



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*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
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EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALLOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
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<i>Vacant</i>	Rupertsland	
<i>Vacant</i>	The Maples	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

Monday, July 5, 1993

TIME — 9 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRPERSON — Mr. Jack Reimer (Niakwa)

ATTENDANCE - 11 — QUORUM - 6

Members of the Committee present:

Hon. Messrs. Ducharme, Enns, Manness, Praznik

Mr. Alcock, Ms. Friesen, Messrs. Laurendeau, Martindale, Penner, Reimer, Ms. Wasylcia-Leis

MATTERS UNDER DISCUSSION:

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

* * *

Mr. Chairperson: Since all presentations have been heard regarding Bill 22, we will proceed with the detailed consideration of the bill.

Does the minister responsible have an opening statement?

Hon. Clayton Manness (Minister of Finance): No, I do not, Mr. Chairperson. We can proceed clause by clause.

Mr. Chairperson: Does the critic for the official opposition have an opening statement?

Ms. Jean Friesen (Wolseley): I want to put some general comments on the record. We heard a very large number of presentations on this bill. Many of them, I think, had some very significant contributions to make to the bill.

There were suggestions of changes to the threshold legislation, changes to professional development days. We heard from students who were going to be affected, we heard from parents who would be affected, and also by people who would be affected by the loss of social services, particularly in Manitoba. We also heard a great deal of opposition to the principle of the bill, to the absence of negotiation with employees, to the retroactivity of the bill, and also, particularly, to the transfer of authority to employers, essentially

shifting the basis of power in labour relations in Manitoba in the public sector towards the employer.

I would like to know, first of all, if the government proposes any changes to this bill. As a result of the long public hearings, is there anything which the government intends to withdraw or to alter?

Mr. Chairperson: Ms. Friesen, to continue.

Ms. Friesen: I will continue then, and the minister can answer that later.

Our intention, as we said in the House, is to oppose this bill, with the exception of Section 3, which deals with the conditions and salaries of MLAs and with constituency allowances. We also intend to introduce an amendment in Part 1, Section 12 of this bill.

Mr. Chairperson: Does the critic for the second opposition have an opening statement?

Mr. Reg Alcock (Osborne): I must confess, this is the first bill of this nature that I have sat through all the hearings on. I made it a point of being here for most of them, and I confess to having some sympathy for the minister, having sat here and watched the kind of process that he had to go through.

I start off being somewhat sympathetic to the position that he finds himself in and the need to find some ways to reduce expenditures. Certainly, I represent a large number of civil servants who live down in the Riverview and Lord Roberts area, and if the intention of the bill is to simply prevent layoffs and to keep people employed, what I am hearing from the people that I represent is that they are quite prepared to accept a 3.8 percent reduction in pay on a temporary basis.

However, the problems with this bill seem to go far beyond that. I have a great deal of interest in trying to determine why the government has decided to go so far beyond that one narrow objective in bringing forward this bill. So I have a few questions for the minister up-front.

It is our intention, as we have stated also, to oppose the bill except for the sections that have to do with MLAs' salaries and benefits.

Mr. Manness: Mr. Chairperson, I will not take too long to respond other than to say that, at the time that we ultimately decided as a government to proceed with this bill, that was a decision made not quickly. I mean, we had a range and a choice of decisions to make. We knew that, given the very severe fiscal state that we found ourselves, we were going to have to address or direct some portion of that attention towards the total pay package of government.

Although we have heard representation from many presenters, the fact is that many of them work for Crowns and/or agencies outside of government, and that they should be using the words "saved harmless," that they should not be part of this approach. I guess from Day One we said whatever we would do we would have to impose it over the wider public service because when you are taking strong measures like this, it is very important that those who feel the impact also see where others are sharing in that impact. We have not strayed from that. That was one of the easier decisions and yet maintain our consistency we had no choice.

I have listened to the representation of people who have come forward, and I guess it has basically fallen into one camp. People are saying, raise taxes. When you ask people how much we should raise taxes to alleviate some of the pressures so that moves like this and legislation like this would not be necessary, when you ask the question, people look at you kind of in a vague light.

* (0920)

I think intuitively they believe, well, you could increase the taxes by 2 or 4 percent, maybe 5 percent. Little do they know that the dimension of our problem is such that you would have to increase personal taxes, I would think, in the range of 30 or 40 percent to begin to address structurally the part if we wanted to do it on the revenue side.

What, of course, they are saying is, increase it basically 60 or 70 percent on those people earning \$50,000 or more. Well, that cannot work. It can work in the fairy tale world, I guess, of politics, when you are in opposition benches and you can at times make it believe that a tax increase on the rich will work, but it will not work in today's context.

So we are back to the expenditure side in part, because I acknowledge that we are bringing in still some additional revenue through a broadening of the sales tax base in particular and fuel tax. But still, on the expenditure side, we have no choice but to look in this area.

If ever we were certain that we are on the right path, it is when looking at Bill 48, I believe it is, in Ontario, where all of the measures that we had within Bill 70 and Bill 22 are all married into one bill almost.

I will not go into the chapter and verse at this time. I will spare members of the committee from that, but governments are having to do this for a reason. I mean, there is not great politics in bringing in bills that are going to impact the public sector.

The public sector is not overjoyed about this, and I can understand why. But the reality is, it is the way it has to be today.

Now, specific questions posed, first of all, by Ms. Friesen, wondering whether or not we will bring changes. We will reduce nothing from the bill. We will, however, bring in an amendment in Section 16(2) putting greater specificity or definition with respect to one element on dealing with arbitration.

I do not know whether Mr. Alcock has specific questions. If he does now, I am prepared to answer.

Mr. Alcock: I take it from that, the minister may have answered it in his comment. I mean, really the question is, then, are you prepared to accept any amendments in this bill? Are you prepared to accept any amendments with this bill or related bills that will deal with some of the inequities in pensions? Are you prepared to accept an amendment that will narrow the scope of the bill? Are you prepared to accept an amendment that will deal with the inequality that is produced in the withdrawal of professional development days in the educational system?

Are you prepared—[interjection] I am asking questions. Are you prepared to accept any amendments to the bill?

Mr. Manness: Without having seen any of the amendments, I would say, I cannot say yes or no until we have seen them. Certainly, if it is going to gut the bill or take away any element of fairness that we have worked so hard to structure in this bill, the answer is definitely no.

I mean, if we pull out any one of the parts, then the member is asking us to begin to engage in the kind of a fiscal tyranny where you are going to focus in even more specifically. The member is saying, well, gut everything except the MLA portion.

That is easy politics. I mean, everybody is going to love that. That will make a hero of all of us. But the reality is, it is not going to save on the gross side in the public sector \$100 million-plus and \$15 million net purely within the government account.

Mr. Alcock: In fact, I did not say that. In fact, I did not say, let us not change the provisions of the 3.8 percent.

The question is, and it was raised by a variety of presenters, that within the context of the bill there are inequalities, one being the impact on pensions, that people in their last few years of work are going to be impacted more severely by this bill than people who are earlier on in their careers.

A second one was the situation that arose because of the identification of professional development days, whereas some school divisions will not be withdrawing them, others will. There will be an inequality across divisions and some competitive advantage eventually in some of the larger divisions.

I am simply asking the question. If there is not a willingness to amend, to correct some of the inequalities, that is fine, just say so. But, if there is a way to solve some of these problems that were presented by presenters, I am wondering why the government would not be prepared to do so.

Mr. Manness: I say to Mr. Alcock, we have looked at all of those elements, and I will not suggest for one moment they are weaknesses or inequities, although one that probably caused us the most pain was certainly some of the pensionable earnings that will be reduced, particularly in the public school system.

Within the civil service we are not terribly troubled by that because if an individual now has to work an extra two weeks or so from when they were planning specifically to retire, they will regain back all of their lost pension.

Where we do have more of a problem is within the area of education because you just cannot work those extra two weeks. But, to begin to address that problem in isolation, then it is to begin to address again a whole myriad of problems.

This is governing. Governing is making tough decisions. In some cases, if teachers particularly, or educators, are going to want what they thought or expected to receive in pensions in some period of time, they then may have to work an additional half year to have that, and more.

As far as the other element, when the member talks about the differences in professional development days as between school division and school division, what he is saying is that our bill, then, will be of higher order than the autonomy of the local school divisions, and we have chosen not to put our bill over the autonomy of the local school divisions.

Now, if he is suggesting that we should, then, of course, that is a whole new issue. But for us, then, to say that within the law that we are about to pass, one school division or all school divisions should treat their employees in the same fashion is to say that there will even be a greater attack on the autonomy of 48 school divisions.

Mr. Alcock: First, with the pension issue, I am wondering, has the minister looked at whether or not a simple amendment to The Teachers' Pension Act that changed the definition of pensionable days of service would not solve the problem?

Mr. Manness: Mr. Chairperson, let me say to Mr. Alcock, first of all, our general position has been that the overall effect of Bill 22 on pensions will be virtually minimal. I am prepared to table for the committee a summary sent out by Walter Warosz which would confirm my statement and can be made up with extra time worked. That has been the general approach. We have spent a lot of time in developing this bill, trying to get our arms around this problem.

Mr. Alcock: Mr. Chairperson, for clarification, Walter Warosz, is he not the superannuation—but does he deal with the teachers' pension fund also?

Mr. Manness: No, I do not believe so. Well, he certainly is cognizant of them both. He deals—[interjection] Civil Service Commission, Walter Warosz. [interjection] Right. I will give you some indication. Current annual salary, let us say, of \$50,000, the reduced annual salary would be \$48,080. The monthly pension reduction would be \$5.63, and at \$25,000, the monthly reduced pension would be \$2.20.

Mr. Alcock: But, that is for a person who is currently a member of the civil service plan.

Mr. Manness: Right.

Mr. Alcock: My question, though, is about teachers, because as the minister has said, a person who is a member of the civil service can make up their lost benefits by replacing the eight to 10 days or whatever it is that they are going to lose, but in the case of a teacher, they would have to work an additional six months. I believe there was a suggestion, in fact there was a suggestion, by a couple of presenters that a simple change in the definition of day's service in the teachers' act would correct that.

Mr. Manness: Well, Mr. Chairperson, it is not that simple. It just is not that simple. The question is, who is going to then make that contribution? Who is going to pay, and how do you do that for teachers and not do that for civil servants and all the other public sector servants? How do you do it just for one group?

Mr. Alcock: Surely, the question goes on both sides. The minister says himself that a civil servant can recover that lost time by working an additional two weeks, 10 days, but a teacher has to work an additional six months, half a year. So how is that fair? If fairness is the guiding principle here, how is that fair? [interjection] Well, four months over two weeks.

* (0930)

Mr. Manness: Well, like the member says or as I said before, an extra four months, I guess that is a decision that the teachers will have to make. I do not know how you measure fairness in degrees. It is one of the tough issues when you have a public calling such as we do.

Mr. Alcock: Then to go back to the question of autonomy, you have already deprived the school boards of autonomy. [interjection] Well, both by limiting their ability to increase their levy by more than 2 percent and by determining what areas in which they will be required to find the savings that you are requiring them to find. If I understood what the minister said, it is that you are not prepared to attempt to correct the further inequity that you have created as a result of that.

Mr. Manness: That is correct.

Mr. Alcock: So then potentially the final question, you are not prepared to accept any amendments other than your own to this bill.

Mr. Manness: This is a very all and powerful bill. I cannot contemplate what type of amendments are going to be proposed by the opposition, so I will not say no to that question until we have done our work and I have seen what has come forward.

Mr. Chairperson: The bill will be considered clause by clause. During the consideration of the bill, the title and the preamble are postponed until all other clauses have been considered in the proper order by the committee.

Let us start with Part 1, Reduced Work Week and Reduced Compensation. Clauses 2 and 3— [interjection] The bottom of page 3. Clauses 2 and 3, pass?

Ms. Friesen: We wish to oppose that, and we would like to have a recorded vote.

Mr. Chairperson: Clause 1—pass; Clause 2—

Ms. Friesen: How are you going to do this?

Mr. Chairperson: Clause by clause.

Ms. Friesen: I am asking for a recorded vote.

Mr. Chairperson: On every clause?

Ms. Friesen: We are prepared to do it by section.

Mr. Chairperson: No, we have to consider it clause by clause. The bill is—[interjection]

Clause 1 is passed. Shall Clause 2 pass? It is accordingly passed—no, Clause 2 is asked for a recorded vote.

All those opposed to Clause 2, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: All those in favour, please say yea.

Some Honourable Members: Yea.

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

Shall Clause 3 pass?

An Honourable Member: No.

Mr. Chairperson: All those opposed to Clause 3, please say nay.

An Honourable Member: We are on page what?

Mr. Chairperson: The bottom of page 3, Clause 3.

Shall Clause 3 pass?

All those opposed to Clause 3, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: All those in favour, please say yea.

Some Honourable Members: Yea.

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

Clause 3 is accordingly passed.

Mr. Manness: Mr. Chairperson, I want to see the rules which say that this committee cannot conduct its business in a fashion that it wishes given that there is unanimous consent to do so. If there is unanimous consent of this condition to consider this bill section by section, then the committee's will will rule. If there is not, that is different.

Point of Order

Ms. Friesen: Mr. Chairperson, on a point of order, we are prepared to move section by section, but we do, as I mentioned in the beginning, have an amendment to introduce at 12.1 in Section 1.

* * *

Mr. Chairperson: Clauses 4 to 11—pass. Shall Clause 12 pass?

Ms. Friesen: I move

THAT the following section be added after section 12:

Pensions not affected

12.1 An employer's or employee's obligation to contribute to a pension plan and an employee's entitlement under a pension plan are not affected by any reduction in the employee's wages that results from a requirement to take leave without pay under this Part.

[French version]

Il est proposé d'ajouter, après l'article 12, ce qui suit:

Effet de la réduction des salaires sur les pensions

12.1 L'obligation qu'a l'employeur ou l'employé de cotiser à un régime de retraite ainsi que le droit qui est conféré à l'employé aux termes d'un tel régime ne sont pas touchés par la réduction de salaire que subit l'employé par suite de son obligation de prendre le congé sans solde visé par la présente partie.

If I can add something on this. The purpose of this is to address the issues which were raised by presenters, who seemed to believe that it was an oversight of the government, that they had not looked at pension issues. I think it is very clear from the discussion earlier on this morning that in fact it was the government's intention to affect

pensions, and I think we, without any further ado, would like to move that amendment.

Mr. Manness: Mr. Chairperson, I would like to speak on the motion. The motion has been duly received?

* (0940)

Mr. Chairperson: Yes. On the motion received by Ms. Friesen,

THAT the following section be added after section 12:

Pensions not affected

12.1 An employer's or employee's obligation to contribute to a pension plan and an employee's entitlement under a pension plan are not affected by any reduction in the employee's wages that results from a requirement to take leave without pay under this Part.

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Moved in both official languages.

Mr. Manness: Mr. Chairperson, the government has to reject this motion. I would like to give some quantification of the cost of acceding to the wish of the NDP, and I dare say, probably the Liberals too. That would be an additional \$1.5 million in the civil service account, probably another \$3.5 million across the whole public sector as an add-in or an add-back.

I think that given what we have not done in this bill compared to, for instance, what has happened in other provinces, particularly Ontario, we have not touched the hourly base wage, we have not removed merit increases as has happened in Ontario, we have not removed benefits as some have in other provinces, and given the fact that we have not moved in those three areas, I am not unduly troubled by the fact that we have moved somewhat within the pension area and

consequently would have to vote against this motion.

Mr. Chairperson: I would like to point out that the proposed—sorry, Mr. Manness.

Mr. Manness: I finish by saying that given that there is an added cost to this, is the motion in order given that it is calling upon the government to again provide additional funds?

Mr. Chairperson: I thank Mr. Minister. I would like to report that the proposed amendment brought forth by Ms. Friesen is out of order. I would refer specifically to Rule 54.(2) which in effect states that: "No member, who is not a Minister of the Crown shall move any amendment to a Bill or to estimates that increases any expenditure or varies a tax or a rate of tax or provides an exemption or increases an exemption from a tax or a proposed tax, . . ."

Therefore, I rule that the amendment is out of order.

Point of Order

Ms. Judy Wasylcia-Lels (St. Johns): On a point of order then, I mean, this in effect would—we are dealing with a bill that deals with financial affairs. We are dealing with a bill that affects the provincial purse strings. That would mean that any amendment that members of the Legislature would contemplate would be considered out of order simply on that basis. It certainly is hard to imagine how that ruling could be made in this context, and it means our role here is meaningless at the committee if we cannot bring forward any amendments to a bill simply because it deals with financial matters. On that—

Mr. Chairperson: It has been brought to my attention through Legal Counsel and representation by the Clerk's Office that the ruling and the interpretation of the amendment is out of order. That is the ruling of the Chair.

* * *

Ms. Friesen: I wanted to ask the minister whether he is including in this—have school boards, who are affected by this, have they in effect become Crown agencies? Is that what he is arguing?

Mr. Manness: No, I have been accused of a lot of things, but I have not heard anywhere yet somebody saying that school boards, that the laws we are imposing have made Crown agencies out of

the school boards; as a matter of fact, just the opposite.

The member should be well aware, and I am sure is well aware, that the first and the preferred resolution coming forward from MASS would ask us to roll back, unilaterally roll back the wages of teachers. We chose not to do that in keeping with what we believe was the autonomy of the school boards, that they have to make some of the tough decisions also. Certainly they are not Crown. If they were Crown agencies, we would have done that.

Ms. Friesen: I understood the minister to say that he was rejecting this amendment on the grounds that it affected Crown agencies, but it is broader than that in the amendment and in the purpose of that, as of course is the minister's bill. So what exactly are the minister's grounds for rejection of this amendment?

Mr. Manness: Well, I have made it very clear that the saving that we have talked about would be reduced as a result of accepting this amendment, number 1; and, number 2, as we look around and survey the landscape, many provinces have gone into the benefits packages, others have gone into the hourly base wage. We have done none of that. What I am saying is quid pro quo for not doing that and not taking the more severe measures.

What we would expect then is a slight reduction of anywhere from \$2 to \$5 a month in ultimate pension benefits from our employees as their contribution and as to their share of contribution to the debt that we have in this province.

Ms. Friesen: The minister says that he has not affected benefits and he has not done some things that have been done in other provinces, but he should make no mistake that this is a very harsh bill which has transferred the principle of authority and collective bargaining in fact to many employers, where there has been no negotiation with employees as there was in other provinces, and Saskatchewan and British Columbia are ones that come to mind, clearly, the principle of retroactivity, the principle in some bills in some provinces of having a threshold of \$30,000 under which people would not be touched.

We heard in hearings from people who were making less than \$6,000. Some people were making \$10,000 and \$12,000 and \$14,000 who were going to be affected and "share the blame" or

"share the pain" as the minister would call it in this bill. So I do not think that his arguments are particularly strong. I do think that this bill is going to hurt an enormous number of people. We heard from them, and it is going to shift and change the basis of the power in labour and management relations in this province for a long time to come. It is also a retroactive bill, something which I think is not appropriate for any government under the majority of circumstances.

So with all due respect, Mr. Chairperson, I would like to challenge your ruling on this.

Mr. Chairperson: The ruling of the Chair has been challenged. All those in favour of sustaining the ruling of the Chair, please signify by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, please say nay.

Some Honourable Members: Nay.

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

Ms. Friesen: Could we have a recorded vote, Mr. Chair?

Mr. Chairperson: A recorded vote. All those in favour, please raise their hand.

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

Yeas 6, Nays 3.

Mr. Chairperson: Clause 12—pass; Clauses 13 and 14—pass.

Part 2 Medical Practitioners' Compensation, Clause 15—pass. Shall Clause 16 pass?

Mr. Manness: Mr. Chairperson, I move

THAT section 16 be renumbered as subsection 16(1) and that the following be added as subsection 16(2):

Arbitration proceedings void

16(2) On the coming into force of this Act, no arbitration proceedings relating to compensation for medical practitioners for the 1993-94 year may be commenced or continued, and any such proceedings, including any decision by a board of arbitration, are void and of no effect.

[French version]

Il est proposé que l'article 16 du projet de loi soit amendé par substitution, à son numéro, du numéro de paragraphe 16(1), et par adjonction, après le paragraphe (1), de ce qui suit:

Nullité de certaines procédures d'arbitrage

16(2) Les procédures d'arbitrage, y compris les sentences arbitrales, relatives à la rémunération des médecins pour l'année 1993-1994 qui sont engagées, continuées ou rendues à compter de la date d'entrée en vigueur de la présente loi sont nulles et sans effet.

Motion presented.

Mr. Manness: Mr. Chairperson, I would like to introduce an amendment to Bill 22, The Public Sector Reduced Work Week and Compensation Management Amendment Act. The amendment will add an additional subsection to Section 16 of Part 2 of the bill, Medical Practitioners' Compensation. The amendment simply clarifies the intent of this section so that it is clear that matters relating to the 1993-94 fee schedule for Manitoba physicians may not be arbitrated.

By way of background, when Bill 22 was being drafted, Legal Counsel advised that the original provisions were sufficient to ensure that there would be no arbitration of a '93-94 physicians fee schedule. In consideration of this fact, the available amount that fixes the maximum the province will spend for ensured medical services in '93-94 was set at 98 percent of the '92-93 amount. This represented a net 2 percent decrease approximately equivalent to civil servants who will take 10 days off without pay but who will receive a negotiated salary increase in September.

Notwithstanding our understanding of the section as originally drafted and the fair manner in which physicians were treated, the Manitoba Medical Association filed notice on June 8 that they intended to arbitrate the '93-94 fee schedule. While our legal advice remains that the act would override the agreement which provides for arbitration, rather than engage in costly and time-consuming court actions or arbitrations over this question, this amendment will establish very clearly that the '93-94 fee schedule may not be arbitrated. By incorporating a net 2 percent reduction in Bill 22, physicians have been treated fairly. What the MMA is attempting to do is have doctors receive special status relative to others paid out of the public purse. This is unacceptable to the government and I am sure to all members of this committee.

Mr. Chairperson, let me just add that as Ms. Friesen has said this is a very powerful bill, and I

have never suggested anything else but. Rights are impinged by this bill and I have never suggested anything else but. But that is why fairness to the extent that the government judges it to be fair has to be spread across all those groups in society who draw their funding from the public purse. We will not let anybody, particularly in this case the doctors who would like to go to arbitration and other groups, have a special status by way of legislation and/or their definition or judgment of agreement that may be in place. That is the reason for bringing in the amendment.

* (0950)

Mr. Chairperson: On the proposed amendment brought forth—

Ms. Friesen: As we said at the beginning, we shall be voting against this section of the bill as well, but I want to comment on the minister's comment. It is an extremely powerful and authoritarian bill. It is also one which establishes confrontation with employees across the Manitoba community. This particular amendment is one which simply clarifies that, and for a government which is attempting health care reform and which has made that one of the cornerstones of its policy, the confrontational approach and the authoritarian nature of this bill I think adds to the great difficulties that any government finds itself in in health care reform.

Mr. Chairperson: On the proposed amendment brought forth by Mr. Minister, all in favour of the amendment, please signify by saying yea.

Some Honourable Members: Yea.

Mr. Chairperson: All opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the amendment is carried.

Section 16, as amended—pass; Clauses 17 to 23—pass.

Part 3, Members of the Legislative Assembly, Compensation, Clauses 24 to 26.

Ms. Friesen: Mr. Chairperson, we wanted to put on the record very clearly that we are not opposing this section of the bill. The reduction of indemnities for MLAs and of constituency allowances is something which we shall be voting for. This is a bill which has affected large numbers of Manitobans. It is inappropriate that we allow those effects to take place without affecting the salaries

and conditions of members of the Legislative Assembly.

I repeat that the entire bill itself is a very powerful and authoritarian bill which is confrontational and one which will affect, I think, labour-management relations across both the private and public sector in Manitoba for a long time to come. This is not just a bill whose effects will last for two years. This is a much, much more powerful bill in its intent. The government intends that.

This is a government which is out to reduce the public sector. It is a government which is out not only to save money in the context of what it has deemed a financial crisis, its \$800-million deficit, but it is a government whose purpose and whose ideology is to reduce the public sector, to reduce the area where I would consider that Manitobans find equality, whether it is in public libraries, whether it is in recreation facilities, whether it is in health care or whether it is in education. Manitobans all had a sense of equality in those institutions.

This is a government which does not believe in large public sectors. It does not believe very much in government support of many of those institutions. We have seen this in the transfer of influence and certainly finances in the areas of education, whether we are looking at the Workforce 2000 or whether we are looking at the increases to private schools. We certainly looked at it in the reduction of many areas of the public sector.

That is the context of this bill, a government whose goal is to reduce the public sector and that arena of equality in Manitoba.

Mr. Manness: Mr. Chairperson, it is usually unwise for a government member to rebut, but I have to say to the member, when she says that we are bent as a government philosophically to reduce the public sector, I would say as an individual—and I cannot divorce myself from the government—I make no apology for that.

As a government, the civil service and the public sector have burgeoned in this nation, indeed in the western world, over the course of the last 30 years. That would have been fine, I suppose, had the bills been paid, but the bills were not paid. They were not paid by all those who were responsible for the financial trusteeship of the governments of the day.

Here we are. We are faced with difficult, difficult decisions. What do we do? Do we lay off another

500 or 600 people? In this case it is not positions. As I look at the Minister of Labour (Mr. Praznik), we are down to the core. We have gotten all the vacant positions out of government. We have taken off 1,200 or 1,300 basically vacant positions over the course of the last three years. We do not have those available anymore. We are down now to, what we call, breathing bodies. So do we take 500 or 600 more people out of the employ of the civil service, or do we ask everybody to share and take a little bit less?

The member before said, well, there should be a break line between \$30,000 and less. Administratively, if you could do it, I suppose, maybe in theory it might work. What do you say to the person who earns \$31,000? Why are they so favoured over somebody earning \$29,000.

Secondly, if the NDP believes this, why did they bring in a 2 percent tax on the income that hit hardest the people earning \$11,000? Tough decisions. But in spite of it all, what I guess I find the most upsetting is that this may not have been our preferred course of action.

When we called in Mr. Olfert, and we asked him—and, yes, we did ask him to respond to us in the terms of two weeks, and, yes, we did make a decision unilaterally before the two-week deadline was up by about a day. But when we said that, we said, look, this is open. This is open yet. We are prepared to, if you are going to come to us, and say, yes, we are prepared to renegotiate the contract, we have two months, three months as it turns out, before this bill is passed. That was the offer, because we did not want to reduce or roll back the base, because that then would have broken the agreement.

But by our interpretation, as an employer, we have the right to ask employees not to come to work on certain days, within our interpretation of the agreement. So by our interpretation, we are within the agreement, because we have not hit base, we have not hit benefits, we have not hit merit increases. As an employer, it is the employer's right not to accept those who show up for work every day. So we have moved within the area that we think we have room to move.

Now, all Mr. Olfert and other people had to do was to come to us and say, no, let us look at it a different way. Maybe we can renegotiate the contract, which has happened over and over and

over in the private sector. If I went to work, I could be replete with examples where that has happened. For three months, we have extended that offer to Mr. Olfert, and he has not taken us up on it.

So consequently, we have to move with the bill. No differently than has of course happened in other provinces where, as Ms. Friesen is aware, more for the public mind, for the public view, there has been much greater input in trying to work to an agreement. But there has been no willingness on one side, and ultimately a bill much tougher than this will be pushed through the Ontario Legislature with finality of deadline, August 1, because of course the interest clock is ticking, and there has to be some finite period of time. Actions, decisions have to be made. I mean, people are governed. We are all elected to ultimately be in the role of governing and ultimately make decisions.

* (1000)

So, Mr. Chairperson, I thought I would try, with those few remarks, to respond to the member's comments.

Ms. Friesen: It is interesting to hear the minister's defence of his attempt to negotiation. I do recall, and it should be noted again for the record, that when the minister again brought this up during committee, he denied the opportunity to Mr. Olfert to respond to these. So there has not been anything on the public record within this committee—

Mr. Manness: Not true.

Ms. Friesen: Indeed, it is true. It was 20 minutes, and he was cut off. The night before, he had said that he specifically wanted to discuss this with Mr. Olfert. When it was moved that there was the opportunity for a discussion, the minister and the committee was denied that opportunity.

I would suggest to the minister that there are examples much closer to home of negotiation, whether it is with the Manitoba Nurses' Union, or whether it is with the unions in the City of Winnipeg. The opportunity to negotiate, I do not believe, was dealt with in Manitoba. The unions were given two weeks. After 10 days, the midnight phone call comes, and the minister says, I have the authority to do it.

Mr. Jack Penner (Emerson): Mr. Chairperson, simply to correct the honourable member, the offer was made time and time again, at this table even,

for the union members to sit down with the ministers of this government to discuss possible other solutions. So let the member stand corrected.

Ms. Friesen: I think the offer, Mr. Chairperson, that was made was in fact an offer to discuss how the minister's wishes and this government's wishes would be implemented. It was not an offer to negotiate, and I think Mr. Olfert has said that on record time and time again. He was not allowed to put it on the record at this committee.

Mr. Chairperson: Order, please. We are here to consider the bill clause by clause. Part 3, members of the Legislative Assembly Compensation—

Ms. Wasylycia-Lels: Mr. Chairperson, I too would like to speak while we are on this section of the bill, to be clear that members of the New Democratic Party will vote in favour of Part 3 despite our strong opposition to Bill 22 as a whole. We will certainly be indicating our preparedness to show that—

An Honourable Member: Not multiple choice, here.

Mr. Chairperson: Order, please.

Ms. Wasylycia-Lels: Mr. Chairperson, the members across the way suggest we cannot have multiple choice. We suggest to this government that we are quite prepared to deal with this as a separate issue, to provide some openness and discussion and action around this whole area of remuneration for elected representatives.

It would not be out of the question and not unheard of to deal with this as a separate issue. The government has chosen to lump all of these issues together into a very regressive bill hoping, I am sure, to try to catch the opposition in this kind of move.

Well, we are going to be very clear that the government cannot try to pull one over in that regard, and we have spoken consistently in favour of this section. We will vote today in favour of this section, all the while expressing our deep concern about the overall impact of Bill 22 and who really is affected in very serious ways by Bill 22.

The minister today and on many occasions has tried to throw up other provinces, particularly Ontario, whenever we try to deal with these issues in Bill 22 and whenever we try to express our concerns.

But we are in Manitoba, Mr. Chairperson. We are dealing with a unique set of problems, and we are dealing with a unique history and set of traditions that have guided us over the years, a tradition of co-operation, of community action, of collective resolution of problems we face as a society.

We do not have a tradition of highhanded, arbitrary action on the part of government. Throughout this debate and particularly today, we raised with the minister and this government the impact of this kind of legislation for the long-term health and well-being of Manitoba as a whole.

It would seem very much in the interest of trying to deal on a short-term basis with this government's preoccupation with the deficit, with the bottom line, that it is forsaking a number of important principles and putting Manitoba on a very precarious course for the future.

This bill is of deep concern to us for a number of very principled reasons. You have heard them before, let me summarize them again.

Number one is how it in effect questions and attacks our democratic institutions and traditions in this province. This bill very much impedes with the democratic institution of collective bargaining in our society. It arbitrarily, and in a very highhanded way, comes in the way of that process and shoves aside that long-standing tradition for collaboration, collective action and co-operative steps towards meeting the problems of the day.

We have a long history of how that collective bargaining process has worked over the years, and it has worked well for Manitobans. Government and labour and working people and business can sit down through collaborative, co-operative action and find creative ways to the serious problems of the day.

That was certainly the case a decade ago when Manitoba found itself in a very difficult economic situation. There was certainly room when government acted openly and sought advice and was prepared to work out co-operative, constructive solutions. It was possible. The collective bargaining process did not have to be impeded. A democratic tradition in our society did not have to be eroded through that course of action, but what the government has done through this legislation has set back that tradition for many years and soured relations between government

and working people and labour organizations in a very serious way, and it will take a long time to recover from that kind of action.

On a similar note, the minister has just introduced an amendment dealing with the situation facing doctors in the province of Manitoba and again, I think, tried to put members of the opposition in a difficult position by making it difficult for us in terms of having doctors have one way in our society and working people take an even greater hit.

Well, Mr. Chairperson, our concern today is with the way this government has continually soured relations between health care professionals and government at a time when it is needed the most. What this move today has done, we are not talking so much about the dollars and cents, we are talking about a process over the last number of months and indeed couple of years where it is very difficult now for all parties to sit down together and sort through some very difficult problems around health care and the future directions of health care.

How does health care reform happen in a climate of hostility and anger and absolute polarization between the parties? We are talking more today about that principle of democracy and long-standing democratic traditions than anything else, because in fact this bill will set back the possibility of finding harmonious, peaceful, productive solutions to some very difficult problems in our society today. So that is one very important principle that is very much in question as a result of this legislation.

Equally, we have expressed concern about the impact that this bill will have on those who are least able to manage in these difficult economic times. This bill will hit right across the board, regardless, as my colleague the member for Wolseley has said, of someone making \$10,000 a year or someone making \$50,000 a year.

Mr. Chairperson, that only contributes to widening the gap between the rich and the poor in this province. It does nothing to create a level playing field. It does nothing to share the pain. It means the people at the bottom, the lowest paid, the people with the less security, most often women in our society today, will bear the greatest brunt of this government's hard-hitting measure. It will make it harder and harder for those individuals at the bottom end to ever catch up and begin to keep

their heads above water and ensure some sort of security for their families.

* (1010)

Imagine the impact on a single-parent woman making \$10,000 or \$12,000 a year, barely able to survive now, barely able to find daycare because of other cutbacks by this government, being hit with the impact of the reduction of wages as a result of the loss of these 10 days of work. Try to just understand what this will do to those people at the bottom, barely subsisting, who will find themselves below the poverty line by any of the definitions that this government chooses to use, and goodness knows, that whole area is up for discussion as a result of attempts by the right wing, and particularly this government, to redefine poverty, redefine hunger, redefine homelessness, to make the world seem a happier place when it is dark, bleak and gloomy.

Mr. Chairperson, if anything, we have asked this government to consider the impact on the lowest paid members in our society, on the single-parent women, on those trying to make ends meet, and understand that what this will do in terms of their ability to keep their families alive and to contribute to the economy, which brings us to another point that we have tried to raise over and over again, is the shortsightedness of this bill. Is this government so shortsighted as to not see the ramifications for the health of our economy if people do not have the money to buy goods to keep their family healthy and able to survive?

Does it not make sense to ensure that people are able to contribute to the workforce, to meet the needs of their families, to put back into the economy to contribute to the health of our society as a whole? Are we not cutting off our nose to spite our face? Are we not only looking for bigger problems down the road if people are not able to contribute and use their talents now? Are we not just creating a situation where the potential is being denied and we face it, who knows, three years, five years, 10 years, 20 years down the road and then have to deal with the problem of a whole group, a large group in our population who were not able to contribute when they were able to do so and have to turn then to welfare or food banks or handouts, and what that does to their self-confidence and their ability to be full, productive, happy members in our society?

What about the consequences of that for our society, and do we not pay the price down the road by taking these shortsighted harsh measures now? I think we have to keep coming back to whether or not the short-term benefits that this government and this minister will achieve for its limited goal, its limited focus on worrying about the bottom line of its budget, worrying about the size of the deficit at a time when, in fact, perhaps we should be thinking about ways in which to make people able to use their talents to create the opportunities to put back into the economy so that we, not only end up with people who have not become so demoralized that they are social outcasts, but also with people who are stimulating the economy by their productive activity and by their purchase of consumer goods and hence the creation of more jobs down the road.

So we make one final plea to consider what this bill does in terms of traditions of democracy in this province, in terms of the history of co-operative action and the goal of ensuring each and every member of our society is able to contribute their talents, their abilities to society as a whole to give some hope of finding our way through these economic difficulties right now and creating the hope of a better day down the road.

Mr. Doug Martindale (Burrows): Mr. Chairperson, I would like to endorse the comments of the member for Wolseley (Ms. Friesen) and the member for St. Johns (Ms. Wasylycia-Leis) and to put on the record again that my colleagues and I are opposed to Part 1 and Part 2 of this bill and to say for the second time, on the record, that I will be supporting Part 3, and my NDP colleagues will be supporting Part 3.

I would like to talk briefly about how the government plans to save money through this bill, namely by 10 unpaid days off for civil servants, and to look briefly at how that is going to affect, in

particular, Child and Family Services agencies. We know that they are already overburdened. Their executive directors are saying that they are already understaffed and overworked and do not know how they are going to cope with these 10 days off with 3,000 less days of staff time to provide service.

We hope it means that more children will not fall through the cracks. We hope it means that it does not mean there will be less money for prevention, but I think it does mean that, because the staff will not be able to provide preventative services. They will be forced to spend more and more time only providing absolutely necessary services. We hope it does not mean more child abuse. In fact, for the sake of this government I hope it does not mean that some children who do not receive preventative kinds of care will end up in custody because of the policies of this government.

Thank you, Mr. Chairperson.

Mr. Chairperson: Part 3 Members of the Legislative Assembly Compensation. Clauses 24 through 26—pass.

Ms. Friesen: Mr. Chairperson, we would like a recorded vote on that.

Mr. Chairperson: A recorded vote has been requested.

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

Yeas 9, Nays 0.

Mr. Chairperson: I would say it is accordingly passed.

Clause 27—pass; Preamble—pass; Title—pass. Bill as amended be reported.

Committee rise.

COMMITTEE ROSE AT: 10:17 a.m.