



Legislative Assembly of Manitoba

HEARINGS OF THE STANDING COMMITTEE

ON

LAW AMMENDMENTS

Chairman

Mr. Wally McKenzie
Constituency of Roblin



Tuesday, December 6, 1977, 8:00 p.m.

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TIME: 8:00 p.m.

MR. CLERK: Order please, gentlemen. This being the first meeting of the Law Amendments Committee of the Thirty-first Legislature, your first item of business is the election of a Chairman. Are there any nominations?

MR. FERGUSON: Mr. Wally McKenzie, Mr. Chairman.

MR. CLERK: Mr. Ferguson nominated Mr. Wally McKenzie. Are there any further nominations?

A MEMBER: I move nominations be closed.

MR. CLERK: Hearing none, Mr. McKenzie, would you please take the Chair?

MR. CHAIRMAN (Mr. J. Wally McKenzie): The first order of business is the resolution on the transcription and the recording of the proceedings. So moved, Mr. Brown?

MR. BROWN: Mr. Chairman, I would like to move that the proceedings be recorded and transcribed here, Sir.

MR. CHAIRMAN: All in favour? Contrary? I declare the motion carried. Would the committee present a motion to establish a quorum.

MR. JENKINS: Mr. Chairman, I think it has been the practice in the past at Law Amendments Committee, at least for the last seven or eight years, the majority of the committee constitutes a quorum and I think that is 16 of this committee. I would so move, Mr. Chairman.

MR. CHAIRMAN: Thank you. Are you all in favour of that motion? (/ /) Agreed

Ladies and gentlemen, committee members, I have before me the Law Amendments Committee, regarding Bill No. 2, an Act to Ratify an Agreement between the Government of Canada and the Government of the Province of Manitoba under the Anti-Inflation Act (Canada). The briefs that are before me are one by the Police Commission, Winnipeg Police Association, the Winnipeg Firefighters Association, and Mr. Jackson of the MGEA and Mr. Henderson from CUPE. Are there any more submissions that anybody in the room tonight would care to come to the microphone and leave your name with the committee? Mr. Thibault.

MR. THIBAULT: Manitoba Federation of Labour.

MR. CHAIRMAN: Thank you, sir. Yes, Sir?

MR. MCGREGOR: Mr. Chairman, my name is McGregor. I believe there is an error in your record in that Mr. Gallagher of my office is appearing on behalf of the Police and Fire. I am appearing on behalf of the Manitoba Paramedical Association, the Retail Store Employees Union and the International Brotherhood of Electrical Workers, the Hydro Branch.

MR. CHAIRMAN: Would you repeat that again, sir? You're Mr. McGregor . . .

MR. MCGREGOR: Yes, and I'm appearing on behalf of the Manitoba Paramedical Association, International Brotherhood of Electrical Workers, the Hydro Branch, and the Retail Store Employees Union, Local 832.

MR. CHAIRMAN: Thank you, sir. Are there any others? I call the member who is presenting the brief on behalf of the Winnipeg Police Association. Mr. Gallagher.

MR. GALLAGHER: Mr. Chairman, members of the committee, my name is Roy Gallagher, and I'm appearing on behalf of the Winnipeg Police Association and the United Firefighters of Winnipeg, Local 867. I'm happy to say I'm not appearing on behalf of the Winnipeg Police Commission, because they have nothing to do with collective bargaining.

The Winnipeg Police Association and the United Firefighters, Mr. Chairman, are really asking that your committee give special consideration to their position. They have not, as yet, finalized their collective agreement for the year 1976, and I think I should emphasize, they have not finalized their collective agreement for the year 1976. The inequitable situation created across this country by the anti-inflation legislation and guidelines couldn't be better illustrated than what has happened to the Police and Fire in the City of Winnipeg.

First, let me dispel one doubt that appears to be creeping up, and that is that people in the private sector in Manitoba automatically were caught up by the anti-inflation legislation and guidelines. That is not so. They were only caught up in the anti-inflation legislation and guidelines if they were in a unit

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of employees and more than 500 people. Much of the industry in this province never, at any time, so far as the employees and employer were concerned, ever came under the anti-inflation legislation and guidelines.

Let me give you illustrations. You can take an industry in the City of Winnipeg with 20 to 25 employees, be it a hotel, restaurant, whatever it may happen to be, and the anti-inflation legislation and guidelines had no impact on those people at all. If they happened to be in a collective bargaining situation increases in wages could be negotiated at any level, and I can tell you that I have been a party — when I've been wearing my management hat — to agreements in those years being negotiated for 50 percent and upward wage increases in a year in which they said the anti-inflation legislation and guidelines was applicable. So I'm saying that the statement that is going the rounds that the private sector would somehow be disadvantaged if the public sector was not brought under the guidelines is not correct in the main. Of course, there were parts of the private sector whereby the number of employees in a company across the country, what happened in Manitoba did fall under the anti-inflation legislation.

A beautiful illustration of that would be, for example, the steel workers at Thompson, who had in their bargaining unit well in excess of 500 people. Certainly, they came under the anti-inflation legislation and guidelines. But Premier Schreyer saw to that and went to Ottawa and held a brief for them and they came out doing pretty good. We're not asking for anything different.

In 1976, at collective bargaining, without the intervention of any third parties, without the police withdrawing their services as they had a right to do by legislation, we settled in good faith with the employer. We have since found, of course — and this has been put on the table after we asked them — that the City of Winnipeg in '76 really negotiated with two eyes. One looking at us with a view to bargaining in good faith, and the other looking over their shoulder in the hope that the Anti-Inflation Board would roll them back, which by the way we do not consider bargaining in good faith. Now, what has happened inequitably is that if you're going to have a law that applies to the whole country then apply it and apply it fairly.

Let me suggest to you some of the ludicrous situations that have occurred across this country. In December of 1976, when the anti-inflation measures were in their infancy, police officers in the City of Toronto, which happened at the time to have one of the highest salary bases, probably second only to Vancouver, received through the Anti-Inflation Board a 10 percent salary increase. Pardon me, December of '75, I apologize. That was for the 1976 contract year. That was, of course, before the Anti-Inflation Board legislation had been challenged and taken through court and after the legislation had gone through the Supreme Court and been ruled as valid. The attitude of the Anti-Inflation Board changed like night to day. They now knew that they had the approval of their legislation by the Supreme Court of Canada, and their dealing with matters changed completely.

During this same period of time the Province of Quebec said they were going to enter into the anti-inflation program and they were going to establish their own Anti-Inflation Board, as it were, to settle prices and wages and so on. Unfortunately, a Minister of the Crown in Quebec went to a meeting of a large group of public servants and said to the meeting, "Don't worry about it, negotiate your collective agreements, and what you negotiate, you will get," with the result that within a number of days the Chairman appointed to the Anti-Inflation Committee or Board in the Province of Quebec resigned and the anti-inflation legislation never came into operation in the Province of Quebec. But that's eastern Canada, let's be westerners for a moment. And I'd like to be, because I find, in dealing with the Anti-Inflation Board and with Mr. Tansley, they don't really know that there is a western part of this country. They think, for example, that Kenora, Ontario is in Manitoba, which speaks well of them.

Saskatchewan decided to enter the anti-inflation program, but Saskatchewan decided to have its own board and not the board in Ottawa. As a result, as an example, the Police in the City of Regina got an increase in salaries, never mind fringe benefits, for the year 1976 of close to 12 percent, so that for the first time in 25 years that I've been around, at least, a first-class policeman in the City of Regina — with a population of probably 235,000 to 250,000 people — earns more than a first-class policeman does in the City of Winnipeg. The same happened with the Saskatoon City Police. The same thing happened with the Regina Firefighters and the Saskatoon Firefighters. And we are asking your committee to vote against this bill so far as firefighters and policemen are concerned, to redress the imbalance that has been created by the Anti-Inflation Board and Mr. Tansley.

The Anti-Inflation Board, in connection with both the Police and Fire in Winnipeg, rolled the wage increases back to approximately 8 percent. I believe one was 7.9 and the other was 8.1, but so close to eight that it doesn't matter. Both those parties, both those groups, petitioned the federal cabinet, the Privy Council, both of them also lodged appeals with Mr. Tansley. Mr. Tansley maintained the rollback and said significantly that from what he knew of what was going on and the material presented to him, that the Winnipeg Police and the Winnipeg Firefighters had no historical relationship with any other group, either in western Canada or in Canada as a whole. He negated the principle that policemen and firefighters have operated on for the last 25 years, the principle that they compare themselves with people doing equivalent work in equivalent jobs. And he said those relationships do not exist. The result is today that we have pending the petition to the federal cabinet and we have pending as well the appeal to the Anti-Inflation Appeal Tribunal which used to be the old Income Tax Appeal Board.

We're saying to you that we have been dealt with completely inequitably in this entire situation

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We have watched our colleagues to the west and our colleagues to the east, some with higher salary bases to start, go significantly ahead of us at a time when the government was saying to us, "Everybody should have their salaries and their wages controlled. Now, how can that be? How can a policeman in Toronto, who is at a higher salary level, suddenly get from the Anti-Inflation Board an increase which is at least two percent above what they are going to give to his counterpart living in western Canada. We say that should not be done. That was not the philosophy and that was not the concept under which the whole program was originated. Failing convincing you, ladies and gentlemen, that you should make an exception for the police and the fire, then may I suggest to you this — the problem is becoming severe from a standpoint of morale, from a standpoint of people continuing to render services in a climate which they feel is unjust and inequitable. There is a solution, I suppose, and that is that under the agreement that previously existed, which was declared invalid, there is a 90-day termination period whereby the province can give notice to the Government of Canada, or the Government of Canada can do the reverse, bringing the agreement between the province and the government to an end. We are concerned with some announcements of the Honourable Mr. Chretien, that he is going to have some type of legislation cut in that will have a post-control program, and we are extremely concerned that by virtue of the dates on which our collective agreements do end, that we may get caught up in that post-control program which would be the addition of a further inequity to what is already an intolerable situation.

We are suggesting, and I have suggested this to the Premier of the province in a letter, that if this bill goes through — and I hope sincerely it doesn't — that if it does, that the province immediately give the 90-day notice of termination so that the agreement between Canada and the province would end well in advance of April.

Mr. Chairman, may I say to you that I may not be leaving you with the impression which I would like to try and convey, that there is a problem and it is a problem of far greater degree of seriousness than most people appreciate. The fire fighting service and the police service are two valuable services, services which I do not think that any community can live without. The fire fighters by law of the province have no right to withdraw their services. They are compelled under the Act that governs them to resort to final binding arbitration. That does not apply, Mr. Chairman, to people in the police service in this province. It did until a number of years ago but policemen in this province today in municipal police service now have the right to withdraw their services. The situation is coming to the point where the membership of the Winnipeg Police Association feeling that they — and I think 'rightly feeling — that they have been unjustly dealt with, may have to look for other solutions to their problems. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Gallagher. Maybe you should wait a moment, Mr. Gallagher. There may be some questions from some of the committee members. Are there any questions from the committee for Mr. Gallagher? The Honourable Member for Logan.

MR. JENKINS: Mr. Chairman, through you to Mr. Gallagher, since no agreement now exists and this is just on the point that you were just elaborating on, since no agreement now exists between . . .

MR. CHAIRMAN: Order please. Would you please speak into the microphone, Mr. Jenkins?

MR. JENKINS: Oh, sorry. Since no agreement exists now between the provincial government and the federal government, is there anything in your opinion that the provincial government could pass the AIB bill and end the program earlier than the 90 days that you have suggested?

MR. GALLAGHER: Really, I have to be quite frank on that. The 90 day provision as I recall it is in the agreement between the province and Canada.

MR. JENKINS: Mr. Gallagher, since that agreement is invalid, we are now dealing with anti-inflation legislation.

MR. GALLAGHER: Right.

MR. JENKINS: Is there, in your opinion, in your legal opinion and I am asking for a bit of free legal advice here . . .

MR. GALLAGHER: I'd be happy to provide it if I can. It seems to me that the only place I've seen a reference to a termination date which is specifically tied to 90 days is in the agreement that has been ruled invalid. What this legislation is proposing, as I understand it, is to first by legislation make everything that the anti-inflation board and Mr. Tansley and others have done back to October 14th valid but then there will be, I assume, a new agreement whereby the province enters into an agreement with Canada and if Manitoba can negotiate with Canada for a 30 day period, I don't see any reason why they can't.

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MR. JENKINS: Thank you. There's one more question I would like to ask. You've had as you say considerable experience in wage negotiations for the Police Athletic Association and the Fire Fighters Association and in speaking to this bill in the House, I said that in my estimation that costs of collective bargaining have gone up considerably since you now have to negotiate with the employer, you now have to negotiate with the AIB and you have to negotiate with the administrator. Could you give us any idea, in your experience, what the cost, what has been the cost of inflation to the trade unions that have been involved in this?

MR. GALLAGHER: I can speak for the police and fire and I have to speak only in relation to my own costs because I negotiate for both groups. They're a bit unusual. You know, it's not too many trade unions have a lawyer speaking for them. I mean at negotiations. They usually do their own of course but this has been a historical thing in police and fire. I would say the increase in the cost to the two associations has been individually probably in the area of 75 percent to 100 percent over the year 1975 or the year 1974 as an example because you're talking about the Anti-Inflation Board which is imposed on us; you're talking about the administrator; you're talking about a petition to the federal cabinet; you're talking about an appeal to the anti-inflation appeal tribunal and you're talking about appearances in front of all of those bodies.

A MEMBER: A legislative committee.

MR. GALLAGHER: Yes, quite so. Then plus all the correspondence and when you get involved with Ottawa, it seems that all you do is spend your time writing letters.

MR. JENKINS: Thank you, Mr. Gallagher.

MR. CHAIRMAN: Mr. Doern.

MR. DOERN: Through Mr. Chairman to Mr. Gallagher. If the AIB comes off in Manitoba and it is replaced with a system of provincial controls, would you regard that as an improvement or as equally bad?

MR. GALLAGHER: I would regard it as an improvement because then as in Saskatchewan, the people who are dealing with the problem know the climate of what is going on. Let me tell you the terrible thing about the City of Winnipeg. They negotiated an agreement in good faith with both the police and the fire. They have refused to go and put their support before the Anti-Inflation Board or the anti-inflation appeal tribunal. They absolutely refuse. Their only commitment was a letter saying, "If you tell us to, we will honour the collective agreement which we have negotiated in good faith." But they did a further thing. In the 1976 budget, they provided for the salary increases for both the police and the fire and I am talking of millions of dollars. But there was an election coming in 1977 so they wound up the year 1976 with a surplus and they used it to hold the mill rate constant in an election year. So there is now no reserve for our wage increases and we're being told that we're some kind of bad apples because we're asking for what they negotiated in good faith — and that's a fact. I've had it confirmed to me by the mayor of the city and I wrote to the deputy mayor and asked him to explain what was going on and sent a copy to the new mayor and that was three weeks ago. I immediately got an acknowledgement from the new mayor because he didn't have to answer the letter, it wasn't addressed to him, and I haven't still heard from the deputy mayor.

MR. STEEN: He's smarter than I thought.

MR. GALLAGHER: Yes, he's got a lot of savvy. —(Interjection)— Yes, but he'll answer sooner or later.

MR. CHAIRMAN: Any more questions, Mr. Doern?

MR. DOERN: Well, Mr. Chairman, a second question. You appear to favour no controls however a your first priority. Do you think that in such a system that the . . . I mean, how will inflation be controlled? You think that collective bargaining itself will control inflation or that inflation will simply go away if you eliminate the AIB or some system of provincial controls?

MR. GALLAGHER: I'm very concerned about that problem, Sir. I've done a lot of thinking about and I'm no economist, I don't try to pretend to be one, but I can tell you of the groups that I know have acted for. In their wage negotiations, they're probably the most responsible people defect in the whole system is. I'll tell you, I am happy to say that at a meeting with the Premier of this province shortly after he took office, he agreed that the system we have is inequitable. In his office, he agreed that the system was inequitable. Now, I don't need any greater authority than that.

MR. CHAIRMAN: Are you finished, Mr. Doern?

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MR. DOERN: Yes, thank you.

MR. CHAIRMAN: Mr. Ferguson, is it? A question?

MR. FERGUSON: Yes, thank you, Mr. Chairman. Mr. Gallagher, would you indicate to the committee what the discrepancy is between the pay of a first class constable in relationship to Regina and Toronto and Winnipeg?

MR. GALLAGHER: Yes, Sir. In the discrepancy between Winnipeg and Regina, if you took the position that existed in 1975 and you took the position that existed in 1976, the discrepancy would verge on \$800 to \$900 a year. That is with the fact that Regina was always below and caught up approximately \$300 and went almost \$600 ahead. The same would hold true approximately for the City of Toronto. Now, I might be out by \$100 one way or the other but we're talking about a spread using rough figures of about \$100 a month setback for a Winnipeg policeman and a Winnipeg fire fighter.

MR. FERGUSON: And would you indicate the pay of a first class constable?

MR. GALLAGHER: In Winnipeg?

MR. FERGUSON: Yes.

MR. GALLAGHER: You're taxing my memory, Sir, but I'll try hard — \$17,146 a year for a first class constable and if the negotiated agreement had gone through, it would have been in the area of \$17,800.00.

MR. CHAIRMAN: Any more questions? Mr. Steen.

MR. STEEN: Mr. Gallagher, you mentioned in your presentation a serious problem and that is the right to strike. You said that the — and correct me if I misunderstood you — that the fire did not have the right to strike but the police do have the right to strike.

MR. GALLAGHER: That's correct, Sir.

MR. STEEN: Do you think that — and you do represent both parties, right?

MR. GALLAGHER: Yes, I do.

MR. STEEN: Do you think that they both should have the right to strike or that they should both not have the right to strike and have the bargaining position in their favour of not having the right to strike?

MR. GALLAGHER: I have to go back into history a little bit, Sir, to answer your question. Up until a number of years ago, the police didn't have the right to strike. There was a specific one-liner in the Labour Relations Act that said no municipal police officer shall strike. In those days, when Mr. Russ Paulley — and I must be careful to distinguish — was relatively new in office, his philosophy and the philosophy of others was that everybody should have the right to strike. He approached myself as the counsel for the police union and said, "What do you think of that?" I said, "I don't think the police would buy it." So then he said, "Well, would you look into it a little more in depth?" and I said, "I certainly would." I wrote him an opinion saying that the concensus of the Winnipeg Police Association at that time was predominantly that they did not wish the right to strike. Subsequent to that, they were given it. Having been given it, they've never exercised it. They did on one occasion take the city to a Friday night meeting with a threat of a strike on Saturday morning and it was settled Friday evening but I do not think seriously and I can only speak from what I see going on, that policemen really advocate the right to strike. I do not think that is so but that's a personal opinion.

MR. STEEN: Further, do you think that since the police received the privilege to have the right to strike, if you might want to call it that, or the right to strike, that it would be wise that the firemen who I believe perform an essential service, should have the equal right even though you have mentioned in your comment that the police have never exercised it but have gone to the eleventh hour in one particular instance?

MR. GALLAGHER: I have to speak personally again. I say no. I look around me and I see what happens. I see that Regina got their 12 percent through their AIB board after a 19 hour strike that was just absolute nonsense, where within 19 hours, that city was turned into a jungle. I've seen it happen in Montreal where the police wildcat strike, where there was damage done to property — never mind people — that was in the terms of, as I recall it, \$5 to \$7 million. I do not really see that as being a sensible way to approach a problem and the police lived, in my experience — I started acting for them

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in 1955 or 1956 — they lived for 25 years with final binding arbitration. They didn't always go away happy; they took their shots and they gave their shots; but they didn't go and talk about withdrawing services. I just don't see the logic in services — and I'm speaking only of those two — I do not see the logic in the police and fire, of people being able to withdraw their services if there is any other way of rationally solving the problem. All you've got to do is look at England today and before looking at England today, about three years ago, I was in the Old Country when they had the strike of the fire fighters in Glasgow and let me tell you, I wouldn't have wanted to live in Glasgow and I wouldn't want to live in England today while that strike is on.

MR. STEEN: So, therefore, Mr. Chairman to Mr. Gallagher, much can be done at the bargaining table rather than striking.

MR. GALLAGHER: It was done at the bargaining table. We didn't twist the city's arm to give us 12.5 percent in wages and fringe benefits. The city signed a collective agreement and I must make one correction. When I said there was no 1976 collective agreement in police and fire, that is not exactly correct. There is a signed collective agreement in both cases because you have to sign a collective agreement before you can make your submission to the Anti-Inflation Board. What I'm saying is, there is no 1976 collective agreement in the sense that there is no agreed upon wage schedule but the agreements do exist and both of those were resolved at the bargaining table. I must say the City didn't lie down just because we walked in the door.

MR. CHAIRMAN: A question, Mr. Green?

MR. GREEN: Yes, Mr. Gallagher, you mentioned that in Montreal the police went on strike for several days and they didn't have the right to strike.

MR. GALLAGHER: That's right.

MR. GREEN: So, would you concede that it's not the law which will prevent or encourage the strike but the attitude of the police force, which you indicate in Manitoba has been that they can solve their differences through arbitration.

MR. GALLAGHER: I quite agree with you. I don't think really the fact that the police have the right to strike by legislation today really means a heck of a lot anyway, because if we were standing here today with the police prohibited from striking, having suffered what they consider and I consider — although it doesn't matter what I consider — to be the inequities they have suffered at the hands of foreigners — and that's the only way to describe them — then whether you have the right to strike or not, really has no weight in the decision you're going to make about whether you're going to continue on providing services or not.

MR. GREEN: So then would I be correct in saying that it's the relationship between the parties and not the existence or non-existence of legislation which will establish whether people behave reasonably or not?

MR. GALLAGHER: I agree with you 100 percent. We've even got an interim increase for the year 1977 that was really principally precipitated by the City when we expressed our concern that our people had received no money in 1977.

MR. GREEN: Mr. Gallagher, you've been involved in the labour relations for many years and would assume that, although you may not be precisely aware as I am not, but you would be generally aware that in Australia compulsory arbitration was the rule and everybody was prohibited from striking but there were lots of strikes in spite of the legislation.

MR. GALLAGHER: I was there when some of them went on.

MR. GREEN: Thank you.

MR. CHAIRMAN: Are there any more questions for Mr. Gallagher? If not, Mr. Gallagher, I thank you very much for your presentation on behalf of your committee.

May I call the representative from the Manitoba Government Employees Association?

MR. BILL JACKSON: Mr. Chairman, my name is Bill Jackson and through you, Mr. Chairman, would like to deliver a brief to the members of the committee. May I have it distributed?

MR. CHAIRMAN: Right.

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MR. JACKSON: I would have a few opening remarks, Mr. Chairman. I think it should be recorded before the committee that one of the reasons Bill No. 2 was brought before you was because the Manitoba Government Employees Association recently went to the Supreme Court of Canada and proved that the anti-inflation agreement that existed between the government of Manitoba and the government of Canada was invalid. It had been entered into without proper authority. Certainly prior to the last election, all three parties indicated that if they were successful in being elected as the government party, that they would bring in retroactive legislation. One party, namely the New Democratic Party, indicated that if they did bring in legislation, there would be some exemptions and I had it from the highest authority in that party that one exemption would be the Liquor Control Commission employees. I have also had it from the highest authority in the new government and from some ministers in the new government that the inequities suffered by the members of the Liquor Commission are recognized by the new government. Therefore, I say to you that if people are recognizing these inequities, then surely they should be prepared to do something different in the way of legislation than you are going to do with Bill No. 2. Bill No. 2 simply says to the 400 employees of the Liquor Control Commission — and I point out that they are your employees — that they can go to what they thought was the highest court of the land and get a favourable decision only to have that changed by legislature. I do understand that the legislature is truly the highest court in the land but that is rather difficult for 400 of your lower paid employees to realize. I suggest to you that rather than pass the legislation you are passing, you could simply leave it alone. That would mean there is no anti-inflation legislation and then you're going to say to me, Mr. Chairman, well that could cost the government of Manitoba and the various municipalities \$50 million. Therefore I am not going to suggest that, I am simply tonight going to advance an argument on behalf of the employees of the Manitoba Liquor Control Commission, 400 out of my 16,000 members — the other 15,600 members may be upset with me but our association and their president feel very strongly that there is a case to be made for the Liquor Control Commission employees. With that, Mr. Chairman, I will read the brief to you. I will not read it all, there are some statistical tables there that I will pass by.

On February 9, 1976 the Manitoba Liquor Control Commission, as an agent of the Province of Manitoba and the Manitoba Government Employees' Association entered into a collective agreement for the period January 1, 1976 until December 31, 1976. Subsequently, a Memorandum of Agreement was reportedly made between the Government of Canada and the Government of Manitoba with the intent of rendering the Anti-Inflation Act and Guidelines made thereunder applicable to the provincial public sector in Manitoba.

It is the expressed intent of this presentation to demonstrate to the Government of the Province of Manitoba the unfairness of the Anti-Inflation program relative to Manitoba Liquor Control Commission employees, the hardship on employees of the Commission and, of greatest importance, to urge the government to act in a fashion so as to mitigate the damages already done to employees and to the Manitoba Liquor Control Commission itself.

Employees of the Liquor Commission in the first Guideline Year — January 1976 to December 1976 — had just completed a 33 month agreement. During the period April 1973 until December 1975, there were unusual economic conditions of severe consumer price increases. These could not have been foreseen when the collective agreement was being negotiated by the parties in early 1973. To offset the effects of escalating inflation, the Association made two presentations to the Commission. The first in June, 1974 dealt with the effects of inflation on the salaries of Liquor Commission employees and recommended a cost of living adjustment of \$44 per month for the period March 1974 until March 1975 in an attempt to offset the rise in the cost of living.

The Commission partially acknowledged our position by granting each employee a cost of living adjustment of \$25.00 per month. A second presentation was made to the Commission in January of 1975 to reopen the collective agreement based on the fact that the rapid price increases were resulting in an extreme loss of purchasing power. Unfortunately, no renegotiation of rates of pay took place. The Commission, however, was apparently cognizant of the problem as a policy was introduced effective in 1975 whereby employees received additional increments and reached their maximum salary after 18 months of employment.

Until April of 1975, the increases in rates of pay for the Liquor Commission employees had been comparable to those increases paid to civil servants. That relationship can be traced back to 1969 and Mr. Chairman, members of the committee, that is demonstrated in the figures below, which I will not read to you. You can see them for yourself. There is definitely a relationship between similar occupations in the general civil service and the Liquor Control Commission.

A letter dated April 23, 1976 to Mr. J. Frank Syms from the Compensation Branch of the AIB reads in part as follows: "We ask that you address yourself to paragraph 44-2 of the Anti-Inflation Act regulations which defines historical relationships. The situation with respect to this group and the group with which an historical relationship is claimed should be examined in this context and documentation presented to show that:

1. For a period of two or more years prior to October 14, 1975 the level, timing and rates of increases of the compensation for the two groups bore a demonstrable relationship, or prior to October 14, 1975, rates for benchmark jobs were identical for the two groups.
2. The groups shared the same employer, the same local labour market or were employed in the same industry.
3. The groups performed work of a related nature."

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A further letter to Mr. Syms dated June 23, 1976 from the same Compensation Branch of the AIB reads in part: "The documentation submitted in support of the compensation increases has been reviewed by the Anti-Inflation Board and, while acknowledging that an 'historical relationship' has been demonstrated with the compensation practices for other groups of employees, the Anti-Inflation Board has concluded that such relationships may have to be modified in the short term."

It appears that the Anti-Inflation Board recognized an historical relationship between the Liquor Control Commission, the Civil Service and the Saskatchewan Liquor Board, but in the final analysis failed to apply the provisions of Section 44 of the Regulations, whereby compensation could have exceeded twelve percent in the first guideline year.

The 1976 negotiated settlement of \$1,700 plus 5 percent was intended to re-distribute monies and provide a greater increase to the lower paid employees. With the application by the Liquor Commission of 12 percent across the board to 1975 rates plus the COLA the following following table represents the inequities which resulted, and again, Mr. Chairman, I'll pass that by, it's quite clear there. I think the example on top of page four is well worth noting. Identical jobs in the Civil Service and the Liquor Commission.

The historical relationship which has existed with the Saskatchewan Liquor Board has been destroyed by the two roll-backs of the Liquor Commission Agreement rates of pay.

An analysis of the two schedules below reveals that the Liquor Commission was in a parity situation with Saskatchewan as far back as 1972 without roll-backs considered. The schedule including COLA shows the effects COLA had on both groups while the schedule excluding COLA shows the actual salary increases over the past four years. The figures also relate that the rate of increase for both groups bear a closely demonstrable relationship to the extent that the contract settlement in January, 1976 returned rates to an almost parity situation with Saskatchewan. Both of the contracts were finalized in a similar manner by rolling the previous COLA into the new salary. Because of this, it must be noted that the final percentage figures in the two schedules below must be constant.

The final percentage figure on the excluding COLA schedule was calculated from the actual salary plus COLA as the final salary figure has COLA rolled in. Another table, Mr. Chairman, that I would like to pass by. In fact we'll pass by that whole page and just go to page six.

The timing of the implementation of the Anti-Inflation Program also works to the detriment of the Liquor Commission employees. Coming off a 33 month contract and being immediately subjected to a 12 percent limitation in the first guideline year, as opposed to the Manitoba Public Insurance Corporation whose collective agreement was entered into, effective July 1, 1975 for a two year period with increases of approximately 20 percent in the first year and 15 percent in the second year. If the controls are to be lifted in April of 1978, the Liquor Commission employees will be caught in the decontrol process with an agreement in force and effect until December, 1978. This means that employees of the Liquor Commission will be affected by the Anti-Inflation Control Program for a three year period, while the employees of the Manitoba Public Insurance Corporation will have had Controls affect them for a one year period. In our view, the disparity in wage rate for two Government Operations can not be justified or considered equitable. One common and equivalent classification of Clerk Typist II yields the following comparison of minimum and maximum salaries for the Liquor Commission, the Civil Service and the Public Insurance Corporation.

The Commission as an employer is feeling the effects of employee discontent and declining morale within their own organization. The 1977 Manitoba Liquor Commission submission to the Anti-Inflation Board identifies major areas of concern.

1. Increased cash shortages within the stores system
2. Increased use of abuse of sick leave
3. Staff turnover
4. Recruitment difficulties.

Another indication of unrest is reflected in the sharp rise in the number of grievances arising out of the collective agreement and related working conditions. The Association and the Commission are both acutely aware of the increased time devoted to labour relations problems at the Commission.

In conclusion the Association strongly urges the province of Manitoba to consider the difficulties and frustrations of the Liquor Commission employees and the dealings of the Anti-Inflation Board over the past year and one-half.

Commission employees have been dealt with more severely by the Anti-Inflation Program than any other group of employees in the Province of Manitoba, and the Association hopes that the Province of Manitoba will consider carefully all the factors contained in this document prior to including the employees of the Manitoba Liquor Control Commission under the contemplated retroactive legislation to apply the AIB guidelines to the Manitoba public sector.

Mr. Chairman, in closing I again stress that why I'm here is to seek an exemption for one group of people. I would like to think that I could convince you to simply forget Bill 2. I certainly endorse the remarks made, all the remarks made by Mr. Gallagher who spoke before me. I think that he said great many things that I would like to say but I will not repeat what has been said. The Liquor Commission employees in this province have been treated in an inequitable manner. The previous government recognized that, indeed a little over a year ago the then Premier went down to Ottawa to appear before the anti-inflation administrator and I believe he may have even met with the Prime Minister, at the very least he met with Mr. Pepin and made a presentation on behalf of the employee

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and it was rejected. We commended that government for taking those actions. At the same time we condemned them for not getting out of the controlled program.

It is interesting to note that at the time the previous government entered into the agreement there was an opportunity at that time to at that time write exemptions into the agreement. At that time they could have written the Liquor Commission employees out of the agreement. Something that I would like to note is that the agreement that the province of Manitoba signed with the Liquor Commission employees in February, 1976, was signed two weeks prior to the agreement that the province entered into with the Government of Canada vis-a-vis anti-inflation legislation. I have said before and I'll say it again, that was bad faith bargaining on the part of the government. It was something that I exposed at that time, whether anybody believed it or not it's true. Bad faith bargaining, you can't enter into one agreement and two weeks later enter into another one nullifying the first one. I call on the government of Manitoba, the new government, to correct these inequities. You have the power to do it, you have the legislators. Somebody has said that you don't want to set a precedent. I suggest to you as legislators every time you meet in session you're setting precedents. You have the authority and the power, certainly you can devise the correct wording to allow for what I'm asking for.

Mr. Chairman, that concludes any formal remarks I have.

MR. CHAIRMAN: Thank yo, Mr. Jackson. Any questions the committee members have for Mr. Jackson. Mr. Steen.

MR. STEEN: Mr. Jackson you mentioned on page six of your brief and I believe I'm correct in repeating your words — the price tag and you cited the four aspects: the cash shortages, the abuse of sick leave, the staff turnovers and the recruitment difficulties and problems — would you say in your opinion that these four items that you have mentioned are costing the taxpayer of Manitoba, the government of Manitoba, more than what the Liquor employees are asking for in wage increases.

MR. JACKSON: I couldn't tell you exactly, Mr. Steen but I'd suggest . . .

MR. STEEN: Mr. Jackson, I said in your opinion.

MR. JACKSON: In my opinion it's costing the province of Manitoba a great deal of money and it's certainly causing very low morale in the system.

MR. STEEN: Would that, in your opinion, sir, be anywhere near what it is the government would be spending in bringing the employees that you are representing this evening, in particular, up to the level that you are asking for.

MR. JACKSON: Mr. Steen, I would like to say , "Yes," and strengthen my case but I doubt it is costing that much. But I suggest to you that if the situation carries on the cash shortages are going to increase; there's going to be more bottles of liquor fall on the floor and break and that costs the Commission money; there's going to be increased use of sick leave by employees; and there's going to be an increased problem in recruiting qualified people to work in liquor stores and in the head office. With the salary rates what they are you're certainly not going to get the most qualified people. It is going to cost the government more money as the months go on if the Commission employees continue to remain far back in wages compared to what they feel they have negotiated in good faith.

MR. STEEN: A further question to Mr. Jackson, Mr. Chairman, is that he spoke of the morale problem, particularly with the Liquor Commission. You do represent many aspects of government employees. In your opinion, sir, do you feel that the morale problem with the Liquor Commission employees is worse than that with any other branch of government?

MR. JACKSON: Yes, I do.

MR. CHAIRMAN: Mr. Pawley.

MR. PAWLEY: Mr. Jackson, you made reference to bad faith bargaining. I wonder, if we relate back to the period in question, the signing of the agreement with the Liquor Control Commission employees and later the signing of the overall agreement, is it not a fact that at the time of the signing of your agreement that the Manitoba government at that time had felt that the agreement entered into with Liquor Control Commission employees was in fact within the confines of the anti-inflation program?

MR. JACKSON: Mr. Pawley, I would have to answer that by saying that it was certainly not the answer that we received from the government negotiators at the bargaining table. The answer we received from them was, and I'll quote, "There will be no problem with the Anti-Inflation Board." Therefore I say bad faith bargaining. Someone from the government was sent to the table either

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without a mandate or was sent to the table to mislead the employees.

MR. PAWLEY: Could it be that they had actually believed that there would be no problem with the Board, that there was a belief that the agreement was within the limits and that there was really good faith when they made that reference to you?

MR. JACKSON: I accept they may have thought that, Mr. Pawley, and I want to repeat something Mr. Gallagher said when the employees of the mines in Thompson had a problem, the provincial government did intervene for them successfully. The province of Manitoba, when they entered into an agreement with the Liquor Commission people in early February of 1976 had a two-week timespan to write an exemption into the agreement you signed with the government in Ottawa simply excluding the Liquor Commission employees. It should have been done simply because you had entered into an agreement with a group of your own employees prior to entering into an agreement with the federal government. Once again, a stroke of the pen would have taken care of it and we wouldn't have had this problem over the last two years.

R. PAWLEY: Mr. Jackson, could I get your comment in regard to Mr. Gallagher's suggestion that the minimum that the province should do is to write itself out of the program at the earliest possible opportunity.

MR. JACKSON: Mr. Pawley, I think that is the very least the government should do. I see that not causing the government any great problems. It is something of interest to note that the province of Alberta are ending their control program at the end of December; the province of Saskatchewan have already ended their program. I would encourage the government of Manitoba to end their program as soon as possible. Mr. Gallagher, I think said that it requires 90-days notice to the federal government but I suggest that may not be right, that the government could simply write the legislation in such a way as to end the program on passing of the new law on third reading.

MR. CHAIRMAN: Are there any more questions of committee members to Mr. Jackson? Mr. Mercier.

MR. MERCIER: Mr. Jackson, what you are seeking is an exemption for the Liquor Control Commission employees only, is that correct?

MR. JACKSON: My first position is that this legislation should not be passed; there should be no controls. My second position, speaking strictly on behalf of the Liquor Commission employees, is that they should be granted an exemption.

MR. MERCIER: I think you stated this, sir, but would you agree that if there were a feeling that an exemption should be provided to the Liquor Control Commission employees, that the original agreement between the previous government and the government of Canada would have to be renegotiated?

MR. JACKSON: That is possible, Mr. Mercier, but you are asking me a question now that you should probably ask my lawyer. I am quite sure that he could write a bill for you that would allow for what I'm asking for.

MR. MERCIER: I'm quite sure he could.

A MEMBER: Howard Pawley.

MR. JACKSON: I would use Mr. Pawley. I understand he may be starting up a practice again; I would use Mr. Pawley any time but we have a good legal counsel at this time.

MR. CHAIRMAN: Any more questions of Mr. Jackson. Mr. Jenkins.

MR. JENKINS: Thank you, Mr. Chairman, through you to Mr. Jackson, could I ask you the same question that I asked Mr. Gallagher. In your experience what has been the rise of the cost to your organization that you represent, the Manitoba Government Employees' Association — what has been the increasing cost? When I spoke on the bill in the house I said it was fold but according to Mr. Gallagher it's maybe five or fold because you go through that many types of negotiations. Excluding the case that your — one bargaining unit, namely the Manitoba Liquor Control Commission employees — I understand went to the Supreme Court, that in itself is also a bit of collective bargaining too. But in the normal sense have you noticed an increase in the cost of collective bargaining for your employees?

MR. JACKSON: Yes, indeed we have. It has caused us to increase the staff complement of the organization and we do pay fairly good salaries to get good people. It is costing us more now. W

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have more grievances now than we have ever had before. Our costs are up considerably and we attribute a large part of that to anti-inflation legislation. Our legal costs of course have gone up considerably because while in the past our staff could handle almost all aspects of collective bargaining, with anti-inflation regulations we quite often have to resort to using legal counsel for matters that we did not have to use them for in the past. Yes, costs have gone up, not five or sixfold, but costs have gone up a lot more than they should have.

MR. JENKINS: Could you give us just a rough estimate of what the costs have risen. Have the costs risen more than what the Anti-Inflation Board allows for your employees to get a raise in income?

MR. JACKSON: Probably, Mr. Jenkins. Costs have risen to such an extent that we now have to raise the dues that our members pay to belong to our organization. If it wasn't for the anti-inflation program we probably could have prevented any dues increase to our members for another couple of years.

JENKINS: Thank you, Mr. Jackson.

MR. CHAIRMAN: Are there any more questions of Mr. Jackson? If not, Mr. Jackson, I thank you for your presentation.

MR. JACKSON: Thank you, Mr. Chairman, and members of the Committee.

MR. CHAIRMAN: Mr. Henderson, from the Canadian Union of Public Employees. Is there nobody from the Canadian Union of Public Employees? Then, the Manitoba Federation of Labour, M.

R. HIBAUT: Mr. Chairman, Madam Price, committee members, I am here primarily to put the MFL on record as opposed to the proposed legislation that is being studied by this committee. I want to say in respect to that that the MFL in conjunction with the Canadian Labour Congress, opposed wage control legislation. We opposed the legislation on the AIB and the Anti-Inflation Board from the very onset of free collective bargaining; it would provoke strikes and would cause a deterioration in the relationships between industry and labour. We predicted too, and are borne out in the prediction, that administration of the legislation would balance heavily against wage and salary earners and truly that is exactly what it has done.

Wages and salaries of private and public sector workers have been, and continue to be, controlled in heavy-handed fashion while prices steadily escalate and profits enjoy much free rein. A further overriding concern expressed by labour was what government controls, particularly when applied with imbalance against wage and salary workers, would do by way of injury to the economy of Canada and its various regions. We have — all of us have — witnessed the loss of consumer purchasing power due to AIB blunders and mounting unemployment. We see investment capital yet being sat upon or running away to other climes. True, more people are listening when labour comments as I do now; it's rather regrettable that more were not listening or acting long before today.

I come now to the government's proposed legislation to impose retroactively wage or salary controls upon specific groups of workers categorized as public sector employees. The seeming point of concern expressed in support of this legislation is that to do otherwise would grant special advantage to public sector employees as opposed to those in the private sector. This plea for equitable treatment may have some appeal but not in sufficiency to induce MFL's support at all. The plea presupposes that all factors affecting the various public service employees at the bargaining table were equal. This is not the fact and the government has recently heard representation to this effect from the unions representing such employees. On this premise alone it is inequitable to enforce a holus-bolus application of controls. But do not assume that this latter observation signifies that wage control legislation would be acceptable to the MFL if it were to apply selectively or in any form at all.

I am here in the name of the MFL to continue the efforts of labour to remove any vestige of wage control legislation from the statute books wherever in Canada it appears. The MFL does not share the overconcern expressed by you who support this legislation. What temporary advantage public sector employees may enjoy — should they be left alone to retain in full the wage package earlier negotiated or to be negotiated — has not in any tangible way been shown by you or this government. In no tangible way have you shown it to be a matter that would unduly upset the economy. More properly let us consider the fact that the history of wage and salary development in Canada indicates that it is only in recent times that public sector employee's remuneration graduated nearer to par with the remuneration earned by employees in the private sector. You are not considering those long long years that the public sector were in the wilderness and dragged on the tail of the wage factor comparable with the private sector. But all of a sudden you say, "Let us attack the public sector in the form of this legislation."

The normal process of free collective bargaining has been adequate in controlling the income of work persons and with a return to that free process now, the remuneration factors of both public and private sectors will adjust favorably.

I might add for those of you who don't remember that no other personage than the Honourable

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John D. Diefenbaker is on my side on that point, if you may recall. In conclusion, the MFL reiterates its total opposition to wage and salary controls and in no way dilutes its position by any suggestion of support in any form for the proposed legislation before this committee. We in fact ask that you will recommend to the government that the province of Manitoba will forthwith disassociate itself from any agreement on the matter of controls with Ottawa, and further, that you will call upon Ottawa in no disguised form whatsoever the desire of this province that Ottawa itself will discontinue the controls program that has wrought such havoc with the economy of this nation and has brought the figure of employment into the area of one million work persons. I thank you, ladies and gentlemen.

MR. CHAIRMAN: Thank you, Mr. Thibault. Are there any questions of committee members to Mr. Thibault? Mr. Jenkins.

MR. JENKINS: Thank you, Mr. Chairman. Through you to Mr. Thibault, do you see any difference between employees in the public or private sector? Since the AIB legislation was Ottawa-inspired, is it the opinion of the MFL that this program — much as you oppose it and much as I oppose it — could have been applied across the board to cover both sectors of the workforce if Ottawa had so desired?

MR. THIBAULT: Oh, I don't suppose — you got me mixed up in your question. You started to ask me if I'd seen any difference in the public employees since something else happened wound up with Ottawa did another thing. None of us can stop Ottawa doing anything that they wish to do, they've shown that. —(Interjection)— aybe you can clarify your question moreso. No, I didn't say that.

MR. CHAIRMAN: Order please. Let's deal with the question.

MR. THIBAULT: I'll continue, Mr. Chairman, if I may. I did say that I had Mr. Diefenbaker on my side. He's agreeing with me. Now that's quite a qualified difference.

MR. JENKINS: I'll rephrase the question then, Mr. Chairman, through you to Mr. Thibault. I'll ask the first part of the question first. In your opinion, do you see any difference between employees in the private or public sector?

MR. THIBAULT: No, workers are workers are workers, all affected by the same unholy economic conditions that causes problems for workers.

MR. JENKINS: Then we are agreed upon that. Thank you.

MR. THIBAULT: I'm glad you agreed with me. That's been my long-standing philosophy.

MR. JENKINS: Now, since the AIB legislation in itself was Ottawa inspired — it wasn't inspired by the provinces — not by this province. Is it the opinion then of the MFL that this program — and since you agreed with me before I agreed with you that there is no difference between public and private sector employees. Since this was Ottawa's legislation, why didn't they legislate?

MR. THIBAULT: You'd have to ask Trudeau that. He was around here today. I don't have the answer to that. I wouldn't begin to guess what motivates Ottawa to doing some of the strange thing: they do. I really have to plead inability to satisfy your question, sir.

MR. JENKINS: Thank you.

MR. CHAIRMAN: Any more questions of Mr. Thibault? If not, Mr. Thibault, I thank you for your presentation.

MR. THIBAULT: I thank all of you.

MR. CHAIRMAN: I now call Mr. McGregor.

MR. MCGREGOR: Mr. Chairman, I wonder if I might remain seated for this.

MR. CHAIRMAN: No problem, Mr. McGregor. Maybe one of the committee members can assist you there.

MR. MCGREGOR: I've never had so much help in my life —(Interjection)— I'm told it's very expensive help as well. Mr. Chairman, members of the committee, first of all I should indicate to you the people who I do act for I have indicated to you. Basically, these people are involved in the hospital care field — Retail Store Employees Union represents certain hospital workers in three hospitals in northern Manitoba. They also act for the employees of A.E. McKenzie Seeds who are in Schedule A of the agreement that was struck down. They also act for employees at Brandon University. Th

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Manitoba Para-medical Association acts for the x-ray people, the nuclear medicine people, and the laboratory technologists in most of the hospitals in the province of Manitoba.

Now, I'm going to confine myself to that area because with all due respect to the previous speakers I'm not certain that we have really dealt with the issue before this committee and which is ultimately before this House. I don't think the issues have yet been dealt with. That issue is found in Bill 2. I might be somewhat naive, but I was always taught that legislation had some desired purpose. Now, the only remark I've heard this evening was a remark of Mr. Doern, seeming to indicate that the desired purpose, the desired end of this legislation was really to control inflation. Now, if that's so this legislation is absolute nonsense.

Let's take a look at the consumer price index. Read the newspapers of last week that indicated inflation was not being controlled in the prairie provinces in any way. This legislation has not, never has controlled inflation, and never will control inflation. And the funny part about it is, keeping that in mind that legislation must always have some desired end, I look at the two basic parties involved in this House — I realize that there is a third party represented — but I look at the two basic parties and I consider their philosophy. The government's philosophy, as I have understood it over the years, was freedom, free enterprise. Does this legislation represent free enterprise? Nonsense. It does not represent free enterprise in any way, shape, or form. That is fundamental to the position of the government — free enterprise. **EHIS LEGISLATION DOES NOT REPRESENT FREE ENTERPRISE.**

But before we go too far, Mr. Jenkins, there is two sides to every coin, because this legislation also deals with the fundamental building block of your party as well, and that is the right of free collective bargaining — free collective bargaining. This legislation takee away both of those fundamental principles of your parties. It takes away free collective bargaining, and it takes away free enterprise. We have engrafted a monster onto a system in Canada, a monster that is not in any way effective and is not in any way working.

Now in the health care field, and the question was asked before — “is there any difference between the public sector and the private sector?” Yes, there's a fundamental difference, because you, gentlemen, are the employer in this situation. You can control what you are going to offer the individuals involved. You can control that. Now the answer would become, I suppose, in the hospital situation that it has been controlled by hospital boards. Nonsense. I'm sure the people around this table don't know how bargaining has taken place in the health care field over the last several years, and that is this — the hospital board is represented by a negotiator, a bargainer, but also as a back-up has been a member of Management Committee of Cabinet telling that individual what they can offer and what they cannot offer. I say that that's very important because this government has decided in the health care field what offers to make. Now that becomes very interesting, that an employer can decide what offers to make, then make those offers, and at the same time partake in this type of legislation. I think the legal minds on this committee would wonder about the situation and would wonder whether or not there was any true fairness in the situation. You are making the decisions both ways and you want an appeal from that decision. Once again, nonsense. That legislation is really — and I look at this legislation and I would say to this committee, “How many of this committee, how many of this House have read the Anti-Inflation Board Act and regulations?” And I would suspect it's a very small percentage of this committee and a very small percentage of the House understand what, in fact, you are voting for, because if you vote in favour of the legislation you are in fact voting in favour of absolute nonsense.

Look at paragraph three of that legislation. “In the event of any inconsistency between the provisions of this Act or the agreement or the Order-in-Council and the operation of any other law of the province of Manitoba, the provisions of this Act, the agreement, and the Order-in-Council prevail to the extent of the inconsistency.” And you know where your inconsistency is? With fire fighters, for example, under the Fire Departments' Arbitration Act, you have said “They shall be subject to final and binding arbitration.” What is it? The Lord giveth and the Lord taketh away. Because you say they are subject to final and binding arbitration in one statute, and in another statute you say, Oh, no, they're not subject to final and binding arbitration, they're going to be subject to the Anti-Inflation Board. Once again, to me, humbly, it seems to be nonsense. And the same holds true in respect to the teachers and the Public Schools Arbitration Act. Final and binding arbitration is imposed on them. In both of those Acts, the right to strike is taken away from those individuals, and yet when you say they're subject to final and binding arbitration you not only want final and binding arbitration you want an appeal from final and binding arbitration, and that's totally inconsistent because final and binding arbitration is just that — final, binding. But now we want to engraft an appeal on that. I wonder, because really that is not what we look for as members of a society.

I think that Mr. Gallagher has already indicated that when a group of us had a meeting with the Premier on November 21st of this year the Premier indicated that this program, the Anti-Inflation Program, was inequitable. He said that to us. Now why, why would any of you vote in favour of legislation that is inequitable? Once again, it's absolute nonsense. Why would we vote for something that's inequitable?

Now, I look at the Anti-Inflation Board and I look at the program, and I say it was to control two things — wages and prices. Other people have indicated tonight that we have controlled one thing — wages. We sure haven't controlled prices, gentlemen. And if you don't believe it, go home tonight and ask your wife whether prices have been controlled, because they certainly have not been controlled. Before coming here this evening, I asked my wife and I got certain figures from her. The figure used

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by Gallagher on Nestle's Quik came from my wife. If someone wants to blame her, please do. She was somewhat concerned, and I was concerned to find that in November of 1977 in Canada Safeway the price of Nestle's Quik within one week, overnight in fact, changed from \$1.99 to \$2.99. That certainly sounds equitable doesn't it? Certainly equitable, because this legislation which has been imposed by the federal government is a sham. It really is, because it protects one class of individual. It protects the eastern industrial establishment who have over 500 employees. It protects them. It in no way protects any westerner and in no way protects any Manitoban.

One can say, "But we have no control over certain prices." Perhaps we don't have control over the price of chocolate, Nestle's Quik. Perhaps we don't have control over the price of coffee. But people still have to live, and people still have to buy these things. Certainly I look at those things. Prices are in no way being controlled. Got some food from a take-out place last week and found an item that was, within the last year \$4.00, it's now \$5.10. Is there true controls on anything, because my clients would gladly have gone along with this whole program had there been true wage and price controls. But on the basis that there are just wage controls and no control on prices it's ludicrous legislation, and I wonder why we even consider passing Bill 2.

Now, the answer, I suppose, in some minds is in the public sector, this Anti-INFLATION Board legislation is still in existence in the public sector. My response to that is "so what". When did two wrongs make a right, gentlemen? When did two wrongs make a right? To my mind, never. Never ever did two wrongs make a right. The total Anti-Inflation Board legislation is wrong. You now have a chance by not passing Bill 2 — and I don't take the position that Gallagher and certain other speakers did before me, that perhaps there should be a fall-back position and give notice to the federal government — I say, "Nonsense, do not pass Bill 2. Just let things sit, give notice to the federal government that you are no longer going to be bound in the private sector, and be no longer bound in the public sector."

Now, there's another problem that I discussed at the meeting with the Premier and I'm sure that none of you have considered this. Mr. Gallagher, for example, mentioned that the city of Winnipeg was dealing with the 1976 wages of the City Police. Anyone giving it any thought at all can see that payment will be made in 1978. Think for a moment Income Tax law . . . They will receive the money in 1978 will be paying on the basis of income tax rights and their position in society — they may have been promoted in the meantime — they will be paying that in 1978. They will be getting even less than they have bargained for because more is going to be taken away by the friendly tax man. And at the same time that that happens gentlemen, what do I do but I pick up the paper and note that effective early in the new year the federal government, the MPs are going to grant themselves an increase with the great words that, "Yes, it's going to be totally within the guidelines." At that basic salary rate so what if it's in the guidelines, so what, they can afford it. I certainly can afford it too. My clients perhaps cannot afford it and cannot afford the price of coffee and other things that are going up constantly. Now as I said before, inflation has in no way been controlled. I ask this committee how on any economic theory one could consider that inflation has been controlled by this program in any way in Canada and especially in Manitoba when at the outset of this program remember the Canadian dollar was worth \$1.04 American. What is it worth today, 90 cents. We're certainly controlling inflation aren't we? We're certainly looking after our citizens aren't we? No we're not, members of this committee, we're selling them down the stream if we pass this type of legislation because all we are doing is feeding an ever growing bureaucracy in Ottawa, one that does not know or understand the problems of all of these various groups involved.

I found it quite interesting within the past week the Honourable Minister of Finance of this government has made an announcement that there is going to be a tax cut in Manitoba. The reason for that tax cut is to place more money into the Manitoba economy to get that economy moving again. That's very interesting and I think that's an excellent idea. Let's put more money into the economy and get it moving again but let's carry that logic and apply it to Bill 2. Let's let the people who have negotiated contracts, people who have had contracts imposed on them by arbitration or otherwise let's let those people get their just money in their hands and the economy will then start to move and not before then. Because this bill and the AIB is merely a gain of the federal government. I suggest to you that the remarks that the program is going to end next year may well have something to do with the fact that we are facing, I believe, an election in the very near future, federally. I believe, I don't know that the Premier here is going to call another election, I don't know that he wants to at that moment. But look at it on that basis. The federal government is looking after itself, it's not looking after the Manitoba tax payer. Prime Minister Trudeau doesn't give a damn what happens here. I don't think that feeling goes beyond the feelings of my clients because I feel very strongly in respect to the Anti-Inflation Board because never ever in our history has such an inane and inequitable group been put together. And I can prove that quite simply by making reference to a letter, a letter on the letterhead of the Anti-Inflation Board dated January 21, 1977. Now that letter from the director general of the compensation branch clearly set out that the Anti-Inflation Board was determining what the amount of an increase would be for a group of employees before it had ever entered into negotiation. They were determining what figures were going to be given to those employees. Those employees had never negotiated. That is the Manitoba Paramedical Association. Unfortunately the didn't come to me with this letter until somewhat later because they settled a number of contracts on the basis of this letter. They thought that because it was from the director general of the compensation branch of the Anti-Inflation Board that that must be gospel. Gospel all right.

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predisposition by the Anti-Inflation Board.

That is what you're going to vote for gentlemen, and Mrs. Price? A group that decides in advance the amounts that they are going to award people. A group that makes that decision before that group even negotiates with their employer. Certainly there's a lot of fairness involved there if you're going to vote for that.

I simply would close by saying this innocuous looking piece of legislation, Bill 2, four paragraphs, is perhaps the most unjust legislation that I have seen during the practice of law over the past ten years. And I can't believe that this government would even consider passing this legislation because let us remember that tonight is the first time that individuals have had an opportunity to publicly address this Chamber and let their views be known. The previous government chose to pass this legislation by means of an Order-in-Council, to my mind a most reprehensible act when dealing with the public. The present government has not chosen to hide behind that method of doing things so I say to the present government be true to the principles that you have set forward to the citizens of this province. Be true to the principles that you live and die by. Be true to those principles of freedom. Be true to those principles of free enterprise. The Anti-Inflation Board removes all vestiges of free enterprise. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. McGregor. Have any of the committee members questions for Mr. McGregor? Mr. Steen.

MR. STEEN: Just a comment, Mr. Chairman, I'm just sorry that Mr. McGregor's excellent presentation wasn't heard by Mr. Axworthy. Perhaps he could take the message to Ottawa that Mr. McGregor was trying to get through.

MR. CHAIRMAN: Any more questions for Mr. McGregor? If not I thank you kindly, Mr. McGregor, for your presentation.

May I call for the second time Mr. Henderson from the Canadian Union of Public Employees. Are there any other citizens caring to make a presentation tonight before the committee? If not, committeemembers do you wish to proceed with the Bill? Clause by Clause. Clause 1. Mr. Green.

MR. GREEN: Mr. Chairman, just before we deal with the bill clause by clause, there is an intention by the Member for Selkirk to move an amendment to the legislation which would result in an additional clause terminating Manitoba's involvement in the Anti-Inflation Board procedures on December 31, 1976. The reason that I take the floor now before the amendment is pursued is that it has been brought to my attention by government legal counsel or legislative counsel, I should say, that this might be an inconsistency with the legislation in that the legislation calls for ratification of an agreement which calls for a 90 day notice and we cannot ratify the agreement and put in a different termination clause. Therefore, Mr. Chairman, what I would like to suggest is that when we are moving these things clause by clause we do so on the understanding that the Member for Selkirk is going to make this amendment or in the alternative what we would do now is to indicate, because I did discuss this with legislative counsel, what we could do is ratify all of the acts which flowed from the agreement, all of the decisions, all of the orders, all of the procedures which were taken under the agreement rather than ratifying the agreement and then say that we are terminating on December 31, 1976. That would leave no inconsistency and the proper way of doing that, Mr. Chairman, would be to either proceed clause by clause and then have us come to this, move the amendment and ask that the matter be referred to legislative counsel to make the other provisions consistent with the amendment which we would be prepared to do. That way we could go clause by clause. All I want to be understood is that when we are ratifying these paragraphs clause by clause we will either now, whatever is the choice of the committee or at the end, ask the matter to be referred to legislative counsel on the hope that our amendment will be carried to make the other clauses acceptable and consistent and then perhaps brought back to committee. Now it may be academic if we don't get it through but I'm sort of looking to the reasonableness of the members of the committee that we would get this clause through. If so, then it would have to be referred back to legislative counsel to look after the other provisions in the agreement.

MR. CHAIRMAN: Is that agreeable to the committee, the proposal that was offered by Mr. Green

MR. LYON: Clause by clause, Mr. Chairman.

MR. GREEN: Mr. Chairman, I'm not sure what the First Minister is suggesting. Is he suggesting that he is rejecting the proposal that we proceed on this understanding so that the committee will be passing these things clause by clause and then later be told, "Well, you can't change the clause, you have passed it." If so I would like to deal with our proposed resolution now. I'm trying to be reasonable.

MR. LYON: I think you should.

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MR. GREEN: All right, the First Minister is suggesting that we deal with the resolution now. We have an amendment to put, Mr. Chairman, but before putting the amendment I would like to move that the bill be referred to legislative counsel to make such amendments therein — I guess I have nobody taking this down — to make such amendments therein as would enable the province to effectively ratify all proceedings which were taken under the Anti-Inflation Board legislation and terminating the legislation insofar as Manitoba is concerned as of December 31, 1977.

MR. CHAIRMAN: Is that in the form of a written motion?

MR. GREEN: Mr. Chairman, I'm sorry I wasn't aware of the difficulties that would arise until they were brought to my attention by legislative counsel herefore I have dictated the amendment which I am sure is satisfactory and I will speak to it and indicate to honourable members what we are driving at.

MR. CHAIRMAN: I wonder if the committee can guide me on this. I don't have a motion; maybe we can draft one and take it off the tape later on.

MR. GREEN: Mr. Chairman, it's there, I think members have heard it. I'll explain that it is on the tape. You will be able to vote on the motion and if there's an indication that it's accepted then we can get it more carefully off the tape. Can we proceed informally on that basis?

MR. CHAIRMAN: Okay.

MR. GREEN: Mr. Chairman, the position of our group or the majority of the members of our group or many of the members of our group has been indicated in the legislative Chamber. We don't feel that it's absolutely essential that the government proceed in this way. However, I have indicated and others have indicated otherwise the fact is that I am proceeding on the basis that I will do whatever the government feels is necessary to deal with the problem that has arisen by virtue of an Order-in-Council which I was party to. And if the government chooses to ratify the agreement to correct the procedures that were taken then I could not in any conscience whatsoever resist it or object to it and therefore I will go along with it. I don't intend to in any way obstruct the new government from implementing what our government obviously thought we were doing. That's the first position.

Second position, Mr. Chairman, is that it has been indicated and I am of the opinion that the anti-inflation legislation has worked an inequity. Many suspected it would work an inequity but were willing to give it a try. I believe that we should be getting out of this legislation as soon as possible. Effectively the earliest reasonable date would be December 31, 1977. In view of the fact that the legislation has been so drawn as to ratify the agreement it would be impossible by simple amendment to put in a termination date of December 31, 1977 but it is quite possible with some amendments to the bill, to accomplish what the government wishes by the government ratifying, by the legislature ratifying all of the decisions and acts despite the fact that some of them indeed are inequitable — can't even argue with that proposition. It was asked, "How can you do something which is inequitable?" Perhaps the doing of the alternative would be more inequitable and therefore one has to take a choice between inequities. I regret that I'm in this position, but nevertheless I am. But there is no reason for continuing to have the province of Manitoba be responsible for this program which has, in fact, legislatively laid controls on workers' wages and has left prices and wages in many other sectors to be totally uncontrolled, thereby doing an inequity. So the motion that I have made that we refer the matter to Legislative counsel to make such amendments as would enable us to ratify the acts that flowed from the invalid Order-in-Council, and terminating Manitoba's participation that program as at December 31st, 1977, and I would so move.

MR. CHAIRMAN: Committee members, you've heard the motion of the Honourable Member for Inkster, Mr. Green, that we refer the bill to Legislative counsel to bring in the conditions and draft amendments as prescribed by Mr. Green in his remarks. Mr. Mercier.

MR. MERCIER: Well, Mr. Chairman, it's interesting to hear the remarks of Mr. Green this evening when under the terms of the agreement the previous government could have over 90 days ago indicated notice to the federal government to withdraw from the Anti-Inflation program, and certainly there's no mention of this kind of a suggestion in the House when the Opposition House Leader spoke to it. He indicated, to the best of my recollection, support for Bill No. 2 in the House. I, without sufficient notice, am concerned with the effect of the kind of amendment that your honourable friend is proposing, and the validity that might of all the previous acts and decisions that had been made with respect to matters that have been dealt with under the Anti-Inflation Act in the province of Manitoba since its inception under the agreement. And I think we certainly would need some further guidance, perhaps from the Legislative Council.

I think, Mr. Chairman, we're not yet — as Mr. Green indicates, we're in a situation where we have inequities on both sides and it is a difficult decision for all of us to make. We haven't yet had opportunity to very fully consider the decontrol program that the federal government is proposing.

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We're having a suggestion made to us tonight, without any prior notice, that the program cease I think as of December 31st, 1977, as my honourable friend indicated, and I am not yet in a position myself to have sufficient knowledge of the decontrol program to indicate myself whether I could be in support of that program, and I think there is some question as to the legality of the proposed amendment and the effect it would have on the decisions that have been made in the province of Manitoba under the Act.

MR. CHAIRMAN: Mr. Pawley.

MR. PAWLEY: Mr. Chairman, first, I believe that in answer to Mr. Mercier that the Leader of the Opposition did indicate in the House that there would be an amendment along these lines that would be forthcoming, so I don't believe that it is fair to suggest that the amendment really catches members off base. I believe that there was notice given to that effect in the Legislature itself.

The member raises the question, why was such action not taken by the previous government. But I'd like to point out to the honourable member that there have been, in the last few months, two, three months, several developments that I do think pose greater bearing upon immediate termination of Manitoba's involvement with the program, and that is the fact that both Saskatchewan and Alberta have made moves in that direction. I believe Saskatchewan has withdrawn entirely, and Alberta has indicated its intention — all within the immediate past.

Thirdly, we have heard tonight, and the Attorney-General has made reference to it, the fact that there are many inequities that have occurred, and certainly those that have submitted briefs, I think, have clearly and effectively brought those inequities to our attention. I think many of us on both sides, both government and opposition, share the feeling that there is inequity in the program as it relates to Manitoba. On the other hand to not proceed with the legalization of the agreements which had been entered into by the previous government would create much greater inequity, as Mr. Green pointed out. But Mr. Chairman, there is no reason then, in dealing with the past inequity that we continue to perpetuate inequity into the future. And I think, therefore, that it is critical for Manitoba to do as has been done already by its sister provinces in the prairies, to indicate its intention to withdraw from the agreement, and that's why I would strongly urge members to support the resolution by the Honourable Member for Inkster and also that Manitoba's involvement in the program would cease to apply to the public sector on December 31st, 1977.

MR. CHAIRMAN: Well, Committee members, we have before the Committee a motion to refer Bill No. 2 back to the Legislative Council to draw amendments as described by Mr. Green, which would terminate Manitoba's participation in the federal Anti-Inflation Program effective December the 31st, 1977. Are you ready for the question?

A COUNTED VOTE was taken, the results being as follows: Yeas: 9, Nays: 12.

MR. CHAIRMAN: I declare the motion lost.

Clause 1—pass; 2—pass; 3—pass; 4—pass; Preamble—pass; Title—pass. Mr. Jenkins.

MR. JENKINS: Mr. Chairman, I move, seconded by the Honourable Member for Flin Flon, that the bill be not reported.

MR. CHAIRMAN: Mr. Jenkins, would you wait until I get to the title, please, before you raise that motion? Title—pass.

Members, we have a motion now before the Committee, the honourable Mr. Jenkins, that the bill be not reported. Do you want to speak on it, Mr. Jenkins?

MR. JENKINS: Yes, Mr. Chairman. Thank you, Mr. Chairman. I have made my position, I think, quite clear in the House that I do not intend to support this bill in any way, shape, or form, and that is why I refuse to vote for the amendment that was proposed by my House Leader. I do not want to see this bill perpetuated in any way. I think that the best thing that could happen to this bill is to die right in this Committee.

It has been amply pointed out here by people here this evening, who have been here appearing before this committee, the inequities that have been wrought upon the working people of this country and especially in this province, and to perpetuate something — and the Honourable First Minister, in speaking the other day in the Throne Speech debate said that we were Johnny-come-latelys. Well, I would suggest to the Honourable First Minister that he read my Throne Speech debate in 1976, when I opposed this legislation. I was opposed to it then and I'm still opposed to it. And I don't want to see this bill reported. I want to see this bill killed.

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Mr. Chairman, just on a point of order, without regard to the Member for Logan's marks which I understand very well. Should we not be voting on a motion that the bill be reported, it a negative motion, that the bill be reported, but that the Member for Logan asked for the vote to be

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taken, because there is a positive motion coming forward. When you say bill be reported, that is the motion that we should be voting on.

MR. CHAIRMAN: I thank you, Mr. Green. The motion now before the Committee is that the bill be reported.

A COUNTED VOTE was taken, and the results were as follows: Yeas: 13, Nays: 3.

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MR. CHAIRMAN: I declare the motion carried. I move that the Committee rise — Committee rise.