



**Second Session - Thirty-Sixth Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
on  
**Industrial Relations**

*Chairperson*  
*Mr. Mike Radcliffe*  
*Constituency of River Heights*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

**Members, Constituencies and Political Affiliation**

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BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
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KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
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**LEGISLATIVE ASSEMBLY OF MANITOBA**

**THE STANDING COMMITTEE ON INDUSTRIAL RELATIONS**

**Monday, November 4, 1996**

**TIME – 6:30 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Mike Radcliffe (River Heights)**

**VICE-CHAIRPERSON – Mr. Marcel Laurendeau (St. Norbert)**

**ATTENDANCE - 11 – QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Downey, Gilleshammer, Toews

Messrs. Laurendeau, McAlpine, Maloway, Radcliffe, Reid, Robinson, Sveinson, Ms. Wowchuk

**APPEARING:**

Mr. Jack Penner, MLA for Emerson

**WITNESSES:**

Bill 50–The Remembrance Day Amendment Act

Ms. Brenda Stamm, Private Citizen  
Mr. Kenneth Emberley, Private Citizen  
Ms. Gail Anderson-Checkley, Private Citizen

Bill 73–The Construction Industry Wages Amendment Act

Mr. Kenneth Emberley, Private Citizen  
Mr. Dave Tesarski, Manitoba Council of the Canadian Federation of Labour  
Mr. Jack Cumming, Construction Association of Rural Manitoba, Inc.  
Mr. Dave Martin, Manitoba Building and Construction Trades Council

Mr. Rob Hilliard, President, Manitoba Federation of Labour

Mr. Lance Norman, Manitoba Chamber of Commerce

Mr. Mike Evans, Private Citizen

Mr. Fred Wright, Private Citizen

Mr. Ed Gallos, President, Master Roofing Ltd.

Mr. Peter Wightman, Construction Labour Relations Association of Manitoba

Mr. David Harrison, Winnipeg Construction Association

Mr. Ted Cook, Winnipeg Construction Association

Mr. Chris Lorenc, Manitoba Heavy Construction Association

Mr. Joe Bova, Private Citizen

Mr. Terry Dauphinais, International Union of Elevator Constructors, Local 102

Mr. Patrick Martin, Carpenters Union

**MATTERS UNDER DISCUSSION:**

Bill 50–The Remembrance Day Amendment Act

Bill 73–The Construction Industry Wages Amendment Act

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\* (1840)

**Mr. Chairperson:** Good evening, ladies and gentlemen. Will the Standing Committee on Industrial Relations please come to order. The business before the committee this evening is the consideration of Bill 50, The Remembrance Day Amendment Act; and Bill 73, The Construction Industry Wages Amendment Act.

Before continuing with consideration of these bills, there are certain matters regarding process to clarify at this point. For the committee and public's information, there are currently 15 persons registered to speak to both Bill 73, and two persons registered to speak to Bill 50. The lists of presenters should be before all committee

members as well as posted at the back of the room. For the public's information, if there is anyone present this evening who wishes to appear before the committee on either of these bills and has not yet registered, you may register with the Chamber staff at the back of the room and your name will be added to the appropriate list.

For the committee's information, there are two persons registered to speak to Bill 73 who are from out of town. They are indicated as such by the asterisks after their name on the list. It has been a Manitoba practice to hear from the persons who are from out of town first as a matter of courtesy for the distance they have travelled. When we come to that act, is it the will of the committee to hear from those people first? [agreed]

After hearing the two out-of-towners on Bill 73— [interjection] Okay, when we come to Bill 73, after having heard the two out-of-towners, we will go forward to the top of that list and proceed sequentially on Bill 73, as they are listed.

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Chairperson, I think we should be probably proceeding with Bill 50 first on presenters and then go to Bill 73.

**Mr. Chairperson:** Is that the will of the committee? [agreed] Does the committee wish to set a time limit on public presentations, and if so what does the committee wish to set?

**Mr. Laurendeau:** Mr. Chairperson, we will go with 10 and five.

**Mr. Chairperson:** Ten minutes for the presentation from the presenter and five minutes for questions. [agreed]

**Mr. Daryl Reid (Transcona):** You neglected to look at this side before we agreed to go to the 10 and five. I just wanted to add a few comments to indicate that while this committee and these bills, 50 and 73, that we have before us here this evening, and we do not have an extensive number of public presenters here, it would seem to me unreasonable to expect to limit those that may have travelled from out of town to the Legislature to speak. We would hope that there would be some consideration given for those that may have a few extra comments to add at the end of that time period to allow some ability for them to complete their comments and not adhere as

strictly as we have in past, because I do not think that there is going to be that tight a pressure on time here this evening to give all the presenters the opportunity within a reasonable period to add their comments. I would not want to have that full restriction that we have applied in the past and have some leniency for that.

**Mr. Chairperson:** I should advise my colleagues that it has been my practice as Chair sitting on committees in the past that if we are approaching the 10-minute mark, I usually indicate that to the presenter, and then when the questions are commencing if the colleague from the table has presented their question before the expiry of the five minutes, I then allow the indulgence of the presenter to complete their answer in that sequence before I terminate, and I feel that that gives flexibility to the presenter. Is that the will of the committee? [agreed] Ten-minute presentation, five-minute questions.

Another matter to deal with is that of the people who are called to make their presentations who are not present in the room when their name is called. It has been a practice of the committee that in such a situation, the name is dropped to the bottom of the list. If a name is called a second time and the person is not present, the name is dropped off the list. Does the committee wish to follow this practice? [agreed]

We will now proceed to hear public presentations. As previously agreed, we will commence with Bill 50, The Remembrance Day Amendment Act. The first presenter is Brenda Stamm. Good evening, madam. Do you have any written copies of your brief to circulate?

**Ms. Brenda Stamm (Private Citizen):** No, I do not.

**Mr. Chairperson:** No problem. Welcome, and I would invite you to proceed.

**Ms. Stamm:** Thank you. Thank you for having me.

I am sincerely distressed by the possibility of any changes to The Remembrance Day Act. It is totally disrespectful to consider opening stores on Remembrance Day. Three of my grandparents were born in Russia. I thank God daily that they made it to Canada and I am free. I am very emotional on this topic, as you gathered. I also thank those soldiers who fought for a free Canada and, as far as that goes, for a free world.

Every time I go to my father-in-law's grave site I think of the four years he gave to his country. Every Remembrance Day and D-Day anniversary, I think of the uncle we lost on a beach in France. My father-in-law told stories of being fed bennies for three days before D-Day. They were on the boat knowing not where they were going. They just followed blind faithfully. He sat in a tank for four years; boiling hot in the day, but could not undress because you never knew when a hot piece of shrapnel was going to find its way into the tank and burn you.

These men dropped everything in their lives. They left their families, their farms, their jobs, maybe to die. Why? To ensure Canada stayed free. They loved their country. These men and women should be shown due respect. Is it too much to ask for one day a year to stop and think about what they did for us and in turn gave us? Not one man who fought in any war comes back the same. They gave so much and asked for so little. Respect—maybe if we all showed a little more of it, our youth of today would not be such a listless bunch. But that is another topic.

I really do not think that one morning a year, or politicians going to France every five years to commemorate D-Day, is enough show of respect. The few hours we spend remembering the veterans and their fallen comrades do not add up to the amount of time they spent overseas. Can you imagine waking up every day and wondering: Will I be wounded today? Will I be captured today? Will I die today?

What exactly is it that people need to buy? Stores are open up 355 days a year; is that not enough? Is another six hours of shopping going to make or break a store, or is this just a prelude to being open 24 hours a day, 365 days a year?

I would really like to see more input from normal citizens on this decision. I became aware of it only a month and a half ago. It has not been something highly publicized. I do not believe business lobby groups should be the only ones heard on this issue. I understand veterans probably were consulted, but I would assume their feeling was, hey, they are going to do it anyway, I might as well give them my two cents' worth and just hope for the best.

If a law like this passes when veterans are still alive, I shudder to think what will happen when they have all passed away.

In closing, I would ask that you seriously reconsider passing this law. I feel it is being done behind my back. If stores are open this November 11, maybe shopping centres that are open could be picketed, and that might bring it to the public's attention. I know there are a lot of people out there who know nothing about these changes and do not agree with them when I have spoken to them.

What is it we say on Remembrance Day? Let's we forget. Let us make sure nobody does. Thank you for your time.

**Mr. Chairperson:** Thank you, Ms. Stamm. Ms. Stamm, I believe some of my colleagues here may have a few questions if you could, we beg your indulgence.

**Ms. Stamm:** I am sorry. I am new at this.

**Mr. Reid:** Thank you, Ms. Stamm, for coming out this evening to present on Bill 50, The Remembrance Day Amendment Act. You referenced several things in your comments that the government's move towards wide-open shopping in the afternoon of Remembrance Day, you say, is a prelude towards a further move to 24-hour shopping. I am not sure in fact who was even asking for these changes because there has been no reference why these changes have even come forward to the Manitoba Legislature for consideration. I agree with your comments that there is no need to have another shopping day as we have so many in the year already.

\* (1850)

I want to ask you two questions. First, are you aware that there were changes that were brought forward by this government a couple of years back that will now allow for wide-open shopping on Thanksgiving, which was a day that had traditionally been set aside in the past? Can you please explain for the benefit of members of this committee whether or not you as a family person take the opportunity during that day to instruct the young people in your family on the values of Remembrance Day and what it means to your family and to our community?

**Ms. Stamm:** Firstly, Thanksgiving Day is a holiday, yes, and so are Victoria Day, Labour Day. Remembrance

Day is special. People died for it, and, yes, I do instruct my children. We watched D-Day when people were alive. We would spend the day after D-Day with them asking questions about their experiences. They are well aware of what people have given.

**Hon. Vic Toews (Minister of Labour):** Thank you very much, Ms. Stamm, for your presentation. I do not know whether you have had an opportunity to read the committee's report that was presented to me, but I might just indicate—and I know how strongly you feel about this particular day. I think all of us here as committee members feel very strongly about that day, as in fact do the members of that committee who made these recommendations.

Just very simply, for your information, the people who unanimously made these recommendations included Mr. Bill Neil, who is the past national president of the War Amps of Canada and chairman of the Joint Veterans Association; Mr. John Gillis, president of the Korea Veterans Association, Manitoba Branch; the Army, Navy and Air Force Veterans Association, Manitoba-Northwestern Ontario Command; and Mr. Dave Hillis, the command president, Manitoba-Northwestern Ontario Command of the Royal Canadian Legion; in addition, the two representatives from the Chambers of Commerce: the Winnipeg Chamber of Commerce, Candace Bishoff; and Jim Forestell of the Manitoba Chamber of Commerce, who is a retired lieutenant-colonel in our armed forces. As well, the Manitoba Federation of Labour agreed unanimously with these recommendations. I think that in reading their report there is a tremendous feeling for that day and a tremendous concern that that day not be lost.

As you well know, Manitoba is the only province that has that type of recognition, and for years there has been confusion as to what can be sold and what cannot be sold. So I think this was a very honest attempt by very well-meaning and caring individuals who in fact consulted with each of their respective bodies, including the legions across Manitoba. I think it was a difficult decision for them in many respects, and yet unanimously they, including the veterans, agreed with these proposals because of the desire to keep the day as a special day. I am just wondering, have you had a chance to read the report and some of the rationale?

**Ms. Stamm:** No, I have not. It is just my feeling if you give people a day off work and they can go shopping at one o'clock, they will sleep in until noon and they will not see Remembrance Day services on TV. It will not be a special day. I have been on committees too where I have had recommendations and had to agree with things that I have not agreed with for the benefit of overall. I do not think this is an overall benefit to the people of Manitoba, and I do not care if we are the only ones. I am proud of it.

**Mr. Chairperson:** Thank you, Ms. Stamm. Mr. Reid, for one very brief question.

**Mr. Reid:** I think what the minister failed to reference for your benefit was that he had sent the request to the committee and asked for their recommendations on whatever changes they might contemplate making and, yes, there was—of my understanding—unanimous agreement on the provisions that were brought forward, some of which we would agree with, with respect to inclusion of peacekeepers and those who served in some of the other wars or conflicts around the world on behalf of the citizenry of our country. But I want to draw that to your attention and to tell you that I very much agree with your comments. I want to thank you very much for coming out here this evening in recognition of those who made the sacrifice, so that we can all be here this evening and all the other residents of our country as well.

**Ms. Stamm:** Thank you.

**Mr. Chairperson:** Thank you, Ms. Stamm. The next presenter on this bill is Ken Emberley. Mr. Emberley, are you in the assembly?

**Mr. Kenneth Emberley (Private Citizen):** I was just trying to help her out and explain to her maybe she is just the only one who happens to be right today.

**Mr. Chairperson:** Mr. Emberley, do you have written presentations for the committee?

**Mr. Emberley:** I have written here that I have four research papers that I want to comment from, and I will give you the research papers if I may after, Sir.

**Mr. Chairperson:** Thank you, sir. I would invite you then to proceed with your presentation.

**Mr. Emberley:** Remembrance Day was a grand thing. I was wounded fighting Hitler, and I have been fighting authoritarian and fascist forces ever since, even yesterday and the day before and the day before and last week and they show up in so many different ways. I think it is time to end celebrating the victory of World War II.

We have just a couple of little pieces of information. The hourly wage in Mexico in 1982 was \$1.53 U.S. After the U.S. opened 75 factories in the Maquiladora area, the hourly wage in Mexico in 1991 is 60 cents U.S.—two-fifths of what it was 10, nine years ago.

The United States population that is covered by health insurance is 76 percent of the white people, 12 percent of black people and 9 percent of Hispanics. That means 24 percent of the white people are not covered, 88 percent of the blacks are not covered and 91 percent of the Hispanics are not covered. They spend far more than we do, and they do not have nearly the coverage, and that is because of the market system and all the giant number of profit-operated hospitals and the tens of thousands of doctor-operated clinics. And we are trying to make our whole system identical to the United States.

Only the U.S. spends less. Sweden spends 33.9 percent of its gross domestic product on social programs; Germany, 28 percent; France, 23 percent; United Kingdom, 20 percent; Canada, 18.8 percent. The U.S.A., the most uncivilized industrial nation, spends 14.8 percent. They have no national medicare insurance. They have no women's maternity leave. They have no universal daycare. That is just a glimpse, just a glimpse, just propaganda for the commercial market system, propaganda that you would not believe.

Starting in 1945, I am reading from the Alex Carey manuscript, the pressure to have shopping on Remembrance Day, now we are the only one left, is that not awful? Would it not be awful if we are the only ones left with democracy in the world? We were like that. Britain was like that in 1941, 1939, in Europe. They did not stop fighting. Why do not we do something to promote remembering the Remembrance Day?

I have never seen a veteran with his medals on down here in a public hearing. I belong to the Imperial Veterans, but they do not take a damn bit of interest in 90 percent of the social issues in the country. We have had

a propaganda campaign since 1908 of unbelievable scope organized by the National Association of Manufacturers promoting business interests, that is why we have the right-wing agenda and we have deregulation and privatization.

In 1972, the 196 biggest corporations in the States were asked to form an association and help get a powerful right-wing government elected. They put Ronnie Reagan in power for two terms in 1980. Tom D'Aquino's Business Council on National Issues was created in 1976. The 150 biggest companies in Canada, mostly U.S. transnationals, own half of our nation's assets.

\* (1900)

In just eight years their propaganda campaign was able to put Brian Mulroney in power for two years, and the year before that Trudeau appointed Donald Macdonald of Nelson Rockefeller's trilateral commission to do a commission study. When he was halfway through he jumped up on TV and said, hey, we are not finished yet, but we sure have to have free trade and sold our country in 1982, Pierre Trudeau did.

Now, I am giving you this little manuscript. I have given it to you four times in this Legislature before and distributed 180 copies of it in the last year. It tells you about the war of business, the giant massive propaganda war. In one small campaign, they had 400 full-page newspaper ads in 200 newspapers across the whole of the United States, just in one corner of one week's work of propaganda, to hate labour, hate social programs, hate community-developed privatized deregulation. I have that manuscript for you.

Here is a cute little story from the war on labour in the left. The United States standard of living between 1972 and '88 increased only 8 percent. That is one-quarter as much as it gained in West Germany, France, Italy, Britain and Canada, one-seventh as much as the gross domestic product increased in Japan.

In 1988, the U.S. standard of living was below West Germany's and scarcely ahead of any other countries. The United States is ninth in per capita gross national product, behind Austria, Switzerland, Netherlands, West Germany, Denmark, Sweden, Norway, and Japan. The

total U.S. assets, national assets rose from 31 to 36 trillion. That is five trillion between '85 and '87. In Japan they rose 24 trillion, five times as much because their businessmen care about their country. They run their countries efficiently and they pay fairer taxes, and they allow their workers to have social programs and democracy and their unions, and the workers work a hell of a lot better for their bosses in Japan and Germany than they do in our country. So we are adopting the United States system. We want to bring their violence in here, their poverty. It is going to be a grand time. So I say, let us just forget about this celebrating the victory of the Second World War.

I came back from Louisiana and Texas two years ago, the first time in my life I ever went down that far, had a lovely five-week holiday, came back a week early and will never go back. I just realized when I came back here, the same transnational corporations own the whole of my country that own their country. I am living in enemy-occupied territory, so why celebrate the victory of the Second World War? Let us cut out the whole crap and nonsense. I am just sick and tired of the whole business.

John Ralston Saul makes a little tiny comment here. The citizenry should be very careful of putting artificial limits on the government, which is the only force the citizens have in any country in the world to work for the citizens. There is no other legitimacy capable of being disinterested in the well-being of the nation maintenance. If the citizenry agreed to exclude themselves from controlling and having an active government, it will automatically go to the forces that have money and power, and you try and figure out who has all the money and power in this country, the transnational corporations and the rich and the filthy rich, and the reason they want to downpower government is so they will have more power.

Aside from that, things are going great folks. Have a nice evening. Here is a picture of the greatest man. This picture is entitled *The Face of Friendship and Hope*; it looks worse than John L. Lewis. *The Face of Friendship and Hope*, the United States ambassador to the United Nations just promoted to a general after he left Brazil after spending 20 years as a CIA agent organizing terrorism around the world. What a grand victory.

**Mr. Chairperson:** Thank you, Mr. Emberley, for your presentation.

**Mr. Laurendeau:** Mr. Chairman, I wonder if you might ask Mr. Emberley if he would be prepared at this time to make his presentation on Bill 73 right away; and if there would be leave of the committee, I think we might hear his 10-minute presentation on that bill right away if he is ready.

**Mr. Chairperson:** Mr. Emberley, Mr. Laurendeau notes that you are also registered as a presenter on Bill 73. As an accommodation to you, sir, would you be prepared to present at this time on Bill 73 before you retire?

**Mr. Emberley:** I would be very grateful for the opportunity, Sir, and appreciate your kindness and the committee's kindness.

**Mr. Chairperson:** Do we have leave of the committee to allow Mr. Emberley to proceed? [agreed] Good. Thank you very much, Mr. Emberley. I would then ask you to present on The Construction Industry Wages Amendment Act.

**Mr. Emberley:** It will take me just a minute or two.

**Mr. Chairperson:** Surely. Take your time, sir.

**Mr. Emberley:** Thank you for your patience.

**Mr. Chairperson:** Thank you, Mr. Emberley.

**Mr. Emberley:** I have a little tiny gem. You see, I have been a student since I was 13 years old and kept scrapbooks on three wars; 1936 it was, the war in Abyssinia called Ethiopia, and George Bush just went back there three years ago because he got four giant oil leases. He went back to feed the hungry people and beat up on the local warlord that wanted to save some of the oil for Somalia. I have a document in here I am giving you.

It is very hard to be constructive and optimistic, but that is not my job. My job is to be skeptical, critical, kind, decent, honest, and offer some sort of an idea that might be some good. So I made a paper here called—I hope the censors are here. Most people have a fear. If you have ever talked to a woman about being raped, you

will find a nervous woman. Have you ever talked to a man about being castrated? You will find a nervous man. Have you ever been administrated? A law making parents legally responsible for their children's acts, how horribly typical, how horribly unfair. How about a law of legal responsibility for important political appointees and higher administrators—

**Mr. Chairperson:** Mr. Emberley, I do not want to curb your comments, sir. The second bill that you are registered to speak about in this room is The Construction Industry Wages Act.

**Mr. Emberley:** The Construction Industry Wages Act.

**Mr. Chairperson:** Yes.

**Mr. Emberley:** That is right, Sir.

**Mr. Chairperson:** Thank you very much.

**Mr. Emberley:** —and the administration of the construction wages act. Now I humbly suggest that we have committees across the country like The Wages Act and like the blood commission, the aboriginal royal commission, the Somalian inquiry, the City of Winnipeg hundred-million dollar fiasco, and never once did anybody write up terms of reference for the job when the man was given the money and told to do the work. There was no job description. Personnel not doing their job even 20 or 30 percent adequately and no description to tell what they should have done. Jobs or no jobs, no job description ever written, supervisory committees' appointments to manage and no job description for them of what they were to manage and how they were to manage it.

In 30 years there has not been one legislature in Canada with the brains to notice or the desire to act. Absolutely no clear human rights for the public groups of ordinary citizens—aboriginal, blood transfusion victims, labourers—in The Construction Wages Act. No human rights activity.

\* (1910)

The mothers and children in the Health Sciences Centre had no human rights. I know two midwives who went to the General Hospital with a woman with a little baby.

The doctors sneered at the mother and the baby, and they sneered at the midwives and ran around in circles while the baby died. Then they put the mother and midwives on trial. Oh, I sat through it. Dr. Ursula Franklin [phonetic] said, I figured out the third day my baby was born that I needed a disaster avoidance strategy. Write that down: disaster avoidance strategy. There has never been one for hardly anything in this country.

Did you know there was one of the banks that did not have a disaster avoidance strategy? There was a real estate company in the 1990 depression, and Dr. Ravi Batra wrote his book in 1987 and said the sixth depression in 240 years is coming; and in the last 15 years, all the lower class workers in Canada have had their wages lowered by 50 percent because they were never allowed to have cost-of-living increases.

From 1973 until 1992 the workers in Canada have subsidized industry by having much smaller wages than the workers had in western Europe and Japan because our bosses are more greedy and powerful and corrupt, and they have a government that works for the rich and the corporations and generally hates labour.

So this is a little tiny suggestion that I have for you that there should be an improvement in our administration. The other thing I ask you, there is not enough money for the construction wages labour board to give people adequate wages. There is not enough money in the economy. Nobody can figure out why. We have this terrible deficit.

I want to read you three sentences. Government, business, and consumer debt in the U.S. have shown a steady increase since the 1960s. The average annual increases every three years jumped from \$65 billion a year for five years; \$135 billion a year for five years; \$193 billion a year for five years, and Ronnie Reagan put it up to \$200 billion. Then Ronnie Reagan said, we should end the deficit. There are only five years since 1929 the United States did not have a deficit. This temporary aberration in the economy has to be cured by cutting all the social programs until all the social programs are cut, and then we can go back to having the debt.

Business debts are bigger than government debt. Nobody is worried about business debts being paid. I

never heard a businessman ask a fellow with a credit card, pay off your consumer debts before you buy nothing more. But they want government cutdown because the government is the servant of the people in theory, and some of the legislation of the government is for the benefit of the people and the community and the environment and the nation. Businessmen want a free market, free of any obligation to pay decent wages, any obligation for the community, any obligation for the environment, any obligation for the survival of the nation economically. They only are concerned with personal profit and blind greed and power. Aside from that, things are going pretty good.

I beg of you, your Construction Wages Act, have public hearings and think about how you can improve it so there would be a larger number of unions in the construction industry. As soon as we start paying people increased wages—the lower classes always pay a large part of their income on wages, and that is the only place the government is going to get money to cut the debt, when we start getting the unemployed back and we need a 5 percent payroll tax on every computer and every Growth Bond. That money should go to credit unions and low-wage, lower income, lower class people to do community development work. Not a cent of that money must be allowed.

So I beg of you when you are doing your review of the Construction Wages Board, think about the working people. If you are thinking about the nation, you will want to get people back to work at decent wages because this depression will not end until the lower classes get higher wages. Read Dr. Ravi Batra's book. I am giving you an excerpt in here. This is the sixth depression in 240 years. Exactly every 30 years, capitalism falls flat on its face for eight years, and everybody suffers like hell, and the rich get richer and richer and richer all during the depression. They take their money out of circulation and put it into tax shelters, make none of it available to pay taxes, none of it available to invest for business. So I beg of you, I do not think it would be impertinent to say you people are not as good as you should be. No, I have to look in the mirror and say, you know, I have known for 30 years I am not as good as I should be, so do not be offended, and I told this to Ed Schreyer's dreadful gang and I told it to Howard Pawley's dreadful gang and now I am telling it to Gary Filmon's dreadful gang. You are not as good as you should be, none of us are.

I told Howard Pawley and I told Ed Schreyer that they should reduce confrontation and conflict and do something for the good of the country instead of their personal greed and their wealthy, influential business friends, or labour friends. So I humbly beg of you, this is research information for your benefit; it will explain to you the whole fraud. There is not a single word that a politician who has spoken about the debt and the deficit that is true, not a single word. I turn off—I have never heard more than five minutes of a politician's speech in the last eight years. As soon as I get five lies, I shut it off. Respectfully submitted.

**Mr. Chairperson:** And respectfully received, sir. I believe that some of my colleagues may have some questions if we could beg your indulgence, sir. Are there any questions from the committee of Mr. Emberley?

**Mr. Toews:** I do just want to thank you, Mr. Emberley, for coming out. I think your admonitions will be well received, and we will think about some of the things you have told us. Thank you very much.

**Mr. Emberley:** I hope you realize it was presented with respect.

**Mr. Toews:** I appreciate that.

**Mr. Chairperson:** Thank you, sir, very much for coming out tonight.

**Mr. Emberley:** And thank you for your courtesy in letting me do double duty.

**Mr. Chairperson:** The next presenter on Bill 50 is Gail Anderson-Checkley. She is an individual who has just walked in and registered. Good evening, Madam, and welcome. Do you have written presentations for the committee?

**Ms. Gail Anderson-Checkley (Private Citizen):** No, I do not. I am sorry.

**Mr. Chairperson:** No problem, I would invite you to proceed then with your oral presentation.

**Ms. Anderson-Checkley:** Thank you for having me here this evening. I was just walking by the Legislative Building on my way to take a look at the new bridge when I saw all the cars parked out in front of the

Legislative Building, so I decided to come in and take a look and see what was on the bulletin boards outside the room, and my friend and I, who came with me here tonight, we had just heard the news on the radio station and the TV station about the Remembrance Day and that businesses want to be open on Monday, November 11.

I have been a Canadian as long as I can remember; I mean I was born here. When I went to school in Thunder Bay, Ontario, we were taught to respect November 11, not that I am saying that these businesses are not respecting that day. It is just that they want to make their profits and feed their families and pay their bills and their lights and stuff like that. On the other hand, I myself can think of a lot of things to do on Monday besides going shopping for a new pair of shoes or maybe some hardware at a Canadian Tire store.

\* (1920)

I work for a community centre. When I say work, I mean volunteer and there—I am not sure, I tried to phone the centre to see if we are going to be open on Monday, but as far as I know the board, which I am part of, they will probably be closed. We serve a lot of children there and right now are dealing with a lot of different kinds of things, as you see on the news, with violence, with gang problems and so on. What we are looking at there is a lack of respect, and what we need to do today is to show the children that we have respect, we have respect for people and the people who have given their lives for us.

When I was in Grade 4 I stood in front of a classroom, and my class had been working on reciting a prayer—it was like a prayer—for about three weeks. We worked on the prayer, and it was a very long prayer for us because we were not concentrating on things like we are now today when we are adults, but today I stand here talking to you at the Legislative Building. Yesterday and when I was standing in that classroom when I was in Grade 4, I never thought that I would be standing here today in front of all these people, sitting here at this table and the people behind me, saying that I support Remembrance Day. I never thought that it would be part of my life to do this. The poem that I recited was In Flanders Fields. Today I can still remember that poem, and I remember all the Canadians that we had where they died.

Another for instance is the T. Eaton Company. There is a statue on the main floor and it commemorates—my

English is not too good—all the people from the Eaton's company who died in the wars. That company has been here for many, many years, and they uphold their employees who fought in that war, so why would they stay open in their memory on that day?

I can think of a lot of other things that Winnipeggers and maybe Manitobans can be doing with their lives on that day. They can go to the Remembrance Day celebrations over here. We celebrate their lives. They were short lives, too. Many of them were 18 years old. Many of them did not even have a life. They gave up everything so we could live so I can be standing here today in front of you saying that, why do we need to be open on Monday, November 11, so people can go and buy some hardware?

Anyway that is all I have to say. Thank you.

**Mr. Chairperson:** Thank you very much, Ms. Anderson-Checkley.

**Mr. Reid:** Thank you very much for coming out this evening and making the presentation. I am glad you took the opportunity. It is unfortunate that this legislation has not received more publicity to allow members of the public to be fully aware of what changes are contemplated in this legislation and what effect it will have on our societies and our families.

Can you tell me, because you very obviously hold Remembrance Day as very near and dear to you, is it a day where members of your family would get together and talk about not only the family values but the meaning? Do you instruct the young people of your family on the importance of Remembrance Day?

**Ms. Anderson-Checkley:** Yes, I do.

**Mr. Chairperson:** Ms. Anderson-Checkley, I have to acknowledge each speaker before they speak because these proceedings are being transcribed. So there is a reporter in the back here and he has to flick on your mike to make it active, so that is why I have to address you and then you respond, if we can proceed that way.

**Ms. Anderson-Checkley:** Pardon me. Yes, I do instruct my children on Remembrance Day.

**Mr. Reid:** So then this is an important day for you and your family and that you very much want to retain the opportunity of having this day set aside to allow parents to be at home with their children so that they can pass on that knowledge, that information that we have gained for our generation, to the young people that follow us so that we are not doomed to repeat the same mistakes that have happened in the past, but also to remember the sacrifices that were made by those on behalf of us so that we can all be here today. Is that the way you want your community and your family to remember and to participate on Remembrance Day?

**Ms. Anderson-Checkley:** Yes, I would like to see Manitobans stay home with their families on that day and speak with their children about this day, what happened many, many years ago.

**Mr. Toews:** Thank you very much for your presentation. I am certain that you do feel very strongly about this day, as do members of this committee. I do not know if you had the opportunity to hear some of my comments to one of the earlier speakers in respect of the committee that in fact made the recommendation which included the representatives of the various legions. I think looking at the report would give some explanation as to why they agreed that some of these changes would be made.

I am just wondering whether you are, of course, aware now that stores are open on Remembrance Day, but in fact it is very confusing as to which stores can be open and which cannot and that also the proposal in this legislation allows employees the right to refuse work on Remembrance Day. Are you aware of that?

**Ms. Anderson-Checkley:** Yes, I am aware of that now.

**Mr. Toews:** Do you think that is a good idea that employees should have the right to refuse work on Remembrance Day without worrying about losing their jobs?

**Ms. Anderson-Checkley:** I think that all employees should have that right, and I do not think they should have to worry about losing their job on that day.

**Mr. Chairperson:** Thank you.

**Ms. Rosann Wowchuk (Swan River):** Thank you, Ms. Checkley, for coming out. You indicated that you only

heard about this bill this evening on the radio and just by accident that you came here tonight, and we are very pleased that you came forward and put your presentation on record. There are also many, many employees that do not know about this legislation, and we feel that it should perhaps be put on hold for a year until everybody has a better understanding of what the government is proposing. But my question I wanted to ask you is, government goes to the community, the minister said they had a committee that looked at it, but on other legislation and other issues the government goes out and holds hearings and listens to the people and asks them for input

Do you think if the government went out and let them know about the changes that they were making to this legislation, other than having the committee, that more people would come forward, and do you think that would be a good idea for the government to delay this legislation for a year and give the public more chance to have input into it?

**Ms. Anderson-Checkley:** Yes, I think it would be a good idea for the Legislative Building to put this bill off for a year so other people can have a chance to speak to the bill. You are right when you said that I had just heard about it on the news tonight. I have not had much time to prepare for this talk. I just threw together some notes at the back of the room and just came up here. It has taken me a lot of courage to be able to speak to you.

**Mr. Chairperson:** Thank you very much, madam. We certainly appreciate and are aware of the courage it takes to present almost off the cuff in front of the public, and we thank you very, very much for coming forward tonight. That would conclude the time we have available, and we will call now for the next speaker. Thank you.

This would conclude all the registered speakers to The Remembrance Day Amendment Act. There being no further individuals who are coming forward to speak on The Remembrance Day Amendment Act, I will close public representations on Bill 50.

The next matter before the committee is consideration of Bill 73, The Construction Industry Wages Amendment Act. As previously agreed, we had undertaken to hear the out-of-town presenters first. The first out-of-town presenter who has registered is Dave Tesarski. Good evening, Mr. Tesarski. You have written presentations.

The Clerk will circulate those. Thank you very much, sir. While your material is being circulated I would invite you to proceed.

\* (1930)

**Mr. Dave Tesarski (Manitoba Council of the Canadian Federation of Labour):** Thank you, Mr. Chairman, committee members. The mandate of the Manitoba Council of the Canadian Federation of Labour is to proactively represent our member organizations in a nonpartisan manner to promote labour issues to government, business and workers in our community. In keeping with that statement, the Manitoba Council is also committed to strengthening our economy by supporting long-term growth and development for all of Manitoba. This, however, can only be accomplished with a fair and equitable legislation. Legislation in Manitoba's construction industry has evolved over 75 years to a point where today most facets of wages, hours and working conditions are regulated. There is a general and widespread agreement that the act has made an important contribution to the construction industry by being a catalyst for harmonious labour-management relations.

Government, business and labour must remember The Construction Industry Wages Act serves a dual purpose. One, it provides fair wages and working conditions to employees in the construction industry; and two, it provides fair tendering legislation for employers, which ensures that all employers are tendering projects on the same basis for hours of work and wages.

The act encourages union and nonunion employers to train workers and expand the number of skilled construction workers in Manitoba. However, as times change, the act must also change. Specific changes to the act must occur; however, the act as a whole must be retained. We believe government, business and labour are all committed to supporting long-term growth and development in the construction industry and strengthening the economy of Manitoba.

When change is introduced to a long, existing act it must be done in such a manner that would be beneficial to all. Consideration must be given to the past performance of the act and how proposed amendments may affect the act. Going with some of the amendments that have been proposed on Bill 73, exclusion of house

building sector, the act in its current form sets out minimum wage rates and hours of work for journey-persons, helpers and labourers engaged in the house building sector. In a market that is predominately subcontractor based, the act contributes by way of attracting entry level workers and maintaining a pool of skilled workers to an industry that provides a fair wage and a fair standard of living.

Deregulation will lower wages, resulting in little or no incentive for the industry to attract and maintain a skilled labour force. Deregulation will encourage workers to deal in cash or barter, subsequently to avoid paying tax, WCB premiums and other benefits to make up the shortfall in earnings. The only area of the economy that will thrive will be the underground economy. In 1995, it was estimated that the underground economy took an estimated \$60 billion out of government coffers, and deregulation of this sector will only add to it.

**Exclusion of maintenance, repair and redecoration:** Maintenance, repair and redecoration is an important part of the major construction and is often a part of the original building contract. Usually there are maintenance contracts on major buildings and maintenance services as a significant consideration in the case of periodic shutdowns of major complexes. For example, a renovation at a department store usually entails tear-down and installation of walls, plumbing, electrical, et cetera, to complete the project, yet the main structure remains virtually untouched.

To do these projects safely in a cost-effective manner and according to building codes, well-trained, skilled craftspeople are required. If you refer to the second-last page of the document that was handed out and focus on the language inserted, in the underlined and italicized: Upon the request of the minister the Manitoba council has met numerous times with the minister and his staff to work out suitable language to include maintenance and repair, and we offer this language to you.

Facts to be considered by board recommending wage levels: Setting criteria to raise wage levels when the economy is flourishing, and freeze or lower wage levels when the economy is stagnant or in a decline would be devastating to the entire industry and the Manitoba economy as a whole. Lowering wages does not and will not foster capital investment for construction projects. It

would create a constantly unstable environment, deterring job entry and eventually reducing the skilled-labour pool that is so crucial to the industry to be competitive. The board must be comprised of construction industry representatives and not public interest. These representatives carry the knowledge and experience of the industry to determine wage levels. Construction minimum wage levels must be maintained to secure a skilled labour pool and provide an incentive for job entry into the industry.

Here are two amendments that we, the Manitoba Council of the Canadian Federation of Labour, are introducing. Definition of a journeyman. It has come to the attention of the Manitoba Council of the CFL that the CIWA does not have a clear and concise definition of a journeyman. Please refer to the last page of the document that I handed out to the committee. We are proposing that the following amendment to the current journeyman definition:

The journeyman means a person who: (a) holds a trades certificate of proficiency or licence from a recognized authority, either the Manitoba government or a trade union education and training program, or (b) performs and is assigned by their employer to duties assigned to journeymen in an apprenticeship trade or to duties normally assigned to journeymen who are not registered in apprenticeship trades but have trade regulations that are defined.

We also introduce a second definition which Mr. Terry Dauphinais, as business manager of the Elevator Constructors, will have included in his presentation, and it reads: Journeyman means a person who has attained a level of skill to address all areas of their particular trade under an apprenticeship, carry a licence after completing the work requirements to qualify as indicated by the licencing authority, or attain the standards that are accepted and known to be high skill level for a trade that is not apprenticeship.

We also call for better enforcement of the CIWA. It has come to the attention of the Manitoba Council of the Canadian Federation of Labour that the CIWA is not effectively enforced by the Employment Standards Branch. The Employment Standards Branch is supposed to fully enforce the CIWA in the nonunion sector, and quite frankly this is not happening. Many of our affiliates

have from time to time assisted nonunion workers in filing complaints against their employer about noncompliance to the CIWA. Many of the complaints are about not receiving overtime pay, holiday pay, minimum rate pay, employer ratio requirements, et cetera. In our experience with these complaints, the Employment Standards Branch either drags its feet or does nothing to settle the complaint. We have spoken to a number of nonunion contractors who have written letters to the Employment Standards Branch requesting that the CIWA be vigorously enforced. They, as well as the labour movement, have constantly requested the CIWA have some teeth, prosecutions, a level playing field for fair and honest competition is what is required in the province. Contractors must completely be familiar with different building codes and the Revenue Canada taxation system to stay in business. These are far more complex than the CIWA.

The CIWA is not in any way difficult or complex to administer. Some unscrupulous employers violate the CIWA knowing full well no action will be taken against them. Employees have indicated they are reluctant to file complaints against their employer in the fear that they will lose their job.

No employee should be intimidated to a point of losing their job just because they are exercising their rights by law. It is crucial that the employee filing the complaint remain anonymous. Employees must be comfortable when filing a complaint and this must be accomplished by a neutral third party. The union sector must be given the power and the authority to police and file complaints on behalf of the nonunion employees. By this means effective policing and enforcement of the CIWA can be accomplished. The council recommends the CIWA to be fully enforced and effectively by the Employment Standards Branch and the union sector. We recommend that all complaints be acted upon in an expedited manner. We also recommend that fines be enforced and implemented at 10 times the current rate. The CIWA would then read: an employer who fails or neglects to comply with any provision of the act or regulations is guilty of an offence. On summary conviction, where the employer as an individual, the employer is liable for a fine of not less than \$1,000 and not more than \$10,000 or imprisonment for a term not exceeding three months or both. Where an employer is a corporation, liability is a fine of not less than \$5,000 and not more than \$10,000.

In my closing remarks, the CIWA must from time to time be updated to reflect the changes in the industry. However these changes must reflect what is best for the industry as a whole. These changes much ensure a level playing field is maintained at all times. Furthermore, the CIWA is not by any means complex or difficult to administer. The act is actually quite the opposite. The biggest problem with the act is the inability of the Employment Standards Branch of Manitoba to effectively enforce the regulations set out in the act. Thank you.

\* (1940)

**Mr. Toews:** Thank you very much, Mr. Tesarski, for your comments. I appreciate the input of the Canadian Federation of Labour in working together with my department in preparing certain suggestions. I do have one concern. You raised many issues, but I do have one specific concern, and that is your federation's opposition to the exclusion of the house-building sector.

As you may well know yourself, essentially the employee-employer relationship in that entire sector has disappeared. In fact, most of the work, if not all of it, is being done by subtrades rather than in an employer-employee relationship. This has all occurred under the present law, and certainly it is my hope that by excluding the house-building sector from the act, we can once again begin to build on employee-employer relationships so that new people, young people can come into the trade, learn skills from skilled tradesmen so that they are not simply ignored, and they receive the training that is necessary. What are your comments on that?

**Mr. Tesarski:** Well, I think there are three comments I would like to make on that. First off, I guess if it was enforced in the last part of my presentation, that may have not happened. The second part of it is, if it is deregulated to a point where it is, a lot of those employees are not paying or, if they are subcontractors, they are not paying WCB, they are not paying taxes, they are going with cash and everything else. That is a problem that has to be addressed. The other part of it is, the wages there have been driven down so low. What is the incentive for somebody to go into that sector? There are three issues that have to be looked at at that point.

**Mr. Reid:** Thank you, Mr. Tesarski, for your presentation. You referenced several areas that I would like to have the opportunity to ask questions, but no, due

to the time limits of this committee, I will not have the chance. So I will try and zero in on some of the areas.

In this Bill 73, the minister is proposing to, at his will or at the will of the government, determine when and if the wages board will meet and that through this bill the minister is proposing to supplant, to some degree, the efforts or the ability of those wages boards to hear certain issues and make recommendations to the government.

Do you think that it is advisable for this government to have through this bill the ability to appoint an advisory committee with no guarantee of industry reps, both business and labour, to meet only if and when the minister determines? Do you think that that is a fair way for the government to treat both yourself, as an employee representative, and the business representatives?

**Mr. Tesarski:** No, the best way for the single Wages Advisory Board to meet is, first off, it has to be comprised of labour representatives and employer industry representatives. They have to meet on a regular basis. Our economy is changing very quickly, rapidly and, for us to keep up with that, regular meetings have to be called.

**Mr. Reid:** Okay, I appreciate those comments. You also mentioned in your presentation that there was difficulty with enforcement of the current act and that you have recommended that there be an increase in the sanctions or the fines that would be levied for those that would break The Construction Industry Wages Act. Can you relate for us some of your experiences that you may have with respect to lack of enforcement of the current act, and do you see that via this new bill, Bill 73, that we have before us, that there will be any changes in the enforcement provisions?

**Mr. Tesarski:** There will not be any changes to the enforcement. As for an example, I guess I can use one of my unions that are affiliated to the Manitoba Council, and they brought to my attention that there was one worker that had a complaint but he was scared to take it to the Employment Standards. The union took it on behalf of them, had a meeting with them and, as of yet, that was six months ago, nothing has happened with that.

**Mr. Reid:** So then we have a serious enforcement problem in the province and steps need to be taken

through Employment Standards. You have also mentioned the possibility, because the government, through this bill, is removing several sectors, including house building and in-house maintenance. I take it through your presentation here today that you are recommending that the government look very seriously at amending the legislation to allow for the house-building sector and the in-house maintenance provisions to be retained in the act versus what they are planning here, to eliminate them. Am I quoting you accurately?

**Mr. Tesarski:** That is correct. That would be maintenance, repair and redecoration.

**Mr. Chairperson:** Thank you, sir, very much for your presentation this evening. That concludes the time available. The next out-of-town presenter that I would call is Mr. Jack Cumming. Good evening, Mr. Cumming. You have some presentations for us?

**Mr. Jack Cumming (Construction Association of Rural Manitoba Inc.):** I do.

**Mr. Chairperson:** Thank you. The Clerk will circulate. While your papers are being circulated, sir, I would invite you to proceed.

**Mr. Cumming:** Thank you for the opportunity to appear before this Standing Committee. I am the general manager of the Construction Association of Rural Manitoba, an organization that represents approximately 200 companies, located throughout rural Manitoba, and engaged in all sectors of the construction industry.

Our members are typically small to medium-sized, nonunion companies that establish long-term relationships with their employees. These relationships are fostered by employers' commitment to provide full-time or near full-time employment, year after year, and by employees' consideration of a number of factors when deciding to live and work in rural Manitoba: availability of work, standard of living, enjoyment of rural lifestyle, employer loyalty, just to name a few.

To achieve these comparably high levels of employment, our employers—to use an analogy that suits our agriculture-based economy—have become the mixed farmers of the construction industry. We include in our numbers general contractors who may concentrate on private-sector commercial building and renovation, but

who may also build custom homes; painting contractors who bid on publicly tendered projects but who depend upon maintenance and redecoration of commercial buildings to fill out their year's work; trade contractors, such as electrical, plumbing, and air conditioning companies that work on these commercial and institutional projects, but who supplement this construction work with maintenance contracts with business and public facilities, entities that are perhaps not large enough, nor have they seen the need, to employ a skilled in-house staff. These same trade contractors may also serve the housing sector.

These employers accomplish this mixed bag of work with staff members who have gained wide-ranging experience working with one company, and who enjoy a good standard of living provided by wage rates set by The Construction Industry Wages Act.

Of course, one thing remains constant regardless of the type of work the employer pursues; that is the need to compete for the work. Our employers rely upon a productive workforce to do things as economically as possible. Their workers understand that they must do their job well, and within the allotted time frame. In return, they will be paid at a certain level. The Construction Industry Wages Act sets that bar. That is, until now.

Please understand the consequences we foresee with the exclusion of the house building sector and of maintenance, redecoration and repair. Our companies and their long-term employees will not be able to compete for a portion of the work they have come to rely upon: general contractors who will not be able to build homes; electricians and plumbers who will be restricted to projects that fall within the purview of the Wages Act; and painters who will only compete for redecoration and maintenance work if they indeed lower the bar.

Accordingly, we remain opposed to the exclusion of the house building sector, and we remain opposed to the exclusion of maintenance, redecoration and repair.

While understanding the position taken by Crown corporations and municipalities regarding their need to exclude employees who normally perform other tasks, but occasionally do maintenance work, we hope that regulations will impede companies that would rush to

create in-house staffs, albeit on a temporary basis, to accomplish renovation work that would normally be tendered out to the construction industry.

\* (1950)

We applaud the decision to retain separate wage boards. Our earlier description of the rural sector should reinforce our contention that separate boards are needed to address different realities. But that is not to say that the rural and urban sectors cannot agree. On most issues that this amendment process has raised, we concur with our urban peers. For instance, it is important that our employer associations be involved in the selection of board appointees from amongst currently active employers, of course. In the case of the rural board, employer representatives should be selected from the rural sector. In the same vein, it is only hoped that employee appointees will be representative of the vast majority of workers—permanently based in rural Manitoba and currently active with a nonunion employer.

On other issues such as flexibility in hours of work to reflect seasonality and to deflect permanent harm from inclement weather, and the inappropriateness of third-party interventions, to name just two, the associations have reached consensus. But, apparently, such is not the case regarding major building project legislation. We agreed, or so we thought, that the major building project portion of the legislation should be repealed. Apparently, the Winnipeg Construction Association has attached clarification of the Winnipeg boundary to any such discussion. According to subsection 20(1) of the proposed Bill 73, these items will be addressed by way of regulations.

It remains our contention that major building project portion of the act should be repealed. According to subsection 11(1) of Bill 73, factors to be considered by the wages boards include, I quote: “providing for fairness in the tendering process for construction projects.” We would point out that a very uneven playing field can result when (a) a project requires Winnipeg rates under the major building project clauses, and (b) a union offers to a prime contractor a financial incentive—some would call it a kickback—to use union trades.

Obviously a nonunion trade contractor would be hard pressed to compete in that situation. But apart from this apparently legal practice and the unfairness it creates,

what is achieved by the arbitrary imposition of higher rates on projects over 50,000 square feet? Perhaps the design and construction of 49,900-square-foot projects.

Finally, I would like to mention some potential consequences for some of the changes recommended here. Another factor to be considered by the boards, the needs related to the entry into and the development and availability of a skilled and productive workforce needs to be considered before major portions of work are exempted from the act.

There are two other characteristics that we share with the WCA and their comment to the industry, whether it be rural or urban. Our skilled workforce is aging. Our ability to attract young people, given the high-tech options and the propensity for their school advisors to point them in another direction, will likely not meet our needs. Many of our trades, and I will use the example of painting, have not been able to attract apprentices. All things considered, what will a young person's reaction be when offered a four-year apprenticeship that will result in certification and the chance to earn the provincial minimum wage. Thank you.

**Mr. Chairperson:** Thank you very much, Mr. Cumming.

**Mr. Laurendeau:** Mr. Cummings, I never heard about this kickback scheme. Could you explain this to me a little bit more so I could try to get my—

**Mr. Cumming:** It has been quite a while since I heard about it. I would only say to you, I am not really fully cognizant of it, but I do know that on March 2, 1992, at The Construction Industry Wages Act review committee hearings in Brandon, Manitoba, Patrick Martin from the Carpenters Union explained it in great detail. I understand he is going to talk tonight, so perhaps he could answer that question.

**Mr. Laurendeau:** Good. I will be listening for it. Thank you.

**Mr. Reid:** Thank you for coming out this evening to make your presentation. I note your comments with respect to keeping the house building sector as part of the act and also keeping maintenance, redecoration and repairs part of the act as well.

I want to ask you, sir, because the government is proposing to make some changes with respect to the advisory board. I note you referenced it in your presentation. Has there been a problem that you are aware of that the government would need to replace the three wages advisory boards that are currently in place in the province with the advisory board that the minister is proposing? Do you see a need to have such a change put in place, where you would have an appointed board instead of having the industry representatives sit in and advise government on what changes, if any, are needed?

**Mr. Cumming:** I was of the opinion that this advisory board that the ministers had proposed is something in addition to the wages boards. As far as I know, there would still be the three wages boards, heavy, rural and City of Winnipeg.

**Mr. Toews:** Just in point of clarification, that is in fact the case, that the three separate boards would continue, and that there would be an advisory board made up of members of the public. Until this time, nobody from the public, that is people without a vested interest, be they unions or people working directly in the construction industry such as employers, have been able to make representations, nor has there been access by the minister to that public interest. Do you think it is good that people, not just unions or employers, should be the ones determining or recommending what wage level it should be, and perhaps people such as consumers should also have a say, because what is recommended ultimately affects the prices that they pay for things like houses.

**Mr. Cumming:** I guess the tendency that people in my position and the people that I see in the room, both in management and even the labour people, have had a tendency to think that this whole thing can be looked after by the people who are in the industry. I still think that the best thing we could have happen—and it was made in a recommendation at the end of my presentation four years ago—I think that labour and management and government people need to sit down and talk about a great variety of issues. That discussion has happened. In our case, we appeared before the minister or the deputy minister. I know that the WCA does. I am sure that Pat Martin does on occasion. But none of us all get together to talk about this.

As far as the involvement of consumers, the only thing that I would like to say about that it is that it would give

people, particularly I am talking about out in the country, the opportunity to indicate to those involved what they would do with their money, if in fact we had pursued what was recommended four years ago when we were going to have the rural wages pegged at 85 percent of the union rates in Winnipeg.

I would have loved to have consumers, who are agriculturally oriented, come to a meeting and indicate what they would do with their money if they were told by a contractor in Swan River or Brandon or Upper Rubber Boot, for that matter, that their project was going to cost them 40 percent more money. I would have loved to have had those people be able to come to a committee.

I guess there is some use for what I think the people within the industry should be able to sit down and talk about this.

**Mr. Chairperson:** Thank you, sir. That concludes the time allotted for your representation. Thank you very much.

**Mr. Cumming:** Thanks very much.

**Mr. Chairperson:** Thank you, sir. We will now go to the head of the list. The first presenters registered are Frank Thomas and Dave Martin.

Good evening, sir. I see you have some copies of your presentation, I would ask the Clerk to circulate.

You are Mr. Martin, is that correct, sir?

\* (2000)

**Mr. Dave Martin (Manitoba Building and Construction Trades Council):** Yes, I am, Mr. Chairman. I apologize for Mr. Thomas's absence. He is enjoying a vacation in England, I believe it is, at this time. He regrets not being able to be here.

**Mr. Chairperson:** Thank you, Mr. Martin. I would now ask you to proceed with your oral presentation.

**Mr. Martin:** On behalf of the Manitoba and Building Construction Trades Council which includes 16 affiliated craft trade unions which are actively involved in the Manitoba construction industry. Additionally, they

represent all crafts that work in the industry. The Manitoba Building and Construction Trades Council, through its affiliates, represents approximately 5,000 construction workers in the province of Manitoba.

We submit the following concerns regarding specific sections of Bill 73 to the committee. With respect, we are submitting some of the sections or amendments to Bill 73 that we feel have major significance to us, and not necessarily all of the changes.

With regard to paragraph 2.1(b) the repealing of definition of "Greater Winnipeg." The present definition has been in the legislation for many years. In 1953 the Winnipeg zone was redefined as greater Winnipeg, the area within a 30 mile radius of the point of intersection of the street on the corner of Osborne and Broadway, generally speaking. This definition has provided a fair demarcation between the Winnipeg construction industrial economy and the rural economy and is an appropriate buffer zone acceptable to the construction industry.

Construction workers residing within this 30-mile radius must be considered part of the greater Winnipeg construction economy. It would be unfair if this region became a low construction wage area, while many construction workers, resident in the area, travel to Winnipeg daily to benefit from the Winnipeg's minimum construction wage rates.

The existing demarcation line at the 30-mile radius location causes less wage contortions. Repealing the 30-mile radius would remove the town of Selkirk from the greater Winnipeg area of region. Construction minimum wages for Winnipeg and Selkirk have been on par for many years. To avoid labour cost disparity, the present greater Winnipeg area definition, which includes the 30-mile radius zone, should not be repealed. The proposed amendment, specifically Section 3(e) of the amendment references the house building sector, which is now proposed to be excluded from the act and regulation. Therefore, residents and purchasers within the 30-mile zone, which will include Winnipeg, will have the opportunity for house building to function in a market where the construction minimum wage level is unregulated. This could result in labour unit costs in this sector to be driven down by the bidding process, where the lowest bidder prevails.

On the other hand, industrial, commercial, and institutional projects should continue to be regulated by the act. By not amending the 30-mile zone, construction workers wage rates will be protected in the ICI sector.

With regard to the section industrial, commercial, and institutional sector, this section is proposed to be included within the act, although the words have been amended from the current definition contained within the Manitoba regulation 194/91. The amending of the paragraph by not including maintenance, redecoration, renovation, demolition, remodelling or repair, causes serious concerns for skilled crafts people and the construction industry.

The act, by its title and intent, is to set minimum prevailing wage rates and hours of work for workers in the construction industry. By excluding maintenance, redecoration, renovation, demolition, remodelling or repair, a large percentage of construction work will not have a minimum wage protection for the construction tradesmen. The new minimum wage rate will be the minimum wage. I believe it is \$5.75 an hour. Wage rates in these sectors will be driven downward by the lowest bid tender process. This excluded sector potentially represents more than 40 percent of the industry, depending on contract interpretation. Skilled tradesmen, because of lower wage levels, will seek work in other industries or sectors. New workers will not be attracted to enter a trade in the construction industry. Many projects falling into renovation, remodelling or repair work in the industrial, institutional, and commercial plants, can be very large in scope and dollar value, resulting in many thousands of hours of work.

Renovation, remodelling or repair work that will be affected by such a proposed amendment would include: built-up roof replacements or roof repairs on industrial or commercial buildings; renovations that could include rewiring and upgrading of an electrical system in a plant or building; renovations that could include installation of a new sprinkler system in a plant or building; maintenance redecoration in modern office towers where suspended ceiling, lighting upgrading, interior partitions, re-layout, changing the interior form without any structural alteration or structural remodelling; repairs or maintenance of elevator and escalator systems in large buildings; repairs that occurred at the Grand Rapids Hydro Station when the head cover blew required two

years of work costing several million dollars; repairs to Headingley Jail following the riot that could eventually cost \$10 million; shutdown for maintenance and repairs of major industrial plants that can occur for periods of a few days to two weeks or more, and on a major shutdown can require from 100 to 200 tradesmen.

This list could go on, but these projects require skilled craftspeople to ensure safe installation and repair of equipment and the safety of plants, buildings and the public. Setting out these exclusions will create a plethora of interpretation problems on whether specific construction is governed by the minimum wage schedules or not for virtually every type of project. It is our view that the provisions of exclusions within the scope of the amendment will not contribute to a simple interpretation of the act and, therefore, will not contribute to a more effective enforcement of the act. The construction definition should include what the industry is all about.

We submit that in addition to structural- or architectural-related work the definition must include engineering mechanical or engineering electrical alterations or the remodelling of the building or structure, or repair, or renovations to the floor or roof area surfaces on major buildings and must include engineering mechanical or engineering electrical repair, alterations, retrofit, renovation of equipment, machinery, fixtures, and components that were originally assembled or installed under the application of the act to ensure wage protection when this work is contracted by owners of plants and buildings.

The definition of the construction industry in other provinces such as Saskatchewan includes words such as reconstructing, altering, remodelling, repairing, revamping, renovating, maintaining and decorating. In the province of Alberta, it includes alteration, decoration and restoration. In the province of British Columbia, it includes renovation and repair. In Ontario the definition of a construction work includes erection, repair, remodelling, decoration or alteration.

Including renovation, repair, alterations and general major contracted maintenance is essential for the Manitoba definition. The federal government's guide and interpretation for temporary entry into Canada under the North American Free Trade Agreement sets out who may not enter Canada to do work. Entry is not granted to

persons doing hands-on building and construction work. The federal government's definition for building and construction work includes installing, maintaining and repairing machinery, equipment or structures within a building.

We have encountered many situations where we have had to seek the invoking of this section to protect Manitoba tradesmen's jobs from being performed by U.S. workers on a number of job sites. All this work must be kept within the definition to protect Manitoba construction jobs. Manitoba's definition should not be out of step with the federal NAFTA definitions. The federal government has tried to protect construction jobs. The Manitoba government should also try to protect Manitoba construction jobs.

Under Section II the amendment is deleting the reference to the prevailing rate. The very purpose of The Construction Industry Wages Act should reflect the market value of the craft labour that requires the determination of the prevailing rate, which should continue to be a factor to be considered by the boards. Prevailing rate in The Construction Industry Wages Act has far more merit than the new terms competitive position or fairness in the tendering position.

\* (2010)

In the U.S., construction workers have benefited from the Davis-Bacon Act, which recognizes the local area prevailing wage rates and working conditions on large government construction projects. This act maintains that local prevailing wage rates, to prevent out-of-state contractors using the competitive bidding process from driving down construction wage rates. Similarly, The Construction Industry Wages Act should prevent the driving down of local construction wage rates by contractors taking advantage of workers from high unemployment regions, which could include our own.

In the U.S., where prevailing wage laws have been repealed, recent economic studies have shown that there has been a distinct decline in skilled craftspeople in the industry and the training of apprentices. Additionally, a lack of prevailing wage rates has led to increased injury rates. Lower construction rates have led to a loss of government tax revenues and purchasing power in the local economy.

Studies have shown that lowering construction wages has actually resulted in increased construction costs by attracting a lesser skilled workforce and a lower quality contractor. This adds up to cost overruns, higher accident rates, resulting in higher overall construction costs.

Construction maintenance, redecoration, renovation, remodelling and repair work must continue to be covered by a fair minimum wage based on prevailing wage rates if this act is to continue to have value for Manitoba construction workers and the industry.

**Mr. Chairperson:** Thank you, Mr. Martin. Any questions from the committee? Mr. Reid.

**Mr. Reid:** Thank you very much for your presentation this evening. It is quite an involved document, and I will read through your presentation. Can you tell me, because you have referenced here this evening your concerns about the government's move to remove the house building sector and the major maintenance and renovation, redecoration portions from the legislation: Do you have experience, or have you experienced, problems with the enforcement of the current act itself? Do you have any experience that perhaps you can share with committee members with respect to the unlevel playing field that may exist that would disadvantage some construction companies from bidding on contracts, that perhaps maybe those that are bidding on some companies may be unscrupulous, may be using sub trades, defined as independent contractors? Do you have any experience in that regard that would show that our Manitoba companies are being disadvantaged by such a practice?

**Mr. Martin:** You asked a complicated question and fairly lengthy, and you lost me halfway through it. However, I think I know where you are going. I think the previous speakers have talked to this issue about the fairness of The Construction Industry Wages Act. I think historically and—I apologize, I do not have my partner, Mr. Thomas, with me, who is a historian and has been with us for a long time, to answer some of these questions. Historically, there has been some semblance of fair enforcement in prior years in regard to The Construction Industry Wages Act, and it has been relatively effective.

It seems in recent years, however, that either the contractors, and I am talking about contractors who are trying to subvert this act, have gotten more creative or hired better lawyers, but they have found ways around it. Some of the previous speakers have tried to address some of those issues in respect to definitions of journeymen, for example, and who is included and who is excluded from the act. It has resulted in everybody trying to find innovative ways to circumvent this act rather than live up to the intent of this act.

I would like to say on behalf of the organized contractors in particular, and seemingly even the nonunion sector from rural Manitoba, there are many good contractors out there that are prepared to work with a fair, prevailing wage rate, and fair definition of tradesmen. I think it behooves this government to try to create an act and create a condition that continues to deliver fair wages for construction workers in this province.

I think the previous speaker, a nonunion contractor, I apologize, I cannot remember his name, made reference to the type of worker that enjoyed work in the nonunion sector from the Brandon area from rural Manitoba. I can recently tell you a story of a meeting we have had with a large American general contractor, KTI Fish Limited, which is presently building a Simplot project in Brandon, a 250 million man-hour project. Their comments to us in the building trades complimented the level of skills and the abilities of the Manitoba construction worker, that they have already appreciated.

I think part and parcel of that level of ability and craftsmanship within those construction workers can be attributed to fair wages. They were comparing it to the type of construction worker that they experience in the U.S., who is predominantly a traveller, predominantly hooks up his tools and his half-ton truck, and a temporary trailer, and travels from job to job, totally uncharacteristic of our family man-type of skilled craftsmen that we enjoy here in Manitoba. I think part of the reason that we attract that kind of person to this industry is because we have a fair construction wage for craftsmen. That fair wage benefits the industry and benefits the community.

A question was answered earlier, if I could, about whether or not the purchasers or the community should be involved in the construction wage rate. I have to support the previous speaker's comments, that the construction industry should speak for construction workers. I do not

think—I could be wrong here—but I am not sure if the community gets involved in setting pork prices or wheat prices, or the price of eggs, and so forth.

Our contractors are fair employers, and they have a good grasp of the industry, both locally, nationally, and internationally in some cases. So, when they sit down and establish fair wages for construction workers, they know what they are talking about.

**Mr. Chairperson:** Thank you very much, sir. That concludes the time allotted for the questions on the presentation this evening. Thank you very much for coming before us.

**Mr. Martin:** Thank you.

**Mr. Chairperson:** The next presenter is Mr. Rob Hilliard. Mr. Hilliard. Good evening, sir.

**Mr. Rob Hilliard (President, Manitoba Federation of Labour):** Good evening.

**Mr. Chairperson:** I see you have some presentations for us; the Clerk will circulate. While that is going on, I would ask you, sir, to commence your proceeding.

**Mr. Hilliard:** Okay, thank you very much, Mr. Chair. The Manitoba Federation of Labour directly represents the interests of workers in a number of building trades by virtue of affiliation with the MFL and the Canadian Labour Congress. Part of our responsibility is to speak out on their behalf when they feel that government is taking action that will negatively affect them. Such is the case with Bill 73, The Construction Industry Wages Amendment Act.

It is our belief that one of the unique characteristics of Manitoba is the humane protections it has put in place for construction workers in recognition of the challenges that face them. For more than 80 years, Manitoba's Construction Industry Wages Act has helped ensure that the men and women employed in the building trades have fair wages and reasonable working conditions. It has offset the transient nature of construction work, and the fact that construction is, in many cases, a seasonal career.

The act has established a minimum wage scale that in normal times is regularly reviewed and compared with

wage levels established throughout collective bargaining. The act recognizes the fact that the vast majority of the building trades are populated by skilled workers, who spend many years in apprenticeship training, in order to become qualified and licensed. The act also defines the work that is covered by it. It sets geographic boundaries for its jurisdiction to ensure that workers covered by it are not penalized for working on projects in rural and remote areas.

For the most part, The Construction Industry Wages Act has served Manitoba well. It has brought fair wages to building trades workers. It has brought stability to careers that are made seasonal by our climate. It has ensured there is a stable supply of skilled construction workers. It has created a less complicated, competitive tendering system, by avoiding subsistence level wage strategies and rewarding expert management and sound business practices. When this system has broken down, it has been because government has delayed the regular review of the minimum wage scale, allowing too large a gap to develop between it and the wages that unionized contractors and the workers have found to be fair. In fact, Bill 73 proposes to exacerbate this problem by amending the act to provide for reviews "from time to time," rather than on an annual basis.

\* (2020)

The provisions contained in Bill 73 will undo 80 years of sensible legislation. If enacted, Bill 73 will lead to lower minimum wages being paid to nonunion construction workers, and eventually unionized workers as well. Bill 73 will promote the low-wage strategy that has become characteristic of the industrial strategy adopted by many governments in Canada, including Manitoba.

On the issue of redefining the definition of "Greater Winnipeg," Bill 73 proposes to delete the reference in the act to the 30-mile radius from the corner of Broadway and Osborne. The definition of "Greater Winnipeg" will now be dealt with by regulation, a process that allows the government of the day to change definitions without public debate. There has already been some indication that this government wishes to reduce the size of this definition of Winnipeg, for the purposes of this act, to the Perimeter Highway. If this in fact is done, it will promote urban sprawl in the capital region. For example,

a carpenter's wages will drop from \$21.62 an hour to \$11.55 by working on a major project just outside the Perimeter Highway. A shift of this magnitude will undo the very thing the 30-mile radius was meant to address: rapid industrial sprawl just outside the Winnipeg city limits. This, in turn, will serve to undermine the corporate tax base of the city of Winnipeg, without lowering its infrastructure and service costs. Indeed, it will put pressure on the city to attract industrial development through further cuts to corporate taxes, and increases for individual property taxes in order to compete with the lower construction cost factor on the other side of the Perimeter Highway.

This bill directs The Construction Industry Wages Act review board to consider the competitive position of the construction industry in Manitoba, in relation to the construction in other provinces and jurisdictions, rather than the term "prevailing wage." If this consideration becomes a major factor in the board's review of construction industry minimum wages in Manitoba, it has the potential of plunging building trades workers, both nonunion and union alike, in a race for the bottom with other provinces and jurisdictions such as those in the United States. It adds to the list of things that corporations can blackmail Manitoba into agreeing to in order to attract new business.

In some areas, governments have signed away business and property tax entitlement, promised to build extensive infrastructure at public expense, and even added grants to the offer. Workers' wages should not be on this block as well.

Bill 73 intends to exclude residential construction from the provisions of the act. This measure will substantially lower the income levels of building trades workers employed in this sector. If the intended impact is to consequently lower the cost of housing, then it is imprecise. Time and time again, Canadians have been promised savings through a variety of schemes that inevitably fail to materialize. If making the cost of housing affordable is the government's intention, then take action that will have that effect. Action such as promoting a full employment policy and a fair wage structure, not only in the construction industry, but as a general economic strategy, so that the consumers, most of whom are working people, can afford to buy houses.

As the government is well aware, there can be no assurance that reduced labour costs in residential home construction will be passed on to the consumer in the form of lower prices. All that Bill 73 assures is that these workers will see their wages decrease substantially. Some believe that, as a result, there will be more individuals entering the underground economy in an effort to protect living standards by avoiding taxes. The Canadian Home Builders' Association reports that in 1992 home construction in the underground economy in Canada was estimated to be valued at about \$8 billion. In any event, Manitoba housing in general, and Winnipeg's in particular, has traditionally been more affordable in comparison with other provinces, even though workers have had the protection and benefits of The Construction Industry Wages Act.

Our affiliates assure us that very often maintenance and repair on a major construction project can be a substantial project in and of itself. For example, a major building is constructed under the provisions of the act, and then an accident two years later requires that its roof be replaced. Under the provisions of the bill it appears that the roof would be built by workers paid at the rate set by the act, then, conceivably, the very same workers would carry out the same work as part of the repairs at a substantially lower rate of pay. There is no provision in Bill 73 to escape this paradox.

Similarly, it appears that workers employed to repair highways and other infrastructure may not be covered by the minimum wage scale. These are major projects, and the workers that carry them out deserve to be paid a fair wage that is consistent with the wages paid for new construction.

Section 20(1) of Bill 73 empowers the government to make regulations that, among other things, allows it to make regulations under (e) exempting any Crown agency, or any class of employers or class of employees, from the application of this Act or any provision of a regulation under this act.

We are not sure how to take this. Is this the trap door that allows the government to override the provisions of the act if a Crown corporation decides to commence a construction project? If government wants to build a new freeway or a bridge, can it pass a regulation exempting government contractors and employees from the act? If

the government decided to make Manitoba home for a new agricultural business, can a regulation be passed by cabinet, without reference to the Legislature for debate and a vote, exempting agricultural businesses and construction employees from the act?

In summation, the Manitoba Federation of Labour urges the government to make amendments to this bill that address the concerns raised by this brief and others who have presented before us. We urge you to make amendments to maintain and improve the fairness of wages paid in the construction industry in Manitoba. Our province and its workers must not be part of the international economic race to the bottom.

Thank you very much.

**Mr. Chairperson:** Thank you, Mr. Hilliard. Are there any questions of the presenter?

**Mr. Reid:** Thank you, Mr. Hilliard, for your presentation. I apologize to the previous presenter for my long and convoluted question that led him to have some difficulties.

I want to ask you, Mr. Hilliard, because you referenced in your presentation here this evening that you expect that, as a result of the shift or the elimination of the "Greater Winnipeg" definition that is currently in the act to that which would indicate the Perimeter Highway as being the defining boundary, that will add to industrial sprawl. What would that mean, Mr. Hilliard, for the working people of the city of Winnipeg and the surrounding communities, not just on the wages' side? What effect do you see it having on the availability of job opportunities?

**Mr. Hilliard:** It appears to us that there is an economic incentive to promote more building outside the Perimeter Highway, as a result of a definition like that, rather than inside. What would then happen is that contractors taking advantage of that economic incentive would conduct their projects outside or build their projects outside the Perimeter Highway, and workers who live inside the city and have to live with a city of Winnipeg cost of living would be forced to get their work outside the Perimeter Highway at a reduced wage. That would result in several things. First of all, workers would have to travel outside the Perimeter to get work; they would

also be working at a lower wage in a higher cost-of-living zone. Frankly, we are concerned about what it might do to the city of Winnipeg itself in terms of sprawl and in terms of providing economic incentive for development outside of the city.

**Mr. Reid:** Do you also see, Mr. Hilliard, in addition to the rapid industrial sprawl that you indicate in your presentation here—I take it you mean the loss of revenue to the City of Winnipeg as a result of projects that may move outside of the boundaries that the minister is proposing here. Do you also see the possibility that perhaps people that are employed in the construction industry that may be currently living within the city of Winnipeg jurisdiction would also move outside or away from the city more closely related to the work area in which they may find their employment?

**Mr. Hilliard:** That is certainly a possibility. It is difficult to predict how all workers will wind up reacting to all of this, but, frankly, one of the previous speakers mentioned in the United States where there is a lower skill level and a much more transient workforce, we fear that ultimately this is where these kinds of amendments will lead, and that people who are resident in the city of Winnipeg, rather than chase those jobs, will eventually look for other kinds of careers, and there will be a different kind of workforce in that industry as a result.

**Mr. Chairperson:** Thank you, sir, very much for your presentation this evening. That appears to be the extent of the questions, and we appreciate you coming forward, sir.

The next presenter this evening is Mr. Lance Norman. Is Mr. Norman in the assembly? Good evening, Mr. Norman.

**Mr. Lance Norman (Manitoba Chamber of Commerce):** Good evening.

**Mr. Chairperson:** Have you got a written presentation for us this evening, sir?

**Mr. Norman:** I do not.

**Mr. Chairperson:** All right, then I would invite you to proceed with your oral presentation. Thank you very much.

**Mr. Norman:** Good evening, members of this committee.

The Manitoba Chamber of Commerce is now in its 65th year. It is the provincial organization for 63 Chambers of Commerce as well as over 275 leading corporate members in this community and therefore represents some 7,500 businesses in the public policy debates. The Manitoba Chamber of Commerce believes in the importance of the competitive enterprise system and believes that the competitive enterprise system has provided us with the standard of living that we enjoy today.

With respect to this particular bill, Chamber of Commerce policy dates back to 1990-1991, and while that objective at that time—I apologize. In 1984, amendments were made to The Construction Industry Wages Act which converted the long-standing and generally accepted law into a state-imposed wage system on all employees and employers in the construction industry, and while the objectives of those amendments were laudable, that is, maintaining a skilled workforce in Manitoba, it has divided the industry. I think that that has been demonstrated tonight and will continue to be demonstrated tonight and must represent the furthest swing of the pendulum of government intervention into this industry.

\* (2030)

It is fair to say that, no matter what the government legislates in this area, it is going to be proved to be unfair to someone somewhere. So, while endorsing these changes is an important first step, the preferable course of action endorsed by the Manitoba Chamber of Commerce would be to eventually eliminate the legislation altogether so as to permit employers and employees or their respective voluntarily chosen bargaining representative on their behalf to negotiate their own wages and terms and conditions of employment rather than have these rates imposed on them by law. Essentially, the market will determine the price and quality of construction projects, and the supply and demand of skilled workers will determine those wages.

As I had indicated earlier, I do not have a written submission. Policy dates back to 1990-91 at the annual meeting and has been consistently endorsed by the board

of directors since that date. Those would be my comments.

**Mr. Chairperson:** Thank you, sir, very much. Are there any questions of this presenter?

**Mr. Reid:** Thank you for your presentation this evening. You referenced that you would like to see, I believe if I recall correctly, the elimination of The Construction Industry Wages Act. Is that correct?

**Mr. Norman:** That is correct.

**Mr. Reid:** Then I am confused here. I have got other presenters here that represent the construction industry, and I have read the documents that came from the Labour Management Review Committee that indicate that they are supportive of the act and that they want to retain The Construction Industry Wages Act. So can you explain to me how it is that members that you say you that are representing here this evening want to retain the act and that you say that you here as a representative of those same businesses want to eliminate the act? How do you balance that out?

**Mr. Norman:** I certainly am not here speaking on behalf of any one particular industry; I am speaking on behalf of the Manitoba Chamber of Commerce. Manitoba Chamber of Commerce policy is not always unanimous. This policy of elimination of the act is current policy for the Manitoba Chamber of Commerce and is the Chamber of Commerce's response to the problems encountered in the division of the industry as a result of legislation in this area.

**Mr. Toews:** Thank you very much for your comments. Now you and I might disagree on the necessity of the act, but in one respect, assuming that we retain the act as the government has proposed, we are also suggesting that, in addition to the existing wage boards, not only industry representatives, be they unions, employers or others involved in the industry, but the minister receive some advice in respect of wage levels from the public generally, because they in fact are the consumers.

Do you have any instructions or any comments to make in that respect as to whether involving the public in this discussion would be advisable as well?

**Mr. Norman:** Yes, certainly. With respect, as I had indicated earlier, Manitoba Chamber policy in this regard is that these changes, and the one to which you made reference, are an important first step in changing this industry so that it is really the marketplace that determines the wages and that is free collective bargaining that prevails. So, in answer to your question, yes, we certainly do endorse the changes that you have put forward, but it is our preference that down the road that further action in this area be looked at.

**Mr. Toews:** Thank you.

**Mr. Chairperson:** Any further questions? There appearing no further questions of this presenter, I thank you very much, Mr. Norman, for your presentation this evening.

The next individual who is registered to speak is Patrick Martin. Is Mr. Martin in the assembly? Mr. Martin. As previously agreed, Mr. Martin is not available. He will go to the foot of the list, and his name will be called once more before the termination.

The next individual is Mike Evans. Mr. Evans, good evening, sir.

**Mr. Mike Evans (Private Citizen):** Good evening.

**Mr. Chairperson:** Do you have a written presentation for the committee this evening, sir?

**Mr. Evans:** No, Mr. Chairman, I just have some comments.

**Mr. Chairperson:** Fine, thank you, sir. I would invite you then, sir, to proceed with your oral presentation.

**Mr. Evans:** Thank you.

Mr. Chairman, ladies and gentlemen, although I understand I may speak for up to 10 minutes, my comments will be quite brief because my point is very simple.

I am involved in the construction industry in Manitoba both from my day-to-day business activities as well as my involvement with the Winnipeg Construction Association. However, I am here to speak to you tonight

from my perspective as any other taxpayer in this province, and that alone.

My feelings about this particular piece of legislation are not based on the business side of construction but rather on more of a general principle of basic human rights. I believe that the government of Manitoba should not be amending The Construction Industry Wages Act. They should be repealing it in its entirety. Why is our government in the construction industry? Why are tax dollars being wasted in this intrusive manner? How many civil servants are you and I paying for that are trying to enforce this piece of legislation that has been described as the most abused law next to jaywalking?

The basic problem with The Construction Industry Wages Act is that it is fundamentally wrong. It is fundamentally wrong because it removes a basic human right. It does not allow an employee and an employer to negotiate a wages and benefits package. It does not allow me the freedom to approach you and say, hello, Mr. Smith, my name is Michael Evans. I am a carpenter. I have got 17 years of experience in commercial construction and I would like to work for you for \$18 an hour, and after I have worked for you for a couple of months and I have shown you how hard a worker I am, I would expect a raise to \$18.50, but only if you are satisfied with my work.

Why do we want to remove competition and initiative from our construction workforce? I strongly believe that a person should be allowed to market their services for whatever rate of pay they want or can get. Let us look at this legislation from a totally other perspective. Why does the government not set the wages in more industries? Why is the government not spending our scarce fiscal resources to legislate the wages of all the chefs in the province? We are putting our stomachs in their hands. Yes, let us set up a bureaucracy to ensure that all the cooks in Manitoba get paid the same.

How about the fishing industry? Let us crack down on those guys, and once we are done there we can get into setting wages for the truck drivers, the accountants, gardeners, meter readers. How about the scientists? Let us get those guys. Who knows how far we can take this thing? Think of all the secretaries, inspectors and managers we can hire. Think of all the office space we will need and the cars and the expense accounts, oh boy.

Why is our government in the construction industry setting wages? I would never argue about the involvement of government in the construction industry from the perspective of protecting the safety of workers and the public, both from the workplace health and safety point of view and building codes enforcement. Government must be involved in these areas, but that is where it should end.

\* (2040)

Why are we spending money on a piece of legislation that many other provinces do not have? It is because it is wrong and it is not needed. It was, of course, no surprise to hear the comments of certain union representations that have been made so far this evening. I do not blame them for trying to maintain the status quo. The experience with the setting of wages over the years has been based solely on the rates negotiated by the building trades. I would say that is a fact. The reality is that there are thousands of other workers in this province who may wish for the basic freedom to negotiate the terms of their employment with their employer.

I think that to sum up I would like to use the words of Mr. Rob Hilliard, who was already up here this evening, and to make sure I do not misquote him, I actually have an audio presentation that I brought along to liven up the evening. In July Mr. Hilliard was on CJOB Radio, and he most eloquently said exactly what I have been trying to say this evening, and I could not agree more with these words.

Now, I want to make sure that I am totally fair to Mr. Hilliard. He did not know that I was going to pull out that tape. At the time the context of the question he was answering was obviously with respect to wages. He prefaced that comment by saying that it is important for government to set a basic minimum wage. But, as he said, wages are an issue between the employer and the employee. Let us be fair, realistic, and quit wasting money. Get out of setting wages in the construction industry. Thank you for your kind attention.

**Mr. Chairperson:** Thank you, sir, very much for your presentation. Are there any questions?

**Mr. Toews:** As you know, Mr. Evans, I do appreciate your presentation, and I appreciate the fact that you are

voicing the concerns in industry to some extent. There are also competing factors in the industry that we have to take into account, and we feel what we are doing is balanced. I will have to take issue with Mr. Hilliard, and I will have to say that in some cases governments will have to regulate wages to a modest extent. Clearly, in this context, there is a long, historical involvement. One just cannot knock the props out from under an act and expect a construction industry to proceed overnight without an act. Do you not foresee some damage to our industry if we just took away that act, Mr. Evans?

**Mr. Evans:** Yes, I do. I think that it does not change the point that I believe it is wrong, and perhaps there is a process that should be looked at to wean us off of this act.

#### Point of Order

**Mr. Reid:** Well, the first thing, Mr. Chairperson, I would like to raise a point of order. I am not sure that, while I respect the rights of the public that come out and make representation here, I do not think it is within the rules of our Legislature to allow for members of the public to come forward with prerecorded messages to be put onto the public record. I ask, Sir, that you rule on the admissibility of such presentation, and that, if you find that it is contrary to the rules of this Legislature, that particular piece of the presentation be struck from the record and to let, if the presenter so chooses, that person go to some other public venue to use that particular type of activity. But I do have a question for the presenter as well.

**Mr. Chairperson:** Okay. Perhaps we could just finish off on the point of order and then go back to the running time on the questioning.

**Mr. Toews:** Just on the same point of order, Mr. Chairperson. It appears to me to be somewhat hypocritical that we accept written briefs from someone, which is a form of representation, and yet we do not—the member indicates that we should not hear anything from the audio. It is, I think, an indication perhaps of the member's reluctance to see that Canada in the 20th Century has moved beyond simply written words and is now getting into audio, and even computers are actually being used in this province. I am thinking, if that is a rule, that has got to be really silly and perhaps an indication of where the member is coming from.

**Mr. Laurendeau:** Mr. Chairman, on the same point of order. I do think that was a lot more honest representation of what that person said than what the member for Transcona (Mr. Reid) did when he quoted what our minister said in the House, and he was supposedly directly quoting from Hansard, but he managed to skip a few words that the minister stated. So I think that was a much fairer representation of what Mr. Hilliard actually had to say. He was not putting words in his mouth. So I think that should not be struck from the record

**Mr. Reid:** On the same point of order, Mr. Chairperson. Just this past week members of the Legislative Assembly were admonished by the Speaker of the House for bringing forward information in the House that she deemed to be out of order, and that I believe that, in keeping with that same ruling by the Speaker, you should, Sir, find that this type of presentation, while it is not part of the written presentation that comes before us, should be struck from the record because it is a paraphrasing, I believe, of words that are attributed to another individual for which there is no way for me to ascertain whether or not they are indeed the words that were said by that particular individual to which they were attributed.

**Mr. Ben Sveinson (La Verendrye):** On the same point of order. Mr. Chairman, I would ask for a ruling as we have a number of other speakers. We all did hear it; let us move on.

**Mr. Chairperson:** I am advised that leave of the committee is required if there is audio-visual presentations being made to committee, and, therefore, I would ask, what is the will of committee?

**Some Honourable Member:** Leave.

**Some Honourable Members:** No.

**Mr. Chairperson:** All right. Leave is denied.

#### Point of Order

**Mr. Toews:** Well, you know, in fairness to the presenter, the presenter has come here, has stated and relied on a specific piece of information. That information the presenter has said is a quote from Mr.

Hilliard where Mr. Hilliard says, and I am simply hearing something from a tape which the presenter—and I have no reason to doubt what the presenter says—says that Mr. Hilliard has said that the government has no business regulating wages. I am just wondering whether, in fairness to this presenter, whether the presenter should not be allowed to paraphrase exactly what Mr. Hilliard said in the same way and to state in the same way without the tape, since we are in somewhat of a backward procedure here.

**Mr. Chairperson:** I think I am going to wrap up the proceedings on this issue at this point in time. I found that I put the issue to the committee to find if there was leave, leave has been denied, and I see the clock is wasting.

\* \* \*

**Mr. Chairperson:** Yes, and we will go back to Mr. Reid's question, and I am going to start the clock in a second. Is this a new point of order, Mr.—

**An Honourable Member:** No, it is a question.

**Mr. Chairperson:** Oh, I see. Fine. Well, then you will take ranking then after Mr. Reid. We will start the clock again. Three and a half minutes.

**Mr. Reid:** Thank you, Mr. Chairperson. I would much have preferred, sir, if you wished, to have paraphrased the individual, which I think would have been more appropriate for the rules of this Legislative Assembly under which I and other members of this committee have to operate.

But my question, more pertaining to your presentation here this evening, where you have referenced that there is, in your opinion, a need to eliminate The Construction Industry Wages Act, and yet we have heard from presenters here this evening both from the business community and from the labour community indicating that there should be a retention of The Construction Industry Wages Act, I asked the question of the previous presenter who said that he, in representing the business community, some of the business community, wanted to eliminate The Construction Industry Wages Act. So I find it difficult to understand here how one presenter can come and say he is representing business and wanted to

eliminate, and the industry itself is saying they want to keep the act, and now you, sir, are saying, as a member of the employees of the construction industry, that you want to eliminate the act.

What I would like to ask you, in working as a member of construction—and I take it from your presentation that you are—what level of wage would you be willing to work for in the construction sector of this province if The Construction Industry Wages Act was eliminated?

**Mr. Evans:** First of all, with respect to my presentation, I am an average guy. I do not know the rules of the Legislature. I came here to make a point. I would be very happy to say for the record that what he said on that day was that the government should set a basic minimum wage, and beyond that the setting of wages is an issue between the employer and the employee. I apologize if I broke some rule; I was not aware I could not bring a tape recorder in.

Next, I specifically said that I am not here to talk about construction wages, what I would be willing to work for, what anyone else is willing to work for. I said I am here because I believe it is a basic human right to be able to negotiate for whatever it is you can get. That is my answer to your question.

\* (2050)

**Mr. Reid:** So then I take it, sir, that because The Construction Industry Wages Act, if and when it is eliminated on your suggestion, that it would lead to a wide open market, which would lead to, I believe, an imbalance in the ability of Manitoba companies to compete fairly for the contracts for construction within this province under which the current act regulates, that you are not going to define for us what level of income you would be willing to work for as a member of that particular sector of our economy. Can you give me a reason why you do not want to define for this committee's benefit the level of wage that you would be willing to work for should this government accept your recommendation to eliminate The Construction Industry Wages Act?

**Mr. Evans:** I guess I would say it is the same wage that the chef, who is presently not regulated, is willing to work for. It is what is the market value of the services of

that chef at and what is the market value the carpenter or the electrician at. That is the wage that I would be willing to work for.

**Mr. Chairperson:** Thank you very much, Mr. Evans, for your presentation tonight, and I think your presentation has illustrated for us some of the aspects of our rules that might deserve some attention in the future.

### Point of Order

**Mr. Chairperson:** Mr. Reid, on a point of order.

**Mr. Reid:** Can you tell me, Mr. Chairperson, because it had required leave of the committee to allow for the inclusion, can you tell me, Sir, will that portion of the presentation be struck from the record of Hansard?

**Mr. Chairperson:** I would so direct that, as leave was not granted to the presenter, that the rebroadcast portion of his presentation be stricken from the record. However, that is in no way to impugn or to impinge upon his subsequent answer. So only the recording is to be struck from the transcript.

\* \* \*

**Mr. Chairperson:** Thank you very much, sir, for your presentation. The next presentation is Fred Wright. Good evening, Mr. Wright. Do you have—ah, you have a brief that is being circulated by the Clerk.

Order, please. If colleagues wish to have a private conversation, I would ask them to adjourn to the corridor. Excuse the interruption, Mr. Reid—Mr. Wright. I would invite you to proceed.

**Mr. Fred Wright (Private Citizen):** No, I am not Mr. Reid. I will not speak that long.

**Mr. Chairperson:** Right.

**Mr. Wright:** My name is Fred Wright. I am the president of Alpine Interiors Ltd., the general manager of Advance Roofing Ltd., both in Winnipeg, and also the president of William C. Interiors, which is a Saskatchewan company.

I came to speak tonight mostly regarding the enforcement of the act, and I thank you for the opportunity. On

enforcement, you have already received a more detailed presentation on this matter from the Winnipeg Construction Association presentation earlier this year. I want to emphasize the need to have an act that is well advertised so that the stakeholders in the construction industry are knowledgeable about it, deterred from non-compliance and perceive that non-compliance will be detected by the regulators.

My recommendations parallel those of the Arthur Andersen report, that thorough training of the department's officers take place in the areas of accounting, auditing, and fraud risk assessment; that the department offer training to contractors on types of payroll records and other financial records that should be maintained; move away from the practice of only investigating complaints and put more emphasis on random audits; publicize your commitment to search for non-compliance, fraud and other irregular acts; ensure the department has the authority to access all the financial records of an organization.

There must be meaningful penalties for non-compliance. The report of the Labour Management Committee on the CIWA recommended that all fines be increased by two and a half times their present value. I recommend that employers be fined an amount equal to 10 percent of their violation amount on the first offence, 20 percent on the second offence, and 50 percent on the third and subsequent offence. This kind of meaningful penalty will get people's attention, reduce the incentive for noncompliance and increase the risk involved in noncompliance.

Eliminate the present system of allowing employers to negotiate a settlement that is lower than what they should have paid all along. If you are not prepared to effectively enforce the act, then it becomes less and less useful and more and more problematic, as well as more and more expensive to administer. Through an extensive review of the act and through our representations, you are being told that the act, with some improvements, is what we want, but only if it is enforceable, enforced and perceived to be enforced. Government inaction on the recommendations you have received over the last several years has taken the act from a position of aiding labour stability to a millstone around the neck of honest contractors. Why are you continuing to reward unscrupulous behaviour?

Regarding hours of work, the present structure of 40 hours per week, eight hours a day, does not at all relate to the reality of construction work. Similar to farming, we have to make hay when the sun shines. We must have the flexibility to make up for inclement weather, seasonality of work and the lack of uniformity in workflows, without being penalized through overtime premiums. We are able to work when we have a customer. Often our projects are short term in nature, and there may not be work for a period of time between projects. It is a demonstrated fact that there are fewer projects to work on during the winter than the rest of the year. When outside work is involved, it is not uncommon to lose part or all of a day or week waiting for favourable weather. When it arrives, everyone wants and needs the opportunity to make up for lost time. Both employers and employees need the flexibility to deal with these realities. Try to imagine telling a farmer that he can only work eight hours per day and 40 hours a week during planting and harvesting. We must have the same flexibility in our business for many of the same reasons.

Renovation work. Revisions to the act seem to be struggling with the application of the concept that the act should not apply to service, maintenance and minor ~~redecorating~~ work. These situations were never intended to be part of the act. One does not want to suggest that one's maintenance person should receive a rate of pay based on the special conditions that exist in construction when that person does minor repairs. At the same time, we in the construction industry do not want to see renovation work, which is a substantial part of our work, fall outside the act.

What should work here is to have the act apply in cases where a building permit is required under present municipal regulations rather than adding complexities regarding definitions.

In general, some people would have you believe that this act is an infringement on individual rights and free enterprise. Well, it is. Any regulation made by government does that. That is not a sufficient reason to remove a regulation. This act, when it was obeyed more regularly in the past, resulted in labour peace and stability that became the envy of other provinces. That peace and stability has been threatened recently because the act is not adequately enforced and has not been revised to reflect the realities of our industry.

The present situation is that any company which maintains proper bookkeeping systems and/or is unionized is held ransom to obey the act that the majority of companies have realized they can disobey. This situation is intolerable. You must make the changes that have been recommended herein or abolish the act altogether. Your inaction is creating a very unlevel playing field.

It has been stated in the earlier presentation by the WCA that the majority of its members, who represent the vast majority of construction work in the province, are in favour of retention of the act so long as it is repaired and enforced. Try not to be swayed by a few industry members who do not represent the majority. Try not to be swayed by your rural-based caucus who do not represent nor understand construction.

If you choose, in the end, to abolish the act as some are suggesting, you will do irreparable damage to Manitoba's construction labour peace, the standard of living of our construction industry workers, and the economy of Manitoba. Thank you.

**Mr. Chairperson:** Thank you, sir.

**Mr. Laurendeau:** Mr. Wright, within your brief you spoke of different training that might be necessary for certain businesses, and you also speak of, I guess, noncompliance of others.

Do you think that there are some people within the business community, within the trades, who would be requiring more of those services, and others who would not need as much of it or do not use as much of the noncompliance?

**Mr. Wright:** I am not sure that I understand your question.

**Mr. Laurendeau:** You stated that the department should offer training to contractors on the types of payroll records and other financial records that should be maintained. You spoke of noncompliance by some people within the industry on penalties.

Do you think that possibly the department should charge a fee for when they are going back on noncompliance over and over and over again or for training of

certain companies who do not have the proper training within their facility to do the proper paperwork? Should the department actually charge them a fee to do that training?

**Mr. Wright:** Yes, I do not think that charging a fee for those kinds of things would be out of line at all. Most people, including myself, paid large sums of money for their education. My education happened to have been paid for by my work in construction, and I really appreciate that.

\* (2100)

**Mr. Reid:** Mr. Wright, thank you for your presentation. At least for you I will try to keep my questions brief. You referenced in your presentation here this evening that there is an unlevel playing field that is occurring amongst Manitoba companies, or companies that are competing with Manitoba companies, and that it creates problems through nonenforcement of the current Construction Industry Wages Act. For the benefit of this committee, can you give us some examples that you see as issues that should be enforced and that currently are not being enforced by the act, and under the act?

**Mr. Wright:** I work in a segment of the industry where companies now publicly speak about not paying the appropriate wages. One of my competitors at a public meeting recently said, if a guy asks me for \$17 an hour, why should I argue with him? People publicly admit to breaking the act.

I know of another competitor who was charged under the act sometime ago, required to pay back wages, went to his men, gave them the cheques as ordered, and suggested that if they disagreed with the law as much as he did they might endorse the cheque back to him. Two of those people who did not think that he had a point no longer work for him. The other people do.

**Mr. Toews:** Mr. Wright, then would you agree with some of the comments that we have heard, specifically the comment that Mr. Evans quoted from Mr. Hilliard, who stated that the government should just be setting a basic minimum wage and then leaving the rest to essentially bargaining between employees and employers?

**Mr. Wright:** I think that depends on what level the minimum wage is at. I would recommend at this point

that I think the wages act, the wages have gotten somewhat too high, but certainly in a completely unregulated economy such as we have in Saskatchewan, the wages for the workers that work in our industry there are too low.

**Mr. Chairperson:** No further questions of the presenter. Sir, thank you very much for presenting to us this evening.

The next presenter is Ed Gallos. Mr. Gallos, you have written presentations? The Clerk will circulate. While your brief is being circulated, sir, I would ask you to commence your presentation.

**Mr. Ed Gallos (President, Master Roofing Ltd.):** That is okay. I am liable to be brief anyway. Thank you, Mr. Chairman, for allowing me to comment on the proposed changes to The Construction Industry Wages Act.

Let me start by briefly providing some background information. My name is Ed Gallos. I am the chairman of the Construction Labour Relations Association of Manitoba. I am also a member of the Winnipeg Construction Association board of directors. I, however, am appearing at this hearing as the president of Master Roofing.

Master Roofing has been in the commercial roofing business since 1973. We have had a unionized workforce since 1978, and during that time we have not had a single work stoppage. Since our inception, our small company has paid out over \$15 million in wages and benefits.

Although I am pleased that this government has made a commitment to retain The Construction Industry Wages Act, I am concerned that there does not appear to be enough teeth in the proposed changes to retain the intent of the legislation. The Construction Industry Wages Act has, over the years, maintained a reasonable standard of wages for the skilled and semiskilled trades people employed in the Manitoba construction industry. It has also provided a balance between union and nonunion labour forces. The act has been, in my opinion, a significant factor in giving the Manitoba construction industry an enviable record of labour relations over the last 20 years.

Our skilled and fairly paid workforce is already among the most productive in North America, and that probably bears repeating. Our skilled and fairly paid workforce is already among the most productive in North America, proving—

**Floor Comment:** That is great.

**Mr. Gallos:** I feel honoured—that lower wages do not necessarily translate into cheaper construction costs. The reverse can in fact be true. By retaining the act, you have obviously recognized that there must be some financial encouragement for our young people to enter and remain in this very important industry. As a side note to that, it was mentioned in one of the earlier presentations that we do have an aging workforce, and that is a fact. We have to replace these people somehow, and we will not do it for a cheap wage rate.

Bill 73 has three main areas of concern for me. The first is very specific to my industry, to the commercial roofing industry. Bill 73 excludes from the act on-site maintenance and repair unless the work involves structural or architectural alterations or remodelling. A large portion of the commercial roofing industry involves significant reroofing and maintenance projects that do not require structural or architectural alterations or remodelling. These projects would be excluded from the act by Bill 73. Because many of these projects are tendered by roof consultants and others in industry and government that have roofing expertise in a quasi-architectural capacity, I urge you to consider broadening the act to include these types of projects. That is one for the roofing industry.

My second concern is with the lack of attention paid to the issue of enforcement. To make The Construction Industry Wages Act meaningful, it must be enforced in a meaningful and fair manner, that penalties must be severe enough, particularly for repeat offenders, to provide a significant deterrence to potential violators. It must also be fairly enforced by a random audit method rather than a complaint-driven system that allows witch hunts to be instigated by third party intervention. That might mean that the enforcement officers in the Department of Labour will need retraining or that the random audits be contracted out to other departments such as the sales tax branch that already have the required audit expertise.

The composition of the wages board and the establishment of an advisory committee is my third area of concern. I feel that the wages board should be proportionately representative of the makeup of the construction industry. Board members should be active in and in touch with the construction industry. Similarly an advisory committee should include strong representation from the construction industry. Our industry deserves a meaningful voice in this important issue. I am sure that the various marketing boards that regulate the agricultural industry have strong input from their industry representatives. I would urge the government to continue its good relationship with the construction industry and allow us to be effectively represented on the construction industry advisory committee.

Let me again applaud the government's commitment to The Construction Industry Wages Act. I hope, however, that changes to Bill 73 or the regulations related to the act will be made to reflect the concerns that I have expressed today, which are shared by many others in the construction industry. The Construction Industry Wages Act has served the province of Manitoba very well for a long time and with some effort from both government and industry can continue to do so for the foreseeable future. Thank you for your attention.

**Mr. Chairperson:** Thank you, sir, very much. Are there any questions of the presenter? Alright, there being no further questions, I thank you, sir, for your time coming before us this evening.

The next presenter tonight is Peter Wightman. Mr. Wightman. Good evening, sir. You have a presentation to be circulated. I would ask the Clerk to circulate the briefs. While that is being circulated, sir, I would invite you to proceed with your oral presentation.

**Mr. Peter Wightman (Construction Labour Relations Association of Manitoba):** Good evening Mr. Chairman and members of the committee. The package that is being passed out right now is the presentation from the Construction Labour Relations Association of Manitoba. The first few pages deals with background on the CLRAM, which is our short-form acronym, if you will, of who we are, what our objectives are, how we are administered. I provide that as background information for your reading.

Many of you are familiar with the CLRAM, but for those of you who are not, we are an employer association formed by companies working in the construction industry in Manitoba to provide professional assistance in negotiating collective agreements with the construction trade unions in this province, and to assist in the administration and renewal of these agreements as well. A list of our current membership is contained in Appendix A at the end of the document. You can see from that list that we represent a wide variety of construction firms and a wide variety of different trade groups from large construction general contractors like PCL Constructors, Bird Construction, Malcom Construction to electrical firms like McCaine Electric, Mr. Wright's firm, Alpine Interiors, Mr. Gallos's firm in roofing, Master Roofing, et cetera.

\* (2110)

The competitive ability of our members is always the main focus of the CLRAM when reviewing the potential impact of any new proposed legislative amendment like Bill 73. To that end, we appreciate the opportunity to meet with you tonight and we hope that at the end of this presentation you are fully aware of the needs and concerns of unionized contractors in our province.

My reading notes are not identical to the package you have, so I am going to be jumping. I will be skipping sections as I go to speed it up.

There are three main areas that I want to talk about tonight. The first one is that the retention of the act is essential. The second is that there needs to be improved enforcement provisions and regulations within the act; I have heard a number of people tonight speak on that matter. The third item is that wage settings within the act need to consider additional criteria beyond what is negotiated through the collective bargaining process, which coincidentally is done by my association.

Retention of the act. The CLRAM supports the efforts of the Province of Manitoba to retain The Construction Industry Wages Act. We feel it is important to keep the act strong and enforceable. If it is weak, it will be ignored by the industry and cause numerous administrative problems for government in that you have increased violations resulting in increased claims from

individual employees, which then results in increased investigation costs.

The main reason for strengthening the act comes from the fact that the unionized construction industry has enjoyed a relatively stable labour relations climate within the province for almost 20 years. Our last major construction strike was in 1978. Now, that is a major point that needs to be underscored, particularly within the current framework of the labour relations environment in the province this past year which we are all familiar with.

As Manitoba has one of the shortest construction seasons in North America, relatively speaking it is April to November, it is imperative that the industry continues to enjoy labour peace, as disruptions and work stoppages will not occur during the winter months but obviously will occur during the peak construction periods during the summer periods when it is going to have the greatest impact. All of our contracts expire April 30, 1998, and there is a reason why they expire in the spring.

It is the CLRAM's opinion that the act has created a stable and productive construction environment where union and nonunion firms can work together on the job sites side by side with wage rates that are competitive with each other as well. We also find that the act has ensured that our rate is competitive with the neighbouring provinces so we do not have a drain of our skilled labour moving to other jurisdictions.

Deregulation of the construction industry from a wages perspective may have devastating effects. Similar to the situation which occurred in Saskatchewan 15 years ago, union work may virtually disappear as unionized companies attempt to maintain their competitive edge while dealing with a dramatic wage rate reduction. If rates were to drop, some of the best skilled workers in our province would be forced to move to other provinces resulting, obviously, in a dramatic drop in our productivity within our construction industry currently.

You heard tonight, and I will repeat it, that the productivity levels of construction workers in this province are par excellence. A young person directly out of high school will work for \$12 an hour, but a skilled tradesman with a family to raise, which are the majority of the people that are in our industry, simply cannot make ends meet.

We see a significant loss of productivity in provinces and American states where deregulation has occurred in the construction industry as employees work to the level of their pay rate. We have number of initiatives in our association with a number of our unionized groups to provide for market recovery programs, and though they are well intentioned our studies have indicated from our own employers that where those market recovery programs are in place, where the union has agreed to a reduced rate in order to get the job and allow the employer to be the successful bidder, invariably those projects go on longer than scheduled. The employees, being people, realize that two days ago they were making \$24 an hour, and if they are making \$18 an hour today their heart may not be in the work. They may realize, which they do, that if they work a little slower they will make up that loss through an extension of the job.

For the province, there is a loss of general revenue through reduced income tax on the wages of these employees. That is hundreds of millions of dollars each year, and the ripple effect throughout the general economy, your entertainment industry, shopping complexes—if the employees have earned less money, they have less money to spend. It is pretty basic economics.

There was a recent university study out of the University of Utah—it was February '95—which reviewed the economic impact on nine states, which repealed their parallel construction industry wages act. Now this particular act that they repealed dealt with state-funded construction projects, and this particular piece of legislation in these nine states ensured that on state-run projects there was a prevailing wage rate. What happened as a result in these nine states is that they had a massive drain of skilled tradespeople that left that particular state and went to neighbouring states, which then resulted in apprenticeship levels disappearing as young people coming out of high school did not see the construction industry as an acceptable vocation and/or career opportunity.

The second item, improved enforcement of the act. One of the major concerns that is universal to the entire construction industry is the matter of enforcement of the act and its regulations. In order to achieve compliance with any legislation at a minimum the following must be achieved: Those being legislated must be knowledgeable of the legislation, those being legislated must be deterred

from noncompliance and those being legislated must perceive that noncompliance will be detected by the regulators. We know that is not the case currently under the current system. We heard a number of speakers here tonight who are in the industry talk on that matter, that there is no deterrence and they are not being targeted when they do deter.

We strongly recommend that thorough training of the department officers takes place in the areas of accounting, auditing and fraud risk assessment. We also recommend that the department offer training to contractors on the types of payroll records and other financial records that should be maintained.

The department should also publicize its commitment to search for noncompliance, fraud and other irregular acts. Steps should be taken to ensure that the department has the authority to access all the financial records of an organization. There must be meaningful penalties for noncompliance. We recommend employers be fined an amount equal to 10 percent of their violation on the first offence, 20 percent on their second and 50 percent on a third or any subsequent offence. The department should eliminate the present system of allowing employers to negotiate a settlement that is lower than what they should have paid under the act, and we understand that is a fairly common practice. If it is not effectively enforced, the act has no bearing on the industry.

\* (2120)

Wage settings. I have touched on a number of these issues, and I know I am running out of time, but, in essence, if you are going to ensure that the tradespeople stay in this province, you are going to have to ensure that their wage rates reflect a proper amount of money to ensure that they will be able to support their families and be able to make a career out of working in the construction industry. The current act allows for that.

**Mr. Chairperson:** Thank you, sir.

**Mr. Toews:** So as I understand your position then, you simply want to see the legislative and regulatory status quo?

**Mr. Wightman:** No. We would like to see, from a regulation standpoint, that there be stronger penalties.

We would like to see that there be greater enforcement audits, snap audits of companies. We have talked about this before at other meetings. People do not shoplift in stores because they know if they shoplift they are going to get caught. Potentially, if they get caught, they are going to get hammered.

The situation currently in this industry is that this act currently does not ensure that construction companies do not shoplift. If they do shoplift, the penalties are relatively weak. We want to ensure that that is not the case. I use shoplifting as an example. We want to make sure, if they violate the act, they get hammered for it, and create a level playing field between those construction companies that adhere to the act and those that do not.

**Mr. Reid:** We have heard some presenters here this evening that say they want to see an elimination of the act. Yourself and others are saying they want to retain the act, some in the present form and some in some modified version. In your presentation here this evening you referenced there needs to be an improvement of the act itself. Can you give examples to the members of the committee of the types of things that are occurring in the construction industry presently that are in breach of the act and are not being enforced by the department?

**Mr. Wightman:** We have heard already tonight from some of the speakers some examples along those lines. Through the discussions that I have with my members of my association, it comes up time and time again in meetings that we have, and also with our union counterparts, where we know of nonunion firms whom we are competing with for jobs who are paying below the minimum rates as stipulated under the act. There is nothing we can do about that. We are regulated by a collective agreement. We try to come up with different approaches to ensure that our members are competitive, and I discussed that earlier, market recovery-type programs. Those types of programs should not be necessary. The only reason why we use them is because there is no control as to what is occurring with the nonunion sector.

Construction companies—and I do not want to paint them all with one brush—but they have the opportunity to pay lower than the regulated rate. There is relatively no enforcement if that occurs. My members, on the contrary, are regulated by a collective agreement that ensures that

they must pay a specific rate of pay. If they do not, then the union quite correctly is there to enforce that through the grievance procedure and whatever. I hope I answered your question.

**Mr. Reid:** I believe you did. In that sense, then, to try to ensure compliance with the act, what would you recommend to this committee? Would you recommend the ability to have third party complaints come forward to trigger an investigation by Employment Standards? Would you recommend something other—like one other presenter here this evening recommended random audits.

**Mr. Wightman:** The problem with the third party intervention, whether it is the unions, whether it is other employees, is there is that blackballing mentality that can occur out in the marketplace, and we all know that is a reality. If an employee raises a concern with his employer—he does not get the appropriate rate—goes to Employment Standards and complains about it, invariably that employee may find that he is not working anymore in that particular company or any others, if the word gets out that this individual is a disruptive person.

We think the audit approach is the best. It is just like the speeding ticket and the drunk driving approach the province is taking. You pull people over occasionally. People see that on the highway, they realize what is happening. It acts as a deterrent. You publicize those companies that are violating the act, like the way you did with the Workplace Health and Safety approach. That also works well because employees who may be considering going to work for this company may see that this is not a corporate good customer, if you will. There are a variety of approaches you can take that are relatively inexpensive that will help regulate the industry.

We have heard comments before that regulation costs money. It does in the short run, but in the long run it pays itself back tenfold. If you have difficult and restrictive penalties, then those types of penalties will pay for the additional costs associated with greater regulation, or greater enforcement.

**Mr. Chairperson:** Thank you, Mr. Wightman. That would conclude the time allotted for questions this evening, and I would thank you for your presentation.

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

**Mr. Chairperson:** The next presenters are David Harrison and Ted Cook. Mr. Harrison or Ms. Harrison and Mr. Cook or Ms. Cook. Oh, Ted Cook, that is right. Harrison and Cook.

**Mr. David Harrison (Winnipeg Construction Association):** We resemble that remark, thank you.

**Mr. Chairperson:** Yes, that is right. You are, sir?

**Mr. Harrison:** David Harrison. I have a brief that I will distribute but we will not be reading from it, so it is for your reference only, really.

**Mr. Chairperson:** Thank you, sir, very much. I would invite you to commence.

**Mr. Harrison:** Mr. Chairman, maybe as a point of order, I should ask this question before we find out the hard way. Are Ted and I allowed 10 minutes apiece, or are we supposed to get this in under 10 minutes?

**Mr. Chairperson:** In under 10 minutes.

**Mr. Harrison:** Then we better scoot. Okay, I will start off by talking about the construction industry in general. I was surprised to know—I should not have been surprised—but I was, to find it is the largest industry in the province. It employs over 16,000 men and women, does about \$1.2 billion of volume in a year. It is important to all of us here.

All the people behind me have taken their living out of this industry for the most part, so it is very important to them. I guess it has provided a lot of revenue through taxes, personal taxes, and corporate taxes to the people in front of me, so it is important to you as well.

The WCA is a group of companies that is made up of union and merit contractors. We have trades within our make-up. We have mechanical, electrical contractors, roofers, as you have heard. There are 300 firms doing approximately 60 percent of the commercial industrial institutional work in this province. So the WCA are major shareholders in this issue. As you can appreciate, for the WCA to come before you today with a consensus position was no easy task. We had a lot of discussion internally with some of the people whom you have even

heard from tonight who have their own personal opinions on the matter.

As I have stated before, this act is important to all of us. It is important that the industry remain healthy and competitive. You have heard that word a few times here tonight. By competitive, what do we mean by that? It simply means we have to be able to beat out our competition provincially. That competition can be Ontario, Saskatchewan, Alberta, or any other place in the country. All we have to do is be able to beat those guys. We do it quite nicely. We believe that we can do it by paying higher wages than Saskatchewan. We think we can deliver a better building on time, a higher quality building, pay higher wages than they do, and do it cheaper.

There was a couple of people who have come in and told you that lower wages equals lower construction costs, equals more business attracted to Manitoba. We respectfully submit that this is complete nonsense, and that we can attract business here by our ability to be competitive. There are two things that we have no control over. One is our customers. As a province, we cannot dictate who comes and moves here, and who builds their projects here. Our reputation as contractors and as a province will bring those customers here. We have no control over that. The other thing we have no control over is our skilled tradesmen. If they do not want to work for us, they are not going to. If we cannot provide a proper environment for them and a proper wage, they simply are not going to. They are going to move out and go some place else.

There is a lot of discussion again tonight about why is the provincial government interfering with the construction industry. It is a pretty basic question. I noticed when Mike was up here talking to you guys, there was a lot of head nodding going on about yeah, what the heck are we doing in your business. We should not be. I think that is dead right. The fact is, you are in it though, and you have been in it for a long time. So we have learned to live within that restriction or that governance. To take it away from us now is going to cause all kinds of grief.

You have been in our business. It is working for the most part. We have the most productive workforce in the country. We have the best record of construction labour stability. Like somebody said, the last strike was '78.

We have the best nonrestrictive union agreements in the company. We have union and merit contractors who work side by side on the site, and build projects on time with a high quality and under budget. The thing does not appear to be broke, so what are we trying to fix it for?

We do have some problems. Our workforce is aging. You have heard that before tonight. It is true. Most of our workers are middle-aged men. I heard on the radio on the way to work the other day, construction was considered to be one of the top three worst career choices for young people, one of the three worst. Why is that? Because it is considered to be dirty and dumb work. Young people do not want to come into this business.

Our greatest challenge over the next 10 or 15 years will be to attract and develop skilled craftsmen. Without these people, our reputation as contractors and builders, and as a province, will suffer. Our industry will decline.

\* (2130)

There has been some talk of repealing the act, or this idea of weaning us off of it. I do not agree, and our association does not agree with either one of those proposals. If we do, we are doomed to repeat history. I was in Saskatchewan when they repealed The Labour Relations Act, and it caused all kinds of trouble. Wages dropped from 18 bucks to \$10 overnight. You could not get a union job within six months.

**Mr. Chairperson:** Mr. Harrison, I just want to interject at this point. If you are splitting your time—

**Mr. Harrison:** That is not five minutes, is it?

**Mr. Chairperson:** You are at the halfway point.

**Mr. Harrison:** Oh, man. I just had so much I wanted to say. Let me skip to one more point, and then I will turn it over to Ted, because this is a biggie. If you want things to be different in this act, you have to do something a little different. The act is not perfect; there are problems. We think you should have a board that can give you recommendations that would allow you to make changes that are meaningful. If you continue to have a board that is dominated by the unions, the only thing you are going to get back is the union-stated position. It is not necessarily the right one.

Give us a chance to give you some recommendations that will be representative of our industry. I am not suggesting we are going to go out there and tell you to pay \$10 an hour either. I think it should be one rate for this province. How we get there is a matter of negotiation between the various staked interest groups.

Let us tell you what that is. You have to have a board that is going to give you a proper recommendation. Our suggestion is representation is by population, which is not a difficult concept in this room, I do not think. We have 60 percent of the stake in this business. We want that representation on the board.

I am going to turn it over to Ted. I am sorry I chewed into your time, Ted, but it is up to you now.

**Mr. Chairperson:** Thanks, Mr. Harrison. Good evening, Mr. Cook.

**Mr. Ted Cook (Winnipeg Construction Association):** Good evening, Mr. Chairman, and committee members. Through necessity, I guess, I am going to make my remarks brief.

Our association, the Winnipeg Construction Association, generally supports the proposed amendments. However, we feel these amendments do not go far enough, that we are looking at a flawed act, a complicated act that requires more work, and Dave brought this up, that we now have an act that recognizes, in the building construction portion of the act, something like five or six separate wage schedules. That is much too complicated. That in itself is one of the reasons why the act is not being properly enforced. That should be streamlined. We feel that there should be probably only two boards, the heavy board and a building construction board. So that streamlining is something that we would hope that the government would consider in future amendments.

Renovation work. We have a problem with the proposed exclusion of maintenance and renovation work unless it involves architectural and structural modifications. We think that that is going to be difficult to enforce, that the suggestion that this be driven by the requirement for a building permit is much more easily enforced, and it does recognize that a major portion of renovation work is done by construction workers and should be held under this act.

Third-party intervention. We recognize that the act is not being properly enforced. There are many abuses. However, we do not support third-party intervention. We feel that that has been counterproductive in the past and that there are better ways to enforce the act.

I guess in summation then, we agree with the amendments. We think that retaining the act is good for the province in the short term, and we support the proposed amendments.

**Mr. Chairperson:** Thank you, sir, very much.

**Mr. Reid:** Thank you very much, gentlemen, for your presentation here this evening. In your presentation here, you referenced the fact that you would like to see a retention of the act; in fact, you say it is essential. Yet, when I look on the back page of your presentation here this evening, we had a previous presenter, Mr. Evans, who is on your governmental affairs committee, who said that he wants to see the abolition of this act, in fact made that point quite strongly. How is it that you say that you want to retain the act and yet one of your members wants to eliminate it?

**Mr. Cook:** Well, I think Mr. Evans made it very clear that he was speaking as a private individual and not on behalf of the Winnipeg Construction Association. So both David and I are representing the position of our association, and Mr. Evans was stating his own private view.

**Mr. Chairperson:** Thank you very much, gentlemen. That appears to be the questions from the committee on this presentation.

The next presenter is Chris Lorenc. Good evening, Mr. Lorenc, and pardon me for—

**Mr. Chris Lorenc (Manitoba Heavy Construction Association):** Mr. Chairman, it is Lawrence, as in Arabia.

Mr. Chairman and members, good evening. The hour is late. My brief is brief, my comments will be briefer.

We have three points that we would like to make in connection with the proposed amendments to The Construction Industry Wages Act. The first deals with the definition of heavy construction. The amending

legislation at the present time does not include snow removal and blading activities. In our opinion, there is no obvious or logical reason existing for this absence, particularly since we have been advised that those two particular activities of heavy construction have always been considered as part of our industry in any interpretation that has been submitted to courts.

Moreover, excluding this area of activity potentially places one segment of our industry under the jurisdiction of one set of legislation and another portion of our industry under a different section, or different legislation, and in our view there is no rhyme or reason for that.

Secondly, Mr. Chairman, on a matter of interpretation, the absence of those two activities is further cause for our concern, particularly with Section 16(2) of the amending legislation, which amends Section 20(2) of the existing legislation, causing it to read in part, as it relates to our industry, as follows: For the purposes of this Act and any regulations made thereunder, the Lieutenant-Governor-in-Council may, by regulation, define any word or expression used in or included in (e) the definition "heavy construction sector."

This will permit by regulation, Mr. Chairman, without the need for interpretation by a court of competent jurisdiction, the exclusion from the definition of heavy construction, either or each of snow removal and/or blading. This weakens, respectfully, the explanation that we have been provided by department staff that the current definition of heavy construction has been interpreted broadly enough to include both of these activities.

The intention of the amendments is to put definitions within the act, and we do not disagree with the approach. Having said that, however, we do not wish to risk having an important aspect of our industry left to be defined by a judge or by regulation, particularly when there is opportunity at this time to clearly identify in the act what is included in our industry sector. Accordingly, we respectfully request that the definition section of the amending legislation be refined to include snow removal and blading as part of the definition of heavy construction sector.

The last point, Mr. Chairman, deals with Section 2(f)(i) and our view that the scope of it ought to be broadened.

Section 2(f)(h) deals with the transportation of rock, gravel, sand, clay, asphalt, or concrete to and from batching plants for use in construction. We believe that the similar flow should follow in Section 2(f)(i), and it ought to be revised to read the processing and batching of rock, gravel, sand, clay, asphalt, or concrete. Our concern is that we wish to make certain that the processing and batching of the materials is also included with its transportation within the definition of the heavy construction sector.

That is our submission and if you have any questions, I will be happy to try and answer them.

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

**Mr. Laurendeau:** Could you tell me what the impact would be on the City of Winnipeg in their snow removal or in the asphalt plant or within those other areas that you said you would like to see within?

**Mr. Lorenc:** I would like to see them out of that business, but I cannot really see how this act would really apply to them.

**Mr. Laurendeau:** How would it apply with the snow removal though when the contracts are being awarded to the private sector to your business at this time?

**Mr. Lorenc:** If this act is being defined and redefined at the present time that we do not want to be put in a position where an area of activity that is as integral as snow removal and blading in the context of our industry is left outside the jurisdiction or the ambit of this particular legislation, and that is the risk that we run if you do not include snow blading and removal as part of the definition of our industry.

**Mr. Laurendeau:** So at this time it is within the act?

\* (2140)

**Mr. Lorenc:** At the present time the definition of heavy construction sector is, I believe, in the regulation. The difference between what we now have in the existing legislation and what is proposed in the new legislation is that the definitions would be in the act, in the legislation, something that is not then changed except by a change or

an amendment done by the Legislature. At the present time, the definition of heavy construction is within a regulation which can be changed by Order-in-Council. You are moving away from that scenario into a situation where the definition is in the act, and we are saying we do not want to leave the definition of our industry to chance or to a judge.

**Mr. Chairperson:** Are there any further questions of our presenter? I am hearing none. I would thank you, sir, very much for your presentation today.

**Mr. Lorenc:** It has been a pleasure.

**Mr. Chairperson:** The next presenter is Mr. Joe Bova. Good evening, Mr. Bova. The Clerk will circulate your presentation. Welcome.

**Mr. Joe Bova (Private Citizen):** Good evening, Mr. Chairman, members of the committee. First of all, I would like to say that I welcome those people or those members of the committee who are here from rural areas on both sides of the table. I think they always seem to be in the sense of reality to proceedings. It has been stated that one of the most sacred assumption in a democracy rests in the belief that the individual and the individual alone is the best and the proper judge of what are his best interests. Yet as you open the Greater Winnipeg and Major Building Construction Wage Schedule on page 1, item 3(1) reads: Employers and employees cannot make deals, quote, contracts, or arrangements. Well, welcome the big brother. We, the people, are too ignorant to know our own best interests. Thus the government, and the unions and those with a vested interest in keeping the status quo will continue to save us, the people, from ourselves by telling us what to do. This is a time when the Progressive Conservatives are in power. I hate to think what is next or what might be next.

So what have those who are wiser than us been telling us? Well, let us look at the first point, standard hours. If you were to look at Schedule A, you will find that the standard hours per day are eight hours. Now this would be acceptable if you were an office worker at Great-West Life. The construction industry in Manitoba is highly seasonal. Most workers are lucky to get six to eight months of work per year. As if this is not bad enough, one may expect losing one or two days per week due to rain or other inclement weather. Ask any man if he

would like to make up lost hours on a Saturday. You should really ask them; but, of course, you know better, why ask him? There are time when circumstances mitigate against an eight-hour workday. Consider a concrete company that just poured a large concrete floor. Nobody can predict when the concrete is going to set, so an entire crew sits and waits. The law tells me that for sitting and waiting, it will cost one and a half times the regular wages or approximately \$30 an hour. I leave it to your imagination as to what the net result of that is going to be.

Under (B) skilled versus unskilled ratios. If you were to look on page 6 of the same schedule under article 5, it will tell you the ratio of unskilled labourers to general construction labourers is one in 10 respectively. I would not be standing here tonight if this law was in place when I was growing up in Winnipeg as a student. By what rationale do you hire unskilled men and then pay them the same wages as the employee who has been with you for the last 25 years? You explain it to me. How do you explain to a long-term employee that those students you just hired, because you feel an obligation to help them, are making the same wages as he is. The answer is that you do not hire them at all. I do not. So the unskilled man does not get a job and never gets trained, and a student would not be able to afford his university and he ends up pumping gas. Has anyone ever bothered to asked the unskilled worker or the student what he is prepared to work for if given a chance? Who wins here and who loses?

Radius restrictions under (C). Another interesting imposition in the 30-mile radius—and, by the way, you know, I misspelled it and made it 90 miles. It is 30 miles an hour, 30-mile radius zone around the city of Winnipeg is one of the determining factors for setting the wage rates. Why should someone working in Thompson be paid almost half what their counterpart is paid in Winnipeg? I do not know if you are aware of it, it is true. Does his family not have the same right to a decent life as the family in Winnipeg? Indeed. Does not a bottle of milk or a loaf of bread cost more in Thompson than it does in Winnipeg? Who is this government representing when they perpetuate these laws? Who wins here? Who loses here? Certainly not the people.

The third party complaints. Another one of my favourites, I am afraid, is another serious concern arises

from your recommendation No. 22, which is to continue the practice of allowing third party complaints. Here again, I would like to make the following observations and they may be a bit repetitious on the first part. In a democracy, as I said before, we must—I mean, it is sacred I think especially for people who sit around the Legislative Building—we must assume—we have no other option—that the individual is the best and proper judge of what are his best interests. No one should be so presumptuous as to believe that a third party can interpret those interests better than the individual being directly affected. The Construction Industry Wages Act correctly—and we support this—gives the employee the right to launch complaints or claims directly to the Employment Standards Branch. Now I have no problem with that.

There are numerous cases on record where a third party has launched a complaint that was discovered, upon investigation, to be totally unfounded. I know of at least one firm that has been charged on five different occasions with a complaint and each time the complaint was unfounded. Unfortunately, this normally results in serious costs to the firm being charged with little or no cost or penalty to the third party who launched the erroneous complaint in the first place.

Thirdly, if one were to look closely at the nature of the third party complaints, one may find that the motive for the complaint may be other than in the best interests of a particular employee. One may find, for example, that this has become a form of harassment from one or more vested interests—and I am not referring necessarily to unions, by the way, which I am not—toward contractors. In other words, the reason for the complaint more often than not is driven not with regard to the best interests of the employee or even the fair enforcement of The Construction Industry Wages Act but by the hidden agenda of whomever the third party is.

Ours is a fiercely competitive industry. Most of our members have survived many a stressful situation. It is unconscionable that through our government legislation we would put the same members in a position where they have to be harassed—and I really do not want to say it could be a lot worse than harassment.

By the way, while we are at the complaint stage of this presentation, I want you to tell me—I really do—I want you

to tell me what is fair about a man who has worked for six to eight months under a set of clearly defined conditions only to wake up one morning, just one morning, usually the day after he has been laid off mind you, to find out that he has a complaint, that he has been wrongfully dealt with. Why, in all fairness, had he not complained the day after he received his first cheque or his second cheque? Is not the legislation all about fairness? Is not government all about fairness? Is not life all about fairness? It is your legislation; you have been sitting on it for years.

\* (2150)

I am sorry, I think I have taken enough time—and it is pretty late to voice my concerns—than I think I should have been allowed to. Really, I have not addressed all the problems that I think are incumbent in this legislation. Mine, I hope, is not a disgruntled voice against the government or the unions. Our society is in need of both good government and good unions.

I hope you see my submission as a concern to what happens whenever the basic laws of democracy are overlooked, when basic human rights go unnoticed and, yes, when basic management rights are traded off, and we do have rights, too, you know.

I am not sure whether the construction fair wages act should be repealed or not; I really am not. Of one thing I am sure, and that is that it cannot continue as is and still be considered fair to anyone. So I hope that you look and see there are some serious changes to this act if you are going to maintain it at all.

**Mr. Chairperson:** Thank you, Mr. Bova.

**Mr. Toews:** Thank you very much, Mr. Bova, for your very, very thoughtful comments and if anyone has accurately summarized many of my own feelings about this particular piece of legislation, Mr. Bova, you have.

**Mr. Bova:** Thank you.

**Mr. Toews:** Like you, I am not sure whether this act should be repealed or not. I am inclined to think that it should not be repealed but I must agree with you that I am not sure. One thing that I am sure of is that the act cannot continue as it is, and so I guess I am asking you,

since you appear to be a man of good common sense, should the government proceed with the amendments we are making or not?

**Mr. Bova:** Mr. Minister, I have been in this industry for 25 years and I do think I do have a social conscience. I do not think there is anybody here talking about the regulation of this industry and I do not think there is anyone here who is talking about the total distortion and the hardships that would come both to our men and to our contractors and to our unions in this industry.

I think that whenever government overimposes itself it will eventually go wrong. With all the good intentions, it is the nature of the beast. I think from time to time it needs to give its head a shake, readdress itself, and if you cannot readdress it, then you abolish it and start again. So if you are asking me, should we repeal the act, I say that it would be unfair to the unionized sector in my industry if you did that immediately because it would put my good friends Mr. Cook and Mr. Harrison and Mr. Bloom [phonetic], who are here tonight, and many others at a disadvantage.

I think it would put the unions at a disadvantage, so I do not think it should be repealed tomorrow but I think it should be made fair. I think it should be addressed. If you cannot address it fairly, if you cannot deal with it fairly, more than fairly—I think there is word which is even more important than “fairly,” “reasonably”—you must bring reason to this thing because if you cannot bring reason to this thing, I will tell you what happens, the students do not get a job and you make a delinquent out of me. I cannot live with it and I do not want to be that, you know that. So bring reason to this thing fast and I think we can live with it, but if you cannot, then abolish it.

**Mr. Jack Penner (Emerson):** Thank you very much, Mr. Bova. It is certainly a pleasure to see you here and to see you again.

**Mr. Bova:** The pleasure is also mine, sir.

**Mr. Penner:** It has been awhile since we have met. However, I was very interested in your comments that you made and I certainly concur with many of the things that you say. Those of us who have grown up in rural Manitoba, those of us who have come from nowhere and built an industry or an agricultural industry or otherwise,

know what it means to take self-initiative. Many of us who raised sons and daughters into that kind of an atmosphere try to teach that individual initiative means something. You have certainly enunciated that today. I think, quite frankly, that we as legislators should look at ourselves very seriously sometimes and encourage that self-initiative to a much greater degree than we do, so I concur with much of what you have said.

However, the question I have for you, when presentations like this are made before committee and you make the kind of emotional plea that you do of government, then we ask you to give us a hand and enunciate for us relatively clearly: What sections of the act should be either repealed or changed to ensure that we create a better climate for our young people?

**Mr. Bova:** I would be prepared—and believe me, Mr. Penner, so would be everyone in this room, union, nonunion, private citizens—given a chance, to spend countless hours I think to give us what might or might not be our wisdom. I, for one, and I speak for myself, would be prepared to sit at any time for as long as it takes to make things right. I think it is a duty that we all have, so you could count on me, that is for sure, Mr. Penner.

**Mr. Reid:** Thank you, Mr. Bova, for your presentation this evening. It caused me to think much more deeply about the issues that are facing us here. It is not as simple as it might be portrayed by some, myself included. Although you referenced the fact that you say that there are members of this committee, not this committee, but in this audience tonight that would be willing to sit in on improvements to The Construction Industry Wages Act, I believe—and I am asking if you are aware that we have through the department in this matter being referred to the Labour Management Review Committee given that committee and the subcommittees associated with it the opportunity to reflect, to consult and to report back on recommendations that the committee has found, back to the minister with respect to the changes necessary, and that in fact not all of those changes that were recommended by that general body, the LMRC, have been reflected in this legislation. What would be your advice to the minister, since we already have that process in place where we have had consensus building?

**Mr. Bova:** Mr. Reid, thank you very much for your compliment to begin with, and I appreciate it. This is the

way I see this thing coming together. I am a member of the Winnipeg Construction Association. It was only of late that we started with the government affairs committee. It was only six months ago that we started thinking about how can we come together to create a common understanding of what to do with Bill 73 that is coming up. How can we help the government? How can we be of assistance? So what I am trying to tell you is that we are in a changing environment all the time. If you look at our own particular association, I do not think we would have been here three years ago. I think we are here today because the membership of our association is somewhat changing. The members of the board of directors of our association are somewhat changing. I think the average age of the people who represent us on the board of directors is somewhat—well, not somewhat—quite a bit younger.

So what I am trying to say to you, sir, is this. I think some of the boards and some of the commissions have been there for a very, very long time. Some of the boards of directors from the associations have been there a long time. Some of the members who run the union movement have probably been there a long time. However, I think there is a new age, there is a new group of people, there is a new breed of people that are coming out there with I think both a social conscience and a good head on their shoulders. I think you may want to look a little further than what you already have in your hands in terms of the boards and commissions that are representing the views to you. Maybe come out one day, and I am sure I can forward the invitation to you, sir, and to your colleagues in your party, and to anyone in this room, to share maybe coffee with us at the Winnipeg Construction Association or at any place and share some of these ideas with you, because we do want to get involved, and we do want to help, and we do want to build a consensus here. We just have to find a way how to do it, and we are just starting I think. This is a good evening, and this is a good process.

\* (2200)

I do not know if I answered your question in a sort of roundabout way without criticizing anybody unduly, but I think there is a new generation out there that are prepared to work very hard, who are no longer prepared to let the CEO of the board of the association come and represent what is their interests. They come prepared, like they did tonight, to come here and tell you what they

think personally, whether it is Mr. Evans or Mr. Wright or Mr. Gallos. Very different opinions, but they are here tonight. I do not think they would have been here six months ago, never mind six years ago, and this is a good beginning. It is a good democratic beginning. So I feel quite strongly when I tell you this, that I think we are here to help in any way we can, and if you call on us, please any time.

**Mr. Chairperson:** Thank you, sir, very, very much. We appreciate your time with us tonight and the quality of your presentation, sir, and I think that you have probably laid some very thoughtful steps for the future for us all.

**Mr. Bova:** Well, I sure pray to God, Sir, that we can make some changes and good changes for everybody, especially our workers.

**Mr. Chairperson:** Thank you, Mr. Bova. That would conclude the time for presentation for this speaker.

The next speaker is Mr. Terry Dauphinais. Mr. Dauphinais, do you have a written presentation to circulate? Fine. The Clerk will circulate. Good evening, sir, and I would ask you, while the brief is being circulated, if you would commence your presentation.

**Mr. Terry Dauphinais (International Union of Elevator Constructors, Local 102):** I will do that.

Good evening. My name is Terry Dauphinais, principal officer of the International Union of Elevator Constructors, Local 102. I am here tonight as a representative of a fantastic industry, that being the elevator/escalator industry in Manitoba, as well as, the Canadian Elevator Industry Education Program, commonly known as CEIEP. When I say industry, I can honestly say I spoke with better than one-half the contractors, but due to time I was not able to speak to all. I can almost say for a certainty, it suggests that all would support this position. However, the people I did speak to were very supportive.

I will be but a few moments as I will not speak to the entire bill, but I would like to highlight the areas which are of most concern to our industry. That is not to say that the industry agrees or disagrees with any changes to the existing act. I will leave speaking to the entire bill to my other affiliations, that being the Canadian Federation of Labour and the Manitoba Building Trades.

The exclusion of maintenance, repair and redecoration. The most significant proposed amendment of Bill 73 has the potential to have a devastating effect on a very exceptional and stable industry. Today this industry has turned into a business that is based on service. As high as 90 percent of the people employed within the industry are dependent upon the service aspects of maintenance or repair. This is an industry that is self-monitoring on a daily basis, as the safety of the public is paramount. We pride ourselves on the safety record in this province, and we have moved as many people in buildings as the airlines do in the air.

Elevators and escalators are the most integral part of a building's operation. Safety for the general public and for the journey person mechanic who rides, installs, maintains and repairs these units must remain the No. 1 objective for all concerned. Elevators are in use 24 hours a day and require constant attention both in maintenance and repair. During any given day, a mechanic may work on elevating units that have been installed from 1895 to the present; the advanced level of knowledge required to not only completely understand the technology of the past but to fully understand and muster the technology of today.

When one is part of this industry, there is continuous ongoing and upgrading for all field personnel and education. The elevator industry is the only self-regulating trade that ensures safety through due diligence, training and experience. This will continue as the enhancements to technology in this industry are extremely rapid. The Canadian Elevator Industry Education Program puts hundreds of thousands of dollars into research and development. If this amendment is to follow through, we could virtually see the day when this will all become a thing of the past and with it education in both technology and safety.

I do not believe that it was ever the intention of legislation to permit this to happen, as the perception of the public is that they enter and ride an elevator in safety. This is our industry's guiding rule of conduct and must not be jeopardized due to the nontrained personnel. Repair work may even include the complete replacement of the control system, from relay logic to micro-processors, such as what has taken place and is currently taking place in buildings such as the Norquay Building, Health Sciences Centre, St. Boniface Hospital, the Heaps Building, Richardson Building, to only name a few.

The education program is currently running a 12-week program on safety and has approximately 80 percent of the workforce in attendance. These attendees are people who have up to 25 to 30 years experience and attend at their own time in the evening classes.

The Construction Industry Wages Board. The elevator industry supports a wages board providing it represents all sectors and must denote where the majority of the construction population is from. We see that as being the city of Winnipeg. Whenever a wage is being considered, we must ensure that it is at a level that contributes to the tax base of the province or municipality. We simply should not try to satisfy someone who believes that their low wage workforce will give them a better profit, but guarantee the whole community benefits from better wages. Enforcement of the act must be ensured to maintain its relevance.

Now, we would like to add also to it, journey person. The elevator industry highly recommends that an amendment to the definition of journey person be inserted, as we believe the current definition is inadequate and makes a mockery of the intention of this title. The journey person should be a person who has attained a level of skill to address all areas of their particular trade under an apprenticeship, carry a licence after completing the requirements to qualify, as indicated by the licencing authority or attain the standards that are accepted and known to the high skill level for a trade that is nonapprenticeful. That is my presentation, and I thank you.

**Mr. Chairperson:** Thank you, sir, very much.

**Mr. Reid:** Thank you very much for your presentation. Can you tell me, sir, why it is that you have stated in your presentation here that the definition of journey person is inadequate and makes a mockery of the intention of the title? Can you tell me what your experience is with respect to the current definition and your experience in the industry?

**Mr. Dauphinais:** Well, I guess I would have to address that from being a Labour Board member in this province, and I know the gruelling times that we have making definitions there from a journey person when there is an appeal on an employment standards issue. Also, as someone that supports education very highly in all trades,

I believe there has to be a way of attaining that skill level rather than just putting time in. Time in just does not cut it.

**Mr. Reid:** Other presenters have referenced here this evening about the problem with nonenforcement of the act as it currently stands. Do you have any experience or have you experienced any problems with enforcement of the current act, and with the changes that the minister proposes here, do you feel that there will be a change in that regard?

**Mr. Dauphinais:** Enforcement, I go by mostly what I am told. Some experience from the Manitoba Labour Board and my understanding is there is not a whole lot of enforcement of it. I do not know quite how you enforce it. Employment Standards have their tough times with how many officers they have. I think I would leave that up to others.

**Mr. Toews:** Thank you very much for your presentation. Yes, the issue of the enforcement of this act, I know it from the days when I was a lawyer with the Employment Standards branch from the Attorney General's department advising the Department of Labour back then. Everyone said this act could not be enforced, and I agreed with them even back then that it could not be enforced. There are untold difficulties with this act. You know, yourself, the various studies that have gone on with this act, recommendations after recommendations after countless recommendations, and nobody agrees on anything.

In respect of this particular act and the enforcement of this act, how do you propose that we enforce this act so that it creates a fair level playing field for everyone in the province of Manitoba?

\* (2210)

**Mr. Dauphinais:** You need a shovel for that one. I thought the LMRC was the way to go, and I thought it was resolved through that. I am really not sure, Minister. I really am not sure. I am sure if there were some level heads put together that there could be a resolve to it. I do not think it is an act that should be repealed. Possibly there are areas that need tidying up, but it did well for this province over the years, too well.

**Mr. Reid:** The minister proposes to make some changes in the act. One of them includes removing the definition

of greater Winnipeg or reducing that to the Perimeter Highway boundaries. He also proposes to, through regulation, define the type and class and size of projects in the construction industry which will leave any project that comes before the minister open to interpretation or a decision by the minister. Do you think it is fair that the minister and his department would retain that type of power for them which could possibly disadvantage certain segments of the construction industry?

**Mr. Dauphinais:** I would suggest that area should be left up to committees. I do not think the minister or anyone else should have that authority on their own.

**Mr. Reid:** So then you are referencing, perhaps, the Labour Management Review Committee, the construction subcommittee.

**Mr. Dauphinais:** That or some other committee.

**Mr. Toews:** Thank you. I think that you are aware of some of the anomalies, and I do not think anywhere in the act is there a suggestion that it will go to the Perimeter Highway. Those are the words of the member for Transcona. But you know the anomalies yourself, that presently there are 30-mile zones, so people spend money on satellite photographs to buy land 30 miles and a hundred feet outside of that zone so that they can set up a grain elevator a hundred feet outside of that and save themselves a half a million dollars in labour costs. Do you think that is an appropriate way for the economic development of our province to continue?

**Mr. Dauphinais:** When we go to the 30-mile, I think I would like to reserve comment on that, as in my industry the 30-mile limit—or nothing else interferes in it. We cover the whole province with the one wage, and I think I would reserve comment to that.

**Mr. Chairperson:** Thank you, Mr. Dauphinais.

**Mr. Dauphinais:** If I could just make one comment, you know, we get into unscrupulous contractors or employers, whatever. I am dealing with an area right now that is in Saskatchewan. My immediate area is from Sudbury, Ontario to the Alberta border. In Saskatchewan right now we have a contractor that made a deal with another elevator contractor based out of Bismarck, North Dakota, brought his labour force across from Bismarck, hopped

across the border, went in and installed five units and jumped back across the border. Then we have to pursue that through the federal government, through the NAFTA agreement. There have to be guidelines for the taxpayers on that, of each province. So if that will help you out, that is it.

**Mr. Chairperson:** Thank you, sir.

The next presenter is Mr. Patrick Martin. Mr. Martin was not here on his first call. Ah, good evening, Mr. Martin. You are here on your second call. Do you have a written presentation, Mr. Martin?

**Mr. Patrick Martin (Carpenters Union):** No, I do not.

**Mr. Chairperson:** All right, I would invite you to proceed, sir.

**Mr. Martin:** I did not bring a written brief. I have written a number of briefs on this subject over the years, some 20 and 30 pages every time there is a review of the fair wage act. Most of us did make representation and bring our ideas forward at that time. As you are aware, there has been comprehensive review—I am sure other speakers have spoken to it—that went on for 18 months. They hired Wally Fox-Decent as the chair of the Construction Industry Wages Review Committee. So it is a full board that travelled the province, toured the province not once but twice, and took recommendations from all walks of life, all types of citizen groups and not just people in our industry. They hashed down a raft of information to recommendations that were getting close to what everybody could agree to. It then went through another round of trying to come to some kind of consensus, and labour and management in the industry at least did come to a pretty good consensus on about 42 recommendations that we thought would genuinely make the act better, to make it more enforceable, less confusing and make it something that could really be of benefit to the industry.

Now that then went to the Labour Management Review Committee. It went through the whole process that everybody knows about and it was further ratified by that group until it was unanimous. Lots of us had to give and take. We had to compromise. We gave up from labour's point of view. We moved a great deal from what our

wish list was and I presume management did not get everything they wanted either, but that is the very nature of the process that we thought was a very fair review of the whole legislation. That has been finished since, I believe, late '93, so it has been sitting on various ministers of Labour desks for a couple of years gathering dust.

So when these recommendations came forward or this package of amendments came forward, most of us took it and tried to juxtapose it against the recommendations that the review process had finished doing. There is very, very little relation whatsoever so really we were set back quite a bit wondering how we could give up so much of our time, and as Mr. Bova said, exhaustive consultation process, literally. Literally hundreds of person hours of work on all of our parts, many of us travelling to various regions with the committee to make sure the consultation process was regional as well as sectoral.

Almost nothing of that package went into this. It is just unbelievable how we could be so far off, and it makes me question really if the objective was to make the act more enforceable and in fact better, why are we not basing it on what the province virtually unanimously agreed were the right things to do to make it better? So we are certainly confused by that.

I am sure many people have said—you know, the origins of the Fairway Jack, as I know it, were to create a level playing field. It was almost a buzzword as we went to these review committee hearings, and actually a lot of it stemmed from the building of this Legislature when Thomas Kelly, the contractor, went to prison for any number of things. A lot of the fairness that was built into our industry stemmed from the corruption of that time.

I would not say we have quite as big a problem now but certainly in the nonunion sector the abuse of this legislation was a real problem, and not to overstate it, but we looked at about 80 contractors who were busted on this legislation recently and 75 out of the 80 were nonunion contractors. The unionized sector is bound by their collective agreements, by their contracts.

The second aspect of the legislation is the idea that the basic fairness that contractors should win their jobs based on their skill and their ability, not on their ability to find cheaper and cheaper labour, and in our industry that is an

unstable industry and a cyclical industry where we hit high levels of unemployment quite often, you put yourself in a worker's shoe and they are in a very vulnerable situation. When they are laid off, by just the nature of the industry and they have to go looking for another job and they are desperate and the guy asks what will you work for, and you say \$15 an hour and the guy next to you is more desperate and he says \$14, and it is a downward spiral. I think most of us would agree there should be some regulation to prevent that kind of exploitation of desperate people.

\* (2220)

I was very surprised to hear Mr. Bova say things like he wanted to see more individual rights, something to do with the act limited the individual's right to work for less than the minimum wage. I presume that is what he was getting at. It challenges the whole basis of minimum wages and why they are put there in the first place. I wish he had stayed here because he of all people should know a lot about the Fairway Jack. He was popped one of the larger fines levied, and the rumours are—I should not go into the rumours but certainly he has firsthand knowledge of the bill. It was a third party that turned him in, me. Many people feel that third parties do have a role in sharing information with the province when they know a worker is being ripped off because a lot of workers will not come forward for fear of reprisals. It is a big part of the problem.

Our industry is not that big here and people get known very quickly. If you are a good practising journeyman carpenter, there are only a dozen or so of the major contractors you can work for. You get known very well and you are not going to risk or jeopardize your reputation by turning contractors in so many of them come to us, the union, and say, look, here is my cheque, I was ripped off. What am I going to do? We can file a third party complaint. I think that is fair and I think it should stay.

I am probably running out of time. Some of the specifics that we like to talk about is the 30-mile radius. I know other speakers must have spoken about this, but there is always going to be a problem, as the minister said, when you draw some kind of arbitrary line because a project is always going to be on one side or the other. I was the one who hired a satellite survey to prove where this grain elevator was built, and sure enough it was built

100 feet outside the 30-mile radius. So, the wage for carpenters there, rather than being \$21.62—and it was a nonunion job, so it had nothing to do with us—the minimum wage by law would have been \$21.62, if it was on this side of that line. The minimum wage by law was \$11.55 because it was on the other side. Half. So there is a vested interest.

If you move that circle in, you are going to have the same problem. It is just going to be closer to Winnipeg, and you are going to create a doughnut-shaped city, even more than you have now, because any factory, plant, or major project is going to build it just outside the city limits and just outside the City of Winnipeg's taxation zone. We are going to have a real problem with the flight of capital and the flight of industry to the periphery. So that is not any kind of solution. Obviously, labour's position is, if you are a certified journeyman carpenter practising the trade, you should have a fair wage. If that fair wage is set at \$21.62, you should be getting that whether you live in Winnipeg or Brandon or Portage or Thompson, or wherever. That would be the only fair way to make it truly equal. That is what our collective agreement is with the carpenters' union, is it does not matter where you work in the province, you get the union scale. There is one rate for the province.

Really, we feel that changes here to the legislation that are put forward, for instance, taking renovation and maintenance work out, et cetera, taking the house building sector out, you are going to further destabilize the industry and it is an industry which, more than most, needs some regulation. It is an unstable industry with a transient workforce and no fixed workplace. It is unique and you are going to give the nonunion contractors, again, an unfair competitive advantage, and you are going to be giving hardship to the fair unionized contractors who we work with very well. As you know, our industry is stable labour relations wise. We have not had a strike since 1978. We have not had a grievance go to arbitration since the mid '70's. We work out our own problems, with my union at least.

It is going to put those guys at a huge disadvantage because this will ultimately drive down the wages in the nonunion sector, and it will drive down our wages in the union sector too, and I would have to ask who that benefits. Fair wages benefit the whole community. You want working people with good change in their pockets

so they can go out and spend it in the community. You are going to drive the good tradespeople out of the province because they can go to Toronto or Vancouver and make 20, 25 bucks an hour. If we are going to drive down the wage here, we are going to have a problem trying to attract young people into the industry; we are going to have trouble keeping skilled people in the industry. We are going to take money out of the economy and the paper that was circulated with the building trades presentation, which is the study in Utah that everybody talks about, illustrated pretty well that driving down workers' wages in our industry will not bring down the cost of buildings in our industry.

**Mr. Chairperson:** Thank you very much, sir. That concludes the time allotted for presentation. Mr. Laurendeau with a question.

**Mr. Laurendeau:** Mr. Martin, a previous presenter—and seeing as you are the last presenter it looks like for the evening, I guess I will have to ask you the question because he said somebody would answer the question for me later—had brought to our attention that there is an unfair playing field out there and he actually, in his words, called it kickbacks and said that this is what unions were doing as a financial incentive towards getting some of these larger projects, the 50,000-square-foot ones. Can you tell me what exactly he meant by the kickbacks that the union was giving to get the larger projects?

**Mr. Martin:** I do not know what he would mean by kickbacks, but I imagine what he is talking about is some of the stabilization measures that our union has undertaken and other building trades' unions. There is a cost difference between the minimum wage law wage, \$21.62, for a carpenter and our union scale of about \$1.20 in wages and about another \$1.20 in benefits—so \$2.47 an hour to be accurate. We will move, with our union contractors in partnership and in consultation and at their request, around within that \$2.47 an hour to help them have a level playingfield, because frankly they were losing a lot of market share and they were losing the market share because the nonunion sector says they are bound by the \$21.62, but they are not. They are cheating like crazy.

Unfortunately, we are forced to compromise our union scale to make up for some of the ripping off and the

cheating that goes on in the nonunion sector. I hope that explains it.

**Mr. Reid:** Thank you for explaining that Mr. Martin, because I believe the previous presenter was trying to cast some aspersions upon you and your organization which we thought were somewhat unfair. I want to ask you, though, because you obviously have some experience in working in a very co-operative way with the employers which I am sure you have to work with on a daily basis, and I am happy to hear about the good experience in fairly peaceful labour relations for quite a number of years, which is good for the economy of our province. I want to ask you though about your experience, because many of the presenters here this evening have referenced the fact that there is not a level playing field with respect to enforcement of the current act and perhaps even with the act as it is proposed to be amended.

For the benefit of this committee, can you relate to us some of your experiences if you have them about nonenforcement of the current Construction Industry Wages Act, and do you see that this act will go in any way towards addressing any of those problems?

**Mr. Martin:** Well, we have always been quite vocal that we were not very happy with the level of enforcement, but actually as the years went by and we kept file on these complaints and registering our dissatisfaction, we learned that the limitations were really within the legislation, that the Employment Standards division, I firmly believe, did their best to get out there and do what they could with their limited resources, but the act needed review and it needed teeth and it needed stiffer penalties. You needed to be able to enforce the act by deterrents rather than by chasing people, by voluntary compliance.

One of the former members of the labour force, the LMRC, used to use the analogy of a speeder. A person getting caught speeding and the way the act is currently, if you get caught all you have to do is repay the wages you should have paid to begin with. So if it is like getting caught speeding and then being told by the policeman to go back where you started from and drive it again at the right speed, it just did not work and it has not worked for 20 years.

So rarely, rarely, rarely would we actually go to prosecution and the odd time, recently actually, the current director has done more than most, but when they did go to prosecution even then the fines are so terribly low—\$1,000, \$5,000 for hundreds of thousands of dollars worth of ripped off wages that nobody cared. It was worth the risk to cheat or to try cheating, because if you got caught you only had to pay the money you should have paid to begin with anyways, so abuse was rampant.

\* (2230)

The current changes are going to interrupt what you talked about in terms of the stability in our trade and our industry, 1978, without one day due to lost time due to work stoppage. Now our contractors, if they are smart, are going to come to the bargaining table next year and say, The Construction Industry Wages Act is no longer bringing the nonunion sectors wage up to anywhere near par. We need you to cut your wage and we cannot, obviously, go into that lightly. We might be faced with the first strike situations in many years; the first issue that could bring us to that point anyway that we have faced in many years. I do not blame them for trying, but they cannot blame us for just following the nonunion sector down, because that is a race to the bottom. It will not bottom out until it hits a ridiculously low level.

**Mr. Chairperson:** Thank you very much, sir. That would conclude the time allotted for questions and presentation. Thank you very much for your time tonight, sir.

I have now called all the names of persons who have registered to speak on the bills before the committee this evening. I would like to canvass the room at this time to see if there is anyone else who would like to make a presentation. On seeing none, this completes the public presentation process.

**Mr. Laurendeau:** Mr. Chairman, I wonder if we might take a 10 minute recess.

**Mr. Chairperson:** What is the will of committee? [agreed]

Committee recess for 10 minutes.

*The committee recessed at 10:32 p.m.*

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**After Recess**

*The committee resumed at 10:45 p.m.*

**Mr. Chairperson:** Committee come to order.

**Mr. Laurendeau:** Mr. Chairman, I would ask that committee rise.

**Mr. Chairperson:** What is the will of the committee? [agreed]

**COMMITTEE ROSE AT:** 10:45 p.m.