



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

STANDING COMMITTEE

on

ECONOMIC DEVELOPMENT

42 Elizabeth II

Chairperson
Mr. Jack Reimer
Constituency of Niakwa



VOL. XLII No. 15 - 9 a.m., MONDAY, JUNE 28, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

Monday, June 28, 1993

TIME — 9 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRPERSON — Mr. Jack Reimer (Niakwa)

ATTENDANCE - 11 — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Downey, Enns, Manness
 Messrs. Alcock, Ashton, Helwer, Martindale,
 McAlpine, Penner, Plohman, Reimer

WITNESSES:

Sel Burrows, Private Citizen
 Mark Olafson, Private Citizen
 Ed Blackman, Private Citizen
 Dave Hardy, Private Citizen
 Barry Hammond, Private Citizen
 Richard Orlandini, Private Citizen
 Paul Moist, CUPE, National Research
 Department
 George Harris, Private Citizen
 Don Sullivan, Private Citizen
 Nicole Campbell, Private Citizen

MATTER UNDER DISCUSSION:

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

* * *

Mr. Chairperson: Will the Committee on Economic Development please come to order. This committee will continue to proceed with public presentations of the following bill: Bill 22, The Public Sector Reduced Work Week and Compensation Management Amendment Act.

I have a list of persons wishing to appear before the committee. For the committee's benefit, copies of the presenters list have been distributed. Also for the public's benefit, a board outside the committee room has been set up with a list of presenters that are preregistered. I will not read the list since members of the committee have

copies. Should anyone present wish to appear before this committee and who has not already preregistered, please advise the Chamber staff at the back of the room and your name will be added to the list.

At this time, I would like to ask if there is anyone in the audience who has written text to accompany their presentation. If so, I would ask if you would forward your copies to the Page at this time. As moved by motion on June 17, 1993, committee meeting, this committee agreed to hear from out-of-town presenters first whenever possible.

At this time I would ask all those who are present and from out of town to raise their hands and the Clerk will circle your name on the list. One? Okay.

We will now continue with public presentation of Bill 22. We will ask that person from out of town to come first. What is his name? Mr. Sel Burrows, come forward. You may proceed, Mr. Burrows.

Mr. Sel Burrows (Private Citizen): Actually, I must say just before I start that I was quite interested that this is called the Economic Development committee. As an economic development consultant, usually economic development talks about growth, and Manitoba seems to be lacking in that.

My presentation, I have titled it History is a Strict Teacher. I have been a civil servant. I worked for the government under Premier Ed Schreyer, and under Premier Sterling Lyon, and for actually a brief time before I moved out of the government under Premier Howard Pawley.

Most recently I have worked as an economic development consultant in the inner city of Winnipeg. I have a strong personal and professional concern about the future of Manitoba and its citizens, particularly its most marginalized citizens.

I am concerned with this bill because it is bad economics. I am concerned with this bill as it reflects the overall economic policies of the government of Manitoba. Manitoba is unfortunately following the format of the federal and other

provincial governments to deal with the issues of the recession, a recession that has been created by the actions of these same governments and their fellow governments of the industrialized world.

We have governments faced with declining revenue that are taking economic actions that will guarantee a further decline in revenue. What Canada and Manitoba need now are some political giants who are able to look beyond the failed economies, the failed economic theories of Thatcher, Reagan, Mulroney, Campbell, Rae, Chretien and Gary Filmon.

It is beyond my comprehension why people would follow the same economic theory that brought them into this economic dilemma to get them out. All the economic projections from banks, governments, and think tanks project that if similar economic policies are followed, it will be well into 1995-96 before unemployment begins to dip below 10 percent. Many economists feel that 1996 may be an optimistic date unless governments change their direction.

If you, as the government of Manitoba, continue to cut expenditures in the form of payments to your employees, you can be guaranteed that your revenue projections will not be met, and your deficit will increase, forcing you into an ever-increasing cut in expenditures, which will result in a drop in revenue. This will inevitably result in increased deficit and on and on.

I titled my presentation History is a Strict Teacher. History gives you lessons, an opportunity to learn from events. If you choose to be too stupid to learn from history, then you and the people you govern will suffer from the impact.

My father and other relatives that lived through the Great Depression told me stories, stories about stupid politicians who attempted to run the government the way they would run their households or their small business. It was this stupidity that led politicians to cut back on government expenditures when government was needed as the employer of last resort. It was this stupidity of politicians that led to the phrase that has been passed down from father to son but has, unfortunately, now been forgotten, the phrase that will once more be handed down from mother to daughter—that phrase: Tory times are hard times.

When R.B. Bennett, the Conservative Prime Minister, finally realized what he had done and converted to a spend-and-spend government—

Floor Comment: Glory hallelujah, Ontario, eh?

Mr. Chairperson: Order, please. Mr. Burrows to present.

Mr. Burrows: I think it is very interesting that they are actually listening because the newspaper reports indicated that the government members had not been interested enough to follow some of the previous presenters. So I think—actually I do not know this gentleman's name that is being so rude here. Excuse me, sir, what is your name?

Hon. Harry Enns (Minister of Natural Resources): Harry Enns.

Mr. Burrows: Mr. Enns, you are my neighbour! Yes, since I live in Petersfield not very far away from you.

Mr. Enns: I will not hold that against you.

Mr. Burrows: It was a Conservative Prime Minister, R.B. Bennett, that spent our way out of the Depression prior to the second World War, but it was too late. The damage to Canada's economy and to hundreds of thousands of Canadians had already been done. Where are the giants of politics today when we need them? Where is John Diefenbaker. Harry, you should remember John Diefenbaker. Where are the massive winter works projects and the Trans-Canada Highway construction projects which carried hundreds of thousands of Canadians through periods of economic recession? Instead of a big John, we have pygmies like Brian, Kim and Jean.

Where is Ed Schreyer? Where is Ed Schreyer with his job creation programs that gave thousands of Manitobans work when the private sector was stalled? The private sector of Manitoba rebounded with growth and hope because Ed Schreyer provided hope and leadership.

If you follow the same policies that drove Canadians deeper into a depression, then you deserve to be seen by history as pygmies, unable to respond to the needs of Manitoba. The only growth department under this government is the welfare department.

Floor Comment: No, no, Finance.

Floor Comment: No, you have got it wrong. Try and keep the facts straight. Interest is the biggest

growth department, thanks to Ed Schreyer, thanks to Howard Pawley.

Mr. Burrows: Finance department—you the members of the government should rename your party. If you choose, you can call it the Finance party, but I prefer the welfare party of Manitoba. The welfare party of Manitoba better describes the tiny-minded Gary Filmon and chief welfare creator, Clayton Manness.

Not since the Depression have so many people been on welfare, and your policies are guaranteed to create more welfare. At least if you adopted the new name, the welfare party of Manitoba, people might forget that it was the same party that drove Canada into the Depression.

Let us look at some of the results of your cutting back on your commitment to pay your employees. Sure, many of your employees will cope with their pay cuts, including my two daughters who are hard-working committed employees of this government and its agencies. What will happen is that they will pay less taxes, so both you and the federal government will have less revenue. Secondly, they will spend less. Your employees will have less to spend in Manitoba. They will spend less on food, on insurance, on travel, on recreation. Each of these cuts will result in some small business reaching the edge of its ability to survive, laying off employees or actually closing their doors.

* (0920)

When I recently purchased my car insurance in Selkirk I chatted to the owner of the agency. He indicated that he was worried. He indicated that people were cutting back, buying the minimum insurance possible or maybe letting their insurance lapse. He was worried about his revenue for his small business.

House builders should be knocking down your doors with a basic economics lesson. As the biggest employer in Manitoba, if you cut back on wages to your employees and introduce employment insecurity, a large number of people are eliminated from buying new homes. Real estate agents are wondering where all the customers went. They went to unemployment or employment insecurity.

Instead of adding to the insecurity and drop in available spending, you as a government that cares about all the people should be stimulating the

economy. You should be joining Audrey McLaughlin in calling for the resignation of the Governor of the Bank of Canada. We have won the war on the deficit and created a predepression economy.

I would like to point out that Europe and Japan are both rejecting the narrow monetarist responses that Canadian governments seem wed to. The conservative Japanese government, before the scandals became too much for them, had pumped billions of dollars into the Japanese economy to stop an increase in unemployment and stem the increase in bankruptcies, and they moved before the Japanese economy moved into recession.

The European Economic Community and its members have moved unemployment to primary importance and are rejecting the battle against inflation and the goal of open markets as having too high a price for the domestic economies. If I may quote from the Toronto Globe and Mail's International Business section of Monday, June 21—it is actually a reprint of an article from The Wall Street Journal—and I will not read the whole thing, I will just pick a few paragraphs here: "EC focuses on creating jobs, European leaders to address soaring unemployment in community summit," by Peter Gumbel and Charles Goldsmith of The Wall Street Journal, Paris.

"Western Europe's economic orthodoxy is under attack.

"Faced with soaring unemployment, expected to reach 12 percent next year and a recession far deeper than expected, European Community governments are increasingly tempted to relax their tough anti-inflation stance of the past decade.

"In its place is a new, politically driven focus on creating jobs, even if it means higher government spending.

"Governments fear social unrest could develop unless something is done to reverse the trend towards more unemployment. Moreover, with important elections due in Germany, France and elsewhere in the next 18 months, the political pressure for action is rising.

"The dominant economic principles of the 1980s—that stable, non-inflationary growth would create jobs—is being pushed aside. Budget deficits are now growing in most EC nations, particularly Germany and Britain, as governments try to spend their way out of recession.

"The conventional wisdom was that if you get a level of economic growth, you can expect to create jobs. But in our case it's not true," says Irish Prime Minister Albert Reynolds.

"Similar arguments resound in other EC states. 'Low inflation cannot be the sole end of economic policy,' stressed Kenneth Clarke, the new British Chancellor, in his first major policy speech"—a conservative, if I might point out. "And in France, Philippe Seguin, president of the national parliament"—another conservative—"this week launched an attack on government economic policy. He said that the problem of unemployment wrongly had been 'relegated to second place after the defence of the currency, the reduction of public deficits, productivity and the promotion of free trade.'"

He is attacking the conservative economic policy of the previous socialist government.

"For some, a swift conclusion to the world trade talks under the General Agreement on Tariffs and Trade would help improve the dour economic climate and help boost employment. But that assumption now is being openly questioned by Mr. Seguin and others, who argue that GATT is outdated and the unfettered free trade it represents would speed the demise of European jobs. The EC should remain a single market, but one that is much tougher in defending itself against the United States and Asia, Mr. Seguin argues."

Some similar issues, I would point out, that we may be soon facing with the North American Free Trade Agreement and what is happening to us under the Canadian Free Trade Agreement.

The same article has a graph that show the inflation rates since 1980. It will be difficult for you to see from here. The inflation rate has dropped from 12 percent to 4 percent in the European Community. The companion graph shows that during the same period, the rate of unemployment moved from just under 6 percent up to 12 percent. The deficit has skyrocketed from 3 percent up to over 6 percent of the gross domestic product of the European Economic Community.

It does not require a great brain to see that the lowering of the rate of inflation has resulted in an increased deficit and an increase in the rate of unemployment. It is also obvious that the same is true in Canada.

Closer to home, here in Manitoba, I would like to talk personally about the economic policies of the Manitoba welfare party and their impact on people who want to work and cannot or are working and have no money. I have worked in the inner city of Winnipeg off and on over the last 20 years. In the last two years, I have been involved as an economic development consultant in the inner city of Winnipeg creating jobs. I have had people who wanted to work, who were dying inside from being unemployed.

I will not use names, but I will tell you just about a couple of these people. A young native man who had worked full time since he was 15 years old, now unemployed, angry at himself and at you and at me. He feels that this economy and society have failed him.

Another aboriginal man who had fought his way to get his apprenticeship as an electrician helped build our hydroelectric dams. He is a qualified electrician, but he has no work. He is losing his car. He is losing his house, and he is losing his sense of faith in this economy that he had developed when he was able to get training. He wants to work. He is fully trained, but I fear his anger. I fear the anger of others like him. The people of the inner city do not want more welfare from the welfare party of Manitoba. They want jobs.

When the unemployment rate is 3 percent, the welfare rate of Manitoba is minuscule. If you think that the society escapes unscathed when you have a high unemployment rate, then you have not read the paper.

If the young people who are making up the gangs that are responsible for the increased property crime in Manitoba had good paying jobs and job prospects, you would have a safer society.

Our seniors have for the first time achieved, on the whole, a sense of economic security, and you take it away from their grandchildren. You also put people at risk because you are responsible for the increase in crime. If people have decent jobs, they do not commit crimes. Look at the statistics in your jails. I worked in your correctional system for 10 years.

The welfare party of Manitoba's usual reason for cutting the salaries of people who fight forest fires, clear the snow off our highways and counsel sex

offenders is that the deficit is too high. Is that correct?

Floor Comment: No, the interest rates are too high.

Mr. Burrows: Ah, so you agree that the Governor of the Bank of Canada is keeping the—the interest rates are too high. So you agree that the Governor of the Bank of Canada is maintaining the interest rates too high for Canada?

The deficit is only going to get bigger if you maintain these policies. I think it is interesting that every year governments have projected that they are going to cut the deficit, and every year it gets bigger because they do not look at the revenue side.

Also, if you listen to Professor Ruben Bellan of the University of Manitoba Economics Department, you would know that the issue is not the size of the deficit, which is really well within the capacity of a province to repay if the interest rates were lower, if it stimulated the economy.

I just want to quote a little bit from an article by Professor Ruben Bellan from Policy Options. It is a very long article so I will only pick a certain part of it:

Are we a doomed people because the national debt is already very large and it is likely to keep rising substantially? Will we prevent that doom or at least delay it only if we manage to reduce the government's annual budget deficits? Will we hasten it if we incur even larger deficits? Must we resignedly accept the economic waste and social harm of unemployment caused by inadequacy of effective demand because, if the government enlarged that demand, it would increase its deficits?

* (0930)

Our historical experience sharply denies the warning that large increases in the national debt with their accompanying increases in the size of interest payments—

Mr. Chairperson: Mr. Burrows, you have approximately three minutes left in your presentation.

Mr. Burrows: Okay. I will have to cut this. I would like to give you all of it, because the basic thesis of Professor Bellan is that the issue is not the deficit but who do we owe the money to. I think the error of the provincial governments is who are you borrowing money from. I will agree, when I worked

back in the government under the NDP they began this borrowing money offshore, which I think was a failed policy.

I would like to point out that I am a holder of Manitoba HydroBonds. I think it is very interesting that you have to cut off the sale of Manitoba HydroBonds so quickly, because so many Manitobans and Canadians want to buy them. I am not sure this year, but last year I had to get my money in a hurry, because they were about to cut off the sales. I would project to you, Sir, that with proper marketing and with proper effort, that there is a massive amount of Canadian money that people would like to lend to you at reasonable interest rates.

If you switch to borrowing from Manitobans instead of Japanese, we would be in quite satisfactory financial shape, excellent financial shape, and do not say it cannot be done. If I have not convinced you that cutting back on spending by paying your employees less is bad economics—I hope I have convinced you of that—then I would like to propose some spending cuts that differ from your proposed direction, some spending cuts that may not belie the name of this committee, the Economic Development Committee.

These spending cuts would cause much less harm to the people of Manitoba and the economy. First of all, simple, cut all government grants to Balmoral Hall and St. John's-Ravenscourt. This will save over \$2 million this year and an increasing amount in future years, and impact people who are well able to pay the full fees. It will also save the welfare party of Manitoba an embarrassing conflict of interest scandal, which will be revealed in the coming weeks.

Second, cut all consultants. These are the people who have not passed the screening of the Civil Service Commission, so Manitobans have no idea of their competence. They have not passed any merit principle. They are not members of the civil service of Manitoba. Actually, I would be interested to know if they are also receiving a 5 to 10 percent cut in their contracts, people who are working for you as consultants.

Third, if it is necessary to cut salaries of people at all, then people earning over \$50,000 a year are the most likely not to be spending their money in Manitoba, most likely to be spending it outside of Manitoba. A large cut of 25 percent of the incomes

of people earning over \$50,000 a year would provide you with sufficient income, combined with the other two actions, to give you an equivalent cut to what you are achieving by the present cuts.

The money would be coming from people who are in better condition to afford it, and I would add that I also faxed similar advice to Premier Bob Rae who I think is very unfortunately following your actions.

Mr. Chairperson: Unfortunately, Mr. Burrows, your time is expired.

Mr. Burrows: I understand. One last statement. These three actions alone will save you more than penalizing your committed, hard-working civil servants. Manitobans want to work, to be productive, to pay taxes. Please think of our giants like John Diefenbaker and Ed Schreyer. Stop cutting the incomes of people who need their salaries to live. Invest in an emergency employment program. You will be judged whether you are able to learn from history. Up to now you have appeared uncaring and stupid. You have a chance to show Manitobans that you are not stupid and that you do care. Thank you very much.

Mr. Chairperson: Thank you for your presentation, Mr. Burrows. I will now call on Mr. Ron Oberlin.

I will now call upon Mr. Mark Olafson. Did you have a written presentation, Mr. Olafson?

Mr. Mark Olafson (Private Citizen): No, it fits in my pocket.

Mr. Chairperson: That is okay. You may proceed then.

Mr. Olafson: Good morning, everybody. I am a member of the International Brotherhood of Electrical Workers, Local 2034. I would like to believe that I am here this morning to speak on behalf of some of the younger of the 2,400 IBEW members.

The reason for my being up here this morning is to express my distaste for the proposed effects of Bill 22 on my and my fellow members of the IBEW lifestyles. As a person in my early 30s with a young family at home, I feel it is my duty as a Canadian to stand up and be heard at these committee hearings.

I stated I have a young family at home, and my protective instincts become aroused when I am asked to unfairly bear the burden of a government

whose spending practices have put my and my children's future in jeopardy. I do not mind paying my fair share for past governments' mistakes in policymaking. But when I look over to my neighbour—he works in the private sector, by the way—and see that he is not paying the same price for past governments, I start to wonder what country am I living in. Then I start to think that he and I may not be equal. Can this take place in the Canada that I want to live in? Apparently, you should be picking up on some of the anger that you are creating by trying to enact Bill 22.

I would like to point out that my anger should act as a mirror for you as to what the rest of Manitobans are feeling. I feel that it is necessary to point out to you that no one in the circles that I travel in is pleased with the governments of today. People are disillusioned by a system of government that no longer listens to the people. Special and corporate interests have taken over the system and left Canadians no longer equal.

Now that you know me on a personal level, let us talk about the issue, Bill 22, on a labour level. As an employee of Manitoba Hydro and a member of the International Brotherhood of Electrical Workers, I personally lay my life on the line as a lineman for an electrical utility with a bargained-for collective agreement. This agreement was bargained for and achieved through the collective process under the guidelines of The Manitoba Labour Relations Act.

If I could, I would like to read an article from that act. The title above the act is "Obligation to act fairly," the article number is 80(1). "Every collective agreement shall contain a provision obliging the employer, in administering the collective agreement, to act reasonably, fairly, in good faith, and in a manner consistent with the collective agreement as a whole."

Since you have extended your arm out to embrace Manitoba Hydro, I have to consider you as my employer. Reasonable, fair, good faith—someone in your government must have said these words at some point. It must have been long ago, because they have been forgotten now.

This bill is counterproductive to the bargaining process and leaves us younger people wondering if we can ever trust the government again. This being the second time you have interfered with the collective bargaining process and my personal pocketbook, it will not be soon forgotten. The

claims of saving money still need to be addressed. Saving money is important at this time, but to tell certain work groups they must pay more than other Manitobans is inequitable.

Equality is all we as a work group and I as a Canadian ask for. It is my belief that when the government's theme is the word "equal," they will skyrocket to power. I would just like to ask you to remember these words. Thank you.

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

* (0940)

Mr. John Plohman (Dauphin): I take it you think—well, you said that this bill is counterproductive to the bargaining process. Do you think it is also counterproductive to solving the problems that the government is facing with regard to the economy?

Mr. Olafson: Not necessarily counterproductive to the saving of the economy, but as I stressed in my speech, equal and equality are the words that people want to hear out there. Most people realize what is required to be done. I mean, past mistakes, their mistakes, let us learn by them and move forward.

Mr. Plohman: I am just asking if you believe this is the way to do it, or do you have other suggestions?

Mr. Olafson: No, I am not a politician. I do not have other suggestions. I mean, everybody likes to rant and rave and think they know what is going on, but as a personal citizen, my job is a lineman for Manitoba Hydro. This is what we elect the elected members for. It is their job to find the solutions.

Mr. Plohman: Well, I think you are right, and I think we have to get advice. The government certainly has to get advice from the public and people like you, though. You obviously think this is unfair, so really what I was just trying to ask is whether you had some ideas of what could be more fair in terms of achieving both the expenditure reductions and also stimulating the economy.

I wondered if you had some ideas about how we could suggest to the government that they be more equitable, because I agree with you that this is singling out some people for a massive tax increase, and other people are not shouldering the same burden.

Mr. Olafson: I myself am in favour of a straight tax system across the board. I believe a few days ago,

or earlier on in the process, I heard Mr. Manness say the Pocklington policy. I totally believe in that.

I am just as equal as everybody sitting at this table. I do not believe that I should have to pay any more than anybody else sitting at this table. I say a straight 5 percent on \$10,000, 5 percent on \$20,000 and so on. Therefore, I would feel as if I am totally equal to all of my neighbours and everybody sitting in this room. If I choose to work hard and earn more money, I want that money to stay in my pocket knowing that I have paid my fair share. I am not a believer in the progressive tax system. If I choose to work hard, take on two, three jobs, I want to keep what I have earned and give it to my family and also spend it on myself.

Mr. Plohman: So just to get a better idea of what you are saying. You are not advocating a progressive flat tax. In other words, I was trying to get an understanding—[interjection] Well, flat tax would be on a certain amount of money. You said five—[interjection] Well, you could have a progressive flat tax. The Minister of Finance (Mr. Manness) is saying flat tax on the first \$10,000—

Floor Comment: Progressive flat tax.

Mr. Plohman: Well, you could have.

Mr. Chairperson: Order, please.

Mr. Plohman: I want to ask about that, because the individual is recommending a flat tax, he said 5 percent on the first \$10,000 and 5 percent on the next \$20,000,, and I wondered whether he meant an increased rate as you go up higher. In other words, something a little bit progressive. I know people are remarking about this—flat taxes are not progressive. But what you are saying is that you would not change the rate, even if you go up to a higher income level. You would still maintain it at the same flat tax as you would for the lower level income people.

Is that what you are saying?

Mr. Olafson: Yes, that is what I am saying. Equality is the key to being a Canadian is my belief, and also a Manitoban. If anybody is asked to repay government's past mistakes, I would like to see it done fairly and that is everybody, whether you make \$8,000 or \$9,000. Those people that make that amount of money, usually it is by choice, sometimes by circumstance.

I just feel there are the go-getters and there are some that fall behind, and I would like to see

everybody pay the same, no matter what their circumstances.

Mr. Plohma: So you are really saying that a person at the poverty level should be taxed at the same rate as a person making \$75,000, \$150,000 a year. Do you think that is fair?

Mr. Olafson: The same rate, yes.

Hon. Clayton Manness (Minister of Finance): Mr. Chairperson, I find this discussion kind of interesting, because I do not know if it is well known or not. I hear people coming and making presentations here and saying, well, make the rich pay more.

I would like to share with this committee—I was talking to a very senior civil servant, and because the first reductions from our pay, I think, just occurred the last pay cheque, I was asking this person the impact on their net take-home pay. The impact was virtually nil. It was around 20 percent, because, of course, the person has such a high marginal tax rate. We have such a progressive tax system here that they are losing basically 60 to 70 percent of the marginal dollar.

So when the reduction comes in, of course, they do not lose much on the net take-home. It is the tax coffers, it is the consolidated revenue fund that loses the money. So never let it be said that we do not have the most progressive tax system in Canada.

Let it never be said that those earners today, making beyond \$60,000 or \$70,000, are not paying an overwhelming amount of tax at the marginal rate—[interjection] No, no. There are not just three rates. There are surtaxes all over the place on top of those three rates, provincial, federal, and surtax on the surtax in some cases.

I was astounded to see that the impact was basically net take-home pay, was only a reduction, and do not quote me on this, of 20 to 30 percent. So, sir, I hear what you are saying. We have an incredible progressive tax system in place. I say it mainly for the record, because many presenters have come forward here and said make the rich pay as if the rich are not giving away almost every part of their marginal tax dollar over \$50,000.

Mr. Olafson: Yes, I myself was somewhat amazed when I did hear presenters. I have sat in on approximately 10 hours of this.

I do not agree with that system at all. I mean, everybody works to improve themselves. That is basically what this country is all about, and I do not think that anybody tries to get out of paying their fair share, but they do not want to pay any more than their neighbour.

When I invite people over for dinner, and in conversation one person says how much they paid, and the next one says how much they paid, we do not feel equal sitting around the table.

Mr. Manness: I would ask the presenter then, he figures equality is through the tax forum, I tell you the reason that we would not take a bill like this—I do not think we would have the power provincially to take it beyond the civil service and apply to the private sector. In the first instance, we are aware of many labourers within the private sector, over the course of the last two or three years, who have had to voluntarily roll back wages, not by 2 or 3 percent, in many cases 10 or 15, not all, certainly not all.

It was because of that we never, even if we did have the power, we would be very reluctant to impose yet another reduction, because voluntarily many groups in the private sector, just to maintain their jobs period, have seen the wisdom of rolling back their wages very significantly.

Now I cannot say that your circle of friends, the people who you talk to on a social basis, whether they would be part of that or not, but we are aware of many groups in society who have voluntarily rolled back. So it was on that basis we said, well, we are probably best not to get involved within the private sector.

Mr. Olafson: I realize that, but making statements like that just does not wash, I am afraid. You know, private sector rollbacks, who knows why they are rolling back. It could be government policies that are causing them to do this. I believe in most cases it is poor management, incentive programs that make businessmen out of people that are not businessmen just because the money is available. I mean, to make a statement as you did, I do not quite agree with it.

I would just think less government is better. If you let the businessmen be businessmen, stop the incentives, the free money, possibly make the money available but make them pay it back, and with interest. It just seems any incentive program, you get the people who jump on the bandwagon

just because they know the system and they know how to get this money.

I myself do not know that system, and I believe it would be hard for me to get any kind of monies. I just feel that government is to set policies. As for the stimulation, if there is no need for a product, do not stimulate just to get jobs and the ballots.

Mr. Doug Martindale (Burrows): Mr. Chairperson, I would like to ask Mr. Olafson, would it be correct to say that you have two major concerns, one being that this bill violates the terms of your collective agreement. Is that correct?

Mr. Olafson: Not directly, but indirectly, yes.

Mr. Martindale: Your second concern is that a pay rollback is unfair. That is your second concern?

Mr. Olafson: Yes, definitely. I feel that I cannot look my neighbour in the face, not that I am holding anything against him, but he and I are not paying the same amount for past governments' mistakes.

* (0950)

Mr. Martindale: You also said that you do not mind paying your fair share. Last week, we had people here with suggestions about things that would be more fair, and someone suggested that all government suppliers should be required to take 4 percent less, and across the table here government members said that they are. We do not know that they are unless the Minister of Finance (Mr. Manness) or the Minister of Government Services (Mr. Ducharme) wants to give us information on the record.

Floor Comment: Do you take less?

Mr. Martindale: The member for Emerson (Mr. Penner) is asking me if I am taking less, and, yes, my wage is being rolled back 4 percent. I am happy to put that on the record. That is true. So I am wondering if you think—[interjection]

Mr. Chairperson: Order, please. Mr. Martindale is asking questions of the presenter. Mr. Martindale has the floor.

Mr. Martindale: Do you think it would be fair if the government sent a signal to the public or to say, we are just not going to assume that suppliers are taking 4 percent less? We are going to put out a press release or pass legislation saying that all suppliers to government are taking 4 percent less. Do you think that would—well, now the Conservative members on the committee are

saying they are taking less. We do not know that. You are saying that—[interjection]

Mr. Chairperson: Mr. Martindale, to ask questions of Mr. Olafson.

Mr. Martindale: Thank you, Mr. Chairperson.

I would like to ask Mr. Olafson: Do you think that would be a good signal to send to the public and taxpayers of Manitoba and civil servants if there was another group in society, namely, suppliers to government? Presumably the government spends millions and millions of dollars purchasing supplies either directly to government departments or hospitals and other government-funded organizations. Do you think that would be a good thing to do to say, we are going to require all suppliers to take 4 percent less? Would you feel that this would be fair, because there would be another group that was taking less as well as civil servants?

Mr. Olafson: You are asking me to make a judgment on a situation that I really do not know anything about. Whether these people are on a fine line from a business standpoint, I really do not know, and to ask them to take a cut might cause them to put themselves in a bad business position. Along that line of thinking, I would like to comment that the government really should be picking up all of these supplies using a little bit of buying muscle. They really should be buying all of these supplies at pretty much cost, I would think. [interjection]

Well, I mean, if that is the case, I really do not know; and to be asked to make a judgment on a business proposal, I do not think is quite fair. Everybody needs to bear the brunt of all of this. If you could show me that they are paying too much for this and the supplier is making an overabundance of money on these contracts, then I would support that. If the manufacturer is running a fine line, then I mean how could I support it.

Mr. Martindale: Mr. Olafson, I heard you say that you do not believe in stimulating the economy just for the sake of stimulating the economy to increase demand. However, the government does have a very firm proposal before it from the City of Winnipeg for an infrastructure renewal program which would take 2,000 people off city social assistance, would create jobs and would improve our streets and sewer systems, et cetera, in the city of Winnipeg. Do you think that this is a reasonable effort to both create jobs and get some much

needed work done on the streets and sewers in the city of Winnipeg?

Mr. Olafson: Well, again, you are asking me to make a judgment on something that I am really not familiar with. If it is good business sense, then I agree with it. If it is taking money and throwing it in the so-called garbage, then I do not agree with it. How I can make a judgment on something like that, I think that is the whole problem with people or governments of today that every issue is so confusing. This is why we elect you people to hammer these things out, and when we see results that we do not like, then we will get rid of you. I mean, that is about the bottom line here.

I would just like to add that under Bill 22 here we might be seeing a few people who think they have joined the Alberta NDP party.

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

I will now call upon Catherine Collins. A Mr. Guy Boulianne. Mr. Richard Kerylko. Mary Ann Mihychuk. Mr. Richard Park. Mr. Darryl Buhr. Mr. Wally Johannson. Mr. Randy Taylor. Beth Stambrook. Mr. Jack VanMulligen. Mr. Paul Williamson. Mr. Rick Farley. Ms. Gloria Wilkes. Mr. Andy Couchman.

Mr. Plohman: I just wanted to clarify, the ones with the asterisks are being called a second time—is that correct?

Mr. Chairperson: That is true.

Mr. Plohman: And the rules that we agreed to is that if they are called a second time, they cannot present if they are not here for the second call. Is there any particular reason why they are put up so close to the beginning of the list in this case? Is there some correlation with when they first were called?

Mr. Chairperson: My understanding is that they were placed early in the list at the beginning of the process, and this is why they are coming up on an early process again for second recall.

I will then proceed by calling Dr. Ian Goldstine. Mr. Rick Burns. Mr. Ed Blackman.

Did you have a written presentation, Mr. Blackman?

Mr. Ed Blackman (Private Citizen): Yes, I believe it is—

Mr. Chairperson: Yes, it is being passed around right now. You may proceed, Mr. Blackman, thank you very much.

Mr. Blackman: My name is Ed Blackman, private citizen, will soon be private citizen.

Good morning, Mr. Chair, and members of the committee. Thank you for allowing me this opportunity.

I am appearing before the legislative committee on Bill 22 as a private citizen to express my opposition to the bill. Bill 22 gives the public employers the unilateral right to impose on them some 15 days off without pay each year in a two-year period. The bill also declares that this is time off and is not a layoff.

I will be speaking today about the effects of the bill on collective bargaining, on public sector employees, on services and on our community. I will also be discussing alternatives to Bill 22.

* (1000)

In early 1991, 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 free collective bargaining process with all employees with whom we have to negotiate.

Since then Premier Filmon and his government have shown their complete and utter disregard for the collective bargaining process by introducing bills which take away the rights of working people, first through Bill 70 and now through the introduction of Bill 22. This is something that cannot be tolerated in a free and democratic society.

Whenever any segment of our society has its rights removed and we sit back and let it happen, then it lays the groundwork for all of our rights to be taken away piece by piece.

Consequently, I am here speaking up today against the bill because it unfairly targets the public sector and takes away important and hard-won rights of that group. Who will be the target next?

There are many effects this bill will have on employees. The first and most obvious is that it takes away needed dollars from the pockets of public sector workers and their families. Just like everyone else, public employees are suffering through this recession. Many have spouses who have lost jobs or had their income cut back. In other cases, parents and even sometimes brothers

and sisters have become dependent on public employees wages to help them out.

In cases where the bill has not been applied directly, it has been used as a threat to negotiate concessions from working people. In the City of Winnipeg, due to the provincial government cutbacks in grants and due to the threat of furloughs being imposed, CUPE Local 500 members were forced to take a pay cut to help save jobs of their co-workers. The same can be said of the Convention Centre workers.

Prior to the rollback, these workers had lost 13 percent of their salaries to inflation over the past 10 years. Just as city employees are not the cause of the city's financial problems, government workers are not the cause of the province's economic woes.

As a government and an employer, the province should be setting an example for others. Good organizations will tell you that their employees are their most valuable resource and should be treated as such. This government, by making its employees the scapegoat for its failed economic policies, is saying exactly the opposite. That attitude, unfortunately, will be reflected in the workplace.

This government purports to be concerned about productivity in the civil service yet, through its own policies, it seems to destroy any hope that the best productivity can be achieved.

Freeman and Medoff, in their book, *What do Unions Do?*, studied the effects of good and bad labour management relations and found this, and I quote: Productivity is likely to depend on the state of labour-management relations. When those relations are poor, management is likely to have trouble getting high productivity. When they are good, workers and management pull together for the benefit of the firm. Three studies have examined the link between productivity and the state of industrial relations at plants, and all three have found strong support for this proposition.

Along the same lines, the government of Manitoba has a number of Total Quality Management initiatives running through the civil service. The founding principles of Total Quality Management are that employees are the most important resource and that they know about the operations and should be involved in the decision making. Most important is the commitment that the employer must make to its employees for TQM to

be successful. Tom Peters, author of *In Search of Excellence*, wrote about TQM, and I quote: The heart of quality is not technique. It is a commitment by management to its people and product, stretching over a period of decades and lived with persistence and passion.

Just as the provincial government has failed in its commitment to its employees, so has it failed in its commitment to its product, public services. Continual cutbacks have resulted in the deterioration of some services and the elimination of others.

To add to this problem, Bill 22 takes away public services on designated days, removing these needed products for many users who are counting on the services being there. For all of us, it creates a mass confusion about when government services are available.

According to the government's own figures, Bill 22 will save some \$15 million. Yet it will take \$129 million from our economy through lost wages and purchasing power of public employees. The effects, though, will be much greater.

(Mr. Edward Helwer, Acting Chairperson, in the Chair)

Public employees will pay less taxes as a result of lower incomes. They will also spend less. Their reduced purchasing power will mean reduced profits for businesses and lower income for their employees. This in turn will result in less tax being paid by businesses and their affected employees. In the long run, it is doubtful that the government will really save anything.

Removing Bill 22 and spending \$15 million by government will add that \$129 million back into the economy since it is well known that the lower- and middle-income earners tend to spend all their pay cheques in the community. This is a significant return for the money, a return of some 760 percent.

Government spending is not a waste, as some people would have you believe. It is an investment in our community. It provides a myriad of services such as health care and education; it builds and maintains our provincial infrastructure; and it sustains our social and safety programs.

The Filmon government has introduced Bill 22, presumably as part of its cost-cutting measures aimed at deficit reduction. However, this bill, along with other parts of the Conservative plan, will make the problem worse, not better.

If we look at the reasons for the current deficit, both provincially and federally, we will see why. The deficit has increased in the past several years for three reasons: No. 1, high interest rates; No. 2, an unfair tax system; No. 3, high unemployment. The government's policies do nothing to address these issues.

In 1984 when the Conservatives came to power federally, the debt was some \$207 million. It might be 260. I stand corrected on that—

Mr. Reg Alcock (Osborne): 160.

Mr. Blackman: 160?

Mr. Enns: Do not believe Reg.

Mr. Alcock: Your point is still the same.

Mr. Blackman: The point is still the same, and we will check the research on that. Recent figures show that the debt, and we got this from a research economist in a discussion and this is the figure that was used, was \$207 million, and they also went on to say that the debt is now \$453 million. That is more than double the original figure. Pretty good for a government whose policies, we are told, were necessary to attack the deficit.

Why is there so much focus being placed on the deficit anyway? That is what John Hotson asked and answered in his article which appeared in the September 1992 issue of FIND Report. I quote: When World War II ended, the national debt was more than twice as large, relative to the GNP, as it is now. But was the country ruined? Did we have to declare national bankruptcy? Far from it. Instead, Canada's economy grew, and the country prospered for most of the postwar period.

Why is the same thing not happening today? Why was a much larger national debt shrugged off in 1945 while today's smaller debt is being used as an excuse to let the economy stagnate?

The answer can be found at the Bank of Canada. During the war, and for 30 years afterward, the government could borrow all it needed at low rates of interest, because the government's own bank produced up to half of all the new money. That forced the private banks to keep their interest rates low.

Since the mid-'70s, however, the Bank of Canada, with federal government approval, has been creating less and less new money, while letting the private banks create more and more money. Today our bank creates a mere 2 percent

of each year's new money supply, while the private banks gouge the government, and, of course, you and me and other Canadians as well, with outrageously high interest rates.

High interest rates are one of the major reasons for the deficit. But other factors enter it as well. A 1990 Statistics Canada study showed that 50 percent of the deficit was due to tax breaks to corporations and wealthy Canadians, 44 percent was due to high interest rates, and 6 percent was due to government spending.

While we do not have figures available for the provincial debt, the three issues that affect the federal deficit also have a major impact on provincial revenues and expenditures.

Between 1986 and 1989, for example, corporate profits rose some 34 percent while corporate taxes declined by 20 percent. In contrast, direct personal taxes went up by more than 32 percent. Canada's corporate tax rate is the lowest of all of the G-7 countries, and our individual tax rates are the highest. Neither the federal government nor this provincial government has done anything to correct the unfairness of our tax system.

As Leonard Shifrin wrote in the Free Press on February 15, '91, and I quote: The bloated interest payments the federal government has been paying on its debt are a gigantic income redistribution program for the rich. The \$40 billion of interest it paid to investors last year is double the total of its old age pension, guaranteed income supplement, and family allowances combined. In other words, we have socialized debt.

* (1010)

Since 1984, the federal debt has grown by \$246 billion, but during the same period the country has paid out \$279 billion in interest on the public debt. If we take away these interest payments, we find that public programs and services operated at what we might call a profit of \$33 billion.

So the point we are making here is that it is the interest that has caused the difficulties that we are in.

In 1993-94 the projected federal budget deficit could be \$4 billion, and not \$34 billion, if there was a 2 percent gap between Canadian short-term interest rates and U.S. short-term interest rates.

(Mr. Chairperson in the Chair)

There is a myth out there, and it is certainly prevalent among Conservative governments, that the interest rates are not up for discussion because the market sets the rates. But given the ability of the Bank of Canada to throw our country into a recession with its interest rate policy, we can also use the Bank of Canada to lower interest rates, cut government debt, and help bring the country out of a recession. In fact, nine leading economists say exactly that in *Bleeding the Patient*, a document published by the Canadian Centre for Policy Alternatives.

It is easy to figure out that when people do not have jobs, they do not pay taxes. Therefore the higher the unemployment is, the lower government revenues will be. The more governments cut back and lay off, the higher the deficit will go.

Ask most Manitobans today and they will tell you the biggest problem we face is unemployment. Yet this government has refused to provide initiatives that will put people back to work.

In 1992—and this is a staggering figure—\$526 million was spent in the city of Winnipeg alone on unemployment insurance and social assistance payments. That is \$107 million social assistance and \$419 million in UIC. That is more than half a billion dollars to keep people unemployed. Aside from the financial costs the social costs of unemployment are also high. We are already experiencing higher crime, especially violent crime, as well as greater family crises and more youth problems.

In establishing economic and monetary policies, so often governments overlook the impact of these policies on human beings. The human face of decisions seems not to be considered. People want to work. They want decent paying jobs, and in a society such as the one we have built in Canada a job should be considered a right not a privilege.

The province should be using its power as a government to help put people back to work. Spending on infrastructure programs is one way that governments can provide good jobs, lower the unemployment rate, kick-start the economy, and at the same time get needed work done.

Support for government spending on the infrastructure is coming from some very nontraditional areas, and I quote: For his part, Donald Savoie, an economist at New Brunswick's

University of Moncton, who has advised the Mulroney government on economic and constitutional issues, says that he is reluctantly adopting the position that the economy is sick, and that public funds would be better spent on infrastructure projects than on cutting government deficits. That was taken from Maclean's.

An American economist, David Anschauer, has found that \$1 spent on infrastructure adds as much to the economy as \$4 of private investment. Here in Canada where the importance of infrastructure is greater, the returns are likely higher.

Here is one that got me, though you hear some words about this in bits and pieces, but this came out just a couple of years ago as Japan saw this recession coming on. Japan's government has committed to spending some \$3 trillion U.S. dollars over the next 10 years on infrastructure while in the U.S. the government will be spending some \$20 billion over the next four years.

Mr. Chalrperson: Mr. Blackman, you have approximately three minutes left.

Mr. Blackman: Okay. The European Economic Community has also been discussing public investment in infrastructure as a means to improving the European economy.

There are alternatives to the deficit hysteria. A fair tax system is desperately needed along with low interest rate policies and back-to-work programs.

For all the reasons contained in this brief, I recommend that the members of this committee withdraw Bill 22.

Mr. Plohman: Yes, just a couple of questions. Obviously, the Minister of Finance (Mr. Manness) has never advocated in this province that the Bank of Canada go back to the policies of the war period or postwar period of providing most of the money at a very nominal interest rate to provinces and to the federal—print the money at the very nominal interest rate and lend it at a very nominal interest rate to the provinces and to itself. What do you see as a reason why that is not being advocated?

Mr. Blackman: It is government policy, and it behooves me—I just do not understand. I was reading some research and then asking people about this, and it seems so common sense to do this kind of thing. It is probably so simple that it has escaped most minds for some reason or another, but I think that it really does not make sense for the

Bank of Canada to allow five private banks to loan money to governments and wind up putting us in the bread line, so to speak. Why does the Bank of Canada and the governor of the Bank of Canada not change the policies that are literally destroying this country? We just cannot understand it.

Mr. Plohman: Yes, well, I think you have illustrated very well in your brief the effects of interest rates and how they have impacted on the deficit and the total debt load that Canadians are being asked to shoulder. The government seems to say that we have to play by those rules, we cannot change them. I think what you are saying, I think more and more people are starting to say, is that there has to be a change in the monetary policies of this country. We cannot afford to pay private banks huge interest rates for this debt. That is why I was asking whether you had heard any other side of the argument, whether investment is going to dry up in this country. Have you thought about those kinds of things? Because I feel you are on the right track.

Mr. Blackman: The deficit, again, is created by the high interest rates, and why we are allowing it to happen is just beyond me. The tax breaks to the large corporations, that is, the big players that can afford it, are being given breaks, that also adds to the equation, and I am reminded of the research. There was a Stats Canada report that came out that documents this very well where we have a tendency to think that it is social programs and the like that have created the debt, and that is absolutely not true. They have tracked social programs since 1966 and the cost of running the programs has run flat. Just as the City of Winnipeg and this government and the federal government and our stats indicate, it is the high interest rates that have got us there. Why do we have a high interest rate policy? Then when we have high unemployment like we do, we have 11 percent, 12 percent unemployment. It is probably more like 18 percent in this community.

* (1020)

We have infrastructure that is needed, and municipal infrastructure that is needed to be repaired. In the neighbourhood of about \$20 billion is needed across the country, and we have all of this unemployment. People want to work, and we are spending—we do not have it in our brief—social services and UIC last year cost this country \$35.6 billion to keep people not working. So it is

incredible, and then in a city the size of Winnipeg, a half a billion dollars, when the infrastructure is falling apart. It is like watching a home fall apart and you do nothing. Sooner or later, you have got to pick up the tab to repair your home, and that is what we should be doing. So I hope I have answered some of the question and expressed some of the dilemma that reaches me.

Mr. Chalperson: Thank you very much for your presentation, Mr. Blackman.

I would like to make just a brief announcement. The members of the committee have been distributed a new page 3, an updated page 3 of the presenters. That has been presented to you.

I will now call on Susan Rawdon. Ms. Marion Bernier. Roger Kirouac. Mr. Dave Hardy.

Do you have a written presentation? No? You may proceed then, Mr. Hardy.

Mr. Dave Hardy (Private Citizen): First of all, this is only going to take about five minutes. I am going to speak and not answer any questions for two reasons.

First of all, you passed a resolution the first night, the 15 minute and 5 minute resolution and then proceeded to ignore it. People that are speaking for five minutes are having questions asked, more like grandstanding, for 15 minutes, and I do not think that was the point of the resolution in the first place. I do not want to be part of that. Reason No. 2 is I have to get back to work.

Number 1: During the '80s, according to the Financial Post, which is the financial bible of the Progressive Conservative Party, the average salary in Canada was 0.5 percent over CPI for that decade—not much, but something.

The union contracts with the government over the last 10 years, including a legislated zero percent by Bill 70 and now minus 4 percent by this bill, excluding merit increases and wage equity, will be about 20 percent less than CPI over the last 10 years. I have figured this out, and that is what it is. So I am really failing to understand how it is that government workers are the ones that deserve getting picked on.

Number 2: Some people might say, if you do not like it, quit and get another job. I would love to do this myself, personally. A great idea for a lot of people, but what a lot of people do not seem to understand is that once a person has been working

for the government for some period of time, nobody in private business will hire an ex-civil servant. Unfortunately, that is a fact of life, and I wish more people would realize that. As well, the government willingly hired all of us in the first place because there was some job that needed doing, and I think that we deserve a little bit more consideration and respect than we are getting.

Number 3: Because of the backlogs that will result from the 10-day layoff, there will be backlogs compounding backlogs. The cheques made out to the province, the Minister of Finance (Mr. Manness) here, will take days and days longer getting into the bank than they would have ordinarily, and the government will be either losing enough interest on late deposits or paying enough interest on overdrafts so that the net saving to the government will be nowhere near the amount of wages not paid due to the layoff—not a very efficient use of money having it sit in letters in the provincial post office or in somebody's desk who deposits into the bank.

Finally, a question that I have been wanting to ask for a long time of all of the chamber of commerce-type people here or people who have friends in the chamber of commerce who are applauding these layoffs. The question is: Once and if you get your way and civil servant jobs are contracted out at lower wages, or wages are frozen by Bill 70, or our wages are reduced by this bill resulting in thousands of Manitobans having less or indeed no disposable income, no discretionary spending left, who, pray tell, do you think is going to have enough money to spend to keep all your businesses and stores open? After all, a 4 percent wage reduction may sound quite harmless to some people but is going to be all or half for some big fraction of thousands of people's discretionary spending.

There is not going to be anywhere near the amount of discretionary spending left for people to spend on anything other than paying rent, buying clothes and buying food. I would like to hear the chamber answer that question sometime, because I really have no idea, once the discretionary spending all shrivels up in this province, who is going to keep all these people's stores open.

That is all I have to say. Thank you very much.

Mr. Chalrperson: Thank you very much for your presentation, Mr. Hardy.

I will now call upon Mr. Victor Schwartzman. Mr. Reg Perry. Ms. Amy Dellebuur. Mr. Gord Hannon. Anita Lewis. Bob Clasper. Barry Wadsworth. Barry Wittevrongel. Shirley Diakowich. Kevin Richardson. Garry McCowan. Michelle Masserey. Beatrice McTavish. Rob DeGroot. Nadine Semenchuk. Dan Goodman. Barry Wolfe. Rejean La Roche. Kathy Harness. Victor Kuzyk. Mark Miles. Ross Skabar. Shirley Lord. Barry Hammond.

Do you have a written presentation, Mr. Hammond? Yes, we will distribute it. You may begin, Mr. Hammond.

Mr. Barry Hammond (Private Citizen): I think you have heard most of the reasons why the bill is a bad bill, so I will spend little time on that and I will spend mainly some time on the alternatives to the bill.

I think Bill 22 is a bad bill and should be withdrawn. Three major reasons, I think, have led to this decision: No. 1, The bill will not accomplish its goals of reducing the deficit; No. 2, the bill displaces provisions of collective bargaining agreements already in place; No. 3, I think democracy is aborted, since hearings such as these rarely lead to any significant changes in bills presented by this government.

The following will expand on these three reasons for opposing Bill 22 and provide some options which would be significantly superior for reducing the deficit and establishing citizen's confidence in government.

First, removing people from the workforce and cutting services and reducing the income of wage earners leads to reduced taxes paid and to increased demands for social allowance income and welfare. Consequently, while Bill 22 may appear to be saving money, at the end of the year and beyond it will prove to be more costly. Those affected will need more funds, while the government will receive less income in taxes.

Secondly, by displacing provisions of collective bargaining agreements already in place, the bill makes a mockery of labour relations processes. If the rules of such an important process as labour relations can be changed by the passage of a bill, then why should managers and workers spend long hours negotiating to reach contract agreements? Contract negotiations carried on in

good faith by management and workers will forever be tainted by this third-party interference.

* (1030)

If this bill is not withdrawn or significantly amended, hearings such as these will be recognized as a democratic sham that they have been in the past. Only the appearance of democracy is served by asking for public input if this input is ignored by the government proposing such bills. Much time and creative thought is poured into preparing briefs which would assist the government in coming forth with workable legislation that might solve the problems which precipitated the legislation in the first place.

If these creative ideas are ignored then it will be clear not only to the citizens who prepared briefs but also to other citizens that the government is deaf to ideas that do not emanate from their caucus. Such rigidity by those proposing legislation is authoritarian and insensitive to the democratic process.

Now, let me suggest a couple of alternatives to Bill 22. Social costs by government account for about 6 percent of the deficit push that we all notice. Hence, cutting back on social spending will solve less than 6 percent of the deficit problem. The present government of Manitoba must have noticed this fact since all of their "solutions" to cutting the deficit have failed, as will Bill 22. The Manitoba government, even after pouring in its rainy day fund, will have a deficit of over \$570 million. Obviously, cuts to social programs do not solve debt problems.

Likewise, forcing people onto welfare and unemployment insurance or reducing the pay of the working people will not solve any deficit problems since welfare and UI will cost more money, since reducing working people's wages reduces the taxes that they pay. Brian Mulroney promised in '84 to cut the debt to zero, but in fact it has risen to \$450 billion. The Province of Manitoba is in the same predicament. In spite of using up the Fiscal Stabilization Fund, Manitoba's deficit is up. Cutting social programs and the wages that taxpayers pay will not reduce the social deficit.

Now, at the end of World War II, when Canada's debt to the gross domestic product was about twice what it is at present, the United States launched their famous G.I. Bill of Rights in which one million veterans were funded to attend university. In

Canada equivalent numbers would be 100,000 university students. Today we need a U.P. Bill of Rights which would put thousands of unemployed people back in schools and universities. There are 1.7 million unemployed in Canada at this time, or about that. If even one-tenth of this number were encouraged to return to studies, Canada would be on the road to future prosperity and well-being. Cutting the time university professors teach and do research has the opposite effect and sends depressing signals to students, faculty and the unemployed. Today our debt to GDP ratio is nowhere near the levels it reached at the immediate post-war period. Canada and Manitoba should send this positive signal to the people.

Tax breaks to the wealthy are the main cause of our present deficit. Recent Finance department figures show that these tax breaks cost Ottawa and the provinces more than \$26.5 billion dollars each year. For example, capital gains deductions and tax deductions for corporations who buy dinners and football tickets for their clients cost the government more money than will ever be saved by Bill 22. The deficit problem may be diminished at source by reducing the tax loopholes and collecting taxes from those who have ways of avoiding paying their fair share. The amount clawed back by Bill 22 will be insignificant compared to the tax breaks enjoyed by the wealthy. Bill 22 will not solve any deficit problems, and since this was really the only rationale for the bill, it should be withdrawn immediately.

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

Mr. Manness: Mr. Chairperson, I listened carefully to Mr. Hammond's alternatives, and yet I am troubled, and I go to the third paragraph of his brief, when he says, and I quote from his brief: "Consequently, while Bill 22 may appear to be saving money, at the end of the year and beyond it will prove to be more costly. Those affected will need more funds, while the government will receive less income in taxes."

I am a person who tries to keep things simple. If I believe that—and I have heard this statement many, many times—then the people would be much better off then following your logic; that if we did just the reverse, we went further into debt and put more people to work, and all the tax money would flow in and our problems would be solved. Is that the way you see it?

Mr. Hammond: I see two things. First of all, that will happen, I believe, if people are put back to work. There will be more taxes paid and so on, that is quite obvious. However, I think, whether the debt will be increased will depend again on where the money comes from. I think if it comes from, again, as Mr. Blackman was talking about the Bank of Canada in fact printing the money instead of the kind of banks—which, by the way, get the tax breaks—then I think the deficit will not rise. Also, of course, earlier we heard today that I think \$6 million in Manitoba is going to fund elite private schools. That \$6 million could easily be kind of converted, I think, to more job creation programs and other such things without ever increasing debts.

Mr. Manness: Mr. Chairperson, I do not want to appear critical, but, Mr. Hammond, I asked you a detailed question and you went all over the map. That is your right to do.

I am not one who is overly concerned, believe it or not—you might find this statement of mine hard to believe—with the debt. My big problem is servicing the debt. They are not necessarily the same issue. I have a lot of personal debt on the farm. If I can keep handling it, I can manage as every business can. What we are talking about here is government debt, not so much in its magnitude, but the ability to service that debt.

As I said earlier today, if you were in the audience, the fastest growing department in government is not welfare; it is Finance, interest payments. Some would say, let us get control of the interest rate through the Bank of Canada. The reality is we have control on 90-day money, but I do not need 90-day money. In other words, you and a million of us do not need 90-day money. We need 10-year money, and the Bank of Canada is powerless to deal with 10-year money, absolutely powerless. Why? Because the institutional buyers of bonds, 10-year money, what I want to float, are the teachers' pension fund, the insurance brokers, indeed, all the pension funds in the country, and they want maximum yield. They do not want 6 percent. They want 9 percent, and the government is absolutely powerless to force the market to take 6 percent when it wants 9 percent.

The reality is, the reason that the money traders are betting it is going to be 9 percent is that they sense that a government will never have the discipline to balance their budget and will be into the market for hundreds and hundreds of millions of

dollars and billions and will have to pay that 9 percent. [interjection] Charging—well, you see they do not charge. It is the equilibrium around market supply and demand that ultimately sets the price. Consequently, the problem is not so much the debt. The problem is the interest on the debt, and, yes, they may be one and the same, but they are a little different.

Mr. Hammond: But what government does have the power to do is tax the banks, for example, who are holding, I think, most of the debt, not the pension funds, the banks. The last figure I had was the tax on banks was 8 percent. Somebody talked about justice and so on here. I mean, workers do not pay 8 percent tax. They pay 22, 25 percent.

Mr. Manness: Mr. Chairperson, that is exactly wrong. The banks may have a significant share of 90-day money, but when it comes to long-term debt, the long-term debt is in our RRSP accounts. Long-term debt is in the pension accounts. The long-term debt is not owned by the banks. It is owned by the Canadian citizen, and the Canadian citizen right today is wanting a higher yield rather than a lower yield.

* (1040)

Mr. Hammond: As I stated in my brief, and as you heard earlier from Mr. Blackman and from my brief, the main cause of the debt is decreased corporate taxation. This is in the government's purview. The government could easily tax corporations and banks and so on. However, by eliminating something like \$29 billion worth of taxes from those things, we have quite a deficit, and we will continue to have a deficit. Social spending is only about 6 percent of this, so this will not solve any of the problems that we have kind of perceived.

Mr. Manness: Mr. Chairperson, I was willing to let it drop. Now I would ask Mr. Hammond, who owns the banks?

Mr. Hammond: The banks are mainly owned by the people who make the money out of it.

Floor Comment: Shareholders.

Mr. Manness: Yes, I heard somebody say the shareholders. The shareholders, the people of Canada, for the most part, own the banks, and any money that they make after taxes—

Floor Comment: Foreign ownership.

Mr. Manness: No, not foreign owned. Absolutely not. So whether they are credit unions or whether

they are the banks, they are Canadian owned by the shareholders. Indeed, any money they are given by way of dividends after the taxes are paid, the question is, where do those dividends go? And if they go into the Canadian economy, they go to the Canadian economy as if they were infused by a government. So where does the money go? It goes right back into the Canadian economy.

Sure, we can tax the banks more—by the way, the banks make a contribution to the Manitoba Consolidated Revenues somewhere, between two different taxes, around \$45 million to \$50 million. So, if we now made that \$100 million, all we would do is take away then from the dividends to the shareholders another \$50 million, which would not be going into the economy that way.

You cannot destroy money. It goes around one way or the other and, ultimately, even that, as long as you keep it in the country, it surfaces. Thank you, Mr. Chair.

Mr. Martindale: Mr. Hammond, I am interested in your entire brief, but particularly in No. 3 on the first page about the purpose of these hearings and your frustration that they really do not seem to change anything.

My interest comes partly because I am on an ad hoc rules committee of the Legislature, and in the next year we are going to be talking about trying to change the way committees operate here. So I would be interested in knowing if you have some suggestions as to how the committee process could be improved so that citizens like yourself would feel that your views are being taken more seriously or that the views of citizens would be maybe used or incorporated in legislation.

Mr. Hammond: I think I have two points to respond to that. I think, first of all, it should not be a sham; it should not be a token. It should be something kind of real. If we are holding hearings for the purpose of kind of looking at alternatives to the bill, then I think that those alternatives should be kind of weighed in a solid way.

The answer to your question is, basically, that I think we should see some results. If the results are never forthcoming, if there are never any changes in the bills, then in some sense I see it as a sham.

So I really think that the way to make it democratic is, in fact, for there to be some consideration given to the input and then some changes made in the bills.

Mr. Martindale: Under the current system, that could happen if the government chose to because the government has the power to withdraw a bill or to amend a bill. It really is up to the government as long as we have a majority government.

But I am wondering if you think there are ways that the process could be improved. Would it be in terms of timing so that public delegations are heard before second reading, say, after first reading, or when the bill is first distributed in the House?

Maybe you are aware that many bills go to committee the last day of the session or sometimes the last week of the session, and it is not really realistic to think that the government is going to amend them unless there is tremendous public pressure to do so. Do you have suggestions as to how the process and how the public input could be changed or improved in your opinion?

Mr. Hammond: Yes, I think that we need task forces, we need panels, we need commissions to study the problems before the bills are created. I think it is much too late to come at this time in some sense to try and deal with the situation. Long before the bill is in its final draft, I think you should have the public hearings and not at this stage in the game.

Mr. Martindale: One area of potential change would be to adopt the system that is in place in Ottawa where committees are made up entirely of backbenchers or private members, and if a cabinet minister wants input, a cabinet minister comes and appears before a committee just like everyone else.

The difference between Ottawa and Manitoba is that the cabinet is a very small percentage of the government in the House of Commons so there are lots of backbenchers to put on committees; whereas in Manitoba the cabinet makes up the vast majority of government members and there are very few backbenchers. So it is a little more difficult to form committees that would have majority government representation.

Now I suppose you could ignore that and still make up committees with opposition and government backbenchers—

Mr. Hammond: Or citizens.

Mr. Martindale: —and/or citizens who would look at legislation and make a recommendation to the government rather than the government looking at bills and considering what its options are.

Mr. Hammond: A much wiser and much more sane process, I would suggest.

Mr. Martindale: So would you be in favour of having committees made up entirely of backbenchers and no government ministers on it?

Mr. Hammond: Not necessarily. I still think that a broad committee though, including citizens as well as backbenchers as well as perhaps some government ministers, would be a useful group as a panel, as a task force, as a commission, to study the problem that the bill is attempting to solve.

Mr. Martindale: I would like to respond to something the Minister of Finance said at the table. I think this does have a lot to do with this bill because this presenter has said that hearings such as these rarely lead to any significant changes in bills presented by this government.

Mr. Manness: Why did you organize so hard to get these people out?

Mr. Martindale: Let us hope that the government listens to a vast number of presentations.

Point of Order

Mr. Enns: What I would say, on average 60 percent of the bills that come to this kind of committee get changed and get amended as a result of public presentations, 60 percent of the bills that appear before committee. That is speaking of 25 years of sitting around this committee table; 60 percent of the bills get changed or amended or indeed withdrawn.

I would stake my reputation and have the Clerk do a study of the bills that were passed in the last 20 years to see whether or not my statement is right.

Mr. Plohman: On the same point of order, a small point of order—

Mr. Chairperson: The minister's point of order was not a point of order.

Point of Order

Mr. Chairperson: Mr. Plohman, on another point of order?

Mr. Hammond's time is vastly slipping away.

Mr. Plohman: I think it is important that we put on the record that most of the amendments are as a result of government errors in drafting rather than the presentations from the public.

* * *

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

I will now continue calling. Ms. Jean Altemeyer. Mr. Jim Silver. Mr. Alan DeJardin. Ken Guilford. Dr. John Loxley. Richard Orlandini.

Do you have a written presentation?

Mr. Richard Orlandini (Private Citizen): I did, but I did not expect to be called up this morning, so I did not bring it with me. I was busy trying to submit names from other organizations.

Mr. Chairperson: Okay, you can proceed with your presentation.

* (1050)

Mr. Orlandini: I am going to have to wing this.

My name is Richard Orlandini, and I am a resident of Manitoba. I say that very specifically because—and this is by way of clarifying something that happened a few years ago.

Two years ago, I had the honour and the privilege of being the organizer around Bill 70. I recall, with some dismay, that 3:30 in the morning adjournment after you read off 600 names on a Monday morning. A few days after that, the Premier (Mr. Filmon) of this province stood before the Legislature and made a statement that the labour movement in Manitoba was in so much disarray that they indeed had to bring in an organizer from Ontario. I take umbrage with that. I am not from Ontario. I have been a resident for six years in Manitoba. I do not like being called an outside agitator. It makes me sound like a damn washing machine.

By the way and for the record, the last name is O-r-l-a-n-d-i-n-i.

Mr. Chairperson: Could you repeat that? I am not sure we got it right.

Mr. Orlandini: O-r-l-a-n-d-i-n-i.

Mr. Chairperson: Thank you for correcting that.

Mr. Orlandini: Before I get into the substance of my brief, I would like to make some comments about process before these hearings.

A few minutes ago—and the reason I came down to the Legislature today is, I tried to submit to the Clerk of the Committee about 50 names. I was told that the Clerk of the Committee would not accept those submissions, that the individuals would have to do so individually, something of a change in rules

I would suggest. That certainly was not the rule around Bill 70.

I would like to read at this time, into the record, the names of those 50 people because I am not sure that they will all be called.

Point of Order

Mr. Manness: On a point of order, Mr. Chairperson, the purpose of this committee is to listen to presentations on Bill 22. It is not to deal with process. It is to listen to a specific presentation on Bill 22, and I ask the presenter to make a presentation on Bill 22 or to withdraw.

* * *

Mr. Orlandini: The following individuals would like to make a presentation to Bill 22: Robert Chernomas, Mark Gabbert, Charles Bigelow, Sigrid Johnson, Sarath Abeysekera—I am speaking to Bill 22, Mr. Chairperson—Aniruddha Gole, Paul Phillips, Marie Speare—

Mr. Chairperson: I will just interrupt for a moment to tell you the process of committee hearings is that the individuals themselves have to make themselves known to the Clerk either by a phone call or by a visitation to the Clerk's Office to be put on the list for presentation. The reading of the list really has no validity other than the fact that the members that you have mentioned themselves would have to personally call or make personal representation to the Clerk.

You may proceed with your presentation on Bill 22, sir.

Mr. Orlandini: The following individuals would like to make a presentation before this committee on Bill 22: Tom Booth, Tony Steele, Steve Holborn, John Laxley, Peter Hudson, Dan Gietz, Paul Fortier.

Point of Order

Mr. Enns: Mr. Chairperson, on a point of order, I just object, and it is obvious to me that this presenter has nothing to contribute to Bill 22 other than to take up some time of the committee and read a list of names of citizens. I am sure that is a worthwhile activity. Any one of us could read a similar list of names into the record. The sad part is that this gentleman presents himself as having some position with organized labour and cannot bring anything worthwhile to this committee's deliberation with respect to Bill 22.

We have been accused as committee members of aberrations of democracy around this table. We are witnessing it right now. It is a blatant abuse of this committee's time by what is happening here this morning.

Mr. Alcock: Mr. Chairperson, on the same point of order, and I trust that these points of order will not be using up time of the presenter. It was the committee's decision that each presenter would have 20 minutes. If this presenter chooses to use his 20 minutes in making the committee aware of people who would like to come forward and speak before the committee, I think we should not—you have already taken away their right to speak as long as they choose to speak, the first time I would note, so I do not think you should also be censoring the content. Let him say what he chooses to say in the time that you have allotted him.

Mr. Plohman: Mr. Chairperson, I think it is wrong for this committee and the members here and for the government to pre-empt what Mr. Orlandini has to say. He has not finished his presentation. He has just begun. He is dealing with some aspects of the presentation.

The member for Lakeside said that he has nothing to contribute. He has no basis to make that kind of decision, that kind of statement. I think that it is quite appropriate for any individual to come forward and to indicate the kind of support that they have. That is what he is really saying, that these are other people that he has identified as well who would like to talk to this bill and have not been able to have their names placed because of rule changes that do not allow individuals to have their names placed by someone else on the list.

Mr. Enns: Mr. Chairperson, Mr. Alcock and Mr. Plohman are right, and I withdraw and apologize for those remarks. I was in error. The presenter has every right to make whatever presentations that he has before this committee. The fact that I believe that he is not contributing anything of substance to the bill is of course just my own belief, but I accept the admonition on the part of my Liberal friend Mr. Alcock. I am prepared to listen to the list of names.

Mr. Chairperson: Thank you very much. All points of orders were taken, but what I will do is I will add another two and a half minutes to the member's presentation. You may continue.

* * *

Mr. Orlandini: Having heard those remarks, I will not deal with process any longer except to say that I really find much of what this committee is doing, including the time limitation, an abrogation of our democratic rights. Manitoba as a province can take pride in the fact that we have public committee hearings, but what you have consistently been doing to this committee is changing the rules as they accord to yourself and not to the possibilities of the public being heard. The time limitations are outrageous. You are taking away our democratic rights to really deal in depth with our objections to Bill 22.

I would suggest on Bill 22 that the minister and his minions can take no pride in authorship in certain clauses of the bill. The clauses have been used before. In particular, I am thinking in terms of the clause that suggests that Bill 22 overrides all other collective agreements. This is an odious use of legislation, but it is exemplified by previous legislation, not by this government but by previous governments.

In looking through the historical record, the first reference I found to any piece of major labour legislation that used the same kind of clause was in 1926. The language was Italian. Mussolini, on achieving state power, used the clause exactly like that to beat the labour movement of Italy into submission. It was used again in 1934. The language was German. Adolf Hitler and his labour minister used a very much similar phrase that this legislation overrides all other collective agreements. It was used again in Spain 1939 with the rise of the Franco government after the defeat of the republic. Most recently, it was used in 1973, in Spanish again, by Augusto Pinochet in Chile and again it was used as the phrase that this legislation overrides all previous agreements.

So you can take no pride in your authorship on this. Far be it for me to suggest that your government is even approximating the reactionary tone of the governments that I have mentioned, but ideologically with your actions you are pointing the way to becoming so.

I take umbrage, as well, with a certain aspect of Bill 22 that I find most interesting, but most antidemocratic as well. In the last three years, I have led a struggle against use of public funds for

the financing of private schools and institutions in this province.

* (1100)

This year, Mr. Manness, in your budget, you put forward something on the order of \$6 million to private schools. I find it interesting to note that within the legislation, public school teachers are under Bill 22, university professors are under Bill 22, college teachers are under Bill 22. What is lacking, Mr. Manness, and it is I think an indication of what you would have your government do in terms of favouritism, is that Bill 22 does not cover the instructors at these private schools. I find that curious.

Is it because, for instance, so many members of your cabinet have children in those private schools? Why are the private schools not included under Bill 22?

I am sorry, if the minister has a question, I will be happy to answer it. He is obviously saying something, his lips are moving.

Mr. Chairperson: You may proceed with your presentation, Mr. Orlandini.

Mr. Orlandini: Bill 22 is having an impact as well on other aspects of educational work. Bill 22, in conjunction with the kinds of cuts that we have seen imposed on our universities, for instance, jeopardizes the kind of reputation that our universities are able to maintain.

I think it throws into question whether or not we are going to be able to get the calibre of university professors, when they look at the kind of restrictive legislation that is coming forward out of this government. Whether serious scholars would consider coming to universities when they know that six days of their scheduled school year could disrupt indeed, but they are able to say, No. 1, to their students, and No. 2, to what they are able to do in research.

This is a retrograde bill. It has no social merit. I would suggest that if the minister was serious about this kind of bill, he would not be able to put it in the mails in Canada, because there is antipornography legislation, and under the definition of pornography, this bill has no socially redeeming values.

That is the conclusion of what I would like to say.

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

Mr. Plohman: Yes, just for the record, I notice you mention private schools at \$6 million. The Estimates of Education, just being completed, still in progress, and we have learned that the amount is over \$22 million for private schools. This is not the elite necessarily, it is all private schools. The elite, some might call exclusionary schools that accept only certain students and so on, is much less than that. The total private school bill is about \$22 million, and it represents a 10.4 percent increase over last year, while the public school system has received a decrease overall of 1.5 to 2 percent. So that is the comparison on a school year over school year basis, 10.4 percent increase.

I note, since there is \$22 million going into those schools, you are saying that the bill, if one were to look at any element of fairness and you do not find any redeeming factors in this bill in the first place, but if you were going to look at any element of fairness that it should also apply to the private school funding as well as the public schools. Is that what—

Mr. Orlandini: Yes, that is my point. I would dearly love to hear from the government members as to why they excluded the private school teachers from this. If we are looking to fairness, if we are looking to equity, it seems that you are buttering your own bread in terms of assuring that your children can have full teaching staff available for them for their school year when you are not prepared to do that equitably for the public as well. You are punishing those who cannot afford to send their children to these elite schools while you are rewarding those of yourselves who do indeed send children to them.

Mr. Plohman: Do you have any suggestions as to what action the government should have taken? They have talked in the past about, well, either you have to have layoffs or else a shortened workweek. Those are the two alternatives we had. Of course, we have seen in the public service, we have gotten both. We have layoffs, massive layoffs, even increased layoffs after this bill was announced, plus we have the 10- to 15-day cut in salary for civil servants and public service workers across the board. Presenters before you have said that this is going to have a tremendous negative impact on the economy because of the lost spending power and so on.

So I ask you whether you would have any specific suggestions for the Minister of Finance (Mr.

Manness) as to how this could have been approached in a different way so that it would not have that kind of negative impact on the economy of Manitoba.

Mr. Orlandini: I certainly have a few suggestions. Number one, I think you are going after the wrong element in society to pay for the minister's, what, six budgets, none of which have even been close to the political realities that he was projecting over the six years. You can stop squandering government monies by sending the Premier and his family and others on junkets to grovel before the new Prime Minister of Canada.

You can also go after the taxes that are owed from the corporations in this province. [interjection] You have not, Mr. Minister. Balderdash, Mr. Minister. You have not gone after them. There are millions upon millions of dollars owed, and you and your Tory friends are taking advantage of the working people in this province rather than going to where the real problem lies.

Mr. Alcock: Mr. Chairperson, Mr. Orlandini, you are appearing here as a private citizen, but I know you have some involvement with the University of Manitoba Faculty Association. You have indicated that Mr. Chernomas is going to come and present. I am just wondering though if you can sketch in for us some of the impacts of these cuts on class scheduling and availability of services to students who are taking courses this summer, because I understand that is a substantive concern that has come out of the imposition of this bill, and I would just like to get some details on that.

Mr. Orlandini: I would not want to steal anyone's thunder that is going to be appearing before this committee, but the impact is substantial. Students are asked to pay a 5 percent increase in their tuition. At the same time, they are taking roughly almost a 5 percent reduction in their scheduled work or classroom time available to them.

Much research goes on at the University of Manitoba, and it is a joy to work with the people who are doing that kind of research. They point out to me that in the case of a microbiologist, for instance, who is doing work on methane production—that should be of concern to this government because it will have direct and indirect impact on the agricultural economy. He is told that his funding is going to be reduced. His bugs do not take off a day of the six days. They are working all

the time, and he has to be there to monitor it. He is doing that research for you for free on those six days. What if he withheld 6 percent of his thesis?

The inequities of this thing are just overwhelming. You are asking the wrong people to make sacrifices when you are not prepared to call on the areas that owe the most money to this province to make similar kinds of sacrifices. You are cutting into people's budgetary allowances for research.

All the universities in Manitoba are having extreme difficulty in terms of maintaining proper accreditation, and this kind of thing will do nothing to attract new scholars to this province. The university can and should be playing a fantastic role in terms of the development of new technologies, things that will generate the wealth that is needed to get us out of the six years of financial bungling that the Minister of Finance has brought us into. [interjection]

I am sorry, if you have a comment would you like to share it with me?

* (1110)

Mr. Chairperson: I am sorry, the member's time is up.

Mr. Orlandini: The member's time?

Mr. Chairperson: Pardon me. The presenter's time.

Mr. Orlandini: I have no aspirations for that.

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

I will now call upon Tracy Libitka and Shauna MacKinnon. Janice Wart. Elaine Olynyk and Roger Carrier. Dave Cutler. Diana Degagne. Rick Panciera. Rick Keep. Deborah Zanke. Kevin O'Toole. Paul Moist.

Do you have a written presentation, Mr. Moist?

Mr. Paul Moist (CUPE, National Research Department): No, I do not.

Mr. Chairperson: You may proceed then, Mr. Moist.

Mr. Moist: Mr. Chairperson, members of the committee, it is a pleasure to appear before you on behalf of my union, the Canadian Union of Public Employees. We have tabled previously with the committee our major submission on behalf of our 20,000 members in Manitoba.

I just want to touch on three points from that submission. One relates to free collective bargaining and this province along with nine other provincial governments and the federal government being signatory to the International Labour Organization's Convention No. 87.

Secondly, I want to talk about what I think are the most managed and best performing economies on earth, where there is some sort of a deal been struck between labour, management and government. There is another way.

Thirdly, I want to put Bill 22 in some context and read into the record what a couple of towns and school boards throughout the province have said about the government's record, not just on this bill but on other matters.

With respect to free collective bargaining, the ILO, the International Labour Organization, was formed in 1919. It was the first standing agency and standing committee of the new United Nations in 1948. It has 150 member-states today including Canada. It does two things. In addition to monitoring world conditions in the area of labour-management relations, it adopts conventions and makes recommendations to member nations. Since 1919, it has adopted 158 conventions and, of lesser relevance, 166 recommendations.

Although Canada has been a member since 1919, we are part of what is called the 10 states of chief industrial importance. We have only adopted 26 ILO conventions to date, because in Canada, and this is probably a good thing, the federal government speaks for us at the ILO, but the adoption of conventions requires approval of all provinces, all legislatures and territorial governments and the federal Parliament of Canada. The last convention that we ratified was in March 1972. It was Convention No. 87, which is the convention which affirms principles of free collective bargaining among other things.

In 1992, the ILO issued a ruling on this province's Bill 70. Part of that ruling stated: The committee regrets that the government has not given the priority to collective bargaining as a means of determining employment conditions of its public servants but rather that it felt compelled to adopt The Public Sector Compensation Management Act of 1991. Secondly, the committee stresses the importance of adequate consultation prior to the introduction of legislation through which the

government seeks to alter bargaining structures in which it acts actually or indirectly as employer. Thirdly and finally, the committee trusts the government will refrain from taking such measures in the future.

I raise all of this, Mr. Chairperson, and members of the committee, for one reason and one reason alone, to share with you the response of our First Minister, of the Premier, in response to that ruling and to the introduction of Bill 22 this year, because the government's largest union, the MGEU, has filed another complaint citing a violation of Convention No. 87 with this bill. The Premier is quoted as saying in the Free Press: The ILO is not relevant to what is happening in Manitoba.

I guess, as a citizen of the province, and our members being citizens of the province, no matter what stripe of government is in power, it is regrettable when comments like that are made. It seems to me that Canadians are proud of their affiliation with the U.N.

Secondly, when the U.N. cites Canada as having the highest standard of living in the world, we sort of take pride in that. When Canadian troops serve in peace-keeping capacities, we all take a bit of pride in that. When an agency of the U.N. rules that the government of Manitoba has violated free collective bargaining, that is viewed by the Premier as being not relevant. I suggest, from our vantage point, that is a regrettable but, unfortunately, not a surprising comment. I clearly put on the record that it is our belief that Bill 22 will be found to be a similar violation of ILO Convention No. 87, to which this province is a signatory since 1972, as I mentioned earlier.

The second point I said I wanted to raise was labour-management-government partnerships to manage the economy. It seems to me that some of the more successful nations on Earth, in bad times everywhere, are those governments that have forged such a relationship with business and labour in their economies.

I want to read for you one recommendation of 27 unanimous recommendations of the Canadian Labour Market & Productivity Centre. That is a bipartite committee funded by the federal government with no political representation on it. It is simply a business and labour organization to try to work together and to make things better in our country.

In March of this year they presented to the minister—they report to 27 recommendations, one of which was this: We recommend that governments develop effective ongoing working relationships with existing joint business and labour organizations at the sectorial and economy-wide levels. These organizations have a critical role to play in the following areas: No. 1, providing advice to government on public policy; and No. 2, monitoring the implementation of joint recommendations by governments, business and labour.

We had last week, at a retreat sponsored by this government at Hecla, the chairperson of that agency, because many of us attended the Economic Innovation and Technology Council's second meeting. I was one of about 40 labour delegates and 40 representatives of the business community, and we met to dialogue on matters of mutual interest.

I raise that because that is, on the face of it, a positive undertaking to get labour and management together. But you get a little deeper into it, and there is a very much a feeling amongst labour participants in forums like that and the one held last November over here at the Fort Garry Hotel that many of us in the labour community have adopted, and continue to adopt, principles important to the business community in terms of speaking out in favour of strong job-creation efforts, not only in the public sector, but in the private sector.

* (1120)

Many of us, myself included, have been involved in groups like Winnipeg 2000. We have been involved in EITC subcommittees. I myself have been a previous member of the Winnipeg Business Development Corporation. I cannot fathom trying to represent working people and arguing that business does not need to thrive in our economy, and have spent years trying to argue in that direction, and have made submissions to this cabinet and other cabinets to that effect.

But some of the discussion we had at the tail end of last week's conference from the labour delegates was, we do not see a lot happening in reverse. We do not see very many members of the business community advancing the importance of the principle of free collective bargaining. Bills, such as Bill 22, undermine the very thing that the EITC council is being created to try to wrestle with. You

cannot, on the one hand, ask for labour to come to a table and be a partner in managing the economy if, on the other, you are taking away one of ours, and our most fundamental right, and that is the right to engage in free collective bargaining.

Last week was not the type of conference for press releases or public presentations such as this; it was in the context of a behind-closed-doors session that we spoke very directly to the business community that was assembled there, because many of them are behind and very supportive of Bill 22. We did that behind closed doors, and we are committed to trying to make the EITC work. It cannot work in the long run if one of the partners being asked to the table, that being labour, is having fundamental rights stripped away, and the right to collective bargaining is a very fundamental right. So we said that behind closed doors last week to Manitoba's business community. We say it into the record today to the government and members on all sides of the Legislature that we do not think such things are bound to succeed when we have to monopolize so much of our time defending our right to exist.

I said two years ago on Bill 70, and I will say here again today, the prelude to our Labour Relations Act contains a fundamental statement of public policy, and, that is, this government and all governments, since that legislation was put in place, recognize and approve of the principle of free collective bargaining as the means of settling wages and working conditions amongst employers and employees in the province. It is not the union movement's Labour Relations Act; it is not an act for the business community solely. It is Manitoba's Labour Relations Act, and it sets out in its prelude its most fundamental principle, and Bill 70 from 1991 and Bill 22 this year undermine the integrity of that prelude and, in fact, the entire act.

Thirdly, I want to put Bill 22 for a couple of minutes in the context of sort of a wider agenda. We will get an opportunity, Mr. Chairperson, in the next few weeks to speak on other bills before the Legislature, including bills like Bill 16, wherein this government is seeking to curtail the taxing authority of democratically elected level of government at the school board level.

The government's funding announcements. In advance of announcing the decision to implement unpaid leaves on government employees, government began announcing grants to school

boards, municipalities and all agencies who receive money from this government, and all of them received less than inflation increases, if not outright reductions. That has been met throughout the province with a number of responses, not just from within the labour community. I will just give you three, because many people in the community do not agree with you, including the labour movement.

Friday, June 18, from the Opasquia Times in The Pas. The Pas town council has decided to put the implementation of Bill 22, the reduced workweek legislation, on hold. It was brought up after reports from department heads on the effects the implementation of Bill 22 would have on revenue and operations. The committee felt that the bill should not be implemented.

They have got problems, and our union represents town employees there. We are sitting down with management there to work out any and all methods of saving monies in the operations of that town's activities in the context of the town living up to the three-year collective agreement they signed in 1992, and I believe we will succeed in coming up with those savings.

Two final levels of government that have commented on this government's track record, not just in the area of Bill 22 but the entire record, Dauphin Ochre School Area No. 1, May 25, 1993:

WHEREAS the provincial government has recently approved its '93-94 budget; and

WHEREAS included in its budget approval was major cuts of provincial government jobs in the Dauphin area; and

WHEREAS these cutbacks will mean that employees and their families are leaving the Dauphin Ochre School Area No. 1; and

WHEREAS this means a loss of school students and a loss of education grants;

THEREFORE BE IT RESOLVED that the Dauphin Ochre School Area No. 1 continue to urge the provincial government to reverse and discontinue the cutbacks in service that affect the Dauphin Ochre School Area No. 1.

Carried unanimously.

Finally, April 26, '93, the Town of Dauphin, and I will not read the WHEREASes: THEREFORE BE IT RESOLVED that the Council of the Town of Dauphin continue its efforts to urge the provincial government to reverse and discontinue the

cutbacks of jobs and services to the town of Dauphin and the surrounding area.

Those were only the top papers in a file I have of similar such pronouncements from various towns, town councils and school boards throughout the province. Most of our town councils and school boards where CUPE has dozens, literally dozens, of collective agreements, where for years, pre-dating this legislation and perhaps subsequent to it, we have been bargaining and coming to agreements. They are not always agreements that our members find to be perfect, but they are agreements arrived at in the two-party process and signed and honoured by both parties for their duration.

I will just close by saying, there is a long section within CUPE's major submission that talks about cuts in services to the public, and Bill 22 has the potential, if only three-quarters of the potential employees affected are affected, 75,000, to the tune of 10 days a year, that would more than double the worst year on record for strike lockout days. This really is a form of lockout when employees are not allowed to come to work and provide service to the public. You know, the worst year we ever had on record was 1978, 260,000-odd days lost. That will be more than doubled by Bill 22 if it is enacted only 75 percent of the way, and we think that is regrettable. We think there is another option, and that option includes free collective bargaining and respect for free collective bargaining.

The most fundamental concern that CUPE has with the legislation is the fact that it ignores collective bargaining and it sets aside a very fundamental right. It mitigates against any possibility of us making substantial progress in areas like the EITC forum and other such tripartite ventures. That is not to say we are not committed to working with those. Finally to conclude, we use an analogy in our brief: in a fuller economy Bill 22 is akin to 100,000 public servants saying midterm in a collective agreement—let us say unemployment was 2 percent, you know, full employment for statistical argument sake—we are not coming to work next week unless we get a 5 percent raise. We realize it is not time to bargain, but we really feel hard done by and we are not going to come to work. I expect that the government of the day and all the town councils and school boards would immediately proceed to

the courts, that injunctions would be granted, that employees would be ordered back to work on pain of dismissal.

In concept, the only difference between that analogy and Bill 22 is that you have the right to make laws like Bill 22 and employees do not have rights to enact laws. Apart from that, there is absolutely no difference in concept between reneging or, as we use in the hall sometimes in our meetings, welshing on a deal. When we present deals that are hard sells to our members—and I have presented some of those in my day—we present them for their entire duration, and we do not welsh on the deals that we make. We stand by them even if they are not great deals. We tell people to bring their concerns forward for the next round of bargaining.

With the greatest of respect through the Chair to the government, you are welshing on deals signed with 100,000 Manitobans. That is very regrettable in light of some of the other initiatives you are trying to embark on. Thank you.

Mr. Chairperson: Thank you very much, Mr. Moist. There are approximately about three minutes left.

Mr. Manness: I have a very short question. Mr. Moist, I always enjoy your presentation because it is well thought out. I believe it is sincerely presented.

I will not comment as to whether or not the government has welshed. It is your statement, and it is on part of the record. Certainly, though, I will indicate what has changed so dramatically in the past over the last 30 years is that when democratically elected governments became involved in an agreement which, maybe in retrospect, was not a good agreement, given the revenues coming to government, of course, governments of the day just went and borrowed more money against that for the negotiated contract. Today, government does not have that opportunity. I honestly believe that we do not.

Do you believe that the ability to honour contracts has any consideration at all, from the fiscal side? I know we can get into arguments on choices and increased taxes and so on and so forth, but when I survey the landscape I do not see what we are doing differently than many other jurisdictions. So I mean, is there a fiscal consideration, an ability-to-pay consideration that

should ever be considered by government during the term of a negotiated agreement?

* (1130)

Mr. Moist: Mr. Chairperson, through the Chair, I guess two comments. One, it is our belief that you surveyed the landscape on your own, independent of meaningful dialogue with representatives of working people in the province of Manitoba. Secondly, I mentioned into the record earlier, and I will mention it again, our union has bargained contracts, the 130-odd contracts we have throughout the province, some very difficult collective agreements, collective agreements that on occasion did not contain wage increases, but contained prohibitions for periods of time on contracting out and provided people with security.

We present that to our membership. It is a tough sell, but they have ratified those agreements. So I am not of the view that the parties are incapable of negotiating collective agreements, despite the economic times that we live in.

Mr. Alcock: I am just interested in your comments of what The Pas has done, and I believe you were also involved in the negotiations with the City of Winnipeg and some of the adjustments that were made in that circumstance. Can you speak of that experience in light of Bill 22?

Mr. Moist: With respect to the City of Winnipeg collective agreement, I was involved in that. The employees have, with that employer, negotiated a temporary wage rollback and extension of the collective agreement in exchange for security measures that were very, very important to them. None of those employees wanted to negotiate that collective agreement, but in the give and take of collective bargaining and in the ratification process they have passed judgment on it and approved of that agreement. I think it underscores the integrity, if nothing else, of the collective bargaining process.

Mr. Chairperson: Thank you very much for your presentation—[interjection] I am sorry, but the time has elapsed, Mr. Plohman.

Mr. Plohman: I would like one quick question.

Mr. Chairperson: One quick question then.

Mr. Plohman: Thank you, Mr. Chairperson.

In response to the Minister of Finance's (Mr. Manness) statement about, is there ever a time during a collective agreement that the ability to pay should be considered, Mr. Moist, you must be

aware of the precedent for this. It just happened during the '80s with the MGEU agreement, and the government of the day at that time went back to the union and did renegotiate and found some dollars that could be put into job creation. Do you think that kind of approach could have worked? Would there have been a receptive audience from the unions involved?

Mr. Moist: I can only speak in the abstract. I will not speak for the Manitoba Government Employees' Union, but I can speak on behalf of the union movement. There can and often are very mature and high-level discussions that go on in areas, including managing the economy and creating things like the Jobs Fund and negotiating security for people. Regrettably, that has not manifested itself in the present administration. We can only hope that their commitment to the economy and things like the EITC could be matched by their commitment to free collective bargaining.

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

I will call upon Garry and Jacqueline McFarlane. Ms. Heather Unfried. Mr. George Harris.

Do you have a written presentation, Mr. Harris?

Mr. George Harris (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed then with your presentation.

Mr. Harris: This is my first time to appear before a committee. It was very difficult to determine what perspective I would develop on this. I have chosen to develop a perspective that relates to many people who are my friends and family who are currently being very, very seriously affected by what is happening in our economy.

I am developing this perspective because Bill 22 focuses attention on—at least it claims to focus attention on deficit reduction. It, in my opinion, does not do that. Other people have addressed this in considerable detail. I have heard their presentations, but the people I am particularly wanting to maybe share their views before this particular committee are people who feel that our government here offers them no hope. They are people who have been unemployed for a long, long time.

I have family members—my brother who is 46 years old is now unemployed for the first time, has

no hope in his estimation of going to work. I have other family members as well. He is doing odd jobs, just surviving. I have many, many more friends now who are drawing social assistance, and I am not necessarily only focusing on the Manitoba government. All three levels of government are acting—whether it is by design or by accident is irrelevant. For the person who is on the receiving end, it does not matter. It just does not matter.

If we are not going to begin to talk about the priorities and to talk in a more holistic way, we have got—I heard one person use the word “hysteria,” hysteria about deficits across the country, and it is virtually as if it is an orchestra. But there are not jobs out there, and people are hurting.

The people I speak to in the aboriginal community, and I have quite a number of friends, tell me the unemployment rate is at 80 percent, and our government, the best that they seem to be doing over the last little while is participating in the closing down of VLTs in Roseau River. Now I do not see VLTs as an answer to the economic development in aboriginal communities, not for one moment. That is my personal opinion.

This government is now opening up casinos, at least through the Manitoba Lotteries Foundation. This is not helping unemployment. In fact, it is often making the plight much more difficult for people who are addicted to this form of—I am not sure whether one would call it entertainment or activity or whatever.

Bill 22 basically is assigning blame. It is assigning blame to workers for the current situation we are in. It is cutting away from their income. I do not see it as contributing at all to addressing the current deficit problem. The working poor, items like the extension of the provincial sales tax, so that now when you go into a McDonald's—July 1—we will be paying provincial sales tax on food. It is an increase in expenditure, but there has been no increase in the minimum wage.

* (1140)

My partner drew a total income last year, working full time, of \$7,100, and guess what, she paid tax on that because it is above the \$6,456 or whatever the exemption is. She paid her share. It was not much, but from \$7,100, what could you expect?

The unemployed, when Bill C-113 came through, I do not know whether members of this government

here even protested because if they did so it was a very, very quiet protest.

There are women in this community who will have to endure sexual harassment on the job because they just cannot quit and get another job.

Social assistance recipients, in April it was announced that the provincial government regulations were going to claw back income tax refunds from these people. All of these things say to people, there is a deficit and you are to blame for it.

There are 56 agencies which were cut in their funding. Now this is all the same tune, reduce the deficit. But I find it very difficult to believe that a single measure alone will address the problems we are in. There has to be a greater focus on getting people to work. Bill 22 effectively reduces the amount of work that individuals do.

Our preoccupation has been with the expense side of the problem, at least our preoccupation by governments in Canada and this one as well. There are some revenue measures, but the revenue measures seem to be regressive. Extension of the provincial sales tax, for example, is one of them.

If we are not talking about how to increase revenue and if we do not talk about it and enter into a serious dialogue, I do not know how we are going to come up with solutions. I just do not see it.

If we are preoccupied with just cutting and cutting and slash-and-burn philosophy, that is what we will get, a parched landscape.

I read a little while ago, and it was something that offended people who, like my partner, paid taxes last year. It offended them terribly. It came out of the Winnipeg Free Press, December 19, 1992.

The number of wealthy Canadians who escaped paying any income taxes continued to rise in the 1990 taxation year—I do not know what it is going to be now—according to Revenue Canada figures.

The department said 250 Canadians with incomes of more than \$250,000 paid zero income tax that year, the most recent year available. I do not know why that was the most recent year available, but it was. That is up from 180 rich Canadians who ducked income tax in 1989.

Tom Van Dusen [phonetic], an aide to Finance Minister Don Mazankowski, said the Tory government has worked hard to close tax

loopholes for the rich. But he also said, wealthy Canadians contribute a lot to the economy. These people are probably providing a hell of a lot of jobs and probably deserve the breaks they get.

On the economic landscape that I see right now, they are not doing their job if that is their role. I do not believe that the tax loopholes have been worked on very hard. It serves certain interests.

I do not even pretend to know. But if my partner earning \$7,100 last year pays tax, why does a person who makes \$250,000 not pay any? My partner wants to know an answer to that. Do they deserve the tax breaks they get when there are so many people who are unemployed, whether they are drawing unemployment insurance or social assistance or whatever? No one, and I would repeat, no one deserves \$250,000.

Just to see how much this would mean in the taxes that were ducked, I plugged a hypothetical T4 slip for \$250,000 into my own tax returns and, assuming that I did not make calculation errors, and that is quite possible, the federal income tax payable would have been \$71,603. That is a lot of money, and the Manitoba income tax payable would have been \$44,132.

As I say, I may have made some errors, but I think that is in the rough ballpark. With the exception of a very few Manitobans, we do not even hope to get an income equal to the tax breaks. My partner is a long way away.

It just seems to be to people who are unemployed, that we are focusing our attention on the wrong thing. We have to get people to work in good jobs, not just good-paying jobs, but jobs that people feel good doing, and not just subsisting and surviving.

I was reading the obituary of a very prominent Canadian who acquired a massive amount of wealth, some reputed to be as high as \$5.8 billion. For the life of me, I do not know how anybody deserves that much. In the obituary, it made mention to the fact that he considered municipal tax concessions important to his success, and there was a big fight about that, a legal wrangle about that. He retired to Bermuda to protect his family from any possible succession duties. That is just from the obituary. That was taken out of a rather conservative publication, Maclean's magazine.

Yet, many of the people whom I am referring to, because of the policies of our governments, are

being treated as if they are freeloaders. You do not have a job, you are not working, you are not doing anything to produce, you are a freeloader. I really wonder who the freeloaders are. Actually, I do not wonder; I have an opinion.

I think what is most important, as I said earlier on, is for us to develop a more holistic approach. Bill 22 is predicated upon some kind of preoccupation, I would say, far too much with deficit reduction. Unless we start to balance our thinking, and start thinking about what is going to happen to the huge numbers of people who are out there and who are not working, I do not know how we can resolve this.

I think at that point, I will end what I was wanting to present. Because I tried to present it from a perspective, as I said at the beginning, of people who are really hurting and who feel that our governments, and I use that in the plural very deliberately, just do not care.

* (1150)

The same people wondered why I was even bothering coming here. They did not think it made any difference whether I would come here and say anything at all. There is a level of cynicism that I fear people who are sitting in government just do not understand. The only fortunate thing for the people in government is that many of these people are so cynical they will not even go to the ballot box, because if they did, they would vote in one direction.

In making this bit of a presentation, I must say that I feel very emotional. I am not saying that I have the answers. Yet, when I watch people in government or governments, I see them sitting there very pompously as if they had the answers, but unless we get all of the issues on the table and unless we start debating them and unless we start thinking of the very creative ways of getting people employed, then we are not going to solve these problems.

There is a depression in this country, but we have to take that depression, not so much because of the economic indicators, but because of what the depression is, the collective depression of the many, many people who are unemployed, the many, many people who are drawing social assistance. It ain't any fun drawing social assistance. Yet, from the federal government down, my impression is that somehow people are growing rich on social assistance.

I will leave it at that point.

Mr. Chairperson: Thank you very much for your presentation, Mr. Harris. Time has just about expired but maybe about one or two questions.

Mr. Plohman: Mr. Harris, I think you have said more eloquently than anyone could say that the current taxation system in our society is not fair. There are a lot of people who are being hurt with what is being done in the preoccupation with cutting services to vulnerable people and increasing taxes to those who cannot afford to pay, while wealthy Canadians and corporations are not paying their share.

You said you do not think that wealthy Canadians deserve the breaks they get and that they are not doing their job. Did you mean that if they are not going to use the wealth that they have to share it and to provide jobs and to stimulate the economy, then they should be taxed appropriately so that government can use that wealth for the betterment of everyone, not just in their hands?

Mr. Harris: I would say that definitely they should be taxed. Part of my problem is knowing who these characters are. I think that there is in addition to that a very, very great need to have a full and public accounting of tax expenditure, not who gets it, but where the tax breaks are going. I believe that there is a lot of uncollected tax revenue. Now to people who are working in government and maybe people who are sitting around this table, that is all very obvious. I am talking about maybe there is a full accounting, but I am certain that there is not a public accounting.

Mr. Chairperson: Thank you very much for your presentation, Mr. Harris. Your time has expired.

I will call on Mr. Don Sullivan. Mr. Sullivan, do you have a written presentation?

Mr. Don Sullivan (Private Citizen): No, Mr. Chair.

Mr. Chairperson: Okay, you may proceed then, Mr. Sullivan.

Mr. Sullivan: Good morning, Mr. Chair, members of the committee. I would like to thank you for giving me the time to make a presentation on Bill 22.

I just want to start by saying that as my predecessor before me, Mr. Orlandini, I am now the one responsible for organizing this particular bill for labour and for other groups who wish to make

presentations before this committee. I was also responsible for organizing the rally that brought 5,000 people on these particular grounds three to four weeks ago. Those people came from various walks of life, from labour, from the aboriginal community, Child and Family Services workers, disadvantaged Manitobans. They came here to express their collective outrage at this government's policy.

I am here also to discuss a bit about the process. You have limited the debate and presenters to 20 minutes. This is quite unusual. It is the first time I have seen this. I was in at Bill 70, brought my accoutrements of democracy. I brought my sleeping bag here, because I was prepared to stay all night. At that time, there was no time limit imposed on presenters, but this time you have chosen to do such. We think that limits the right to full and democratic participation in our parliamentary process.

The other thing I find that this government has contempt for is the right to free collective bargaining. You have totally eroded this by presenting Bill 22. Governments, school trustees are implementing Bill 22 and yet it is not law.

These are the kinds of policies for the last six, eight years that this government has taken upon to present before Manitobans as a solution to their fiscal crisis, under the guise of, the deficit made me do it. I think there are other alternatives to the way that this government chooses to deal with its fiscal House.

I think sitting in on these hearings in the last two weeks I have heard many, many presenters give their personal testimony to how the effects of this particular bill will have upon their lives.

One in particular that struck me as very interesting was a woman who presented very early on in the presentations. Her name was Ms. Ducharme who had indicated that her husband, a truck driver, had been unemployed and that the reduction of 3.8 percent of her wages as a result of Bill 22 would have severe impact on the way she runs her household. I think for the many other people who work for the public sector, that common theme rang through.

* (1200)

I heard one presenter saying that the multiplier effect would have severe repercussions for our economy. A person who does not have a thousand

dollars to spend obviously will not hire somebody to paint the house, fix the roof, et cetera, et cetera. Those are jobs. Those painters, those roof fixers, will have one less job, one less area to spend that money, one less area to put taxes back into the government coffers.

The solution the government wishes to take is by creating wine boutiques by private owners, by increasing gambling houses. I think that is not a very productive way to run any economy. You have to create real jobs, put Manitobans back to work, put money in their pockets and put taxes back into your government coffers. What you in effect are doing is taking that money out of their pockets and creating more unemployment, more people on welfare and more people who will not pay taxes to the coffers. This continuing downward spiral effect of course may be part of a bigger plan to drive wages to the lowest common denominator.

Maybe this is part of the strategy to compete in the global market. Maybe this is part of the North American Free Trade Agreement. This is maybe part of the agenda. I have heard many people have fears that jobs will be lost to Mexico. I would think that maybe some of the Mexicans will come up to work here as cheap labour. Indeed, I noticed a particular project that Mr. Enns may be familiar with, the Assiniboine diversion project, the . . . population, a possible projection of 18,000 migrating Mennonites from Paraguay, Mexico, South America, coming up to southern Manitoba maybe as a source of cheap labour to work on Mr. Manness's farm. I do not know. But should we fear losing jobs to Mexico? No, we will just bring them up here.

I think the solutions that this government has come up with are bankrupt. I think there has been no real dialogue with the people of Manitoba, the workers of Manitoba, to find a solution where their so-called sharing the pain is the way to go. You have arbitrarily forced upon the workers and the disadvantaged of Manitoba a solution that meets your needs and not the needs of Manitobans. I think there are other alternatives.

Indeed, an organization that I work for, Choices, a coalition for social justice, has in the last few years presented alternatives in their budgets, that we have presented before you, that are sound, reasonable and put Manitobans to work. We think that an alternative solution, to collect the \$9.5 million of uncollected sales tax, is one of those.

We think that you should not be funding private schools. We think that spending \$31 million on a supply-management side program for water to an area that you represent is an ill-perceived plan. We think that amount of money could be better spent on conservation. We think the spending choices that this government is making are incorrect choices.

It is quite ironic that we sit here in committees named Economic Development, and I think one presenter, Patrick McDonnell, had hit the nail on the head when he said this is an Orwellian doublespeak approach. I think in fact that this should be economic underdevelopment. This is not the solution. I think that we should be really looking hard at consulting with Manitobans and those people who work on the front lines as to finding out the best ways to create efficiency within the departments that you and your ministers are responsible for rather than putting a gun to their head with this type of bill. They know first-hand where government waste can be reduced. Taking money out of their pockets is not one of those solutions.

I would say also that when a government and its employees bargain in good faith that there is a trust that has been developed over bargaining sessions that takes time, and both parties go away assured that there is an agreement on the table. What has been done here with this piece of legislation is break that trust. I have trust in my government that they, on my behalf, will represent me the best way that they know how. By electing me I have no choice in the matter of breaking that. I cannot say, sorry, you have broken that trust, go away. I have to wait until an election.

Under this bill, this is not the case. Why can I not say tomorrow, well, to heck with the parliamentary process. I do not agree with what you are doing. Let us rewrite it. Call an election. No, this government has in the last eight years done this consistently—six—five—boy, it seems a lot longer. Not if I have my way. This government has consistently changed the rules. I have seen it on the amendments on The Environment Act. I see it now coming up with Bill 41, amendments to The Park Act. I see them ignore their own recommendations by their recommending bodies. I have seen them flagrantly abuse the parliamentary process time and time again. But yet they go on ticking, just like a Timex watch.

I sat here for the last two weeks watching teachers saying how they will be affected by this particular legislation. I have seen members of the government having total contempt for presenters. I have seen what amounted to a brawl here last Friday. Mr. Enns got all wound up—

Floor Comment: Oh, that. That was a little stage show.

Mr. Sullivan: It is interesting, because I know Harry always likes to read his newspapers or magazines, whatever the case may be, but it was particularly interesting to see him that day because Patrick had been sitting there taking jabs for the last two weeks at him, so I guess he was chomping at the bit.

I guess when the Assiniboine diversion project gets going he will be wanting to chomp the bit at me.

In conclusion I would like to suggest this government take this bill off the table, sit down with the public sector unions and do a total inventory of where efficiencies can be made up rather than putting a gun to their head and legislating them on either a 10-day furlough or a 3.8 per cent rollback on their wages.

We think that bargaining in good faith should remain in place, and we think that this kind of legislation should be removed.

*(1210)

Mr. Martindale: I agree with Mr. Sullivan that there are some excellent suggestions in the Choices budget, and I guess we could talk about those but, instead, since it seems that the government is framing the debate, even though I do not agree with how they frame it, we will assume some of their assumptions for a minute. I think the government would like to control costs, it would like to reduce the deficit, and you have suggested some ways that they could save money. The Assiniboine River diversion, I think about \$65 million is budgeted for that; private schools, \$22 million—

Point of Order

Mr. Enns: Mr. Chairperson, on a point of order, despite what casual observations are, I do listen to everything that is said in this committee, and I have to correct the honourable member and not allow this to be on the record. Because there is no

money budgeted for the Assiniboine River by this government nor by the federal government.

Mr. Chairperson: Mr. Martindale to continue, then.

* * *

Mr. Martindale: I assume that the minister is talking about this year's current budget.

Mr. Chairperson: Mr. Martindale to ask questions of Mr. Sullivan. The presenter's time is slowly—

Mr. Martindale: Thirdly, you talked about efficiencies. What other suggestions do you have for controlling of the deficit or reducing the deficit as an alternative to Bill 22?

Mr. Sullivan: One thing that particularly struck my eye on the weekend was the First Minister, Mr. Filmon, took a \$7,000 trip to see Kim Campbell. Could he not have waited until July 4, maybe, when the First Ministers' meeting is tentatively scheduled to be held? Seven thousand dollars—brought his press secretary, brought his family, I believe was one of the only First Ministers to be in attendance at the ceremony of her swearing in as the Prime Minister of Canada.

Floor Comment: Speaks well for our province.

Mr. Sullivan: I beg to differ, \$7,000 could have been more well spent here at home. I think the students from the Winnipeg Education Centre who are now not going to be able to go to school could have used that money.

That was one thing that struck me as quite interesting. I think the other thing was the other piece that I saw in the paper by Don Campbell, one Loretta Clarke being appointed to a \$75,000 a year job as ADM for Northern Affairs to implement—what was it it?—Northern Development Commission. Why was there not a competition? [interjection]

Mr. Chairperson: Order, please.

Mr. Sullivan: I understand there is some minister here whose wife has also been appointed at one time.

Mr. Chairperson: The presenter's time is just about expired. Mr. Enns had a question, I believe.

Mr. Enns: Well, just a question that comes to mind, because the presenter indicates that what we are doing here is irreversible. That, of course, is not the case. You simply have to convince Mr. Doer or Mr. Edwards of the opposing parties that

they will make regress when they are elected to government. The idea of retroactivity is not foreign to labour negotiations. Many labour contracts go back a year, two years with retroactivity clauses.

If the people of Manitoba are convinced that what is being done is wrong by Bill 22, then, to follow your logic, it will be no difficulty for Mr. Doer to redress it in two years hence when he is elected with a majority government. So please do not present the issue with us. At least acknowledge that this is not an irreversible action that is being taken here.

Mr. Sullivan: It is good to hear that you, even yourself, admit that you will be out of government in two years.

Mr. Enns: That is fine, but that is not answering the questions. All you have to do is convince a majority of Manitobans that what we are doing here is wrong. So what is this democracy business? What kind of nonsense are we hearing from supposedly educated people?

Mr. Sullivan: This should be a good line when it comes out—democracy business.

Mr. Chairperson: With that note, the presenter's time has expired. Thank you very much, Mr. Sullivan.

I will then call upon Michelle Forrest. Mr. Mark Gabbert. Nicole Campbell.

Do you have a written presentation?

Ms. Nicole Campbell (Private Citizen): No, I do not.

Mr. Chairperson: Ms. Campbell has the floor. Ms. Campbell, you may begin.

Ms. Campbell: Hi, my name is Nicole Campbell and I live in Portage la Prairie. We can all remember what has happened in Portage. It is a memory—Campbell Soup, CFB Portage, Ed Connery.

I would like to start off speaking about my work. I am not an economist, but I do know that as a health care worker I am probably one of the best that you will find because I care. All of us care. I work in the extended treatment unit at the Portage Hospital, and that unit has some rehabilitation beds as well as geriatric beds.

I care for many people who do not have families. They do not have anyone there when they are tired, sick or lonely. We care for them day after day, year after year. These are people who cannot go home,

cannot care for themselves and many times when they die, it is in the middle of the night, without any notice, no advance notice to notify families to get them there. It is my co-workers and myself who hold their hands while they are passing through this world.

We love our patients. We are their families and they become our families. Many of us on our time off attend their funerals. The caring does not stop at the hospital at eight o'clock when I leave my shift. I go home and I worry about my patients all night long. I care about them and I love them. Now you are asking me to take 10 days away from those patients. There are eight nurses aides that work on that ward. That is 80 days this year that they will not get the love that I am there to give them.

I started working in the hospital 15 years ago. When I first started there, we had time to read letters, time to do their hair when their family was coming in from B.C., and time to sit and share their pain and let them talk about the past, because that is all they have to hang onto.

I do not have time to do that anymore. I am sure each one of you sitting around this table right now looking at me, if you had a mother or a father on my ward, you would hope that I would be there with them, but now you are asking me not to be there.

I just want to tell you this. My prayers are with them, even if I cannot be there physically with them. It is not my choice; it is yours.

I am the president of the CUPE local at the Portage Hospital and I represent 120 members. In 1991 we went to the bargaining table and sat there and tried to negotiate an agreement, and we were there for several months when you introduced Bill 70. I went to my members and I explained that we were asked to share the pain and that something had to be done to assist with the deficit. My members did not like it, but we sat there and we accepted it; 1992 came along and I said, okay, here we go, we will go back to the table. We will not get a big increase, but we are going to give it a try and see what we can get. We negotiated for a whole year, for a long time. We reached a tentative agreement just a few months ago.

* (1220)

I just recently took it back to my members, and they unanimously accepted it. They did not like it. It was not a good contract, but it was the best we could do, and we thought, we have shared the pain

with Bill 70, we will accept this contract and then next time it is our turn. Then I had to go back one more time and tell them, we have been hit with Bill 22, and we have to share the pain again. I wish I could have video taped what went on in that room that night. I looked at single parents, at widowers who are trying to raise children, and I had to tell them that they are going to be giving up 10 days pay this year. They were not angry. They were like I am right now, they were devastated. Some just sat there and shook their head, and others said, how am I going to make the payments on my mortgage? Several just cried and walked out.

This is not sharing the pain. You are putting the pain on me to take back to my members, the people I work side by side with, and people who I live beside.

That is not sharing pain. That is offloading it.

You are asking me to give up 10 days this year. I just had a phone call from a member last night, and I talked to her till 10:30 last night. She said that she had finally gotten a position at the Manitoba Developmental Centre for the summer. She is a university student. She could not get enough hours at the hospital, so she got this full-time, term position for the summer. She went to our facility and asked for a leave of absence.

Friday evening after I left the Leg, and you all saw me here, I went back to where I work out of and there was a message for me to phone management. They were talking about this member. They want her to quit. They have no problem with her work record. She is a good worker. They advised her to come back and apply in the fall. They would like to have her back, but they will not give her a leave of absence because they say they need her there to cover those shifts that they have scheduled for the summer. Now, if she cannot get a leave of absence how can you give me and another 120 people 10 days off? It does not make sense to me. I do not understand it. Somebody is just trying to get ahead and you are saying no.

As well, we are in financial restraints everywhere. I do not understand why at the Portage General Hospital we have new leather furniture sitting in the front lobby with oak and glass tables, and then you walk down the hall to the doctors lounge and there is new black leather furniture with brass and glass tables. You go downstairs to the cafeteria and it

has been totally renovated, but the cafeteria where the food section is is locked up at night. There is no water tap in the section where we are required to sit on night shift. We have to go back to the wards to get a drink of water. How can you fix a cafeteria? How can you have leather furniture in a front lobby, but we cannot provide care to people who need it? I do not understand that, I am sorry.

As well I would like to talk to you about my family. I grew up in a small rural community in Oakville, Manitoba. My father was a farmer and my mother stayed home and raised four daughters. We were all very active in the community and took pride in our community. When I graduated from high school there was nothing here that I wanted to do. I saw big dreams in the United States, so I moved down there, and I thought I would get an education. I was going to be famous, maybe save the world, but I did not. Because I found the American way of life was disgusting and I did not want to live there, I moved back in 1989 because I thought Manitoba held my future.

I married my husband in 1982 and we had small dreams. I think anyone around this table would admit that just owning a home and raising a family is small dreams. We did not ask to be rich. My husband works full time at McCain's and he worked part time as a farmer's hired hand. I worked full time at the hospital, and I worked part time as a professional figuring skating instructor. I would like to return to that profession right now to top up my salary, but when times are tough people do not put their kids in figuring skating anymore, so I cannot do that.

A year and a half after we were married we bought a house, 780 square feet for the price of \$51,000. Not a big house, not a big mortgage. After that we decided we had our home, we had good jobs, we were going to have a family. Sometimes, God is not good to everybody and I found out I could not have children, so in 1985 we adopted a beautiful blond-haired, blue-eyed little girl. I thought we were blessed. We were happy. A few years later I was at my annual checkup at the doctor and he said, I think I will refer you to the in vitro clinic at the Health Sciences Centre. Well, that was a miracle, but I found out that this government has cut the funding to that clinic and it no longer exists.

After several years of being there and having tests done on Friday because those were the days

when I needed the tests done—you cannot just pick what day you test for somebody who has a fertility problem. It has to be on a specific date, specific times. On Fridays I would go to the in vitro clinic and have my tests done. In 1990, I gave birth to a beautiful little girl. We thought we were doubly blessed.

1991 came along and tragedy hit us. Michal, who is now three, was diagnosed with severe asthma. My wages were frozen, and I had an accident which left me unable to work until the spring of 1992. Michal every day takes medication four times a day. One inhaler costs \$20 a month, the other costs \$56 a month. Those are covered by Pharmacare, but as you well know you have to have the money in your pocket first, and then you get it back. This is creating a hardship on us.

As well, because of her young age she is unable to use inhalers like an adult would, and she needs a piece of equipment that I work seven hours a month to pay for. It is just a plastic tube with a mask on the end. Seven hours a month to pay for that. It is a lot of money.

We are faced with choices today, now that Bill 70 has hit us. Not choices of do we take our winter vacation in Florida, or maybe we will not buy the RRSP this year, our choices are, does Jenny Lynn get singing lessons? Do we buy Michal's equipment, or do we try and make do the other old way that is not as effective?

I do not have a lot of choices to make. I do not have a bank account, a savings account. I do not have those things. I just have the desire to raise my family and contribute to my community in a positive way.

Mr. Manness, you said on the first night of the hearings that you sometimes have trouble sleeping at night. I hate to have to inform you, but you have created an epidemic of sleep disorders. A hundred and twenty members where I work are not sleeping at night because they do not know how they are going to pay their bills. I do not want to wake up Christmas morning and look at the faces of my children, because that is probably one of the choices we will have to make. I cannot choose not to buy medication for my children. We will have to cut the extras, and the extras for us are Christmas.

You do not have to worry, Mr. Manness, because Santa comes to whoever is naughty or nice, he just

does not come to the poor. I ask you, please remove Bill 22. Thank you.

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

Mr. Martindale: I would also like to thank Ms. Campbell for an excellent presentation. I do not really think I could improve on it by asking a lot of questions, and we are shortly out of time, but I will ask one question. What does the hospital do regarding scheduling and staffing when staff are required to take 10 days off? Do they not still have to call in staff to provide patient care?

Ms. Campbell: Currently we are faced with a situation where we are grossly understaffed. A decision came down earlier this year where it was determined that no one who was on sick leave, vacation or leave of absence would be replaced, sometimes leaving the wards in a very scary situation, and the staff do not feel that it is healthy environment to have sick people in.

I do not know what they are planning on doing. They have to replace us. Right now we are at a bare minimum, and I cannot foresee taking eight people and giving them 10 days off and functioning. We are not allowed to give one day up. We are not allowed to take one day leave of absence because we have staffing problems right now.

Mr. Martindale: Has the hospital management not told the union yet how they plan to schedule the days off?

Ms. Campbell: There has been no word received. We were sitting at a joint meeting with management, the board and all the unions two weeks ago, and the CEO indicated that a decision was coming down from the Health Services Commission, but he would not elaborate on it.

We, at that time, requested a meeting as soon as the date had passed, and he refused to meet with us. He said he would see what came out of that meeting and he would determine whether there was another meeting necessary.

* (1230)

Mr. Jack Penner (Emerson): I was sitting here really sympathizing with your position, because you remind me of somebody I know very well, and that person is my daughter. She is so much like you in many ways in your lifetime that you described, that I said, could there be two people so similar that have grown up a hundred miles apart?

She also moved to the United States when she was a young girl and also wanted to change the world. She also took a job when she came back to Canada. Her husband—by the way, she also got married and raised a family. Her husband is a farmer. Her husband's income has dropped to less than a third what it was when they got married. They have to make do. She will also be required to take 10 days unpaid leave, as many others will in this province.

There are many, many people that have seen very dramatic drops in incomes, whether they are farmers or whether they derive their incomes from the incomes of farmers, especially in rural communities which you know so well, whether they are car dealers or whether they are car salesmen, whether they are machinery salesmen. Many of them have lost their jobs because there is not enough income to support those dealerships anymore. We have seen a very dramatic economic change, especially in rural Manitoba—a very dramatic decline in income in rural Manitoba.

Yet I see those young people making adjustments and changes that have gained the admiration of many of their elders in the communities, because these young people are adaptable and they know how to change their lifestyle. That is what is happening, and maybe some of them were living way beyond their means at the time but they have made the changes. I have seen some dramatic, dramatic changes in our communities because of that. I am not so sure whether they will not be better people for it.

However, the point I want to ask you—the question I have to ask you is, you are quite emotional, upset by the reduction in salary that you were being forced to take and the days off that you were asked to leave your job because of your concern for the patients. I think all of us admire that quality in a person that is in the care industry.

Certainly those of us that had to have the need to make use of those facilities certainly appreciate that, so I want to commend you for that. However, I want to ask you, is there anything in this bill that would prevent you on your so-called days off to go back there and offer your time to be with those patients? Is there anything in this bill to prevent that?

Ms. Campbell: As I stated in my brief, I said I will continue to go to the funerals of my patients and I will be there. I feel it is unfair of government to expect me, when I am already giving so much—when I go to the funeral I sit with the family, and now you are asking me on my day off to go and sit with them while they die, to spend time with them?

Mr. Penner: Mr. Chairperson, that is not what I am asking at all, and I am not asking you to do that at all. I am just asking, is there anything in this bill that would prevent anybody from doing that if they so chose? I did not say you should choose to do that. I just asked, is there anything in this legislation that would prevent that?

Ms. Campbell: No, there is nothing in there that would prevent me from giving my time freely. Maybe the government themselves could start touring around and visiting personal care homes where there is no family and no staff and maybe you could spend some time with the elderly. I have never seen anybody on the ward and I have been there 15 years.

Floor Comment: You ought to come with me some time.

Ms. Campbell: Well, there is nobody in Portage that goes around.

Mr. Chairperson: Thank you very much for your presentation, Ms. Campbell. Committee rise.

COMMITTEE ROSE AT: 12:35 p.m.