

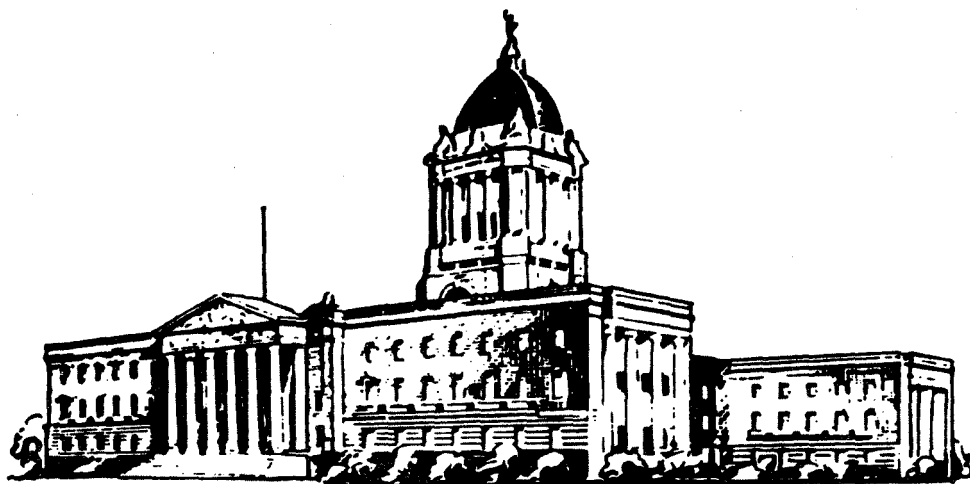


Second Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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

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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
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CUMMINGS, Glen, Hon.	Ste. Rose	PC
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REIMER, Jack	Niakwa	PC
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STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	ND
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VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 8, 1991

The House met at 8 p.m.

DEBATE ON SECOND READINGS

Bill 70—The Public Sector Compensation Management Act

Mr. Speaker: On the proposed motion of the honourable Minister of Finance (Mr. Manness), Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, and the motion of the honourable member for Thompson (Mr. Ashton), Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, be not now read a second time, but be read this day six months hence.

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, I am very pleased to have an opportunity to add my comments to this debate on Bill 70 and to join with those in the New Democratic Party in registering our strongest possible opposition to what we consider to be among the most Draconian, most insidious, most duplicitous pieces of legislation ever before the people of Manitoba in the history of this province.

Mr. Speaker, we have had in this province a tradition of co-operation, consultation and collaboration between all sectors in our economy and in our society. We have a very noteworthy history in terms of co-operative, collaborative efforts between government, labour and business in this province. That history of collaboration and co-operation has not been without its moments of acrimony, without its moments of divisiveness, without its times of healthy tension, but it has been just that up until now, healthy tension between the major elements in our society, in our economy today. That tradition and that history has held us in good stead over the years, boding very well for the people of this province and the economy of this province.

Mr. Speaker, the economic benefits of that kind of healthy relationship between government, labour and management has ensured economic benefits for this province, has reaped benefits for everyone. We have had one of the better records in this country

in terms of days lost or not lost through strikes or lockouts. We have had one of the best records in this country for negotiating settlements without resorting to strike or lockout or divisive conflict in our society. As a consequence, all Manitobans have benefited, and our economy has been stronger because of it.

Mr. Speaker, we have a tradition, a tradition that we should build upon, we should maintain, we should use as a basis for new growth and new directions, not one that should be torn down. Yet, at this time in our history, 1991, in the province of Manitoba, we are faced with a government that is deliberately and calculatingly tearing down the finest traditions this country has ever seen. It is not that this has come out of the blue entirely. We have seen over the last eight, nine, 10, 11 months a gradual erosion of that tradition and a gradual heightening of tensions and conflict and divisiveness between this government and labour in the province of Manitoba.

* (2005)

There have been signposts along the way, the actions of this government with respect to final offer selection, the inaction of this government on pay equity, the lack of consideration and concern that this government has shown on a number of work related, workplace health and safety related, employment standard related, daycare related—all point to a less than serious position, a less than constructive stance when it comes to dealing with some very difficult issues in the 1990s and show clearly that this government has been, has set itself, on an agenda to target labour, to scapegoat labour, to eat away at the very roots of our society today.

Bill 70 marked a shift in that approach. From eating away at the edges of fairly constructive relations between labour and management and government and starting to erode some of the very good programs in place in terms of workplace health and safety, labour standards and so on, we have now moved to a major assault on labour, an all-and-all-out attack on working people and their families in the province of Manitoba.

Mr. Speaker, this bill has been described in many ways by members on this side of the House and by members of our community. I think probably one of the best descriptions I have heard is that this bill constitutes one of the most Draconian actions of any provincial government in the history of this province since 1919. I do not think there are too many people who can refute such a statement, such a description of Bill 70, when one puts fully on the table the fact that Bill 70 subverts free collective bargaining.

Through this bill the government of Manitoba has basically said, to heck with free collective bargaining, to heck with that principle that has held us in good stead over these years; let us put that aside and put our political agenda ahead of an incredibly important principle, a well-established and entrenched principle in our society today, that of the right to bargain freely and collectively, the right of free association, the right to speak with one voice on behalf of the members of that organization or community.

This bill also fits that description of being among the most or the most Draconian actions of a provincial government since 1919, in the way in which it singles out public servants, the way in which it uses public servants as scapegoats, because it has targeted the Civil Service, the public sector, despite the fact that wages in that sector have lagged behind other areas in our economy in recent years.

* (2010)

Mr. Speaker, the other description that I and others have given to this bill, to Bill 70, is that of the one big lie, the big lie or one big lie, given previous statements and commitments by the Premier (Mr. Filmon) of the Province of Manitoba and several of his colleagues around the cabinet table. We have heard replayed back many times for the Premier and his colleagues some of the quotes and the promises of their leader, so I do not need to do that in great detail, except to make the point in the context of the Premier's, probably his most recent statement just a few months before Bill 70 was introduced, when he said here in this Legislature, 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.

Well, Mr. Speaker, I do not know if anyone can describe that in any other way, than being less than honest, less than truthful and in fact constituting one

big lie. Now "deceitful," another good word, "duplicitious" we have heard earlier today. I think all of those words fit this bill and the actions of this government.

Now, I see the Minister of Health (Mr. Orchard) is getting a little involved in this debate. I would like to point out how he has been a part of this problem and has actually made the description of one big lie fit Bill 70 and the actions of this government. As I remind members in this House, it was the Minister of Health some time in the month of February of 1991, when asked about the application of final offer selection in terms of the settlement of the operating engineers, and this Minister of Health said, publicly and loudly and clearly, that he and his government would respect the final outcome of the final offer selector.

Well, it did not take too many weeks or months to pass before all of that changed and all of those words were forgotten, and the promises down the drain. In fact, this bill proceeded not just to freeze wages, to subvert free collective bargaining, but it chose as well to roll back negotiated settlements, it chose to ignore awards achieved through final offer selection or arbitration, and it left itself and this government the right to extend this Draconian regressive legislation to any sector of our economy for whatever period of time it felt necessary.

That is why, Mr. Speaker, we have been led to the third conclusion around Bill 70, that it is probably the most insidious piece of legislation we have ever seen in the history of the Province of Manitoba. I do not use that word "insidious" lightly, just as my colleague the member for Wolseley (Ms. Friesen) did not use the word "duplicitious" lightly. Both words aptly fit the situation and this legislation and this government.

Mr. Speaker, let us keep in mind that Bill 70 gives to this government the power to extend its Draconian provisions past the first contract year; it gives the power to this government to extend its Draconian measures beyond the 48,000 public sector workers already covered in Bill 70; it gives the power to this government to roll back negotiated settlements achieved in free and open, good faith collective bargaining; and furthermore, this legislation denies the right to binding arbitration for others.

* (2015)

Mr. Speaker, I come now to a fourth description of Bill 70. Let us remember, and I believe the member for Crescentwood (Mr. Carr) made a similar analysis of this bill earlier today, that two-thirds of women in our society today work in clerical, sales and service jobs. The greatest impact of Bill 70 will be on the lowest-paid workers in our clerical, service and sales sectors. The lowest-paid workers in those sectors are primarily women.

We cannot leave our analysis of this bill without saying that it has got to be one of the most sexist, discriminatory, anti-woman pieces of legislation also in the history of this province. To put it mildly, one would say this legislation is not gender neutral, but I believe the impact is so great when it comes to the lives of women in the province of Manitoba that it can be cast in no other light than being antiwomen, discriminatory and sexist. To make that point, Mr. Speaker, I only have to refer to this government's latest report on life in the Civil Service here in Manitoba and its analysis of working patterns and career paths for women and men in the Civil Service of Manitoba. The statistics that the Minister of Labour (Mr. Praznik) has presented us with speak for themselves. It clearly shows that when one looks at executive management positions in the Civil Service, 84.7 percent of those positions are filled by men, while only 15.3 percent of those positions are held by women.

Well, we know this legislation, Bill 70, does not cover executive management. They are exempt, they are excluded from the provisions of this bill. This bill clearly, to repeat what the member for Crescentwood (Mr. Carr) said earlier, this bill to the contrary entrenches inequalities in our Civil Service and in our society today. That is deplorable and can lead us only to conclude that this government is not interested in pursuing the goals of equality, in redressing the inequities in our society today and working seriously to correct the imbalances in our society in Manitoba today.

Mr. Speaker, in a similar vein, this legislation entrenches inequities and entrenches chaos in our health care system, and I hope the Minister of Health (Mr. Orchard) is listening because I think there are still some problems that have to be sorted out in terms of Bill 70. I think there are some issues that have not even been considered or even imagined to exist by this minister and this government.

*(2020)

When it comes to the health care sector, I have already mentioned the absolute lack of trust—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Ms. Wasylycia-Lels: Mr. Speaker, I have already mentioned how this government dealt with the operating engineers in the province of Manitoba, how it broke good faith, how it broke a trust between the operating engineers and this government by refusing to recognize final offer selection, by refusing to uphold a settlement reached after many months of dispute and after final offer selection was legitimately turned to. That is only but one of the examples in our health care system that this government must account for. There are many others.

Let us consider the chaos in the health care system created by this legislation. The government has said the Manitoba nurses of the province of Manitoba will be exempt from Bill 70. The government has not been able to answer our question: What of the other nurses organized by the Manitoba Nurses' Union who are not part of the last settlement? When asked in Estimates, the Minister of Health (Mr. Orchard) did not seem to know, did not have an answer. Will the Manitoba Nurses' Union settlement apply across the board or will it not? Will nurses who were not part of the last contract settlement be excluded or will they be included? What will be the standard when it comes to the government making that kind of general statement?

Those kinds of issues have not been sorted through, I believe, Mr. Speaker; otherwise, we would be hearing from the Minister of Health, who is ready and willing to give us an answer if he has prepared himself and understood some of the issues at stake here.

What of our facilities large and small in the province of Manitoba that will now have a good segment of its workers organized under MNU and receiving the benefit of that MNU contract, and dozens and hundreds of other workers left to fall under the Draconian provisions of Bill 70? How does an institution, how does a hospital facility, how does a personal care home, how does a rural community centre—how do all of those institutions and facilities and clinics continue to operate in a productive, meaningful way if some of the workers are receiving the benefits of collective bargaining

and others are told, no, you fit under Bill 70? Sorry, there are no benefits for you. Sorry, your free collective bargaining is out the tubes.

What about the home care attendants whose contract is up, but they happen to be Manitoba Government Employees' Association organized? The minister has said on this point that they will be covered by Bill 70, yet some home care nurses covered by the MNU contract or perhaps considered under the MNU contract are allowed to reap the benefits of free collective bargaining.

Mr. Speaker, what about all the home care workers who do not have a union, who usually receive the benefits in line with those achieved in our collective bargaining process? The lowest-paid workers in the system, those at the very bottom, those making subsistence level of earnings, are being told by this Minister of Health (Mr. Orchard) and this government that they can only look forward to zero percent growth in their wages at the very same time that this minister and this government have seen fit to increase the wages of the Deputy Minister of Health by, oh, some 20 percent or so, rising in one year from \$75,600 to \$92,100.

* (2025)

An Honourable Member: Maynard is making 92?

Ms. Wasylycia-Lels: \$92,100.

An Honourable Member: How much is that over last year?

Ms. Wasylycia-Lels: I think it is about 20 percent.

An Honourable Member: \$75,000 to \$92,000 in one year?

Ms. Wasylycia-Lels: Let me repeat for the benefit of the members of this House, Mr. Speaker, that while this minister supports Bill 70 and agrees to a zero percent increase for the lowest health care workers in the province of Manitoba, he has seen fit, and his cabinet colleagues and the Premier have seen fit, to allow his deputy minister's salary, in the space of one short year, to rise from \$75,600 to \$92,100.

An Honourable Member: What percentage is that? You thought I would never ask.

Ms. Wasylycia-Lels: Now, I am not sure what percentage that is exactly, but I think we are looking at probably about a 20 percent to 25 percent increase in the salary of someone at the very top end of the salary scale in our society today.

Let us compare \$92,100 with a housekeeping aide No. 1 at the Health Sciences Centre. A housekeeping aide at the Health Sciences Centre earns a maximum—I think we should compare the salary of the Deputy Minister of Health, which is now at \$92,100, after about a 20 percent to 25 percent increase in the space of one year, with the salary of a housekeeping aide at the Health Sciences Centre who earns a maximum of—listen, Mr. Speaker, to this—\$9.99 per hour or \$20,130 per year.

An Honourable Member: He is crazy. At \$20,000—poverty line.

Ms. Wasylycia-Lels: Yes, Mr. Speaker, that is exactly the situation. Those at the highest end of our income bracket in Manitoba get a 20 percent to 25 percent increase, those at the lowest end making less than is acceptable, according to poverty statistics, making \$20,130 per year and no increase, zero percent.

Well, let us know from this action, by comparing these two workers, that this government through Bill 70 shows no concern for the fact that it is freezing the wage of many workers who are already subsisting below the poverty line.

The question we have, 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?

Mr. Speaker, the final comment, the final description of Bill 70 that I and my colleagues have been making is that Bill 70 does not make good economic sense. Despite the efforts of this government to try to package Bill 70 in terms of good economic policy and some difficult decision that had to be made in the interests of the future of this province and our country, and how we all have to share the burden and get this deficit under control and start getting it all together and building for the future, the opposite is in fact happening.

The opposite is happening, because this government continues to forget the costs, the incalculable costs associated with families, increasing numbers of families falling below the poverty line. It refuses to look a few years into the future to calculate the enormous costs borne as a result of people turning to welfare, turning to unacceptable solutions for themselves as individuals and their families.

* (2030)

Mr. Speaker, this bill does not calculate the economic consequences for our society down the road, nor does it calculate the benefits to our economy of our public sector. This is a bill before us for narrow political reasons, to achieve a political agenda as espoused so well by their counterparts in Ottawa, most notably Brian Mulroney, and even beyond the borders of Canada, President Bush and his cohorts, an ideology that says the least government is the best government, an ideology that says we have no responsibility to ensure and protect the most vulnerable members in our society today.

Well, Mr. Speaker, we on this side of the House happen to believe—and that belief is backed up by expert advice and opinion and good sound economic analysis—that investment in our public sector is an important economic stimulus, that it is the only way that we can hope to find our way out of these recessionary, bordering on depressionary, times.

We on this side of the House keep coming back to five economic principles that I and others have tried to enunciate before in this House, espoused by many, but among others, two authors of incredible renown, Robert Heilbroner and Lester Thurow who wrote in their book, *Five Economic Challenges*, that there are five principles that should be followed in terms of an economic policy that both ensures economic viability and competitive advantage of a society with social and economic justice for all of its members.

Those principles are—and my colleagues and I, I should say, support those principles—No. 1. That we favour a politics of economics that spreads burdens and sacrifices as widely as possible, rather than imposing them on particular groups, especially weak and defenceless groups.

2. We favour a politics of economics that takes into account the severity of the damage that may be inflicted on individuals in the name of the public good.

3. We favour a politics of economics that places the gains from a fair income distribution high on the national agenda, perhaps even higher than economic growth with worsening income distribution.

4. We favour a politics of economics that looks on the costs and benefits of government economic

activity with the same impartial calculation that it applies to private economic activity.

5. We favour a politics of economics that accords to the aims of justice and decency at least equal consideration to those of efficiency and market freedom.

Those principles, Mr. Speaker, would hold us in good stead. They are absent in Bill 70. They are absent in the actions and activities of this government. They are principles that should be returned to for the good of Manitoba, for the good of our country. Thank you.

Mr. Gulzar Cheema (The Maples): Mr. Speaker, Bill 70 in my view—I have two major things about this comment. The first thing is you cannot trust them, and second is, in the middle of negotiations, they will stab at your back.

Mr. Speaker, it is very strange that this government which ran on the platform of decency and common sense and honesty, all those three elements are missing after the win of 1990. That is very dangerous. In the campaign of 1990 the member for Tuxedo's canoe had a different message, and the post-election canoe is very different.

Mr. Speaker, that canoe had a different message. You could see the Premier going across and having all these wonderful ideas, and even we came to know the canoe was even borrowed. He did not have his own canoe even. He borrowed all the ideas, made a speech—20 second clips—to win the campaign. That was what he used. That is the kind of campaign we saw in 1990.

Mr. Speaker, the Deputy Premier wants to know what campaign. He should phone Seech and find what campaign; he will know it. It was a good campaign. You know why? Because you had one decent honest person in our party who gave you the platform for Meech Lake. That is why it was a good campaign. That is why you have your Premier today. He would have never got the premiership. Starting from 1983, review the history of this Premier. He would have got lucky in 1983, and 1988 got lucky, and in 1988 October crisis, the member for Pembina (Mr. Orchard). I have heard a lot of stories of the member for Pembina.

An Honourable Member: A snowstorm.

Mr. Cheema: A snowstorm. The member for Pembina, with all the wonderful things, wanted to be Premier.

Mr. Speaker: Order, please. Councillor Mitchelson is having a great deal of difficulty in hearing the remarks of the honourable member for The Maples (Mr. Cheema), and not only he is, I am also. Order, please.

Mr. Cheema: Mr. Speaker, I was talking about the member for Pembina, who I really have known for the last three years in many different ways, and I have developed a sort of respect for him. But listen, Gary, you have to listen to me, because when we came to know this Minister of Health (Mr. Orchard), who was anxious to be Premier of Manitoba in 1988, and the October crisis came—I am just giving the history of this Premier who had made many promises, and how this Premier became in the first place the leader of the party in 1983, how he became the Premier in 1988 and how he became Premier in 1990.

He made a lot of promises, Mr. Speaker, and he broke one of the major elements of our society, this bargaining in good faith which affects each one of us, which affects each one of Manitobans. We are not talking about 43,000 public servants. We are talking about 43,000 families; we are talking 43,000, their friends and communities, we are talking a lot of individuals and what they have done with Bill 70. They have simply said, we do not care for you.

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

Why are they saying that? Because between 1988 and 1990 they did not say anything. They tried to hide, they tried to pass the time, and now they are four years, but they should remember that two-member majority is not a big deal, and do not play with the voters of Manitoba. They will punish you in 1994. They will. They will punish you. Possibly earlier, we hope probably this year, and you know why I am saying this year?—because we know it is going to happen. The Premier has not been able to answer the question of public inquiry. He knows there are more problems. We all know, and more is coming out. He is not telling what has happened in '83, he is not telling what happened in 1990. We want to know exactly how they ran their campaign, and how they tried to spoil the campaign, how they tried to spoil the campaign in my area. It was an underhanded approach; it is going to come out eventually.

Mr. Acting Speaker, I will try to stick to Bill 70, I guess.

* (2040)

An Honourable Member: You are on Bill 70; you are talking about honesty.

Mr. Cheema: I was talking about the Minister of Health.

An Honourable Member: Oh, dishonesty. Okay, you are on dishonesty.

Mr. Cheema: Mr. Acting Speaker, Bill 70. When they said that, okay, we favour the collective bargaining process; we like to work with everyone, and the basic process for negotiation, the basic process of talking with people, they have broken faith in the middle of negotiations. How can anyone trust them on this issue?

An Honourable Member: Do you support this bill?

Mr. Cheema: The Deputy Premier (Mr. Downey) is asking, am I supporting this bill. Well, if you have not learned so far, then I think you will never learn. I am not ever going to support a Tory bill, but the Mental Health bill was a collective bill for all the three parties. It was a bill by all the three parties, and the minister took the responsibility. Still, I think that was a good bill, but that does not mean that we are going to support everything this government is doing.

Basically, Mr. Acting Speaker, I just wanted to go through some of the quotes the Premier (Mr. Filmon) has said. The Premier has said a lot of good things about free bargaining. He does not believe in anything that he said—

The Acting Speaker (Mr. Penner): Order, please. We have a number of conversations going on in the Chamber, and I would suggest to those that are engaging in conversation, would you please do so outside the Chamber, that we might pay attention to the honourable speaker?

Mr. Cheema: Mr. Acting Speaker, the other day I met with a constituent, and he gave me a line for the Premier. He said that for this government is the many-style, Manitoba-style kind of politics being manipulated by this government. Their behaviour between 1988 and 1990 was different. Now they are totally changed because they are a two-member majority, and he said that he voted for Tories for 26 years. He said he will never, never vote for this government ever again. He was not hiding his feelings, he was very emotional, he wanted to go and it was a very important person. I will not put the name yet, wait. Well, then the Premier may be in big trouble if I put a lot of names on the record.

Mr. Orchard: Be bold, Gulzar.

Mr. Cheema: Well, I wish the member for Pembina (Mr. Orchard) could be Premier of Manitoba. I think he would do a better job than the present Premier.

What did the Minister of Labour (Mr. Praznik) say on November 9, 1990? He said that "I rise to speak today to our position on the issue which is based on the sound and consistent principles, principles which my party and our government will continue to maintain, that at the heart of the free collective bargaining system is the free collective agreement, and that the parties themselves must retain the responsibility for reaching and maintaining agreements. While governments must occasionally take action to protect and preserve public safety, and there may be exceptional circumstances where intervention is warranted, these circumstances must be exceptional."

Mr. Acting Speaker, what are the exceptional circumstances for Bill 70? The circumstances are they have a majority, they do not care for people. Those are the circumstances that have changed.

An Honourable Member: We are changing over taxes for the taxpayer.

Mr. Cheema: The Deputy Premier (Mr. Downey) is saying saving taxes. If the Deputy Premier think he is the only responsible person in Manitoba, I think he is in the wrong direction. There are one million people who are more caring and more concerned about the state of the economy than the Deputy Premier himself, because they have given many political jobs. They have given a lot of raises for their friends. They have hired people without competition. They have done everything possible which is not possible in a normal democracy. This is a mini dictatorship, Manitoba style, Filmon-style dictatorship. It is not sending a very good message. It is not sending a right message to the people of Manitoba.

Mr. Acting Speaker, Bill 70 has said that they will not include some of the elements, like the present agreement with the MMA, and what did the -(interjection)- Yes, possible conflict, but I think I still should have the opportunity to explain what this government has done.

Well, they said the binding arbitration should be decided on the basis of the government's ability to pay it, and if anybody knows what the binding arbitration is, what the third party will do, they are going to consider all the options. That is the whole basic definition of the collective bargaining process,

you know, how long you are going to collectively bargain in good faith and consider all the possibilities, all the financial statements and everything else. What this government has done, basically, they have taken the right away. They have taken the right away from each and every Manitoban just to feel good about themselves, Mr. Acting Speaker. They have started a major assault on the unions in Manitoba. That is not acceptable.

Mr. Acting Speaker, my constituency has a lot of workers who work in CN, CP or many other workplaces, and they are concerned. They simply want to know that they would accept the responsibility within the financial restraint we are facing, but they said, do not stab us in the back. Tell us what you are going to do, and do the same thing. Do not change your colours. That is the question here. It is very sad that this government has taken a very negative attitude, very wrong direction.

Mr. Acting Speaker, I have not heard anybody speaking positively about Bill 70 except the Tory government. Their own party members are not in favour of this bill because, basically, it goes against the spirit of human existence, bargaining in good faith to establish a good working relationship. They are trying to take away basic rights of individuals by this bill, and that is not acceptable.

Mr. Acting Speaker, I will just end up by saying that we oppose this bill on the principle that this bill is going to interfere with the day-to-day life of Manitobans, and it should never have been brought forward. This government has been very dishonest. Thank you.

Mr. Gary Doer (Leader of the Opposition): Mr. Acting Speaker, the honour to rise on any piece of legislation in this Chamber—and it is particularly important when we are dealing with legislation that deals with the fabric and the principles of labour-management relations which are contained within Bill 70, the bill before the Chamber today.

When one is dealing with the principles that are so important, such as free collective bargaining which is contained in the bill, Bill 70, before the Chamber, one should try to look at the long-term implications of the action of the government, because the government is walking around, talking about the short-term impacts that they think are positive or negative in the province of Manitoba: Oh, this is good; it is only a one-year pause; it is only a one-year freeze; it is only one of these little sort of

temporary suspensions of rights, Mr. Acting Speaker, just like the War Measures Act was only a two-week jailing of people without any trials. It is just like other rights that have been trampled on by majority governments, are only temporary autocratic actions of a majority government.

We have to look at this bill and any bill that deals with fundamental principles in the longer term. Manitoba has had a record, for thirty years now, of labour management relations that has been the envy of the country. I do not just say this in terms of Conservative governments or New Democratic governments. It was something—the changing environment of labour management relations. My colleague from Wolseley (Ms. Friesen) went over the history in her speech today dealing with Bill 70, talked about the trauma and the conflict in 1919, the pre and postwar period of time and leading in to labour management relations in Manitoba.

* (2050)

Since the mid-'60s, Mr. Acting Speaker, and it started under a Conservative government and it continued under a New Democratic government and ironically there was a few hiccups under the Sterling Lyon government, no suspension of the rights of free collective bargaining, and throughout the Lyon period of time and through the Pawley regime, we have had the second lowest days lost to strike and lockout in the country.

It is something the Minister of Finance (Mr. Manness) even tries to take some credit for when he tables his budget in the Chamber, as he has done on four previous occasions. He produces the labour management charts of the province of Manitoba and he headlines those charts about the investment climate in Manitoba. He talks about the investment climate of labour management relations in the province of Manitoba based on the days lost to strike and lockout in this province.

(Mr. Speaker in the Chair)

Quite frankly, when I say second lowest days lost to strike and lockout, it is really the lowest because in Prince Edward Island they do not really have collective bargaining in the sense that we know it. So when we are looking at comparable provinces across Canada, whether it is federal or provincial jurisdictions, we have had the lowest days lost for strike and lockout of anywhere in Canada.

Just compare ourselves to Conservative Saskatchewan. I know the members opposite like

the Conservatives in Saskatchewan and as the sands of time run out of their mandate, I know that they are very, very hurt by the fact that the great government of Saskatchewan is going to its just rewards, and that is surely to be to the ash can of history in defeat soon in the next provincial election. In fact, the Queen may have to call the election because Grant Devine will not call it.

When you compare the days lost to strike and lockout and you compare that with the province of Saskatchewan in the last year, the labour relations covered by New Democratic legislation, you will find that we are one-tenth as many days lost to strike and lockout in 1990 as the province of Saskatchewan. Mr. Speaker, we know we have a larger manufacturing sector in the province. We know we have a larger sector of unionized employees on a percentage basis than Saskatchewan. This is something the Minister of Finance (Mr. Manness) places proudly in his budgets. It is an important issue for investment, and it is an important issue for the stability of communities and the stability of families in the province of Manitoba.

Mr. Speaker, the whole principle of free collective bargaining has been suspended by this government through Bill 70 in unprecedented terms. The Minister of Finance (Mr. Manness) from his seat talks about, we have never suspended the private sector negotiations. Well, that is a debatable point with the mechanics of this bill, and I will get to it later on. The days lost to strike and lockout that the investment community is interested in and the general community is interested in and the Minister of Finance produces, is all sectors, private and public sectors.

You know, Mr. Speaker, I wonder whether the Minister of Finance has looked at those days lost to strike and lockout since the government has embarked on its majority agenda—the so-called majority is a majority agenda of September 11 moving into 1991—because we are up to over 300,000 days lost to strike and lockout already in 1991 under this new conservative Grant Devine type of regime in the province of Manitoba.

I wonder whether the Minister of Finance (Mr. Manness) will be producing those charts and taking credit for New Democratic days lost to strike and lockout in the previous years. I wonder if he will be producing those 300,000, 400,000, 500,000 days lost to strike and lockout in his next budget. I wonder if he will be going to Japan or whether he

will be going to the European markets or New York or Toronto and producing those charts that Manitobans, for the last 25 years, have been proud about. -(interjection)- Well, the Premier has been there.

Mr. Speaker, let us get back to the issues of days lost to strike and lockout for this government. I know the Minister of Government Services (Mr. Ducharme) does not want to talk about any accountability in his own backyard. I know that bottom line numbers do not mean anything to the ideological rhetoric of the Conservative Party. I know that labour relations stability does not mean anything to the members opposite. You know, to the railway worker in Transcona, to the worker in Dauphin who is trying to deal with the grain elevator, to the steel worker in Thompson, to the public health nurse in Selkirk, to the people in Brandon and all across this province, labour relations stability is important to them, Mr. Speaker, if it is not important for the absolutely Darwinian Tories whom we have opposite and their attitudes that we see in this Chamber every day.

Mr. Speaker, the Minister of Finance (Mr. Manness) again mentioned it does not affect the private sector. -(interjection)- I have got to get on to the topic; I do not want to get off topic with the Minister of Government Services (Mr. Ducharme). The Minister of Government Services just contradicted his Premier and his Minister of Energy (Mr. Neufeld) in a five-minute speech dealing with the postal services in the United States mailing, just contradicted everything the front bench said on preferential buying and the policies of the Conservative budget. What can we expect?

Mr. Speaker, in the mid-1960s there were a number of labour relations acts that were introduced to this province and they were introduced by those flaming radicals, the Progressive Conservatives under Duff Roblin—collective bargaining, arbitration, the right of a labour board. Obie Bazley was another member of that cabinet. I would ask the Minister of Finance to go back to a kinder, gentler time in our public services with their former colleagues, the former Conservative government. After a very, very vicious strike in this province that caused a lot of damage to the economy of this province and caused a lot of damage to the livelihood of a number of workers and their families, the government wisely set up something called the

Woods Commission on labour management relations.

Mr. Speaker, that commission had labour representatives, it had management representatives and it had independent people. It had Woods on it for a period of time until Norma Price fired him and then it had, I believe, Wally Fox-Decent as the chair of that commission.

Mr. Speaker, I think the government should be worried that labour, because it is fighting for free collective bargaining, went to that committee on Friday, asked for support from the business community for the principle of free collective bargaining and because they could not get it, they walked out of that committee, something that has never, never happened in a 26-year history since that commission was established.

I say to the Minister of Finance (Mr. Manness), you cannot treat—and he knows this from his bill—you cannot unscramble a very complicated omelette called the public and private sectors. There are groups of people that work in public jobs in private nursing homes; there are groups of people that work in private jobs in government operations; there are groups of people that work side by side in the private and public sector all the time and there are many groups of people that are very interchangeable between the private and public sector.

If the Minister of Finance (Mr. Manness) thinks he can unscramble this omelette, that is why he has egg all over his face with the mechanics in his bill and the cancellation of the Wood's committee by the labour representatives. We will hold this minister accountable because principles have bottom lines, this Minister of Finance and the Minister of Labour (Mr. Praznik), if we have one in this province, because I do not see him speaking out on any principles.

Mr. Speaker, we will hold the government accountable. If you get lower days lost to strike and walkout by the end of 1991 than the New Democratic years, you have succeeded. If you continue to fail the way you have, you have failed.

An Honourable Member: That is their measure of success. Now we know. Nothing to do with taxes.

* (2100)

Mr. Doer: I have not finished my speech yet.

I warn the government, they think it is funny right now, but 25-26 years of labour management co-operation in this province, that has produced the most stable environment across a number of political regimes and across a number of Premiers, you should not take it lightly, you should not just throw it out on a whim; you should not throw it out on a prayer and you should not throw it out the way the Tories have done it under Bill 70 contained within this bill today.

We have to look at the consistency and the word of the government starting with the Premier (Mr. Filmon) of the day. I know this full well, because if any one of you were in this Chamber last November when the Premier's Estimates were up, I asked a number of questions of the Premier. I asked a number of questions in his Estimates dealing with collective bargaining in the public sector, because I was aware at that time that certain cabinet ministers had signed COLA agreements with certain groups of employees and other cabinet ministers -(interjection)- Well, I am sorry, but the Minister of Finance (Mr. Manness) probably does not know this, and I probably should not tell him where it is, so I will not.

There were COLA agreements signed by the government in Crown corporations, and I asked the Premier, is he going to have a consistent position across the public service to make sure we have some consistency in free collective bargaining? I am not arguing for him to interfere in the collective bargaining process. I am just asking, what is the government's policy when you are dealing with one Crown corporation over here, one Crown corporation over here, doctors over there, university professors over here, judges in another bill over here; what is the government's overall policy in this matter? Do you know what happened? The Premier gave me a lecture, if I could call it that, on November 6, 1990, the answer of the Premier was, and I quote: "The fact of the matter is, there is no club and there will never be from this government. We will act in good faith at all times in the open, free collective bargaining process with all of our employees with whom we have to negotiate." All of the employees.

An Honourable Member: Who said that?

Mr. Doer: The Premier of this province in this legislative Chamber, in Hansard.

Mr. Speaker, I can go over and over and over the words of the Premier outside of this Chamber, inside of this Chamber, and every time he was asked the question, he answered by stating clearly and unequivocally that his government, his Conservative government, believed in free collective bargaining. That will have to go down, as I have said before, with the words of other famous Conservatives in the country of Canada under recent ethical standards we are seeing from Conservatives in this country.

I give you Brian Mulroney who gave us -(interjection)- Well, they are in the same league, I promise you. In 1983 in the Peter Pan room of a New Brunswick hotel, the Prime Minister of this country said, and I quote: Medicare is a sacred trust. The Grits should be condemned for removing the 50-50 funding for medicare. If we are elected, we would return medicare to its 50-50 funding from the federal government. It is a sacred trust, and this I promise to the people of Canada if a Progressive Conservative government is elected—in 1983.

The Minister of Finance knows what happened to that promise. I think the Minister of Finance would agree with us that is a federal Conservative lie for the people of Canada, because it has never been fulfilled by the Prime Minister to the people of Canada. The Minister of Finance's quotes are on record day after day after day in essence calling that member, the Prime Minister of the country, to task for his lack of honesty in dealing with the people of Canada in fulfilling the promises he made.

Another famous quote—I mention it for the Minister of Finance (Mr. Manness) because he used to be, maybe still is, a hero of the Minister of Finance. Federal Minister of Finance Michael Wilson said to the people of Canada—remember this?—the GST is revenue neutral. He said it was revenue neutral at 9 percent. Then when he lowered it down to 7 percent, he said it was revenue neutral again. Now the Minister of Finance, when we asked him questions about this revenue neutral question, because Don Blenkarn had come out and said, well, it is really going to cost an extra \$28 billion, you know, not hard to figure out. The Minister of Finance stood up in this Chamber, when we asked a question, he said, Michael Wilson is the most honest Minister of Finance we have ever had in this country. If Michael Wilson says this is revenue neutral, it is going to be revenue neutral. He probably thinks Don Mazankowski is honest.

However, that is another Conservative who has said one thing before an election and said another thing after election.

You know, these people across the way campaigned on a new banner. They said, we are really different kinds of Tories. We are really different. We are not really Tories. We are not real Tories; we are Filmon Tories. We are this sort of mutant Tory that was invented for the provincial election, the mutant Tory party of Manitoba. Some members campaigned with great big Filmon on the top and little wee PCs, and some members campaigned with great big PCs and little wee Filmons. I do not have to tell you who did what, but those mutant Tories that we had in the last election campaigned as a kinder, gentler Tory. Of course, Mr. Speaker, they ran this campaign of love, trust and pixie dust in the last election, 35 days of paddling a canoe, eating hot dogs, and happy days are here again, and pronounced to the people of Manitoba that a Tory is a Tory is a Tory, and a majority is a majority is a majority.

What they forgot to do, Mr. Speaker, is to say to us, a promise is a promise is a promise, and a Tory promise before an election is a broken promise, a broken promise, and a broken promise after the election. That is what they forgot to tell us.

Read through Hansard, Mr. Speaker. I will get to Joe Hill later.

An Honourable Member: He does not know who he is.

Mr. Doer: I will tell you later.

Quote after quote after quote before the election indicated free collective bargaining. In fact, employees who were directly affected by this legislation sent out a questionnaire to all three political parties. They asked the question: Will there be any major changes after the election that you have not told us about or promised or talked about before the election? The Premier of the province again before the election—and I do not know whether this matters to members opposite, but I used to believe that in labour relations and in labour-management relations and in government policies and like, your word is your bond. The Premier of the province said, yes, we have promised to get rid of final offer selection. Fair enough. He did, and he tried, and he finally, unfortunately, succeeded. He also said, and I quote—I remember these words: We will not touch The Civil Service Act

or any other major labour relations act without full consultation and discussions with the business and labour community.

Mr. Speaker, the Premier said that. He wrote it down. He signed the letter. Does anybody in cabinet say, when these bills come forward—when the Minister of Finance (Mr. Manness) says, you know, I am getting in a real spot because I cannot negotiate my way out of a paper bag, I have to do something about it; I have had 14 different announcements on our wage policies, I have nothing left; I have to bring this bill in. Does anybody stand up in cabinet and say hey, we are breaking our word, maybe we should do the consultation before; maybe we should even wait until the arbitration award and then meet with labour and business before we deal with free collective bargaining rights? Did anybody raise that in cabinet, we are breaking our word, to the people of Manitoba? Does that not matter?

I have signed letters. I have Hansard. I have evidence—10 quotes about free collective bargaining.

* (2110)

Mr. Speaker, the government of the day gave its word and the government of the day broke its word. I think that is a very fundamental issue for members to wrestle with when they stand up, because when you stand up today for Bill 70 or tomorrow or the next day, you are standing up saying our word does not mean a darn thing. That is what you are saying, our word does not mean anything, our signed letters do not mean anything.

A government who is dealing with legislation, who is dealing with the public, who is dealing with other governments, who is dealing with international trading agreements, who is dealing with business deals, you know when it shakes its hand it should keep its word. If it made a mistake when it shook its hand with the other side it should still keep its word and try to shake your hand out of what the mistake was.

There are alternatives, Mr. Speaker, when you keep your word. I would refer members opposite—the government over there says it is taxes or layoffs or something else. The Minister of Finance (Mr. Manness) has been well programmed. Those are all very important criteria in all the equations dealing with wages. Nobody denies that for a second. There have been negotiated zeros

before in the Province of Manitoba, and not 20 or 30 or 40 or 50 years, three years ago, a negotiated zero.

I suggest to the government that it should read a book called *The Next Canadian Economy* written by Dian Cohen and Kristin Shannon, because it contrasts the experience of labour and management relations in provinces like British Columbia where people break their word and it contrasted that with Manitoba where labour and management keep their word.

Mr. Speaker, Kristin Shannon and Dian Cohen who are experienced in private and public sector—and I would ask the Minister of Finance someday to read it—talks about in the long run you are better off co-operating and consulting and keeping your word than you ever are in the short term by breaking your word and getting a little poll that says this may be popular.

The Minister of Health (Mr. Orchard) says it is popular with 500,000. We are not interested in whether it is popular with 50,000 or unpopular with 50,000 or 500,000. We are interested in the fact that when you shake your hand you should keep your word. -(interjection)- The member for Arthur-Virden (Mr. Downey) does not care about his word. We do on this side, Mr. Speaker.

When the government says they had no option, there were only three options, there were four: free collective bargaining, keep your word and why did the government not—if they did not want to tell the unions the bad news before September 11, why did it not sit down on September 12 and say listen, this is the real story of our economy, these are the real facts and figures going on in our society; we are really worried about a situation where we may have to have layoffs and we may have to have wage increases, let us sit down and negotiate.

Mr. Speaker, you will not be able to do it. You will not be able to do it in one hour where you have a press release ready to go to the media before you even sat down with the people you are supposed to be negotiating with. This government drew up the press release every time they made a wage announcement before they would even meet with the people they were supposed to negotiate with. That is not bargaining in business. That is not bargaining with the federal government. That is not bargaining with your own employees. That will not

help you keep your word. That is why today you are bringing forward a bill to break your word.

Mr. Speaker, we are having a difficult time, and we believe that it is because of the Canadian economy, the Canadian made-in-Canada recession, where again the Economic Council of Canada recommends that we sit down—business, labour and government—to solve our problems together. I say to the members opposite, they talk about international competitiveness; they talk about a changing globalization of world order. They should look at the countries that are succeeding in productivity in the world.

They should at look at countries like West Germany. They should look at countries like Japan. They should look at some of the northern European countries where they are moving ahead in quality of life and quality of work. You will find with every one of those countries, that business, labour and government try to co-operate and consult. They do not jam it to each other in the short term, because it kills you in the long term. Check the record. Those are the facts.

Mr. Speaker, this government has a terrible set of skills dealing with negotiations. When it deals with the federal government, every time it goes to the federal government table, it walks away with less than what was there with the previous government. Every time it signs a new federal-provincial agreement, there is less money over more period of time and less jobs left in Manitoba. Who is responsible? Let us judge you by your bottom lines. The government does not like to be judged by its bottom line, but no wonder. It extends the Core Area Agreement a year and calls that a win. It loses the federal contributions to the inner city and says, oh, well, it goes the way of BUNTEP, goes the way of other ACCESS programs, goes the way of many other programs that were negotiated before—not very good skills in terms of negotiating. That is one of the things you can make a difference on in the economy.

Mr. Speaker, yes, the economy is in tough shape, \$85 million less in revenue for the private sector with the made-in-Canada and made-in-Manitoba economic philosophy—\$85 million. The members talk about other provinces. There is no province that had more of a decline in private sector revenue based on the economy than the province of Manitoba and the Conservatives under the Premier

(Mr. Filmon) and the Minister of Finance (Mr. Manness) in the province. Those are the facts.

I could go on about the mechanics of this bill. This bill was obviously put together with a lot of clip and cut. The thing, you could drive a truck through it, it is so confused about who is in and who is out and how long. No government that is trying to deal with this kind of bill should bring in a bill that is that poorly thought out. I am not going into any details of the mechanics of this bill, because the bill is fundamentally flawed in terms of the principle.

Mr. Speaker, we should also look at the issue of fairness. This government has one system of collective bargaining for the judges in this province through a bill that they brought through two years ago and another system for the legal secretaries. It has got a freeze for the legal secretaries and we do not know how much for the judges.

It has one system for the doctors. The Minister of Health (Mr. Orchard) has successfully kept the doctors out, both provincial and fee-for-service doctors, yet the nurses aides who are working in Selkirk, who are working in the Brandon institutions, working in the Portage Development School—and I do not know how the member for Portage la Prairie (Mr. Connery) can vote for this—are absolutely tied to zero.

How can you expect people to believe this is a fair bill when you have one standard for the highest paid in the public service and another standard for the lower-paid people in the public service? Shame on the Conservatives. It is right back with their Tory philosophy, Mr. Speaker.

Mr. Speaker, minutes before the government was going to bring this bill in, they gave a 15 percent increase to the CEO of the Manitoba Telephone System. I know because I negotiated a system for the CEOs and, of course, the Tories changed the CEO's level at the telephone system to be a 15 percent increase. Again, a telephone operator—(interjection)—well, the member for Arthur-Virden (Mr. Downey) does not care about Oz Pedde getting a 15 percent increase. That is his idea of justice, zero percent for his secretary, zero percent for a telephone operator and 15 percent for Oz Pedde. That is the member for Arthur's policy.

Mr. Speaker, this government talks about walk hand-in-hand with us, walk in partnership in tough economic times, yet it has money for The Pines, it has money for \$7 million in tax breaks for their

corporate friends, it has money for the Ducks Unlimited building in the Oak Hammock Marsh, it has money for all kinds of pet Tory projects, and should we be surprised, because we in Manitoba forgot about the PC Manitoba Fund—the PC Manitoba Fund, the smoking gun to the real agenda of the Conservative Party, not that little tranquil scene in the canoe, but the real agenda.

The PCs have given Manitoba good small "c" Conservative government during the past few years, but without a clear majority, the next and more difficult phase, the dishonest phase, to restore a much needed pro-business environment in Manitoba cannot be effectively implemented. That is why the eventual election is of critical importance to the province to those companies that do business in Manitoba in terms of the free market system. Therefore, that is why we have to give as much money as we can to the Progressive Conservative Party, not to implement the people's agenda for the province of Manitoba, but to implement the narrow corporate agenda of the Conservative Party. That is the real smoking gun of the Conservative election in 1990.

Mr. Speaker, I said before and I will say it again, this bill is about principles. When you get editorials from the Portage Graphic to the Winnipeg Free Press talking about the arrogance of this government in terms of principles, the government should think seriously about that.

* (2120)

We believe in a number of fundamental principles in a free democratic society. We believe in freedom of religion, and we do not want to see any legislation taking that away. We believe in freedom of speech and we do not like the government bringing in police and calling inquiries when information becomes public. We believe in freedom of speech, the right to speak out and the right of dissent in a democratic society. We believe in the freedom of the press.

The Premier (Mr. Filmon) may rant and rave at reporters two weeks ago and call them sleazy because he does not agree with their articles. I notice lately that the Premier is no longer calling them names. He is just saying, I do not know what happened. Oh, nobody told me what happened with those files. Nobody told me about those hirings. I was not involved in that. He has really changed his strategy, Mr. Speaker, but we believe in a free press and freedom of press.

We on this side believe in free collective bargaining, and we believe that people should keep their word. If you vote for this bill, you are voting to break your word. We will vote for the Premier to keep his word, and we will vote against this bill. Thank you very, very much.

Hon. Gary Filmon (Premier): Mr. Speaker, I thank you for the opportunity to address Bill 70. I certainly find myself doing so with mixed emotions. Obviously, I support the bill. It is an necessary bill. It is an absolutely necessary bill.

Mr. Speaker, this bill was not my first choice when it came to dealing with public sector compensation as an element of our fiscal strategy. In fact, it was not even my second or third option. It is, however, the only option left to government that will ensure that we meet the goals of our fiscal plan and get our economy growing again without damaging essential human services.

Last fall, in the first throne speech of this term of our government, we laid out our approach for meeting our goal of making Manitoba strong. That throne speech stated: "My Government is committed to implementing a comprehensive economic program to secure sustainable economic growth as the foundation of a stronger Manitoba.

"No single policy shows my Government's commitment to economic growth more clearly than its pledge to freeze personal income taxes. My Government reaffirms that commitment and will strive to do more in other areas of taxation.

"Setting clear priorities and sticking to them is crucial to the Government's ability to keep taxes down." The throne speech goes on to say: "My government will provide the strong leadership necessary to protect vital health, education and family services in an era of limited resources."

This bill is crucial to our ability to hold true to the approach laid out in that throne speech. This bill is about the choice between keeping taxes down, protecting essential services and asking the public sector to carry their fair share in these difficult times.

How did we come from that throne speech on October 11, 1990, to this bill today? This government was elected on a platform that stressed as our most important goal, building a strong economy. The October throne speech set out our plan to achieve that goal. There are four key goals in that plan. We must attract and keep investment in this province. We must maintain our current

markets and find new ones. We must give our people the education and training they need to compete in a rapidly evolving world economy, and most importantly, we must create a positive economic climate.

There is a fundamental rule in economic development. Higher taxes mean fewer jobs 10 times out of 10. The NDP proved it time and time and time again. The NDP talked about increasing investment and then they taxed it through the introduction of the corporation's capital tax. They talked about creating jobs and then they taxed jobs by introducing the payroll tax. Our government recognizes that the most direct impact of any government on it's economy is through the taxes it imposes.

As we said in our second throne speech of this term in March of this year, "Manitoba's economy is already hindered by one of the highest levels of taxation in the country.

"We have the second highest personal income taxes in the country"—and that is after we reduced them by 2 percent in a previous budget, still the second highest personal income taxes in the country. "We have the highest corporate income taxes for both large and small business. We have a tax on investment and a tax on jobs. We have virtually every tax implemented by anyone anywhere in Canada. We cannot raise taxes further if we want to build a strong economy."

That principle is at the heart of our fiscal plan. As we said in the budget, Manitobans have all the government we can afford. It is time to live within our means, and frankly our means are very limited at this period in our history. Federal cutbacks, the recession and our own debt all contribute to the difficult challenges that we face in government today. We cannot raise taxes and there are very real limits to how high we can let the deficit grow before we get caught in a debt spiral like the federal government. We must find a way to manage with what we have if we are to avoid mortgaging the future.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

There are three main thrusts to our plan to achieve that goal. Internal reform is a long-term strategy which seeks answers to questions such as, is this a program government should fund? What agency

can best deliver this program? Are we delivering it in the best way possible?

Basically, internal reform is aimed at achieving efficiencies in existing programs. The Estimates process allows us to set priorities amongst programs. It focuses on choices between programs we would like and programs we must have. The Estimates process is where we decide what new programs we will undertake and what old programs must end.

Finally, we come to public sector compensation. Last December, the Minister of Finance (Mr. Manness) laid out right here in this Chamber the government's public sector compensation strategy. In summary, it established a compensation envelope across government that would provide an average salary increase of 3 percent, well above the expected growth in revenue that this province would have in this fiscal year.

* (2130)

The minister also made it clear that we had priorities within that envelope, nurses in particular, and if we were to direct more money toward our priorities, other employees would have to take less. That is the reality. There is only so much money available to us as a government.

If we wanted to deal with the nurses' very real problems in as generous a fashion as we possibly could, it meant there would be less for everyone else in the public sector. Members opposite were urging us, be generous with the nurses. Give them more. Do you remember that special session, that one-day session in January when we had the galleries filled with nurses?

They played to the galleries every step of the way saying give them more money, give them more money, give them more money, but never once addressing the question of how much then could we realistically be expected to raise taxes in order to do that, never facing that reality, Madam Deputy Speaker. I tell you that it is interesting that reality is never faced by opposition members, but they believe that they can do anything anytime. They can promise anything anytime. They can agree with anybody anytime, because they will never have to deliver. We have examples time and time and time again of what they then do when they are in government. I will talk a little bit more about that a little later.

Members opposite, particularly New Democratic members opposite, pretend that you do not have to make choices. They promise, as I said earlier, everything to everybody, and they just simply expect to leave the bill to future generations. Somebody else will pay for it. Do not ask them to worry about that.

Quite frankly, that is why we have the problems that we have today. That is why the choices today are so much more difficult than they were even a decade ago, because they ran up that huge debt. When they took government, the portion of the debt that went to interest was only \$104 million, 1981-82. Today, it is \$561 million, and it cripples our ability to provide the services and to provide the increases, to provide the increases in difficult times to our employees—\$561 million going to pay interest on our debt to bondholders everywhere throughout North America and beyond, because they did not make difficult choices before. They just simply said we will keep spending it, and we will let future generations pay for it.

This province cannot afford that type of irresponsible politicking any longer. It was hard enough to find the money for the nurses. Now, of course, if we give out more money than we budgeted for in that envelope that was put forward in this House—it was the 14th of December, 1990, by the Finance minister—if we were to give out more money than is provided for in that envelope, then we would have to raise that money somewhere else.

It would have to come from higher taxes now, higher taxes in the future, because that is exactly what increasing the deficit would do, would raise taxes in the future, because deficits are just delayed taxes. They have to be paid later, and they have to be paid with interest—just deferred taxes.

We cannot raise taxes anymore without harming our chances of economic recovery. None of us want to reduce services any further. Certainly members opposite are clamouring daily that we ought to be increasing services in this government.

So, Madam Deputy Speaker, to preserve as many jobs as possible in the public service, we simply must meet our 3 percent target for public sector wages, and 3 percent of \$1.5-billion direct pay envelope, direct wage envelope, is \$45 million. Over \$35 million of that has already been spent on the nurses, on that settlement, and then several million dollars more is still allocated for increases

that our public servants will get, merit increases and reclassifications and benefits. There is still several million more, and the remainder of it for the MMA. That is right. So that uses up the entire \$45-million pay envelope increase, and that brings us specifically to the import and the intent of this bill.

As I said when I began, this bill was not my first choice. My first choice was to achieve our goals through negotiations, and we made a strenuous effort to do just that.

Beyond the normal negotiations process which was underway, I first discussed this issue with Peter Olfert—a rather heated exchange, I might say—on December 14, a few hours after the Finance Minister (Mr. Manness) made his announcement in this House, as part of our regular annual meeting with the executive of the Manitoba Federation of Labour in our cabinet room.

I was somewhat encouraged that day when, at that meeting, Mr. Olfert said that he was interested in developing creative solutions and that he did not want to have this kind of confrontation or this edict being dictated by government. He said, why do you not give us a chance to discuss creative solutions? Although he did not say that he had any right at that moment, he said he would be prepared to perhaps discuss those creative solutions.

In January, we presented a monetary offer to the MGEA: zero percent in the first year; 2 percent in a revenue-sharing clause in the second—outright rejected by MGEA.

So, on February 6, I asked Mr. Olfert to come and have lunch with me, have a meeting face to face, one on one, to pursue his suggestions of possible creative solutions. He brought forward a package the following week. He did not have any that particular day but said that, yes, he would take a look at that and requested another meeting.

One week later, on the 13th of February, we met in the cabinet room. Several of the ministers, myself, Mr. Olfert and several of his executive members of MGEA. Their proposal was limited to four specific options that they would present to us, none of which had anything to do specifically with public sector compensation, I might say, and two of which were in conflict with one another.

First, the MGEA recommended that the government should establish a partnership with the MGEA and others to fight federal government policies such as high interest rates and reduced

transfer payments. There was no problem there. I mean, we can all agree to do that. The fight to save Shilo is a good example of us being able to get together with unions, with people from municipal governments, with all parties in the House, but that would not help us with this year's budget, would it?

Secondly, they recommended that there should be a job creation scheme funded by the Fiscal Stabilization Fund, something like a Jobs Fund II, only this time coming out of the Fiscal Stabilization Fund.

I have two problems with that. Firstly, the Pawley government has already shown that the only lasting legacy of those make-work, short-term projects is the faded green stickers that are still on some doors throughout the province and the interest payments on the debt. That is all that is left of it.

You know, I did not want to get into politics when the member opposite at the unveiling of Howard Pawley's portrait went on and talked about what a wonderful job he did in fighting the recession, Madam Deputy Speaker, and did not make -(interjection)- no, I was a gentleman, and I know how those things are when I am dealing with people who are not exactly gentlemen. The best thing you can do is follow protocol, absolutely.

(Mr. Speaker in the Chair)

Not once did the Leader of the Opposition (Mr. Doer) mention that huge debt load that is choking services in this province. Not once did he mention the increases in taxes that were the highest increases of any province in the country during that era, those taxes that are choking off investment, those taxes that are crippling individuals and families in this province. Not once did he mention those legacies of Howard Pawley, not once. He just talked about how he spent all that money that was not his on creating short-term, make-work jobs to get us through the recession.

That was the second recommendation of the MGEA, that we have a Jobs Fund II. I might say, more importantly, the problem I have with that recommendation is the obvious misuse of the Fiscal Stabilization Fund, because that fund was created to balance out revenues in bad years, the difficult years such as we are having today so that we could protect essential services. If we spent the money on short-term, make-work jobs, we would not have it for health care, we would not have it for social

services, we would not have it for education. Where are the priorities of the MGEA?

* (2140)

Their third recommendation was tax fairness, work on tax fairness. Mr. Speaker, we had NDP governments for two decades. We have examples of their idea of fair taxes, and that means higher taxes for everyone. That is the NDP idea of fair taxes in this province. During that six-and-a-half-year period of time that the NDP were in office, they raised corporate taxes by 109 percent, and they raised personal taxes by 140 percent. Those are fair taxes, NDP style—real people's government.

So it is easy to take cheap shots.

Some Honourable Members: Oh, oh.

Mr. Filmon: Well, Mr. Speaker, if the member opposite wants to look at governments that are becoming unpopular in a big hurry in this country, he can read from the Toronto Star, Thursday, June 27. NDP honeymoon is over, poll finds. It talks about how the NDP government of Bob Rae in Ontario dropped 21 percentage points in the polls from March of this year to June of this year, a 21 percent drop, a 21 point drop.

It is easy to take cheap shots at -(interjection)- I am more concerned that Peter might be upset with that juxtaposition. Mr. Speaker, it is easy to take cheap shots at businesses and entrepreneurs, but someday even the union bosses are going to have to wake up to the same realities that brought perestroika to the Eastern Bloc. It is those same businesses and those same entrepreneurs who create the economic wealth that pays the taxes, that pay the union dues for the union bosses' hefty salaries. -(interjection)- That is right.

An Honourable Member: Why do you not give up yours, Gary?

Mr. Filmon: Well, they get a lot more than I do. They get a lot more than I do and they travel first class all the time in the airplanes, Mr. Speaker. We cannot afford the politics of envy in this province. We are all in this together. The CFIB last month showed us the stats, high corporate taxes pushing our consumers south. Higher taxes really do mean fewer jobs. If business prospers, so do union members. It is very simple. Union members prosper when businesses prosper. If business suffers, we all suffer.

Finally, the MGEA called upon the government to maintain present programs and services. We could not have given Health, Education and Family Services the increases that we were able to give them, and we did give them substantial increases. We were able to give them substantial increases because of the Fiscal Stabilization Fund. If we had spent it like the MGEA wanted on short-term, make-work jobs, we would not have had the money for Health, for Education, or for social services.

We could not have had enough money for the nurses' settlement, if we had not reduced the spending on lesser important programs as part of our budget exercise. We would have to cut even more services if we were to pay the increases that Peter Offert was demanding of us. -(interjection)- Well, Mr. Speaker, the member for Burrows (Mr. Martindale), of course, is looking for ways to save some money that we are now spending.

I suggest that he look to each of his colleagues who exploited the loophole in funding for their personal use in their constituency allowances. Topping the list is the member for Brandon East (Mr. Leonard Evans), \$15,227 more than normally allowed; the member then for Elmwood (Mr. Maloway) No. 2, \$15,122 over what is normally allowed; the member for Dauphin (Mr. Plohm) No. 3, \$14,060 more than is normally allowed; the member for Rupertsland (Mr. Harper), \$13,914 in excess of normal allowances; the member for Thompson (Mr. Ashton), \$13,769 in excess of normal allowances; the member for Flin Flon (Mr. Storie), \$13,005 in excess of normal allowance; the member for St. Johns (Ms. Wasylycia-Leis), \$10,781 more than is normally allowed; and the Leader of the New Democratic Party (Mr. Doer), \$7,138 more than is normally allowed. Mr. Speaker, \$103,000 amongst all eight New Democratic members.

Was it a conspiracy to rape the taxpayer? Was it planned by the Leader of the New Democratic Party (Mr. Doer) so that over \$100,000 could be picked from the pockets of the taxpayer, so that that money was not available for Family Services, so that the member for Wellington (Ms. Barrett)—is she not embarrassed, the member for Wellington, that her colleagues could be so dishonest that they could have a conspiracy to spend the money?

Some Honourable Members: Oh, oh.

Mr. Filmon: Well, Mr. Speaker, the Leader of the Opposition (Mr. Doer) is getting a little excited. He is the guy who with his brother is building a private tennis court in their cottage at the lake, and now he says—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please.

Point of Order

Mr. Doer: I think the Premier (Mr. Filmon) should explain to the people of Manitoba why he is breaking his word to the people, instead of adding things that are absolutely not correct.

Mr. Speaker: Order, please. The honourable member does not have a point of order. It is a dispute over the facts.

* * *

Mr. Speaker: Order, please.

* (2150)

Mr. Filmon: Mr. Speaker, I was extremely disappointed that MGEA executive failed to live up to their promise of creative solutions to meet this year's fiscal crunch. Instead all we got was the same pie-in-the-sky rhetoric that we get from the opposition parties, ignoring fiscal reality and failing to come up with one concrete alternative to the course that we had laid out. Frankly, I have to wonder what the real agenda is.

I did not give up on the president of MGEA. On May 9, we tabled a new offer which included a limited reinstatement of the no-layoff clause. Once again, Mr. Olfert rejected it without a vote and he failed to provide us with an alternative, but I tried one more time. I still met with Mr. Olfert on May 30 to see if there was any hope for genuine negotiations, and once again no willingness was shown to address our very real problems. No realistic alternatives were brought to the table. At this point, I was hardly surprised.

For months the MGEA has been spending thousands of dollars on misleading and inaccurate political advertising. We could have responded in kind, but we chose not to as a means of demonstrating our government's good faith, trying to deal with their problems at the bargaining table.

Time after time after time, the MGEA executive tried to score political points instead of trying to work with the government. Given the fact that those campaigns of advertising by MGEA are literally

coming out of the NDP caucus room, Mr. Speaker, it is getting to the point where you cannot tell if the NDP has become the MGEA's mouthpiece or if the MGEA has become the NDP farm team. I might say that the Leader of the Opposition when he was the president of MGEA tried to do the reasonable thing with the government of the day and settled with a zero percent increase in wages on behalf of MGEA, because he wanted to do the right thing in difficult times with the government.

Now that he is the Leader of the Opposition, he and his colleagues are advising the MGEA not to enter into agreements. Do not enter into an agreement so that you can give the NDP an issue. They are so lacking in issues that they have to have the help of the MGEA. We cannot afford to wait for Peter Olfert to play out his political games under the agenda of the NDP party in this Legislature.

There is a choice to be made; it is a difficult choice, but it is a necessary choice. The choice is: Will we raise taxes or the deficit? They are both really the same thing. Will we cut services and be forced to lay off even more civil servants, or will we vote for this bill? -(interjection)- The Leader of the NDP is so embarrassed that he has got to try and shout me down because he cannot take the truth. He cannot take the truth, so he has got to try and shout it down.

Let us look at the arguments against this bill. Some say that the Civil Service is already hard done by and has fallen behind the private sector over the past number of years. The average full-time MGEA salary is \$33,850 a year, not excluding their very substantial benefits package; the average industrial wage in Manitoba is \$24,060. Public sector employees are not behind their private sector colleagues, they are ahead of them by more than 25 percent before benefits. Some suggest that the gap is narrowing. Wrong again, Mr. Speaker. Thanks to government practices, such as merit increases and reclassifications, the average MGEA employee received a 64 percent increase between 1982 and 1990. Inflation increased by only 42 percent and the average industrial wage increased by less than 34 percent.

Manitoba's public sector salaries rank in the top three in Canada, while we are ranked seventh or eighth in our ability to pay and sixth or seventh in our average industrial wage. By no measure can you make the case that MGEA workers have fallen behind in the last decade.

Some people claim MLAs, political staff, doctors and judges, are getting special treatment—not a chance. Ministers have had their salaries frozen for a decade. They are the lowest paid in the country. MLAs voted to freeze their salaries in a separate bill—they are the second lowest in the country. Another act refers judges salaries back to the Legislature for final decision, so members opposite will have an opportunity to join with us and apply the same principles as are being applied in Bill 70.

Our political staff and senior government executives are frozen, just like the MGEA, and doctors agreed to an arbitration process that gives heavy weight to our ability to pay and the relative cost of living in Manitoba. We are asking everyone to share their fair portion of the load.

Mr. Speaker, some say that we have broken faith with the collective bargaining process. It has already failed. Most of the affected unions had already abandoned it in favour of FOS or binding arbitration and the NDP House leader himself, admitted that arbitration and final offer selection infringed on the collective bargaining process.

In the one case where we negotiated a deal through collective bargaining—the nurses—we are fully honouring that deal. With the failure of collective bargaining the question must be, who will make the final decision—an unelected arbitrator who does not have to answer for his decisions and does not have to raise money for the settlement, or a government which is fully accountably to the people, all the people, all the time?

Let us be clear, whether an increase beyond the 3 percent envelope budgeted for comes from arbitration or not, we still have to find the money through taxes, cuts or layoffs. If you vote against this bill, that is what you are voting for, increased taxes, fewer services or more layoffs. There is no place to hide on this issue; there are no options left. There is no opportunity to negotiate with a union that offers negative advertising instead of positive alternatives. Voters will no longer be bought off with their own money. This is not an easy decision for anyone. It was not an easy decision for members on this side. It is the only decision that will keep us on the road towards a stronger Manitoba in years to come, and I urge all members to vote in support of this bill.

Mr. Speaker: Is the House ready for the question? Order, please.

The question for the House is on the proposed amendment of the honourable member for Thompson (Mr. Ashton), Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, be not now read a second time, but be read this day six months hence.

Is it the pleasure of the House to adopt the amendment?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Speaker: No? All those in favour of the amendment to the motion will please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: Nay. In my opinion the Nays have it. Order, please.

* (2200)

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

Mr. Speaker: Call in the members.

The question before the House is on the proposed amendment of the honourable member for Thompson (Mr. Ashton), Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, be not now read a second time, but be read this day six months hence.

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

Yeas

Ashton, Barrett, Carr, Carstairs, Cerilli, Cheema, Chomiak, Dewar, Doer, Edwards, Evans (Interlake), Evans (Brandon East), Friesen, Gaudry, Hickes, Lamoureux, Lathlin, Maloway, Martindale, Plohman, Reid, Santos, Storie, Wasylcia-Leis, Wowchuk.

Nays

Connery, Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Enns, Filton, Findlay, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Neufeld, Orchard, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Madam Deputy Clerk (Bev Boslak): Yeas 25, Nays 28.

Mr. Speaker: I declare the amendment to the motion lost.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I seek leave of the House to deal with the main motion, Bill 70.

Mr. Speaker: Is it the will of the House that the Speaker not see the clock until the main motion has been dealt with?

Some Honourable Members: Agreed.

Mr. Speaker: That is agreed.

The question before the House is on the proposed motion of the honourable Minister of Finance (Mr. Manness), (by leave) Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public. Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Speaker: No? Okay. All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it.

Mr. Ashton: Mr. Speaker, on reverse division.

Mr. Speaker: On reverse division. The record will show.

Yeas

Connery, Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Enns, Filmon, Findlay, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Neufeld, Orchard, Penner, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Nays

Ashton, Barrett, Carr, Carstairs, Cerilli, Cheema, Chomiak, Dewar, Doer, Edwards, Evans (Interlake), Evans (Brandon East), Friesen, Gaudry, Hikes, Lamoureux, Lathlin, Maloway, Martindale, Plohman, Reid, Santos, Storie, Wasylycia-Leis, Wowchuk.

(Yeas 28, Nays 25)

House Business

Mr. Manness: Mr. Speaker, I would like to announce to the House that the Standing Committee on Industrial Relations will begin to hear public representation on Bill 70, tomorrow evening at eight o'clock. Also, Wednesday evening at eight o'clock, and there will be further announcements in time to come with respect to that standing committee.

Mr. Speaker: I would like to thank the honourable government House leader for that information. The hour being after 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 8, 1991

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