not believe that government workers are overpaid. I believe they earn every cent that they make. I know that working where I work, people will say oh, you work in a packing house, you make a good wage. We earn every cent of that wage. We work for that money. We need that money to live and to survive and to keep our families going and to make Canada the place it is to live, because our money goes right back into the community. It goes right back into the town that we live in. It goes right back to raising our kids and to

providing a better society in Manitoba and in Canada, and you are destroying that.

I do not know what else to say on that, other than, please, reconsider this bill. We cannot let it happen, because it is going to destroy the whole fabric of Manitoba as it is.

**Mr. Chairman:** Thank you, Ms. Johnson. Are there any questions for Ms. Johnson?

**Mr. Reid:** The presenter has indicated that there is some impact on the families and on her family in particular, and I will deal with that in a moment. I will ask her to elaborate a bit further on how this Bill 70 is going to impact.

She mentioned also in other discussion on Bill 70 here about the negotiations and how it impacts on the employees in different companies. I want to ask her specifically how these rollbacks or wage freezes are going to impact on the employees' morale within these different companies now that their salaries have been frozen.

**Ms. Johnson:** We took a wage freeze in '84 when we came back off the picket line, and it totally destroyed the entire morale of the plant. We are still working on that now. We bargained in '86 and in '88 and we bargained again this year, but the people were totally destroyed by that. The way you work changes, because you do not feel that your work is of any value to these people whom you are working for. You feel useless, like they are not respecting the value of what you are doing for them. They claim their costs go up, but our living costs also go up. It is really hard to describe the morale change in the workplace, but it was really obvious. We are still fighting to try and get that back to the level it was before.

Another thing was, the very first day of our negotiations this time round the private employer mentioned the wage freeze to the public sector immediately, like this wage freeze is coming up. So it was used at our bargaining table.

**Mr. Reid:** Mr. Chairman, Bill 70, we have heard from other presenters, is going to have an impact on families as well. The presenter has indicated that her particular family has what I would consider to be a very meagre income, considering that she has four children to support.

**Mr. Chairman:** Order, please. Mr. Reid, is there a question coming from this or are you making a statement? This is question time for the presenter

for matters of clarification, so if you will make the question to the presenter, please.

**Mr. Reid:** Yes, Mr. Chairman, I did not know that I was only going to be entitled to a couple of lead-in lines, and I apologize for that. I will try and get my comments straight to the question to ensure that the needs of the Chair are met in this case.

The presenter has indicated that it has an impact on the family, this bill, and that, as I indicated a few moments ago, her income for her family is very meagre at \$28,000 a year with four children to support. How does she see this wage freeze further impacting on her family? What areas does she anticipate that she is going to have to cut back on in the support for her family now that this Bill 70 has frozen the wages?

**Ms. Johnson:** The cutbacks to Bill 70 will affect the spending power of all the public employees and thus affect the lifestyles of their kids and our kids. I am not a public employee myself. I am employed by a private company, but as soon as you cut the wages, you are also cutting the spending power of that family. So that limits everything that they are buying, everything that they are doing as a family and everything that arises out of the family situation. So you are going to get less people able to afford quality child care. You are going to get less people going on holidays. Their grocery bills are going to have to be cut down according to the amount of wages that they are getting.

(Mrs. Louise Dacquay, Acting Chairman, in the Chair)

I am speaking from what happened to us in '84, because that is what happened to us. You had to cut down on all these areas. Your kids no longer were registered to play baseball or hockey, because it was an addition in your budget that you just cut out and could not afford any longer. All the extra education that you can give your kids, if they need extra tutoring, you just cannot afford that. You just do not do that, because it is not there.

\* (1110)

My third daughter is in French immersion. One of the things that had to be cut out for her was going to camp with other kids that spoke French. There is no French in my household except what she gets at school. It was also the extra trips into Beausejour and into Winnipeg where she could meet with the other French kids and have more exposure to that. That was not there.

For my son, he never had the option of playing hockey because hockey is too expensive to put kids into. You just cannot afford to do it. So those are the sort of things that we cut down on, and it was just everything. Our vacations—you just cannot afford to go on vacations that cost anything other than—like, this year, the camping trips are even out. You cannot afford anything like that when you go on vacation.

**Mr. Gregory Dewar (Selkirk):** Thank you for your presentation. Forty-eight thousand workers, of course, represent a huge segment of the purchasing power in the general economy of the province. How do you feel that this freeze will impact on the general economy?

**Ms. Johnson:** You are definitely going to notice it everywhere. In the rural communities, it will be particularly noticeable because if you are not spending your money at home in the community, that is that much less money that will be spent in that community and that much less to keep the rural economy going. The cuts out there have been pretty severe anyway, so it is just going to continue on. So as the public employee loses money, so does the entire community that they live in.

**Mr. Dewar:** The previous presenter, of course, worked for MTS and he was questioned about the fact that the president of MTS just received a 15 percent increase from \$130,000 to \$150,000. What kind of example do you feel that sets for the rest of the workers at MTS or workers in general in this province?

**Ms. Johnson:** If you are looking at an executive officer getting that kind of raise and them getting nothing, it is totally demoralizing. I was going to say it is typical. It makes you very angry that someone that is up there at the top of the scale already should be getting increases while someone right at the bottom, like at the lower end of the scale, is not able to get any extra money to meet the cost of living.

It does not make any sense to me that, why do we want the rich richer and then have the people who need the money coming in to support their families not getting raises. It does not make any sense at all, none, and the workers will react in that manner. You cannot expect anything different, because that is what you are doing to them.

**Mr. Dewar:** Of course, we in this province have the second best labour relations climate in this country, leading up to this freeze. What impact do you feel

this freeze would have on the labour relations climate in this province?

**Ms. Johnson:** Again, I am going to go by personal experience on this following our strike in '84. Our management up to 1984 had treated us really well, like people. We were treated with respect on all levels. It was like the Burns family, and it did fit that term because they treated us well. When they forced us out on strike in 1984, everything changed. Your respect for the company changed. Your respect for management changed. You fought over every little thing. We continue to do that. That was seven years ago.

There continues to be a battle over every small issue that comes up. People get really angry because they do not respect their employer anymore, and you get really angry when you hear that your boss is getting a large increase and then they are treating you like shit all the way down the line. That is the way you react. It is your reaction without even knowing that—like it is subconscious, and you just fight it all the way. So you are fighting every direction that is coming down, and you are doing it because you are being treated with no respect.

**Mr. Dewar:** So you feel that this decrease, this freeze will have a negative impact both publicly and privately, in the private sector as well.

**Ms. Johnson:** I definitely feel it will have a negative impact right across Manitoba, the public sector first because they are being hit and they are being hit hard. It reflects back to the private sector, because a lot of private people are married to public sector people, and their families are public sector people. So it is affecting everyone. If you have 48,000 people directly affected, it is probably triple those who are affected.

**Mr. Dewar:** Of course, doctors and judges were exempt from this particular freeze. What is your feeling on that?

**Ms. Johnson:** The rich get richer, right? The nurses just fought so hard to get wage increases to try and get somewhere near what their jobs were worth. They had to go on strike to get that. They worked so hard on that, and then to say to doctors, you do not get this wage freeze. It does not have any rhyme nor reason in anything that I feel. All it does is push you further down the road so that you are having that larger division again. They get more buying power and we get less.

**Mr. Dewar:** I just want to clarify. If you could just explain to me how this freeze would affect morale of employees.

**Ms. Johnson:** The morale of the employees will definitely go down. It affects everyone so personally, and you take it so personally. It affects the way you deal with your family. So you are going to end up with more depression which ends up with more child abuse, more wife abuse. It is a rebound, as soon as you get a depressed worker.

Again, I could tell you that happened to our people. It does happen, that as soon as you are under stress, you get more drinking. You get more alcoholism, and then you get the abuse that goes along with that. So it is a rebounding system. Then you end up paying through the health care system to take care of the people who are affected by the depression. It is not just the wage cut. It just keeps on going.

**Mr. Dewar:** Of course, as you were saying, the depression and the psychological problems it would cause would have a negative impact on the whole system throughout which puts additional stress on our medical system and different things like that in general.

I was just going to make one more comment and that is, of course, in your particular situation you are bargaining, I believe, at Burns now. How do you feel that this freeze will affect your bargaining position there?

**Ms. Johnson:** I am not liberty to tell you right now. We have negotiated a tentative agreement which will be voted on on Sunday, so I cannot discuss that.

**Ms. Becky Barrett (Wellington):** Thank you very much for your presentation. It certainly raised a number of questions and issues in my mind, particularly about the social and the societal aspects of the implications of Bill 70.

First, I would like to ask you to clarify—one of the first statements that you made was dealing with a bargaining process. I assume you mean the regular collective bargaining process that the labour union movement over several hundred years has evolved in, not only Canada but North America and throughout the industrialized world. Am I correct in saying that you are saying that this process, no matter what its hiccups, if you will, and its potential problems and the fact that it does not always work properly is, to paraphrase what someone once said



about democracy, it is a nasty form of government but it is the best form we have.

\*(1120)

Is this what you are saying, that the collective bargaining process that we have put in place, imperfect though it is, is a workable system and that it has worked in Manitoba in the past? Would you clarify your view of the whole collective bargaining process for us as sort of a background to what the concerns are in Bill 70?

**Ms. Johnson:** I have a very healthy respect for the collective bargaining process. What I see it as doing is it gives management a chance to put what they would like to see changed in the collective agreement on the table. It gives them a chance to address their concerns with things that have not been working and have been working, and it allows the union to do the same thing.

(Mr. Chairman in the Chair)

The union puts their concerns down, things that they would like to see changed, improved, to make it better working conditions for the workers, and management is able to respond to those. You come to a negotiated settlement on that, so that when you come to the settlement you both agree on what is happening. In that process, you have a chance to address all your concerns along the way. So if management is having trouble managing their funds, then they can address those with the employees and come to a settlement that way.

It might not always be the case that it is the employees that are causing the expense. It could be just the way the money is being managed that is causing the concern. Those can all be addressed at the bargaining table with the bargaining committee.

Yes, it does work. One of the things that we did have that was a real plus that helped prevent strikes was the final offer selection legislation. Now that has gone by the wayside and that has eroded the collective bargaining process. It was a tool that we were able to use to prevent strikes and to arrive at agreements.

So we will really be missing that part of it as workers. As workers we will, because it was something that we could have used if we would have had to when we come to the bargaining table with Burns Meats. It also was a really good tool that unfortunately is not there any more for us to access and to use.

The collective bargaining process is definitely something that I see that has been working, and the right to strike is an integral part of that because that is the only power the employees have, is to withhold their work. So, yes, I see the collective bargaining process as being very, very necessary to the working lives of people.

**Ms. Barrett:** Mr. Chair, again, just for clarification on the collective bargaining process. To use my social work background, what I hear you saying is that if both sides agree to the collective bargaining process, which you are suggesting Bill 70 undermines—but a collective bargaining process in the absence of Bill 70 gives both sides a chance to discuss and consult and dialogue in, hopefully, an atmosphere that is not negatively charged, where both sides, while they are potentially adversaries in many cases or on some of the issues in the negotiating process, need not be adversarial.

Is that sort of what you have been saying? Also, can you from your own experience—a second part to this question in the collective bargaining process which Bill 70 is going to undermine—can you give an example of your workplace negotiations earlier than 1984 of some of the issues that you were able to talk with your management about that you feel Bill 70 will close off from the bargaining process?

**Ms. Johnson:** Prior to 1984 when you went to the bargaining table, a lot of things were settled right in the plant when we were dealing with grievances and that. They were settled on a one-to-one person basis with management looking at the problem and realizing it that way, ending it that way, settling it to the satisfaction of both management and the employee.

At the bargaining table, there was always the respected person there. You respected management when you went to the table. You listened to what they had to say, and it continued from that process. They also always knew that if you did not come to a process, you could withhold work to reach that settlement. We did not have to threaten that too often. You were able to negotiate when you got there.

After 1984, when we went on strike, that is the thing that I see Bill 70 eroding. Is the right to strike going to be gone? Will it be gone so that you will not be able to withhold your labour? Then you are taking every bit of power out of workers' hands, so management will just be able to feed you whatever

they want. If they are making millions, they still do not have to give you a raise. If they are mismanaging their money and doing something else with it, it does not represent or help give anything back to the people who are working to make that money. We do not get anything out of that. That is what I see Bill 70 eroding. It is going to take away workers' fundamental rights, my fundamental rights, my kids' fundamental rights. It is all going to be gone.

**Ms. Barrett:** Mr. Chair, in your understanding of the collective bargaining process, would you say that discussion of wages is an integral part of the collective bargaining process? My understanding is that, and maybe you could give us an example from your either pre-'84 or post-'84 negotiating. It might be an interesting way of viewing the impact of Bill 70 by your sharing with us a prestrike negotiating process versus a poststrike negotiating process in relation to wages. I know proponents of Bill 70 have said that it is only one year, and it is basically dealing with a wage freeze.

Could you expand a bit on what your views are of the wages as a portion of the whole collective bargaining process, how you see that fitting into the discussion?

**Mr. Chairman:** Thank you, Ms. Barrett. Before you go on, Ms. Johnson, I just want to inform the committee of a small thing that is going on here. I would just like to remind the committee that there are a number of presenters that are coming forward this morning that are telling me that they are going to be leaving town. The list seems to be growing rapidly. We will not be able to hear all of them by the looks of it this morning. The way the questioning is going, we are starting to drag it on.

I am going to have to call these names in order as they are appearing on this list, as well as the rest, so if we can keep it a little short.

**Ms. Barrett:** Yes, Mr. Chair, if I could ask a question for clarification on that particular issue. When you say you have to call the names in order, if there are, say, five individuals who are going to be out of town, would you call through the list, but bump them up to the point of—

\* (1130)

**Mr. Chairman:** That has already been established, Ms. Barrett.

**Ms. Barrett:** I understand that we had the discussion earlier. I was not clear on that

implication. Would you stop at one point in the proceedings and say—

**Mr. Chairman:** That is what we have been doing.

**Ms. Barrett:** I am sorry to be taking the time, but I do feel that this is important. If we stop with Ms. Johnson now and the first person who is on the list who is not going to be here later is No. 200, would you read through—

**Mr. Chairman:** No, we are not doing that.

**An Honourable Member:** We will read some names. We will read up to 100 and then we will go to the people who are in the audience.

**Mr. Chairman:** We are going to be reading down to 100. We have to give advantage to some of the people who are on the list as well, Ms. Barrett. So we are trying to accommodate everybody here.

**Ms. Barrett:** I understand that. I was not aware that you would read a certain number. That was not clear to me from earlier.

**Mr. Chairman:** That is what we did before.

**Ms. Barrett:** Okay. I have just a couple more questions for Ms. Johnson and then I will be glad to—

**Mr. Chairman:** Okay, carry on, Ms. Barrett.

**Ms. Barrett:** Just one last question, then. As someone who is interested in the social services myself, you mentioned earlier the social costs. In particular, I wonder if you could briefly share those with us, what you think the social costs will be of this if Bill 70 goes through.

**Ms. Johnson:** Again, this is from personal experience. Following the wage freeze in '84, it demoralized so many people. A strike demoralizes people also because you have the wage loss, but you get your job to go back to and you go back with pride because you have actually negotiated a settlement to get back to work. You lose that respect for the management, and you have lost that spending power. You are living on the same wage for another year, another two years, whatever it happens to be.

So that expands on into depression. You definitely suffer depression. Along with the depression, it affects your family. As soon as it is a spin-off into the family, you are looking at medical costs. You are going to the doctor. You end up with prescriptions. In cases, you end up hospitalized so that it is just a spinoff effect. You end up with higher health care costs on that basis. Family violence

also is a proven fact, that as soon as you are depressed the family violence starts. A lot of it is from the money pressures. The money pressures cause so much of this to happen. It is not anything I think you can count on one hand for sure or on both of them. It is something that is costly, and it is going to end up costing us money rather than saving us any money.

**Ms. Barrett:** Just a final comment. I just wanted to thank Ms. Johnson for her presentation, particularly putting the social and more global perspective on this whole issue which I think is something sorely lacking on the part of the government. Thank you very much.

**Mr. Chairman:** Thank you, Ms. Barrett. Thank you, Ms. Johnson.

Number 51, Rosemary Deans; 52, Ingrid Grywachski; 53, Norma Restall; 54, Garry Robinson; 55, Terry Haberman; 56, Harold Oake; 57, Nancy Peters; 58, Shauna MacKinnon; 59, Kathy Doherty; 60, Kim Swanson; 61, Ruth Hammond; 62, Ed Blackman; 63, Ken Partridge; 64, M. L. Brooks; 65, Gord Segal; 66, Valerie Vint; 67, Linda Keeper; 68, Brent Chamberlain; 69, Jack Gang; 70, Susan Stark; 71, David Stark; 72, Kim Reeme; 73, B. Thorvaldson; 74, S. Thorvaldson; 75, Vita Rodgers; 76, Maria Marcellini; 77, Nanette Kanhai; 78, Elaine Murray; 79, Doreen Dufault; 80, Ed Clairmont; 81, Connie Heppner; 82, C. B. Clark; 83, Ray Erb.

**Mr. Ray Erb (Private Citizen):** Here.

**Mr. Chairman:** Come forward, Mr. Erb. Have you got a written presentation, Mr. Erb?

**Mr. Erb:** No, I am sorry, I do not.

**Mr. Chairman:** In that case, just carry on.

**Mr. Erb:** I have some notes I am going to refer to though.

Good morning. My name is Ray Erb. I am a resident of Winnipeg and I am a third-generation Manitoban. I am here to oppose this bill.

This proposed legislation in my opinion is an attack on the right of free collective bargaining, a right that was fought for by my parents and my grandparents. This bill unfairly removes the rights of a group of Manitobans. It promotes hatred of public employees by blaming public servants for the economic problems of the province. It somewhat reminds me of what went on in Nazi Germany.

It also really galls me with respect to the human rights legislation. We have legislation to protect this kind of action against a group of citizens or a group of people in our society. This legislation sets a bad example to others in society who might want to use their brute power to have their way. This legislation has no place in a free and democratic society. This is extraordinary legislation and the government has no justifiable or bonafide reason to use the power of legislation to circumvent established bargaining rights and processes.

This government is abusing its power as a legislator and is abdicating its duty as an employer to fairly and reasonably negotiate with its employees. Collective bargaining works when the parties show good faith; a recent example, the City of Winnipeg, a good example of good-faith bargaining in hard economic times. This government has not entered the process in good faith, which has put this matter of settlement of the Civil Service agreement to arbitration. This legislation should be abandoned and the settlement should be determined by arbitration and not by legislation.

I hope that all the members of this committee can see the unfairness of this bill and the government has the courage to admit that it has crossed the line of decency and fairness and will withdraw this proposed legislation.

That is the essence of my presentation to the committee. I do feel that this legislation is grossly unfair, very highhanded and unjust.

**Mr. Chairman:** Thank you, Mr. Erb. I believe there might be some questions. Are there any questions of the presenter?

**Mr. Dewar:** Yes, Mr. Erb, if you could tell me your place of employment, please.

\* (1140)

**Mr. Erb:** I am a staff rep with the Manitoba Government Employees' Association.

**Mr. Dewar:** What would be the feeling of the rest of the MGEA on this matter, in your opinion?

**Mr. Erb:** The general morale is really low. It is down. It has a very adverse reaction. There is fear out there. There is disgust with this government for passing this kind of legislation, for the way they are being treated. They are not being recognized for the hard work that they are doing, for their efforts. It is not only disgusting as a government, it is

disgusting as an employer to treat employees this way. It shows a total disregard and contempt for their elected representatives as well.

**Mr. Dewar:** I was stating before that Manitoba has one of the best labour relations climates in the country. How would you feel that this legislation would impact on the labour climate in this province?

**Mr. Erb:** Very negatively. My experience—I have been involved in collective bargaining or labour relations since 1972, '73. This is probably the darkest day in my experience in terms of labour relations. I think that if this attitude prevails toward organized labour in this province, there is going to be a breakdown in society, this kind of treatment of labour and of public servants.

**Mr. Dewar:** The previous presenter mentioned that the private sector takes its lead in negotiations from the public sector. Do you feel that this is an accurate statement?

**Mr. Erb:** No, I believe that it is an example that the private sector will latch onto those people in the private sector who are prone to abuse employees or use their power. I mentioned that in my initial comments, that if they see government, government sets an example.

Government has always passed legislation, and government has always tried to be the leader in terms of employee benefits, employee relationships and so forth. This sends a signal. It is somewhat like the way Ronald Reagan treated the air traffic controllers and set a whole different spin in terms of labour-management relations in the U.S. and the decline of unions.

**Mr. Dewar:** How would this freeze impact upon your family?

**Mr. Erb:** On my family? You have to cope. You know, we are dealing with cost increases. Autopac has gone up, the utilities have all gone up, inflationary or more than inflationary.

I have two children who are just entering university. We are going to be faced with huge increases in terms of tuition fees. There is no flexibility to try and accommodate the increases in terms of the cost of living and the cost that government, the utilities and services are putting on us. There is no opportunity to adjust to that.

It is also very difficult, by the way, for kids to get jobs. You can always say the kids can pay their way through university, but even the job market for kids

who are trying to put themselves through university is not there. Minimum wage jobs are not available. There is hot competition for them. It makes it very difficult.

**Mr. Chairman:** Thank you, Mr. Erb. We will now continue on to the next presenter. Thank you very much for your presentation.

Number 84 Derek Honke; 85 Barry Wadsworth; 86 David Thurlbeck. Do you have a written presentation, Mr. Thurlbeck?

**Mr. David Thurlbeck (Private Citizen):** No, it is just going to be basically note form and my general opinions.

**Mr. Chairman:** Carry on then.

**Mr. Thurlbeck:** Bill 70. I heard last night people were saying it should be put in the shredder. I agree, totally and 100 percent. What it does, it takes away the collective agreement, the bargaining process of all union members, not only of MGEA. It sets a precedent that could be used for other union members and also ununionized people.

As for what I do, I am in the home care. I take care of those people who need help. I basically give them a bath. That does not sound too difficult. You go into a place, the guy is incontinent. He is soaked in urine from his knees to his armpits, also in stool. You get paid \$10 an hour to do that. That is not much. That sounds fair, but if you do not get an eight-hour day like me you are lucky. Not only that, but you have to possibly put up with physical abuse from the clientele taking a swing at you, female attendants, sexual harassment. We all have to put up with this.

This bill takes away the rights to get better pay, better working conditions. Though we live in a house, we can do it with health and safety. Also, what this does, it takes us back to the 1800s, when we did not have this. The rich get richer, the poor get poorer, end of statement there.

What about all the—it takes away everything that I have. I do not make that much. I am married; my spouse has MS. I have to pay big time pill expenses for my wife. That hurts. I have a daughter six years old starting school this fall. When she gets old enough to go to university, I will not have enough money to put her there. What is she going to do? She will not be able to get a decent job. The wages will be useless.

The bad rap that government employees get is basically, oh, you are a government worker, you get paid lots to sit around and do nothing—not me, not the union people or any of the lower level people. We work hard for our money, constantly. My average day, I am up at 5:30, get my daughter off to the daycare by 7 so I can be at work by 7:30, quarter to eight. I finish eight hours later, I get home and I carry on what I do at work at home taking care of my wife and my daughter.

How can I make the expenses with what I have? I barely have enough to make the bills and put food on the table. My daughter wants something. I cannot afford to get it. We cannot go out. We basically have to sit at home. Is that a nice life? That is boring and does not promote health in the family at all. It leads to excess stress. With my spouse having MS, the stress can worsen the MS. It can also cause depression in her, which can worsen the MS, which puts added pressure on me. She sees the paycheque; my God, where is the money going?

I am overtaxed completely by all the excess taxation that is going on by the provincial and federal governments. It is ridiculous. You are looking at the recession. They are saying it is going over. Fine, we have a recession, people laid off. As a result, more unemployment benefits have to be paid out, more people go on welfare. Why not try creating jobs? The more people that work, the less people go on unemployment, less people on welfare. They are working, they pay taxes, more money in your pockets to get on the social programs and the needs that we have to have.

The morale, looking at the workers I come across, they are very annoyed at what is going on. They do not like it in the least. They sit and say, what can I do? I tell them, speak up, say something against it. They are afraid they are going to lose their jobs as a result. That is their major concern, no money; what happens then? They should not be afraid. This takes away so many rights, Bill 70. What about our right for decent-paying wages? This could possibly even go against human rights. The previous presenter compared us with Nazi Germany. Very much so. We are a democratic society. We have to be able to vote on what we agree on. If the government takes away our rights, they are going to a straight dictatorship. We are not like old-style Russia or Nazi Germany.

What about 1919, when we had the general strike? What happened there? People got killed and people were jailed fighting for their rights, their beliefs. You are taking away all our rights right here and now.

That is about all I have to say.

**Mr. Chairman:** Thank you very much, Mr. Thurlbeck. Are there any questions? If not, thank you very much, Mr. Thurlbeck.

We will now move on to No. 87, Norm Kockucky, 88, Dale Walker, 89 Jim Hoaley, 90 Kim Kerr, 91 Howard Williams, 92 Phil Marleau, 93 Garry Couckuyt, 94, Shelly L. Young, 95 Shirley Armstrong, 96 Tom Glassey, 97 Jim Hopkie, 98 Ken Check, 99 Ron Pratt, 100 Leo Desilett.

\* (1150)

**Mr. Manness:** Mr. Chairman, I would suggest at this point that we freeze the calling of the list and hear a presenter. Now, I understand presenter 151 is ready, but I think in fairness, if there is anybody in between 100 and 151, given that they may have been sitting all morning, that they should be allowed to come forward first. If they are not here, then I would think we would like to hear presenter 151.

**Mr. Chairman:** Is there anyone in between 100 and 151 present wanting to make a presentation? I have one other matter, Mr. Minister, that was just brought forward to me, that there is an out-of-town presenter, No. 538, but on our list it is not marked as an out-of-towner.

**Mr. Manness:** That is right. Well, let us get to that. We will deal with that next. We will call 151.

**Mr. Chairman:** Number 151 is Bob M. Hykaway, and Larry Pelzer was No. 555. They will now be taken off as private citizens and they will be representing the Amalgamated Transit Union.

Do you have a written presentation, gentlemen? If you will just wait until we get it distributed to the committee, then we will carry on. Go ahead, Mr. Hykaway.

**Mr. Bob Hykaway (Executive Vice-President, Amalgamated Transit Union):** I would like to thank the committee for hearing me this morning. We have a two-part system here. I will read some and then Larry will continue on with the presentation.

**Mr. Chairman:** That is fine.

**Mr. Hykaway:** Local 1505 of the Amalgamated Transit Union welcomes the opportunity to address

this committee of the Manitoba Legislature about Bill 70, The Public Sector Compensation Management Act. Local 1505 represents over 1,600 public sector workers at City of Winnipeg Transit and Brandon Transit.

We cannot state strongly enough our opposition to the implementation of a wage freeze on public sector workers in Manitoba. It comes only a few short months after Premier Filmon went on record in the Legislature in support of free collective bargaining by saying, we will act in good faith at all times in this open free collective bargaining process with all employees with whom we have to negotiate.

Premier Filmon betrayed these words and implemented a wage freeze which has effectively destroyed free collective bargaining for the period of one year in Manitoba. The basic principles of free collective bargaining, through which millions of workers around the world negotiate their wages, benefits and working conditions every year, apparently mean nothing to the Filmon government. This government has, with one stroke of the legislative pen, succeeded in breaching a long and honourable tradition of negotiating in good faith and hammering out a mutually agreeable settlement through the process of negotiation, however tough the negotiations. Manitoba has not seen such a Draconian action by a provincial government since 1919.

It seems clear to us that this government has no principles and no honour when it comes to respecting working people's rights in the collective bargaining process. By unilaterally extending collective agreements for the period of one year, Finance minister Manness and this government have acted in a most cowardly and irresponsible manner.

Government employers are not unlike other employers in Manitoba's economy and should face workers and their unions across the bargaining table. Moreover, a wage freeze at this time does nothing to assist the Manitoba economy in a battle against recessionary pressures. It is decidedly irresponsible of this government to take millions of dollars out of the economy at a time when the economy desperately needs leadership which will boost confidence in the economy and increase consumers' purchasing power.

Finance minister Manness has indicated that the ability of the Manitoba government to pay for wage

increases played an important role in the decision to implement a wage freeze. This rationale is extremely misguided and is being used to place the responsibility for the state of the economy at the feet of public sector workers rather than at the feet of Premier Filmon and Prime Minister Mulroney, who have mismanaged the economy to the point of creating a made-in-Canada recession.

It is not the ability of the government to pay which should be at issue here. Rather, it is the ability of the Conservative governments at both the provincial and federal levels to meet their obligations to the citizens of Manitoba and Canada which should be under scrutiny.

Persistent and deliberate underfunding of social programs through reductions in transfer payments from the federal government has meant that provincial governments have had to assume more responsibility to ensure that social programs are adequately funded. This means taking a hard look at their own priorities and a hard look at how taxation can be made fairer to ensure that social programs do not suffer and that those who can afford to pay taxes do.

Governments have obligations to their citizens which go far beyond looking out for the narrow economic interests of their corporate friends. They have an obligation to ensure that the adequate funding, paid through an equitable share of the tax burden, is available for social programs which make Manitoba a desirable place to live and prosper. The Filmon government seems to have lost sight of some of these very important obligations. Instead, they have chosen to hide behind legislation which blames public sector workers for a situation which is the result of the provincial government's mismanagement of the economy and an abdication of their responsibilities and obligations to the citizens of Manitoba.

The remainder of this brief will offer a more detailed examination of these points along with documentation which will illustrate why the Filmon government has acted in a most irresponsible fashion and why the government should withdraw this legislation at once in favour of a more fiscally enlightened approach.

**Mr. Chairman:** Mr. Pelzer, you are going to continue from this point.

**Mr. Larry Pelzer (Amalgamated Transit Union):** Yes.

**Mr. Chairman:** Carry on.

**Mr. Pelzer:** My name is Larry Pelzer, assistant business agent for Amalgamated Transit Union. Thank you for giving me the time to elaborate on this with Bob Hykaway.

The ability to pay, the Filmon government, Finance minister Clayton Manness in particular, has been trying to rationalize the wage freeze by saying that the province cannot afford to pay for wage increases to public sector employees. This justification is supposed to absolve the government from its responsibility and obligation to provide quality public services in Manitoba. It is unfortunate that the government has had to resort to such a fallacious argument in order to support its own political goals, an argument which places narrow economic and corporate interests ahead of the well-being of all Manitobans.

The concept of ability to pay is, at its heart, a political concept rather than an economic one when applied to the public sector. The ability of a government to pay for wage increases is limited only by the government's ability to tax or to borrow the necessary money.

This fact has been acknowledged by arbitrators for many years now. Indeed, the definitive statement on the distinction between the public sector and the private sector on the ability to pay was made in an arbitration award between the British Columbia Railway Company and Brotherhood of Maintenance of Way Employees, Cariboo Lodge 221, Lillooet Lodge 215 and Summit Lodge 252 (1976). In this award, one of Canada's most esteemed arbitrators, Owen B. Shime, stated: "... The operation of the industry at a loss does not justify employees receiving substandard wages. On balance, the total community which requires the service should shoulder the financial loss and not expect the employees of the industry to bear an unfair burden by accepting wages and working conditions which are substandard; that is not to say that the public sector employer ought to be the best employer in the community—it need not. Rather, it should be a good employer and also be seen as a fair employer . . . ."

\* (1200)

Arbitrator Shime's position on the ability to pay is well known and almost universally accepted. As a consequence, a vast majority of arbitrators have

rejected the ability-to-pay argument as an unfair and unreasonable burden on public employees.

Arbitrator Innes Christie, in a 1981 University of Toronto decision, bluntly stated, "Interest arbitrations in the Canadian public sector have not allowed governments as employers to hide behind their own skirts in their role as the source of funds."

Mr. Shime has most recently confirmed his thoughts on this matter in an arbitration award with McMaster University and McMaster University Faculty Association 13 LAC(4th)199. A summary statement makes the point painfully clear. In sum, I determine that on balance if the community needs and demands the public service, then the members of the community must bear the necessary cost to provide fair and equitable wages and not expect the employees to subsidize the service by accepting substandard wages.

This is clearly what the Filmon government has done. It has decided unilaterally to place the burden of paying for public services squarely on the shoulders of those who provide the services. The wage freeze is designed to ensure that public employees in Manitoba receive substandard wages, that they fall behind in their purchasing power, that they pay disproportionately for public services in the province.

It is decidedly unfair that public employees must pay for services in a form of double taxation. Public employees, like all citizens of Manitoba, pay taxes to the province. However, unlike many Manitoba citizens, they also have to face the province and provincially funded employers at the bargaining table where the employer tries his best to ensure that public employees pay again by refusing to negotiate fair and equitable wage increases.

However, public employees have never backed down from tough negotiations as long as collective bargaining was free collective bargaining and in good faith. As well, public employees have always played by the rules when arbitrators were called in to decide wage increases in interest arbitrations or in the final offer selection process. Public employees understand that representations are made to the arbitrators and the parties must abide by the decisions rendered.

The problem is that the Filmon government and Finance minister Clayton Manness do not understand the process of free collective bargaining, bargaining in good faith and how to play

by the rules of the arbitration game. This government has chosen to suspend free collective bargaining and to freeze wages and other financial compensation of some 48,000 public employees. They have done so for blatantly political reasons. They have their own agenda for what should happen to the money. It is earmarked for corporate subsidies in the name of economic recovery and not for quality services, which all citizens of Manitoba want and deserve.

Is a wage freeze good economically? In a word, no. Bill 70 is based on bad economics. It will seriously reduce the earnings and purchasing power of ATU members, of other public employees and of all others who participate in Manitoba's economy. Public employees are being told to tighten their belts and sacrifice their income so that the provincial economy can recuperate and so that the province can reduce its debt.

We know, however, that wage freezes do not foster recovery. Wage freezes only serve to keep the economy in recession and to ensure that governments have monies available for subsidies and grants to the corporate sector. The earning power of Manitoba's public employees is being sacrificed, not for the well-being of all Manitobans but for the good of corporate economic interests. Once again, public employees are scapegoats for economic woes which are not of their own making.

The thrust of all wage restraint programs is to lower wages and living standards of working people. This occurs not just temporarily, as the government claims, but permanently. Once wages fall behind the rate of inflation, it is extremely difficult for workers to catch up. Many years of very tough collective bargaining would be necessary to recoup any loss in real earning power which results from a wage freeze.

Some economists estimate that approximately \$70.1 million will be taken out of the Manitoba economy as a result of this wage freeze. This figure assumes that there would have been an average wage increase of 4.6 percent for workers covered by this legislation. This will result in future tax losses to the province of approximately \$17.5 million. The fact that the Filmon government is knowingly and eagerly taking \$70 million out of the pockets of Manitoba public employees is an indication that Conservatives have little regard for ordinary workers. This money is lost to the economy. It will never be spent on purchases of

goods and services as it would have been if it was rightly allotted to workers in the form of a wage increase and other financial improvements. Instead, there is every likelihood that this government will use this money to offer subsidies and incentives to corporations who pay little or no tax.

The wage freeze will have its biggest impact on low-income public sector workers. Cabinet ministers who have incomes in the area of \$65,000 per year plus tax-free allowance will suffer at most only a minor inconvenience while public employees earning on an average of \$25,000 a year will have to struggle even harder than ever to make ends meet. In fact, most provincial public employees have not had a wage increase in well over a year.

Consider this, a Housekeeping Aide I at the Health Sciences Centre earns approximately \$9.99 an hour or \$20,130 per year. The poverty line in 1991 for an urban area with a population of 500,000 or greater is \$29,494 for a family of four. As estimated by the National Council of Welfare, the situation in smaller centres is no different. In Portage la Prairie, a Housekeeping Aide I earns a maximum of \$9.94 per hour or \$20,029 per year. The poverty line for urban centres with a population of less than 30,000 is \$23,069 for a family of four.

In rural areas, the poverty line for a family of four is \$20,079. The Housekeeping Aide I in Winnipeg earns only slightly more than that, and an aide working in Portage la Prairie is earning less than poverty line wages for a rural area.

The Filmon government shows no concern for the fact that it is freezing the wages of many workers who are already substantially below the poverty line. Is it too much to expect in our society to be able to receive a living wage, a wage which will allow a worker and his or her family to exist above the poverty line?

Progressive Conservatives tell us that the wage freeze was introduced in order to reduce the political deficit. Has wage restraint ever helped reduce government deficit or reduce the tax paid by ordinary workers in the past? No, the wage control program implemented at both federal and provincial levels during the 1970s and 1980s only meant that billions of dollars were lost in income tax and sales revenues. Wage restraint contributes to higher unemployment rate and prolongs recessionary pressure in the economy. Increased consumer



demand, not a wage freeze, is necessary to pull the economy out of recession.

**Loss in purchasing power:** The wage freeze will take real dollars out of the pockets of all public employees in the province. Workers will see their wage erode by a percentage almost equivalent to the rate of inflation during the period that their wages were frozen.

The annual rate of inflation, as measured by increases in CPI, in Manitoba for 1990 was 4.6 percent. However, the highly inflationary goods and services tax, the GST, known to all of us, was introduced in January of 1991 and immediately drove the inflation rate across the country by close to 2 percent. The rate of inflation for the province of Manitoba in January of 1991 was 6.7 percent and, if not for the impact of the recession, the rate of inflation would probably have jumped even higher than that. Nevertheless, over the first five months of 1991, the average percent increase in CPI was 6 percent over the same period a year earlier.

It is always difficult to forecast the rate of inflation, but we can make some educated guess as to what the rate of inflation would be for the period covered by wage controls. If we use the relatively conservative estimate of 5.5 percent inflation for 1991, then the Housekeeping Aide I working in the Health Sciences Centre position referred to earlier will lose approximately \$1,107 in real purchasing power because of the wage freeze. Inflation will continue to push up the cost of what this worker needs to survive, but the Filmon government will not allow this worker, already working at a wage below the poverty line for a family of four, to protect his or her wage from that inflation. This worker and his/her family will suffer disproportionately from the government's insistence that employees providing public services should pay for provincial debt.

**Wage increases do not cause inflation.** We often hear the argument that wage increases are a prime cause of inflation. Certainly John Crow and former Finance minister Michael Wilson set the stage for wage controls by repeating this argument, often in the form of a threat, which they hoped would influence public sector wage settlements.

In the province of Manitoba for the period of February 1990 to February 1991, average weekly earnings increased by 4 percent from \$453.61 to \$471.60. The consumer price index, on the other

hand, increased by 6.1 percent from an index of 117.0 percent to 124.1 percent in February 1991.

\* (1210)

If wage increases were a major cause of inflation, we would be seeing wages increase at a faster rate than price. In fact, we can see, from above, that average weekly wages in Manitoba were increasing at a slower rate over the past year.

Wage settlements over the past three years also indicate that there is little reason to believe that negotiated wage settlements have an inflationary impact. The following table shows the wage settlements, as surveyed by Labour Canada, and compares these settlements to the annual average rate of inflation.

Comparison of percentage increase in major collective agreement and the percentage increase in CPI Manitoba 1988 to the first quarter of 1991:

In 1988, All Agreements, 3.6 percent; Public Sector, 3.6 percent; Private Sector, 4 percent; Increase in CPI, 4.1 percent.

In 1989, 4.3 percent in All Agreements; Public Sector, 4.3 percent; Private Sector, 4.2 percent; Increase in CPI, 4.8 percent.

In 1991, All Agreements, 5.5 percent; Public Sector, 4.8 percent; Private Sector, 6.1 percent; CPI, 4.6 percent.

In 1991, All Agreements, 6.5 percent; Public Sector, 6.5 percent; Private Sector, nothing; Increase in CPI, 6.3 percent.

Agreements covering 500 employees—the average increase in CPI for the first quarter of 1991 is a double asterisk. The source, the information came from Labour Canada, Stats Canada.

This table indicates that the wage settlement in all agreements trailed the rate of inflation in 1988 and '89. Settlements were ahead of the rate of inflation in 1990, not because the public sector settlements were large but because private sector settlements were over 6 percent. The first quarter of 1991 has wage settlements virtually tracking the rate of inflation.

The first quarter of 1991 settlements in the public sector, 6.5 percent, are hardly surprising given the tremendous uncertainties of the magnitude of the inflationary impact which would accompany the introduction of the GST. Workers can hardly be blamed for trying to protect their income from this highly inflationary tax. As it turned out, both unions

and management were quite accurate in their assessment of where our wage settlements should be, relative to inflation.

In the end analysis, there does not seem to be much in the wage settlement information which would lead to the conclusion that wage increases are a major contributor to inflation and therefore to the problems we are currently facing in the economy. We also know from past experience with other wage restraining legislation that inflation does not necessarily abate because controls are implemented. In 1975, wage controls reduced the average Canadian worker wage by 10 percent, but prices kept rising until the CPI percentage increase reached into double digits.

Bill 70 freezes more than just wages. The purpose of Bill 70 ostensibly is to freeze the wage of public employees who arranged agreements prior to between September 1, '90 and September 1, 1991, and where a signed agreement was not reached by June 3, '91. This wage freeze, we had argued, is definitely unfair in the financial burden that is placed on public employees.

However, the reality is even more harsh than this indicates. Not only are wage adjustments frozen for the 12-month extension period, but so are all other provisions in the collective agreement, including all nonmonetary items. In other words, all terms and working conditions are frozen as well. Public sector workers must pay disproportionately their share of the provincial debts at the same that they are prohibited from negotiating any of their working conditions. Moreover, any items or working conditions which contain an expiry date in the current collective agreement is not automatically extended for the 12-month period but expires on that specific date.

This government has acted in complete disregard for the right of workers to negotiate working conditions as well as wages. This absolute and total suspension of free collective bargaining is not merely unfair, it is an unconscionable act which demonstrates this government's complete disdain for its own employees and the employees of boards and agencies funded by public monies.

In the face of this wage freeze and disdain shown by the provincial government, it is not surprising that the morale of the public employees is suffering. How can employees gain satisfaction out of providing services to the deserving public when their

government and their employer have such little regard for them?

The impact of cutbacks in the federal transfer payments—the problem of the Manitoba economy can more rightfully be tracked to the changing relationship between the federal government and the provincial government in regard to transfer payments. The federal is offloading the responsibility for social spending onto the province. The province in turn is offloading their responsibilities onto the municipalities, hospital boards, school boards and other social service agencies.

While the provincial government may use the cutbacks in federal transfers to the province as convenient justification for harsh economic measures in its own budget and for wage freezes, it remains nothing more than that, a convenient justification. The very same political ideology which has driven the federal Conservatives to cut transfers to the province is driving the provincial Progressive Conservative government to duplicate these cuts. In short, the provincial government is not interested in providing quality service to the deserving Manitoba public any more than the federal government is. If they were, adequate funding for the public sector would be a priority and a fair taxation structure could be established to provide that funding. The burden of making up the shortfall from transfers to the province should not have to fall on the shoulders of public employees through an unfair wage freeze.

Is there an alternative? For some time, the federal Conservative government has been on a campaign to place the blame for economic recession on wage increases negotiated by public sector workers. They were unashamedly aided in this public employee bashing by John Crow, Governor of the Bank of Canada. Crow and the Conservatives were pursuing a financial, political policy which keeps interest rates high and the value of the dollar at an unacceptable high level.

These policies in combination with the disastrous effect of the Free Trade Agreement resulted in an unnecessary made-in-Canada recession. Their next step was to blame public sector wage increases for Canadian economic problems. The federal government then introduced wage guidelines for the federal Civil Service. Wages are frozen for the next year. The federal government hoped that these measures would have a

demonstrative effect and that the provinces would follow suit with wage-restraining programs of their own. Unfortunately, the tactics worked, and all provinces, except Ontario and Prince Edward Island, introduced some form of legislated wage restraint.

A notable exception, of course, was Ontario. Ontario chose to blaze a new course and to say no to wage freeze and restraints and to say yes to a commitment to buy quality service to the public of Ontario by finding funds to pay for those services. The New Democratic Party government in Ontario was roundly criticized at the time by the corporate sector complaining bitterly because funds would still be allotted to social programs and to public sector wages rather than to incentives for business investment.

\*(1220)

However, it now seems that even more conservative economic prognosticators are finding that the Ontario budget was a positive budget in the midst of a host of gloom in the other provinces. James Frank, chief economist and vice-president of the Conference Board of Canada, has written that the budget was a "confidence builder" and that it will help to bring Canada out of the recession. Mr. Frank writes: "... economic recovery is underway, helped by the willingness of Canada's largest province to take on more debt and to stand against the popular tide of opinion of deficit control during a recession." At least one other well-known private economic consultant, the president of Informetrica has agreed with the Conference Board analysis and has indicated that the budget is a step in the direction of economic recovery.

All reports on the Canadian economy indicate that we are at least poised to break out of the recession. Statistics Canada's leading indicator of economic activities grew slightly, 0.1 percent in April after 14 straight months of decline. The gross domestic product growth grew by 0.9 percent in April, its biggest monthly gain since 1988.

This economic good news has little to do with wage restraint on public sector workers at either the federal or provincial level. In fact, it is likely that the wage restraint had nothing whatsoever to do with the recovery and that an easing of government high-interest-rate policy is more contributory to any recovery. This is particularly true given that more

wage-restraining programs were not in effect in April as the economy began to show signs of recovery.

Is there an alternative to the wage freeze? Of course, there is. The Ontario government showed the way in a large part. The Filmon government could also have declined to march lock step with the federal government and blame public sector wage increase for the recession. They could have made a commitment to the Manitoba public to find funds to provide quality service with adequately paid employees. They could have declined to ask the public employees to subsidize these services with real cuts in their purchasing power, but they did not. Instead, they decided to listen to their corporate friends and to the Mulroney government and to punish public employees who provide service, integrity to the well-being of all Manitobans.

The government could have and should have sought revenues from those who can afford to pay and from those who benefit most from government subsidies and low tax rates. The corporations and the wealthy must pay their fair share through a fair and equitable taxation system.

In conclusion, Bob Hykaway will speak on it. Thank you.

**Mr. Hykaway:** In conclusion, the provincial government has made a serious mistake in pursuing the misguided strategy of introducing a wage freeze to deal with the provincial economic problems. Bill 70 is a denial of justice and gross infringement of the rights of public sector workers. It removes unilaterally the right of public sector workers to negotiate wages, benefits and terms in the conditions of employment. This legislation demonstrates the Filmon government's complete disregard for these rights and their disdain for the workers who provide valuable public services to the citizens of Manitoba.

Bill 70 clearly is not the foundation for sound economic policy which will lead a recovery in Manitoba's economy. It can only worsen the situation of all workers in the province by eroding their purchasing power. Any detailed examination of the impact of Bill 70 and the motivations for introducing it lead us to one inescapable conclusion. The members of this committee must recommend the withdrawal of this regressive legislation.

I would like to thank you all very much for hearing our presentation.

**Mr. Chairman:** Thank you very much. Are there any questions of the presenter?

**Mr. Manness:** Mr. Chairman, I would like to ask the presenter why it is that his brief is exactly identical to the brief to the legislative committee of the Manitoba Legislature as presented by the Manitoba Division of the Canadian Union of Public Employees?

**Mr. Hykaway:** Yes, well, I have to take the blame for it. I was not prepared on the calling. I thought I would come up later on the list, and because of a change in my holidays, I took the information from their brief and used it toward you.

**Mr. Manness:** You did more than use it. Am I right in saying you used it word for word?

**Mr. Hykaway:** Yes, except for the beginning of the presentation. The facts and figures, we gained right from them, yes.

**Mr. Chairman:** Any further questions? If not, thank you very much for your presentation.

Number 101, S. Chernowski; 102, Paul Solowey; 103, Carolyn Stadler; 104, Martin Stadler; 105, Mike Halabura; 106, M. Malanowich; 107, E. Lyons; 108, Harry Kramer; 109, Christine Woloshen; 110, Gord Lyndon; 111, Cecile Cassista; 112, Harold Pecauid; 113, Oskar Brauer; 114, Barry Henry; 115, Greg Kuleza; 116, Murray Smith; 117, D. Wolbaum; 118, A. Wolbaum; 119, Laurie Chapman; 120, Ross Dobson; 121, Mrs. D. Funk; 122, Annette Chop; 123, Brenda Chop; 124, Louis Ifill; 125, J. Champagne.

**Mr. Manness:** In keeping with the process we have started, I would recommend that we ask somebody else whom I know is here ready to make a presentation at this point in time. Who would you have next on your list?

**Mr. Chairman:** Next on our list, we have No. 296, following in order which would be Ed McColm, but at this time, I would like to know if there are any other presenters before that No. 296 who are here. Is there anyone else here between No. 151 and 296? If not, Mr. Ed McColm, if you could come forward. The next one will be No. 578. Is there anybody in between 296 and 578 present? I take it there is not. If Bonnie Korzenowski would come forward then? Do you have a written brief?

**Ms. Bonnie Korzenowski (Public Service of Canada—Health Care Professionals, Deer Lodge Centre):** I handed it in.

**Mr. Chairman:** Is this the written brief? If you will just give her a minute to have it distributed, the clerk.

Ms. Korzenowski is representing Public Service of Canada—Health Care Professionals, Deer Lodge Centre. Go ahead, Ms. Korzenowski.

**Ms. Korzenowski:** My name is Bonnie Korzenowski, and I am a social worker at Deer Lodge Centre in Winnipeg. I am here as a member of the Professional Institute of the Public Service of Canada, hereafter referred to as "the institute."

The institute is the certified bargaining agent representing health care professionals, physicians and nursing at Deer Lodge Centre. I am the vice-chairperson of the health care professional group, member of the Winnipeg Regional Branch of the institute and member of the Steering Committee for the Group Advisory Council, Ottawa. I am here as a representative of the health care professional group, Deer Lodge Centre.

We, the health care professional group, bargain at the same table under the same contract as the nursing group. There are almost 200 of us profoundly affected by Bill 70. Our collective agreement with nursing assures us of the same rights and benefits to all nursing, social workers, psychologists, dietitians, pharmacists, clergy.

\* (1230)

I submit that Bill 70 is not only undemocratic but a destructive piece of legislation. The threat Bill 70 poses to our right to collective bargaining is of grave concern to health care professionals at Deer Lodge Centre. It should be of grave concern to all Manitobans. If collective agreements negotiated by legal representatives of workers and targeted groups can be frozen and legally granted arbitration awards cancelled, it is clear that the government can extend these measures to any worker in Manitoba.

It is unfortunate and unfair, the type of force Bill 70 unleashes is not directed to those of equal power, for example, the profitable corporations that receive not only tax exemptions but tax credits. In terms of Deer Lodge Centre, the impact of Bill 70 has already proven damaging to the morale and effective working relationships of its employees. It has created a rift between workers in that it has pitted two groups of professionals against each other.

Initially, Bill 70 appeared to exempt nursing, which created considerable dissent at the negotiating table. Coincidentally, Bill 70 was introduced while we were negotiating. I am sure you can appreciate

the situation where management has to sit there and tell nursing, we have money for you, and we are prepared to discuss your rights and benefits. Health care professionals, I am sorry, we have nothing for you and you have no discussion in your rights and benefits. It suggested an inequality in the value of professional services within the same institution, notwithstanding the inequality of the wages therein.

Now it is apparent that nursing is equally affected, but the effects of the discrimination remain to compound frustration of the situation. This cannot help but to affect the quality of care provided by these groups where teamwork is a valued and essential component in the delivery of quality service in the health care system.

Deer Lodge Centre aspires to be a leading geriatric centre, not only in Manitoba, but in Canada. Highly qualified workers, despite the disparity in wages—and I, for one, and a number of others took a pay cut to come there—have been drawn here trusting that free collective bargaining would rectify the existing out-dated wage scale and disparity in educational allowances. Many of our workers have a Master's degree, and there is no allowance for anything above a Bachelor's.

Bill 70 will deter future interest of this level of professional employee as well as encouraging those currently employed to seek less restrictive and more lucrative employment, be it in Manitoba or elsewhere. This government should be promoting and assisting to create an institution in which Manitoba can take pride, not callously and indiscriminately lending to its deterioration.

The salaries of health care professionals at Deer Lodge Centre have not been fuelling inflation. Far from outstripping our counterparts, our pay scales have fallen significantly behind our counterparts in other health care facilities in the province. Social workers at Deer Lodge Centre are 9 percent behind the Manitoba rates; pharmacists, 16 percent; and dietitians, a full 22 percent. Under Bill 70, you are asking us to not only expect no parity with our peers but to further martyr ourselves with a wage freeze, which is not extended unilaterally within the professions.

Are you prepared to freeze tax increases and cost-of-living increases with this same targeted group? As a representative of our bargaining unit, a health care professional of Deer Lodge Centre and

particularly as a social worker, I find Bill 70 to be a grave and intolerable social injustice.

I implore you to reconsider, withdraw this punitive bill and restore a sense of fairness, equality and self-determination to our workers, as well as a trust in our government.

At a personal level, I am not going to suffer like many of the others you have heard. I happen to come from a double-income family and will continue to struggle like the average citizen. I do not object to the wage freeze quite as much, as I expected little or nothing. What I am reacting to is the legislation of removing my rights of free collective bargaining. Removal of any rights is a threat to me. I find it frightening. I do not know what happens next. I mean, can it snowball into freedom of speech, press?

I just would like to plead with you to please reconsider this. On another note, maybe I could thank this government. As a social worker, if you continue to target the group you are, I can always be assured of work. Thank you very much.

**Mr. Chairman:** Are there any questions? Thank you very much for your presentation. At this time, I am going to go back one number here. There is a gentleman, Mr. Doyle, I believe, No. 568 which we missed prior to the 578. Mr. Doyle, do you have a written presentation?

**Mr. John Doyle (Private Citizen):** Yes, but I neglected to bring the copies I had made to bring here for distribution, unfortunately.

**Mr. Chairman:** Well, in that case, I will just get you to carry it on. Sorry for missing you. When I called it out, you had not lifted your hand.

**Mr. Manness:** Before Mr. Doyle begins, I should indicate that the committee will have to rise, I would think, no later than quarter to one in fairness to getting back to the House and preparing in our caucuses. So I do not know whether Mr. Doyle—

**Mr. Doyle:** If it is possible, I would like to speak tonight then.

**Mr. Manness:** That would be fine.

**Mr. Chairman:** Would you rather come back tonight?

**Mr. Doyle:** Yes.

**Mr. Chairman:** Is it the will of the committee that we allow him to come back tonight rather than start now?

**Mr. Manness:** Yes, that is right. We will call a few more names then.

**Mr. Chairman:** We will have you start tonight then, Mr. Doyle.

**Mr. Doyle:** The committee begins at seven or eight?

**Mr. Chairman:** Seven o'clock.

**Mr. Doyle:** Thank you.

**Mr. Chairman:** Okay, Mr. Doyle. Mr. Doyle will be called first up this evening.

Number 126, H. Sawatzky; 127, Rick Hubka; 128, Bob Feniuk; 129, Dave Robertson; 130, Erik Borgersen; 131, Alan McBride; 132, W. Comstock; 133, S. Gordon; 134, E. Jones; 135, L. McEvoy; 136, I. Cardenas; 137, Gail Leco; 138, Janice Innes; 139, Irene J. Laker; 140, Ashley Laker; 141, Ken Laker; 142, Paul Huzil; 143, C. Huzil; 144, Walter Tokar; 145, S. M. Kowerko; 146, Larry Crawford; 147, Gary Kotowich; 148, Roland Doucet; 149, A. Kardal; 150, A. Cerelli; 151, B. M. Hykaway; 152, Harry Claydon; 153, Debb Hesse; 154, Gil Ramm; 155, Eric Penner; 156, Larry Hogue; 157, William Kedliuk; 158, Wayne O. Lynch; 159, D. Brentnall; 160, B. Vouriot; 161, Ray Kumar; 162, Mary Declercq; 163, Pat O'Brian—

**Mr. Manness:** Mr. Chairman, in fairness to the process before, we will roll back the list to 150, and we would ask the individual who is waiting to come forward. I apologize. I was led to believe that all the presenters—I am sorry. I apologize.

\* (1240)

**Mr. Chairman:** The list will roll back to 150. Is that the agreement of the committee then? It is agreed? Agreed. We will now ask for Jan Marie Graham to come forward.

**Ms. Jan Marie Graham (Public Service of Canada—Nursing Group, Deer Lodge Centre):** My name is Jan Marie Graham, and I am a clinical nurse specialist in psychogeriatrics at Deer Lodge. I am here as a member of the Professional Institute of Public Service of Canada, hereafter referred to as the institute. It is the certified bargaining agent representing nurses, physicians and health care professionals at DLC. I am the vice-chairperson of the nursing group at Deer Lodge, and I am also the co-chairperson of the Winnipeg Regional Branch. I am here as a representative of the Nursing Group today.

I submit that Bill 70 is unfair and unjust. There are 176 nurses at DLC who are negatively affected by

Bill 70. Bill 70 proposes to freeze the wages of the lowest paid public worker and exempts the highest paid such as physicians. All the nurses pay taxes. We share this tax burden with all of the Manitobans, whether they are plumbers, bank tellers or factory workers. Why then are we now expected to shoulder more of the economic burden?

If the government freezes wages, will the government also freeze food prices, rent, interest rates and the cost of living? Will the government freeze handouts and tax benefits to corporations? The Manitoba Nurses' Union fought long and hard for their 14 percent wage increase in January of 1991. We all remember the cold January days walking about.

Bill 70 will ensure that nurses at DLC will not have parity with other nurses in Manitoba. I anticipate an exodus of nurses from DLC and probably from the province. It is unlikely that DLC will attract and retain qualified competent nurses if we cannot offer competitive wages and benefits. DLC, as Bonnie said, is striving to be a leader in geriatric care in Manitoba and in Canada. Unfortunately, this will be impossible without qualified professional staff. DLC is a great place to work, but face it, we all work for the money. Why would nurses remain at DLC when they can go three kilometres to Grace Hospital and get 14 percent more? They just are not going to do it, folks.

Can the Manitoba health care system afford to lose these qualified professionals? Do you realize the impact that Bill 70 will have on our Manitoba health care system? Do you realize that the health care system suffers when you chop the cream of the crop? You just will not attract them and you will not retain them. Many of the nurses at DLC are talking about moving. Some are talking about moving from within the province. Others are talking about moving out of the province. Alberta seems to be prime land for them right now, but also the United States is a prime recruiter of our newly graduated nursing staff.

If your child is ill, who do you want to care for your child? Do you want an expert nurse, or do you want someone who meets the mediocre standards, but who is the only one who applied for the job? I would pick the expert, thanks.

Manitoba will not have the opportunity to choose from applicants who are experts, because they just will not apply. They will apply at other places.

Manitoba has trouble recruiting to begin with, because we do not have a lot to offer them as far as weather and climate, although we are fairly tropical these times, but we usually are not.

Professionals will move because of Bill 70. I have sort of done a poll at Deer Lodge, and many of them are talking about moving already. They are talking about moving and giving up pension plans and benefits, but they just cannot live on the money. So it is a real problem.

I do anticipate a staffing crisis at Deer Lodge and so does administration. If Bill 70 is passed, resident care will suffer because of that, and the responsibility will lie with you. Bill 70 destroys free collective bargaining in Manitoba. It is creating a sense of distrust and anger towards the government. The morale at Deer Lodge is in the toilet right now, and money is certainly a factor that plays heavily into that.

I urge you to withdraw Bill 70 and prove that you are not the crooks everybody is saying you are, but that you are indeed trustworthy, fair and democratic. Thank you.

**Mr. Chairman:** Thank you, Ms. Graham. I believe there is a question here for you.

**Mr. Manness:** Mr. Chairman, I guess I am going to want to look in greater detail to the subtleties. Indeed, if you are a registered nurse, which I accept, and indeed the presenter before you; I want to find out why, given the regulations that we are going to be bringing in to provide an exemption to the nursing profession, why it is you might not be covered.

**Ms. Graham:** Actually, we were told by administration at Deer Lodge Centre and by our union that nurses are not exempt at Deer Lodge.

**Mr. Manness:** I guess I want to know why, because certainly I will be bringing in a regulation to exempt all the nurses. I do not know if there are some fine points by the interpretation of your administration that says by their interpretation you are not out, but I will be seeking greater information on this. I am going to look seriously into it.

**Ms. Graham:** Can she answer that?

**Mr. Manness:** Well, she can help me. There are many gray areas, Mr. Chairman, and that is why we have given ourselves the power in regulation to try and watch these gray areas come forward and still try to rule consistently within the bill.

**Ms. Korzenlowski:** Bill 70 clearly states that any collective agreement that was not signed before June 3—we share a collective agreement, and nursing at Deer Lodge had not signed.

**Mr. Manness:** Let me say, Mr. Chairman, that nurses whether they have signed or have not signed before June 3 will be made exempt by way of regulation. Again, let us not enter the dialogue here. I am telling you by my understanding, nurses in Manitoba, whether they are part of an existing agreement, new or old, will be exempt and we will bring the regulations in to provide that exemption. That was our statement when we brought forward Bill 70, and that is what we intend to do.

**Ms. Korzenlowski:** Perhaps I can see that happening. At this point, though, it has been interpreted to us that this is the status quo. Administration at Deer Lodge Centre has told us this. I understand they have also submitted some presentation against Bill 70.

What I would like to know though is the dilemma they are in, I am wondering how you are going to get around, is we do sit under the same collective agreement with nursing, how you are going to be able to award one group who is under the same contract something and the others nothing without creating a great deal of animosity in the workplace.

**Mr. Chairman:** I would like to remind the committee before you go, Mr. Minister, that this is not a time for debate. I will allow you a short—

**Mr. Manness:** Mr. Chairman, I made the point. I am not debating. I am not debating at all. I guess what I am saying is that split contracts are something we will also try to bring greater emphasis on within regulation. So I would not think that the situation is nearly as helpless, indeed, as the administration would lead you to believe. Thank you.

**Mr. Chairman:** I would like to thank both presenters for coming forward today. Thank you very much.

I am going to go through another approximately 20 names.

**Mr. Manness:** Mr. Chairman, I would propose we call another 25 names, and there is one presenter that wants to be heard.

**Mr. Chairman:** Is that the will of the committee that we will go through?

**Mr. Manness:** Agreed.

**Mr. Chairman:** Number 152, Harry Claydon; 153, Debb Hesse; 154, Gil Ramm; 155, Eric Penner; 156, Larry Hogue; 157, William Kedliuk; 158, Wayne Lynch; 159, D. Brentnall; 160—

Order, please.

**Ms. Wowchuk:** Just on a point of clarification, I thought a little earlier it was the understanding that we would rise at quarter to one, or are we going to continue on?

**Mr. Manness:** I was vague at that time. I said quarter to one, 10 to one, whatever the committee—there was an individual who had indicated their willingness, desire to represent. We have had it on some indication that person is not here, but we have had that happen many times, and I think we have a call through to that person after we have called the 25 names as we have followed the process so far this morning.

\* (1250)

**Mr. Chairman:** I will just carry on. I was at 160, B. Vouriot; 161, Ray Kumar; 162, Mary Declercq; 163, Pat O'Brian; 164, Kim Davidow; 165, Paul Williamson; 166, Tom Moody; 167, Joanna Plater; 168, Shelley Wray; 169, David Martin; 170, Coleen Malloy; 171, Dan Vandal; 172, Wendy Elliott; 173, Dave Moon; 174, Ed Garnecki; 175, H. Donahue.

**Mr. Manness:** Mr. Chairman, I would suggest we freeze the list here. There was an early indication that there was one other presenter waiting. That person is here. I think you should call him forward. If not, I think the committee should rise.

**Mr. Chairman:** Are there any presenters left to present? Grant Rodgers and Terry Turcan—these were two people who were going to be out of town. They would not be able to come back. -(interjection)- You will be able to make it back tonight then, right?

Committee rise, and we will come back at seven o'clock.

**COMMITTEE ROSE AT:** 12:52 p.m.