



Legislative Assembly of Manitoba

**HEARING OF THE STANDING COMMITTEE
ON
INDUSTRIAL RELATIONS**

Chairman

**Mr. William Jenkins
Constituency of Logan**



MONDAY, June 6, 1977, 10:00 a.m.

**Industrial Relations
Monday, June 6, 1977**

ME: 10:00 a.m.

I. CHAIRMAN, Mr. William Jenkins.

MR. CHAIRMAN: Order please. The Committee will come to order. This is the first meeting of the Industrial Relations Committee and we have the following bills before the Committee for consideration:

- Bill No. 26 — An Act to amend The Apprenticeship and Tradesmen's Qualifications Act.
- Bill No. 45 — An Act to amend The Vacations With Pay Act.
- Bill No. 47 — An Act to amend The Department of Labour Act.
- Bill No. 50 — An Act to amend The Payment of Wages Act.
- Bill No. 65 — An Act to amend The Employment Standards Act (2).

The only representations that I have so far on the list are twelve people on Bill No. 65. Is there anyone wishing to make representation on any of the other bills before the Committee or maybe I could read out the names of the people who are here making representation on Bill No. 65 and if you are not included and wish to make a presentation on that brief, you can come forward and give me your name at the microphone.

1. Mr. Art Coulter, Manitoba Federation of Labour.
 2. Deputy Mayor Bernard Wolfe.
 3. Mr. H. A. Crewson, Manitoba Health Organization.
 4. Mr. Paul Hucal.
 5. Dave Grant, Mayor's Office.
 6. Mr. Tony Swann, Canadian Manufacturers' Association.
 7. Hugh Delaney, Winnipeg Chamber of Commerce.
 8. Canadian Association of Industrial Mechanical and Allied Workers.
 9. Mr. Hinings, representing four Aerospace companies. (Is stroked out.)
 - 10.
 11. Mr. Holmes, Labour Relations Council.
 12. Mr. Hicks, Campbell Soup Company, Brandon.
 13. Manitoba Chambers of Commerce, Mr. Roland Painchaud.
- I have two more that have been just added.
14. The Manitoba Fashion Institute, Mr. Ray Winston.
 15. Canadian Chamber of Commerce, Mr. Ralph King.

Is there anyone else who wishes to make presentations on any of the bills that we have including Bill No. 65?

MR. ROBERT GOODWIN: My name is Goodwin and I wish to make representation on Bill No. 50, the Act to amend The Payment of Wages Act.

MR. CHAIRMAN: Bill No. 50. No further representations? I have another one for Bill No. 65 representing Versatile Manufacturing, Mr. Eric Nuereburg.

We only have the one representation on Bill No. 50. Is it the Committee's will to hear that brief and then carry on with Bill No. 65? (Agreed) All right then, Mr. Goodwin.

MR. GOODWIN: Thank you, Mr. Chairman. I've had photostatic copies of my notes prepared and the Clerk has them and will distribute them. I had written a letter to the Committee concerning this bill because I had understood that it was meeting on Saturday afternoon and I was going to be unavailable so when I heard that it was moved to today, I thought I would come down and present it myself in person.

MR. CHAIRMAN: You got our message, Mr. Goodwin.

MR. GOODWIN: Thank you very much, Sir. My concern, which is stated in the letter which is before you, relates to two matters. Firstly, there is a conflict in the provisions of The Payment of Wages Act and The Corporations Act with respect to the directors' liability for wages and, secondly, I am concerned about the procedures which have been established under The Payment of Wages Act for the issuance of orders and the enforcement thereof.

The Payment of Wages Act provides in Section 5 that a director of a corporation is secondarily liable for the wages for an amount not exceeding two months and twelve months vacation pay, two bills. I note that Bill No. 5 states in the opening words of Section 5 that it's not withstanding any other Act of the Legislature so presumably it has precedence over The Corporations Act. But there is nothing in either of the two bills which states that once the liability under one of the Acts has been satisfied, that there is no further liability of the director. I know from personal experience of one situation, where directors were being sued under the provisions of The Corporations Act and an order was taken out at the same time under The Payment of Wages Act. Now, I don't know, frankly if they pay the liability under The Payment of Wages Act, that they have met their responsibilities and that The Corporations Act action will cease. I think it should be clear in any event.

Industrial Relations Monday, June 6, 1977

The other major concern — and this really is my major concern on The Payment of Wages Act — that there is apparent lack of natural justice in the procedures set out for the enforcement of order. As I understand the procedure, the complaint could be made to the Employment Standards Division of the Department of Labour and the person hearing the complaint could, based upon the evidence the complainant alone, make an order awarding wages. This order could then be registered in County Court and it becomes an official court order and can be enforced as such.

Also, at the same time, if the corporation fails or refuses to make payment for whatever reason be it valid or otherwise — a similar order can be made against the directors of the corporation whereby they become jointly and severally liable for the wages. Now, I note that there is no provision that there be any sort of notification to any person concerning the fact that a complaint has been made, that an order might be made against them, nor is there any provision for a hearing which takes place before the order is made. There is provision for a hearing, of course, but it is only after an order has been made and it is a review of the Order of the Employment Standards Division. If for any reason the time periods, which are set forth in the Act, are missed by virtue of inadvertence or sheer neglect then this is a Court Order and it awards a money judgment. That, I think, is contrary to the rules of natural justice and is a procedure which ought to be amended. I note that if there is some concern that people will evade their responsibilities in respect of payment of wages, that you have proposed an amendment to Section 7 of the Act which will in effect make the wages in the employer's hardship trust funds in favour of the employee, and it would seem as if, on a bankruptcy situation, for example, which you must be concerned about, that the employee will have a first charge in respect of the bankrupt's assets for his wages. So there is very little, if any, likelihood of someone evading totally responsibility for the payment of wages.

It is also important to note that there is no definition in The Payment of Wages Act as to who is a director of a corporation and I understand this matter is under consideration by the Court of Queen's Bench right now. At least I haven't heard of the ruling coming down.

I also understand that the Labour Board is taking the position that if the fact of a person being a director is challenged, they rule that he is a director, ostensibly or presumably on the grounds that he will have a greater ability to pursue the matter further to the courts by way of appeal. Well, it seems to me this is a pretty imperfect base upon which to make such an award. There ought to be something in the bill which states just exactly who a director is and I suggest the appropriate wording should be some reference to a director as that term is found in The Corporations Act of the province.

That's my submission, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Goodwin. Are there any questions any members of the Committee may have? Mr. Wilson.

MR. WILSON: I'm just actually looking for an opinion, Mr. Goodwin, but it seems to me that under the Corporation Act has been changed, but in the past relatives and lawyers who placed themselves as a director in order to qualify, under your definition would they now be responsible for wages if an order was issued against "director"?

MR. GOODWIN: Yes, they would be, unless they are holding the share in trust as a qualified shareholder. Then under the Corporations Act they wouldn't necessarily be liable but they certainly might still be liable under The Payment of Wages Act.

MR. CHAIRMAN: Any further questions? Hearing none, thank you.

MR. GOODWIN: Thank you, Mr. Chairman.

MR. CHAIRMAN: Bill (No. 65), An Act to amend The Employment Standards Act. Mr. Art Coulter, Manitoba Federation of Labour. Mr. Thiebault.

MR. NELS THIBAUT: Mr. Chairman, you will note that I am not Mr. Art Coulter, not that there is any difference between us in what we intend to represent here today. I do have a few copies of some brief comment in respect to Bill 65, which I can offer here. The date is incorrect since it was intended to appear here on Saturday and there is one typographical error on Page 2, which I have corrected and you will note as we reach that c) section on Page 2.

The Manitoba Federation of Labour has in previous years made representations to government on the matter of voluntary overtime. We did so for valid reasons, some of which are:

1. The health and safety of workpersons.
2. Work persons' expectation to benefit socially from new technological methods in industry.
3. Elimination of an area of strife between management and labour by standardization of daily and weekly hours of work.

We have pursued for voluntary overtime despite the historical opposition from "old school type" employers. They predicted economic disaster when near a century ago workers in North America agitated for decrease in the fourteen hour day and the seven day work week. As each improvement in labour standards occurred they reiterated their fear; fear which in the end proved groundless.

**Industrial Relations
Monday, June 6, 1977**

Bill 65, as the M.F.L. understands, primarily establishes that overtime work will be performed on a unitary basis. This principle feature is a paramount one and must not be undercut by various devices. There is provision now for overtime work to be performed under emergency circumstances which quite adequately takes care of a situation which might arise affecting personal safety or maintenance of employment where an equipment breakdown occurs.

Overtime work should not be relied upon by any employer for the purpose of production of goods. It defeats the entire purpose of standardized hours of work and detracts from employment of additional persons, particularly in larger operations.

The M.F.L. has expressed concern if Bill 65 does in fact allow employers to bargain with its employees for compulsory work time over and above the limits established in the Employment Standards Act. We see these unfavourable possibilities:

- (a) The employer demand for extra work time leading to a lockout or strike.
- (b) The employer demand being made for the advantage of bargaining leverage.
- (c) The employer advantage in influencing extra work time where employees are not unionized or where they are represented by an employee association.

The proposed increase in overtime premium from one and a half to one and three-quarter times the normal rate, we hope, act as a deterrent; that is, will discourage those employers who feel they must rely on overtime in running their business to rethink the matter. We favour the clear-cut factor of one and three-quarter times rather than the involvement of calculating fringe benefits. Should the latter become permissible, differences would arise as to the hourly value of fringe benefits. Such value would have to be pre-calculated, agreed upon and registered in some formal way.

The fact should be noted that several employers operate quite efficiently on the basis of mutual respect and understanding with employees in respect to overtime work. Where such advanced relations exist, the factor of compulsion is eliminated.

Generally and in conclusion, the MFL views Bill 65 as a further advance in labour standards, one that we will monitor closely to evaluate the experience with. We appreciate the government's initiative in leading the way with legislation that recognizes the social expectations of work persons in this province.

That is the submission of the Manitoba Federation of Labour.

MR. CHAIRMAN: Thank you, Mr. Thibault. I have some members that wish to ask you some questions. Mr. Green.

MR. GREEN: Mr. Thibault, I am particularly interested in the overtime provisions of this bill. Would it be correct in saying that with respect to overtime the vast majority of employers and employees who have collective bargaining arrangements have between themselves come to satisfactory arrangements with respect to overtime?

MR. THIBAUT: I think it would be correct, Mr. Green, to say that the vast majority, that is within the organized section . . .

MR. GREEN: Organized. I said where collective bargaining exists.

MR. THIBAUT: . . . have reached an agreement in one form or another on what the conditions respecting overtime shall be. I am not prepared to accept the suggestion that you may be making that these agreements are all happy ones, because we do have the situation and the MFL brief indicates that where we have advanced thinking within the whole industrial area, that we have happy experiences where the collective agreements or other arrangements provide for strictly voluntary overtime but, on the other hand, we have agreements that do not contain voluntary overtime but it still is an arrangement on overtime, compulsory though it be. The compulsory aspect has been contained in those agreements by virtue of the over-influence of the employer at the bargaining table or in some form or another an over-influence that labour was not prepared to strike back and has taken advantage of getting a compulsory overtime condition in that particular agreement.

MR. GREEN: Well, Mr. Thibault, then I will have to amend my question. Is it a fact that under collective bargaining that the vast majority of employers and employees, where it is organized, have reached agreement with respect to overtime?

MR. THIBAUT: Oh, there's no question, Mr. Green. That suggestion would be correct.

MR. GREEN: And when you say that the agreements are not all happy ones, I would presume — and you will correct me if I am wrong — that all of your agreements with regard to wages are not happy ones?

MR. THIBAUT: We're not talking about wages here today, but on the other hand if we compare the approach to wages and approach to overtime, we'll find a lot of strikes occurring over wages where they don't occur over the issue of overtime, and that makes a very qualified difference in what we are talking about here.

MR. GREEN: Well, can I repeat my question because I am aware of the collective bargaining

Industrial Relations
Monday, June 6, 1977

process and I know that rarely does a union in collective bargaining regard all of the provisions of agreement as happy ones. They could be better than what they have got, that that's one of features of collective bargaining.

MR. THIBAUT: Well, at the part of the unhappy life we live, sometimes an inadequate so system, that's a natural consequence, yes.

MR. GREEN: I, by the way, have no allusions of making it perfectly happy even with a so-called much better social system, that there will still be problems that people have to live with and I suggesting that the vast majority of organized collective bargaining has resulted in agreement v respect to overtime. Sometimes it is completely voluntary. Sometimes a certain number of hours committed by the union as being hours that the men will work. Sometimes there is provis requiring overtime personnel to be selected on a seniority basis. But there are arrangements that h been arrived at between the employer and the employee by means of the collective bargain process, in the vast majority of cases.

MR. THIBAUT: All that is true. I don't know if you are asking me a question . . .

MR. GREEN: Yes, it is a question.

MR. THIBAUT: . . . but I'm not sure I am agreeing with your evaluation insofar as justifying open aspect of the bill in it still being a negotiable question. The brief here expresses some conc as to what might possibly happen and we have expressed those concerns based on the fact that th will now be primarily a voluntary overtime bill. This will reflect itself at the bargaining table, where employer who has now a compulsory overtime feature will in effect lose that and will try to sustai through the process of collective bargaining.

We're expressing a possible concern that leaving the open end can create some industrial unrc I think we have to be entitled to put that thought forward for consideration of this Committee.

MR. GREEN: I'm sorry; I assure you that I am not attempting to argue the position. I am mer trying to elicit from you what the facts are, and if I am correct in thinking that in a vast majority cases the employer and the employee have arrived at collective agreements with regard to t provision of overtime, that's all that I am trying to determine.

MR. THIBAUT: It's not sufficient to stop at that point, if I might respectfully say so, because will be now bargaining under a bill that no longer gives the employer the built-in advantage where t old Act says the worker shall be required to work. Now this has been removed and it creates a n condition that employers are going to face in the event of new collective bargaining.

MR. GREEN: Well, we would not be better off in taking out that provision. It seems to me that nc with that provision in it, despite the fact that there is presently a provision which you say and I do agree, requires people to work overtime, despite that fact, the collective bargaining process t resulted in many negotiating agreements where overtime is voluntary, and therefore the collect bargaining process has overcome what you say is a provision of compulsory overtime. Don't y think it would be much more easy to overcome, or to abide with a provision that calls for volunt overtime?

MR. THIBAUT: No, we just don't happen to agree at that point. I don't think we can base c experiences or reach conclusion from our experience of what is the condition respecting overtim within the organized sector, because a minority of contracts within the organized sector would ha the voluntary overtime to start with.

In any event, the organized sector represents a minority sector of the total Manitoba work forc we talk in terms of roughly one-third, and we cannot exclude what happens to employees who are r unionized, employees who are under employee associations with the old company union system, we used to refer to it. There is more going here than just the organized sector or what that experien is.

MR. GREEN: Well, Mr. Thibault, you know I'm trying to get some information and if it will or result in a debate, I'll save my debate for the Legislature.

MR. THIBAUT: I don't want to appear not to be answering your question, Mr. Green, but it wou be helpful if you would put the question without the additional comments that you are making

MR. GREEN: I will try to put the question again. There is an existing Act which you say requires: employee to work overtime. The Act before these changes are made — is that a complicat question? — you say requires the employee to work overtime.

MR. THIBAUT: That's what the currect Act is.

MR. GREEN: The existing Act, or the bill that's before you, makes it abundantly clear that overtim is not compulsory by law and that it is not considered a management right.

MR. THIBAUT: That appears to be what the draft bill intends.

MR. GREEN: That under the old Act, despite the requirement to work overtime, in some collecti bargaining arrangements the employees have succeeded in bargaining for voluntary overtime?

**Industrial Relations
Monday, June 6, 1977**

MR. THIBAUT: That is correct.

MR. GREEN: And in many other cases the employer and the employee have come to an agreement, although you say not a happy one, respecting some overtime hours?

MR. THIBAUT: Right, unhappily true.

MR. GREEN: The new law which indicates that it's not management right to require overtime, and indicate could have some collective bargaining difficulties, the employer could use this. He could use overtime as a lever. He could say unless he gets some compulsory overtime, he is going to give in on three percent in wages or something else. He will use that in the bargaining process.

MR. THIBAUT: That's what our brief-points out.

MR. GREEN: Is he not able to use that in the bargaining process today, before the bill?

MR. THIBAUT: Yes, but it's not the issue today that causes labour to resist . . .

MR. GREEN: I understand that.

MR. THIBAUT: . . . because the Act already has strike one against the employee group. It says overtime is required, you shall work it. We're missing the point of qualified change in the current and a new proposed Act.

MR. GREEN: This improvement in the provisions of the Act will hurt the collective bargaining process?

MR. THIBAUT: No, I'm not saying that, Mr. Green. On the whole, I am endorsing the bill.

MR. GREEN: Okay, that's fine. Now, I want to deal with one more issue and that is, you are not suggesting that overtime hours be prohibited as work for less than minimum wage is prohibited?

MR. THIBAUT: I am not following the question.

MR. GREEN: You are aware that there is a law against working for less than minimum wages. The employee could break the law, if he does it he breaks the law and could be fined, or the employer who pays less than minimum wages could be fined. In other words, you do not permit any agreement with regard to minimum wages; it is prohibited?

MR. THIBAUT: Yes, I'm following that.

MR. GREEN: You would agree with that.

MR. THIBAUT: I'm following that. I agree with that.

MR. GREEN: You would not agree, or you are not suggesting that overtime hours be prohibited in the same way?. In other words, that it be illegal for any employer or employee to agree to work for more than 40 hours a week. That's not what you're suggesting?

MR. THIBAUT: Well, I am suggesting that other than the proviso that allows overtime in emergency situations.

MR. GREEN: Would you say that any overtime except emergency overtime be prohibited against the law?

MR. THIBAUT: Not any overtime because at the moment we exclude northern areas and construction because of the certain conditions that prevail there. We're talking of a bill now that applies to the particular groups of workers that are under it.

MR. GREEN: I understand. Let us take a packing house. Let us say that the employer wants to have an extra shift put on but it's not an emergency, it's not something where property is going to be destroyed, and the men want to work that extra time for time and a-half. Would you prohibit that type arrangement?

MR. THIBAUT: Where it goes beyond the 40-hour week you're talking?

MR. GREEN: Right.

MR. THIBAUT: Yes, we have to speak against that as labour because as our brief says we favour the voluntary aspect because it is a health question.

MR. GREEN: Now, Mr. Thibault, let's not mix up the voluntary and the involuntary. I am asking for the moment, because I respect this, if that's what's being pursued, then I understand it. Are you suggesting that it be prohibited, that it not be voluntary but that it be illegal to work anybody over 40 hours a week except in an emergency, just as we are making it illegal to work on Sundays?

MR. THIBAUT: That's exactly what we're saying.

MR. GREEN: Okay.

MR. THIBAUT: That the 8-hour day and the 40-hour week has no meaning if we corrupt it or rape or impose upon it by side agreements.

MR. GREEN: Then you want, not voluntary overtime, you want prohibited overtime, except in emergencies. To prohibit overtime except in emergencies?

MR. THIBAUT: That is what we are saying, that there is certain emergency work that has to be done and this we understand and this we accept.

MR. GREEN: But you would not agree with a situation where overtime was voluntary after 40 hours and a collective agreement was signed and then during the term of the collective agreement

**Industrial Relations
Monday, June 6, 1977**

the men tried to enter into an arrangement with the company to work overtime on a voluntary basis

MR. THIBAUT: No, we think that would be wrong.

MR. GREEN: That would be a very bad feature of a collective bargaining process. That would be a very unfair type of situation for the men to involve themselves in?

MR. THIBAUT: Well, you're making that suggestion and I don't think it is quite fair here for a member of the Committee to make a point as to why something is unfair . . .

MR. GREEN: All right.

MR. THIBAUT: . . . without relating it to the purpose of the MFL presentation. When we speak of the safety and health of workers, this is our principle motivation. If we have any real concern for the safety and health of workers such as is reflected in the government's bill on Safety and Health in the Workplace, we wouldn't be sitting here thinking in terms of how you contravene a basic work day at a basic work week for the purposes of health and safety.

MR. GREEN: I'll take out the word unfair and I am sorry that I used it. But the collective bargaining process depends on a certain amount of good faith on both sides. Would that be correct?

MR. THIBAUT: Generally.

MR. GREEN: And that it would not be advantageous to the collective bargaining process if overtime hours could be negotiated after a collective agreement was arrived at?

MR. THIBAUT: I'm not going to mix up the advantage or disadvantage to the process of bargaining. The point I am making and continue making is that the deviation from a set number of hours that relates to the health and safety of workers is what we would be deviating from if we allow leeway from the intent and purpose of an 8-hour day and a 40-hour week. I am not going to mix up the question of the process of bargaining because that's another field.

MR. GREEN: And the way that you would achieve that is that you would prohibit any overtime, would not be voluntary, it would not be compulsory, it would be illegal, except in an emergency after 40 hours?

MR. THIBAUT: That's what the presentation says.

MR. GREEN: Thank you.

MR. CHAIRMAN: Mr. Pauley.

MR. RUSSELL PAULLEY: Mr. Thibault, would the Manitoba Federation of Labour prefer to have a provision in this legislation that would prohibit in the collective bargaining process any reference to overtime?

MR. THIBAUT: I might, Mr. Minister, I don't think you need to say that in the bill in so long as the bill simply says that the employer cannot require overtime, overtime will be worked only under certain emergency situations. That in itself takes care of the principle question we are trying to take around here.

MR. PAULLEY: But basically, is my interpretation correct of what you have said in your brief, that we should remove, in effect, from the free collective bargaining process, reference to overtime hours? You say "except in an emergency." We would have to have a pretty clear-cut definition of the word "emergency" would we not? What would be an emergency?

MR. THIBAUT: If the legal advisors for the government or the Committee feel that that is essential, then I would have no objection to it. I would further suggest, however, that the inclusion in the bill should relate itself to the principle concern of the government and the labour movement, whoever in the health and safety of workers consistent with the principle intent of Bill 83 recently enacted and about to be proclaimed. It is upon this premise that I am projecting this position — no other.

MR. PAULLEY: But at this present time, however, most collective agreements that I have seen — and I see pretty well every one — contains provision for working overtime. Some at time and a-half and some at double time, the rate is of no consequence in this discussion. But many collective agreements have that provision. Now is the MFL suggesting that not only are we withdrawing the managerial rights to compel anybody to work overtime, that we would withdraw the employees' right to enter into an agreement for the provision of it?

MR. THIBAUT: In effect that is what it would amount to.

MR. PAULLEY: That's the position of the MFL. Would you be satisfied . . .

MR. THIBAUT: And I don't think legislation has ever turned on certain reactions by certain sectors of society. We might well have working people who are opposed to The Safety and Health in the Workplace Act. That doesn't make the Act wrong. It doesn't project an improper principle.

MR. PAULLEY: I'm not going to argue with you on that one. . .

MR. THIBAUT: I think we're in the same circumstances in regard to this bill.

MR. PAULLEY: Would you, Mr. Thibault, agree with one jurisdiction in the United States — and it's

**Industrial Relations
Monday, June 6, 1977**

only one that I was able to find—the State of Kentucky, where there is an absolute prohibition of overtime under any circumstance except such things as we normally refer to as a national aster?

MR. THIBAUT: I would be very interested and quite prepared, Mr. Minister, along with my other minister friend, Mr. Green, that the three of us should take a trip to Kentucky and just see how that thing is working out.

MR. PAULLEY: Oh, I have taken a trip to Kentucky.

MR. THIBAUT: It seems to me that they have survived quite well under that bill and it may well be something we should look further into. I may well be an advocate of the Kentucky legislation.

MR. PAULLEY: Okay, one more question, Mr. Chairman. You mention in your brief, you refer to the possibility of strike action as a result of this bill and the failure to enter into a collective agreement respect of overtime. How many incidents are you aware of in the last twenty years where there is a required provision, the word “required” to work overtime as is contained in the present Act, and which is going to be eliminated under this one, so overtime could be required for over 20 years how many strikes are you aware of as a result of the application of that?

MR. THIBAUT: A very minimum number of strikes, Mr. Minister, but primarily because the law in itself says to working people you are required to work overtime and the strike would not in effect be against the employer, it would be against the legislation of the province. This was a factor in the minimum number of strikes but under the new bill, with an open end right of employers . . . for the employer to bring the proposal or the demand to the bargaining table will create a whole new situation and we say possibly, quite possibly; we're pointing out the possibility of this.

MR. PAULLEY: But, Mr. Thibault, isn't that the present case under the present law that that can be an area of collective bargaining between an employer and a trade union, or a group of employees? Is there now.

MR. THIBAUT: Well, it has been a matter of collective bargaining, that is true, Mr. Minister, but it has been a right of collective bargaining with the employer enjoying one or two strikes on his side, because the law is on his side. It counterposes the employees into a position where they have to propose what the law principally endorses. It's a very difficult situation and you guys got as much riskers at the bargaining table as I have.

MR. PAULLEY: Only because of my advanced years. You're just a youngster yet.

MR. THIBAUT: Thank you. Thank you very kindly, sir.

MR. CHAIRMAN: Mr. Wilson.

MR. WILSON: I'd like to clear up a couple of things on your comments of the Manitoba Federation of Labour. You talked about your two friends on the Committee, I hope that that isn't a closed door because of some of the questions I might ask. I think under the health and safety question you said that was the only criteria. I wonder if you could comment on the second jobs by organized union members. I think of firemen and policemen and other people who engage in, sort of, second full-time jobs. Would you outlaw that? If you are going to suggest here that this bill will outlaw overtime, period, and you talk about rape and corruption. Do you think that this doesn't go against the wishes of your members and the human needs? Maybe people might want to better their lot. Do you think they really would be happy with government dictating a maximum of 40 hours, period, and outlawing everything else?

MR. THIBAUT: Well, you seem to be posing several points. You first talk about firemen and I presume you're talking about public safety when you raise the question of firemen.

MR. WILSON: Yes.

MR. THIBAUT: And you come down to a reaction of employees generally if the government proposes something. What, precisely, are you asking me?

MR. WILSON: Your presentation seems to indicate that you're talking about outlawing overtime and you're talking about protecting your members because you represent the Manitoba Federation of Labour and yet your members may very well go against your wishes and be engaged in full-time employment; two jobs, in other words. I'm saying what is your comment on that?

MR. THIBAUT: I'm still not sure if you've asked me a question or just took the liberty to make a broad comment.

MR. WILSON: I'll word it a different way. What you're saying is . . . you're representing your members and you're suggesting you're going to protect your members by outlawing anything over and above a 40-hour work week. Are you going to have any directive or any suggestion to your members that if you are successful in obtaining this objective then, if you are endorsing the bill, as a union boss would you leave that up to their own personal choice, or would you have a directive that would indicate, we've got you this maximum 40-hour work week; we hope that you will, for health and safety reasons, adhere to it.

Industrial Relations
Monday, June 6, 1977

MR. THIBAUT: Well, we certainly have a directive from the membership of the MFL and I do know to what extent I am required to deal with authorities or lack of authorities. I don't know what authority you have from the constituents of your party. But apart from that extraneous matter, certainly do have endorsement from the membership of the MFL. The moment they call for a Safe and Health Act they place the responsibility upon the Federation to pursue for legislation that will just that — provide the greatest degree of safety and health protection to workers. Where workers are compelled or in any way bamboozled or intrigued into enjoining, into working longer than a health set of hours, eight and forty at the moment, then again, they are immediately undercutting their own health by working long hours.

This was the whole problem in the old days, as our brief refers to, when there was the 14-hour day when there was the seven day week, when the health and welfare of workers suffered through injury through immature death. The whole principle doesn't change. You have to decide what side of the fence you're on. Are you on the side of the fence of the bill that guarantees or assures protection workers in the sense that they don't have to work excess hours? This is what the MFL is concerned about. This is the endorsement that the MFL has from its membership to pursue.

MR. WILSON: Well, the answer I'm trying to get from you is . . . Mr. Green was successful getting you to admit that you'd say "Yes, we're going to outlaw overtime." The question I want to have you answer is, would you outlaw two jobs?

MR. THIBAUT: Which ones? Which ones?

MR. WILSON: In other words, in emergency fields would you outlaw, or take a stand to outlaw over 40-hour work weeks? In other words, moonlighting, if you want to say — two jobs? In other words, if you are successful in getting your members a maximum 40-hour week and they have two jobs, I think you can't have it both ways. You've got to stand up and be counted and say, "Yes, I'm going to outlaw overtime and yes, I'm going to outlaw two jobs."

MR. THIBAUT: Well, the first thing you are doing, sir, is confusing moonlighting. Moonlighting has got nothing to do with what we are talking about. Overtime is where the employer whom you work for in some way arranges with you to work more than the basic hours of work. That's overtime. Moonlighting is any individual may go and work after his work hours with his regular employer for some other employer or for himself, but for other employers. That's moonlighting. I don't think we're here to talk about moonlighting because that has happened since Methuselah. —(Interjection)— The MLA's are the worst offenders. Of course you are.

MR. WILSON: All right. Well then since you're not willing to comment on that part, how about the emergency aspect?

MR. THIBAUT: You mentioned something about firemen. Let's get down to firemen. It seems that you had something about firemen.

MR. WILSON: Well it's practical knowledge most of them run most of the painting companies town. There is no secret about that. All right, we'll talk about the . . .

MR. THIBAUT: No, but I want to talk about firemen. Don't pose something and then run. This is not a hit-and-run affair. The question of firemen you earlier raised . . .

MR. WILSON: What I wanted you to do was admit that you're here to outlaw overtime, period under the guise of health and safety. That's a terrific stand if you're going to also say that you do not approve of your membership having two full-time jobs and you refuse to say that. So I'm going to leave the matter lie right there. Now I wanted to ask you about emergency.

MR. THIBAUT: Well, it lies very unsettled but that's your prerogative.

MR. WILSON: Well, I'll let you answer if you want. I haven't heard an answer.

MR. THIBAUT: If we're talking about firemen working, they come under what we call the emergency requirements, safety and health of persons, etc.

MR. WILSON: Well, I use them as an example; there are many others.

MR. THIBAUT: Well, it was a poor example because the brief would bring them under the safe of people — public safety. The bill already provides for these escapes.

MR. WILSON: Well, you're talking about hours of sleep, etc. However, we're talking about living and we're talking about the emergency aspect. I think of my own personal needs in this city. . . what do you think of the idea of including or making amendments to clear up this emergency section. Can you have any suggestions to help me? I can think of snow-clearing and maybe things as bridge repairs and stuff like that, that would come to mind pertaining to emergency? I mean how is the government to respond to what doesn't seem to be very clear in here. Section 6 talks about civil disaster, and what emergency, and public emergency. Are you leaving that vague term open to the interpretation of the board or some ruling body to determine what is a public emergency?

MR. THIBAUT: No, I think the party that drafts the Act, and I think the body that enacts the Act then it reverts back to the government or that department of government to interpret the Act. I do

**Industrial Relations
Monday, June 6, 1977**

nk I'm in here to write the Act, to try to write the Act. We're here to point out certain concerns that the Federation has to the extent they understand the Act or the intentions of the Act. I can't get down with you into the question of dotting i's and crossing t's and what the final language will be, or who will make the determinations as to what a civil disaster or emergency is. It may have to rest with some board. The Labour Standards Board, I would suppose.

MR. WILSON: All right.

MR. THIBAUT: You and I can have a discussion on it. I don't think we'll reach any profound or lasting conclusion.

MR. WILSON: Well, if we are to make amendments, I was kind of looking for some suggestions. I made a couple; maybe you could think two or three come to mind that you want to possibly exclude, however, if your desire is to outlaw overtime, period, then I guess that it would be up to the government.

MR. THIBAUT: Well, may I make a correction, Mr. Chairman. I think the gentleman is taking very unfair advantage by continuing to say, "You are here to outlaw overtime, period." That is a falsity on his part; consciously he knows it to be because the brief very carefully allows for emergency overtime but it's not outlawing overtime, period. I wish to make that correction for the record and for the satisfaction of the gentleman.

MR. CHAIRMAN: Mr. McKenzie.

MR. McKENZIE: Mr. Chairman, through you to the Mr. Thibault. On the first page, you say here in our brief, overtime work should not be relied upon by any employer for the purpose of production of goods. Why did you not include the word "services" in there?

MR. THIBAUT: Well, goods to me include services. You can say goods and services but there is a little difference really when you come down to the application, Mr. McKenzie. Take a production plant, a machinery plant, a clothing plant, goods come out of it as opposed to services as such. But there is really no difference between goods and services in the end effect. But more commonly we talk of goods in the sense of production plants where an employer will just fail to work out pre-schedules to base his production on the 8-hour day and begins to rely more and more, habitually, carelessly rely upon overtime, an extra Saturday, etc., etc. Putting on an extra shift is not overtime; that increases the number of employees. He puts on a third or fourth shift; that's still an 8-hour shift so that doesn't come into the question of overtime. But there's really no difference between goods and services.

MR. McKENZIE: Mr. Chairman, I come to The Farm Machinery Act which is a law of this province and farm implement dealers are required by law to — it's sort of an emergency setup but nevertheless by law they are required to work the hours of 8 in the morning until 10 o'clock in the evening on any day except Sunday during the season of use of machinery and equipment. Is that an emergency?

MR. THIBAUT: Oh, whenever a farmer's machinery breaks down, you're damn right that's an emergency. No question about that. I understand, as you say, that there is requirements, legislatively, upon machinery companies to provide depots where machinery parts are available in certain sectors of the country. With a law like that in effect, then consideration has to be given to that employer who is compelled by one law to do a thing, not to be penalized by another. So I don't think there's much to argue about there. It's a matter of common sense and rationality.

MR. McKENZIE: Mr. Chairman, then you would consider that that should be classed as an emergency under the section of the bill in the definitions.

MR. THIBAUT: Very well would be and would be well within the government or the Labour Standards Board to so determine that as an emergency under this bill as I would see it. But, principally, I am saying I would not ask for the penalizing of one group of people who are required under another certain law to do a certain thing, that they shouldn't have double jeopardy as you might call it. So I don't think we have any differences there, Mr. McKenzie.

MR. McKENZIE: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: Thank you, Mr. Chairman. Mr. Thibault, you said, independent of your brief but in response to Mr. Green and on the record, well, as a matter of fact, I guess you say it in your brief, I will correct myself on that, that you endorse Bill No. 65 generally but you have also said very clearly that the MFL stands opposed to the kind of overtime provisions as are contained in the bill, that you are concerned with the conflicts it might lead to in terms of strikes and lockouts and that it is directly juxtaposed to your view on the whole question of overtime. My question would be, why then does the MFL not oppose Bill No. 65 rather than endorsing it?

MR. THIBAUT: Well, because the social advance represented in the bill is far greater than the points against which we are commenting and it would be rather irregular to deny a bill that has basically good social advance for the sake of a secondary point of objection but it seems to me, Mr.

Industrial Relations
Monday, June 6, 1977

Sherman, you are going beyond what the brief of the MFL represents. We are making one primary point of suggestion as to the possibility of industrial unrest wherein the bill provides that an employer can bring a demand for compulsory overtime to the bargaining table or to his employees if they are not organized in some form, that this is the change that could open a way for industrial unrest. Premised as a whole on the fact that this occurring would then deny the principal purpose of the overtime bill similar to the principal purpose of The Safety and Health in the Workplace Act, that would allow an escape for longer hours that would be detrimental to the health and safety of the people. This is almost our singular position. We make passing reference to the one and three-quarter time hoping it will be a deterrent. If not, we'll probably have to have it go higher.

MR. SHERMAN: Okay.

MR. THIBAUT: That's about all we're saying here. Other than that, we think the bill is good. I wouldn't say throw out the baby with the bathwater.

MR. SHERMAN: Let me ask you this, Mr. Thibault. If you ban all overtime, except emergency overtime, if you had the kind of bill that you would prefer as a step that would go further than this envisages, do you not inhibit the bargaining leeway of unions and collective bargaining units if you ban the concept of overtime except in those situations that you have mentioned, the construction industry, northern projects and emergency operations. Do you not take a card out of the poker hand that the collective bargaining unit and the union has always had in bargaining negotiations?

MR. THIBAUT: I don't see it that way at all. I don't have any concern in the area that you are suggesting, Mr. Sherman. I will admit, though, I am not much of a poker player so you have me there.

MR. SHERMAN: I couldn't accept that, Mr. Thibault. All union leaders are good poker players.

MR. THIBAUT: But we don't have the money to play with.

MR. SHERMAN: You play with a different kind of medium of exchange and collateral as Mr. Thibault says.

MR. THIBAUT: Well, if you're saying that complimentary, I accept it.

MR. SHERMAN: I say it complimentarily. I say it complimentarily. I just don't accept your contention that you're not a poker player.

Well what about the question of the earning potential of many workers? If you ban overtime in that sense that you're talking about, do you not then reduce and inhibit the potential earning power of many working men and women?

MR. THIBAUT: Ah, you raise a good point. Do you want me to talk about it?

MR. SHERMAN: Yes.

MR. THIBAUT: You see, overtime, unfortunately, similar to bonus, job bonus, like miner's bonus, piece-work bonus in manufacturing plants, has imposed a way of life upon working couples where they have, as a matter of social permission, budgeted reliant upon the extra income over and above the basic wage. Overtime quite similarly has become such an animal. Unhappily, you have a difficulty — as would I — in having one or more work people, including the spouse to say to you and "Does Bill No. 65 endanger my opportunity of earning some overtime money?" And I would say, in the position of the MFL, "Yes, for this and that reason." And there would be objection to it because this couple that raised the question have for years relied upon the income from overtime, extra hours as they have relied upon the miner's bonus, what we call the orphan and widow maker, the speedup make bonus piece-time, piece-work, in manufacturing plants. Overtime has to be put in the same category. Of course it will be a denial to the income factor to some degree but one that has a social purpose about it and we view the social purpose when we talk of this question. I'm glad that you raised the question, I didn't know that I had the leeway to make this speech.

MR. SHERMAN: Well, we're in a poker game here, sir, and . . .

MR. THIBAUT: Well I think I put an ace on you at that point.

MR. SHERMAN: I'm occasionally leading into your hand, but I want your information for the edification and that of the committee. You're concerned and have emphasized the whole aspect of injury and health and safety vis-a-vis the overtime question. Would you agree that quite apart from the area of emergency, with your experience in the workplace and in industry, that there are many industries not related just to northern projects and construction who function on the continuous flow operation concept and who have emergency orders — not emergency situations but emergency orders — that come in an unexpected, unanticipated way, who have for example unanticipated demands because of the season or the marketplace or the cyclical nature of industry or who, just by the nature of their work, have functions and operations that can't be stopped at 4:00 o'clock in the afternoon or 5:00 o'clock in the afternoon and walked away from, would you agree that many industries live under that kind of environment?

MR. THIBAUT: It's an indisputable fact that you have this variable within the types of industry. That doesn't necessarily mean that — as our brief said, if that kind of an employer or the employer

Industrial Relations Monday, June 6, 1977

at kind of an industry, rather, rethinks the practice he has been following in relation to meeting that requirement, we don't say that his problem is insoluble under the Act. Now if we say that the *status quo* is totally unchangeable in this or another circumstance then I think we would be wrong. The role demand of social requirement, the needs of workers, the needs of the work force, of workpersons is being given a new stress in this more enlightened day and age. The government has decided that through the Safety and Health in the Workplace Act. It's not because someone all of a sudden said workers should have a better deal. It's because of the age that we're living in, the new dangers that employees face in the workplace that new consciousness has been given to the amount of time they work in relation to the stress of that employee. So we should be talking and thinking about the principles of why we're doing something like this rather than nibbling at why we don't have to do something like this and to heck with the conditions of the working people, you see. That's the difference. We're in a new century, it's not a hundred years ago, it's not fifty years ago. Thank the Lord not ten years ago.

MR. SHERMAN: You would say — at least I infer from your remarks and correct me if I'm wrong — at where that continuous flow operation has to be continued beyond 4:00 o'clock or 5:00 o'clock or whatever the end of the shift was, that workers on that work site should not be expected to do it, that other workers should be brought in to do it. My question to you is, with the emphasis you've placed on safety and health and protection against injury, whether you think you could do that kind of thing, bringing in outside occasional workers for stations let's say in a foundry, let's say in a forge, let's say here molten metal is being poured, where you can bring in occasional workers to fill those jobs on these occasions that they require without any endangering the safety and health of that workplace?

MR. THIBAUT: You couldn't have used a better example of industry when you talk about foundries and forges, the worst man killer that we've known in the sense of chest silicosis. I don't think you were really talking about those kinds of employers or that type of industry first off, Mr. Sherman. You were talking more so about the farm implement thing where there has to be staggered hours in order to service the farm public.

MR. SHERMAN: Any manufacturing industry.

MR. THIBAUT: But just a minute. I want to say some more on this. You keep bringing in, hire new employees. In the larger industries that would be a net result to some extent, there's no doubt. We make that suggestion here, that it would affect particularly the larger industry. But the question of more employees is not automatically the imposition because there could be a staggering of work times to meet certain off conditions. There can be the remuneration in the sense of compensatory time off still resulting in the eight-hour day still resulting in the forty-hour week. But we're speaking of the employer who has, without particular thought, said to himself, "I cannot operate any other way than what I have been operating for the last number of years." We're simply asking him to rethink the situation. Now anyone that comes in at 8 o'clock in the morning, there isn't anything to stop them from coming in at 9 o'clock and working until 5 o'clock. That takes care of an odd hour for example. We have that in numerous agreements. But in the end the result is not in excess of the stipulated statutory time.

So you see it's not just a one-road affair. If you're familiar with collective bargaining then you'll know precisely what I'm talking about. The end result of time is what we're concerned about. Two thousand and eighty hours a year based on the 40 rather than 3,080. If a workperson is working 3,080 hours in one year there is something wrong with the system and the health of that person is not going to stand that.

It would be interesting to look at what we have. I believe some recent figures showed a 42.3 weekly hours of work in this province. So we haven't had a real great imposition of it other than it goes to excess in certain industries or by certain employers.

MR. SHERMAN: Let me ask you one more question, Mr. Thibault. My last question, Mr. Chairman. You have made reference in your brief, sir, to the fact that, as you put it, "As each improvement in labour standards occurred they" — the old school type employers — "reiterated their fear, fear which in the end proved groundless." I take it from that that you mean and I would certainly agree that there has been enormous social progress made in terms of the conditions of work for the working man and woman of North America. But let me ask you this: do you think that the other side of the equation has been effectively met? Do you think that along with the improvements that have been given the worker legitimately and deservedly so, that we've had anything like the kind of response in terms of productivity that we need in this country and in this province to enable us to remain competitive in a very competitive world?

MR. THIBAUT: Well I think the answer has to lie not so much in personal opinions that you and I might harbour, Mr. Sherman, but in the statistics of the province as they relate to productivity, as they

**Industrial Relations
Monday, June 6, 1977**

relate to the strong position of Manitoba in the financial world. I believe our rating is what Manitoba? Tremendously high. I haven't seen any great excess of bankruptcies in this province, comparably speaking, I haven't seen a great exodus, apart from some comment now and again from some employer, from this province. I believe we have a high based economy in Manitoba, that functioning well and bodes very well. I see no danger in what you seem to be coming to, Mr. Sherman that it will create a more difficult economic climate for business. I think it will enhance it, as long as we're not talking about old school employers.

MR. SHERMAN: Well that was to be my last question, Mr. Chairman, this will be. I have to respect a question to Mr. Thibault's last commentary. How do you feel about Co-op Implements and Christie Biscuits, to name just two?

MR. THIBAULT: Well I don't know, you may be privy to certain information which is causing the problems at Co-op lay-off, I am not in particular. I do know earlier on in the dry spell Co-Implements along with others were laying off people, were projecting lay-offs because of the position of farmers in not purchasing farm implements due to the weather conditions. We don't know yet whether the May rains will continue into June and the change of climate within the farm purchasing or farm consuming section will occur, hopefully it will. I'm going to be an optimist at this point, not a pessimist.

MR. SHERMAN: Thanks, Mr. Thibault; thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Barrow.

MR. THOMAS BARROW: Thank you, Mr. Chairman. During some of your answers, I think it was Mr. Green, you said there should be some amount of flexibility in construction in the north pertaining to the 40-hour week.

MR. THIBAULT: Structure in what?

MR. BARROW: In the north, you mentioned the north at the same time. You said there should be some flexibility in the 40-hour week. I can see where construction, of course, would have to be a special case on account of weather effects and so on.

MR. THIBAULT: The seasonal factors.

MR. BARROW: Yes, so they work long days and long hours in the summertime and possibly very little in the winter. Is that the idea?

MR. THIBAULT: That's what I was referring to.

MR. BARROW: And the north, of course, you're referring to remote areas and not the big centres.

MR. THIBAULT: To what?

MR. BARROW: To the remote north.

MR. CHAIRMAN: Use the microphone please, Mr. Barrow, so we can hear you and Mr. Thibault can hear you.

MR. BARROW: For instance, Flin Flon, Churchill and Thompson are big centres, so the 40-hour week would apply there. And where it wouldn't apply would be the remote areas where you are more or less in isolation. Is that what you are saying?

MR. THIBAULT: Well, no. More rather I would be of the opinion that the question of overtime hours related to construction — and I don't know whether it becomes a question of geography, Mr. Barrow, whether it is north of 53 or so many miles south of 53, or whether it is wherever construction is. Construction is all affected in the seasonal sense but more so the further north you go.

MR. BARROW: That's right.

MR. THIBAULT: I believe there are special arrangements for this now, legislatively speaking, and it is a matter that should be more so determined by the Construction Trades Council conjunctive with the government or its Legislative Committee or its Labour Standards Branch. I would not be prone to become involved in that particular phase of the industry situation.

MR. BARROW: And of course you have answered my next question. You say the 40-hour week will create more employment. You've answered that before.

MR. THIBAULT: We see it as an ironic thing, with a million and a half unemployed — a million and a half, I said, unemployed — that there is still an expectation that one work person should work 3,000 hours rather than the standard work week. It has to have its effect upon unemployment, there is a question about that in my mind.

MR. BARROW: The next question: Would you advocate the 40-hour week be from Monday to Friday inclusive?

MR. THIBAULT: Most definitely.

MR. BARROW: Good.

MR. THIBAULT: Monday to Friday is what we regard as a work week.

MR. BARROW: Now, they have experimented with four 10-hour shifts with three days off.

MR. CHAIRMAN: Use the microphone please, Mr. Barrow.

Industrial Relations
Monday, June 6, 1977

MR. BARROW: They've experimented with the four 10-hour days and three days off. Have you any views on that?

MR. THIBAUT: Yes, I have a very definite view on that. Labour, in principle, is opposed to the longer work day. We are aware that the Manitoba legislation has, and will still permit, that arrangement. But the basic position of labour, speaking from the Canadian Labour Congress, speaking from the Manitoba Federation, is the four-8, a 32-hour work week, but not a longer work day. A shorter work week but not a longer work day because, again, it is a question of health and safety of work persons.

MR. BARROW: Thank you, Mr. Thibault.

MR. CHAIRMAN: Mr. Banman.

MR. BANMAN: Thank you, Mr. Chairman. Just to get a clarification on the questions that were asked by the Member for Wolseley. You mentioned that one of the main reasons for limiting it to a 40-hour work week is the health safety factor, if I understand you correctly. Is that right?

MR. THIBAUT: That's correct.

MR. BANMAN: I have a hard time reconciling in my mind, what is the difference if a person works 10 hours for one employer and then goes to moonlight 10 hours for another employer?

MR. THIBAUT: It is still bad for his health but we have no control over the chap or the girl who moonlights. That's the only difference, we have no control over it.

MR. BANMAN: So basically, what you are saying, you are for limiting it to a 40-hour work week, banning any overtime, and if you had it your way you would ban any moonlighting.

MR. THIBAUT: You are making the same mistake as the other gentleman. You say, "any overtime except emergency overtime."

MR. BANMAN: That caveat, yes.

MR. THIBAUT: Now if you are making that qualification then you put it on that basis. What was your question?

MR. BANMAN: You would like to ban any overtime over 40 hours except emergency, then you would also be saying that your way of thinking, you would like to ban any moonlighting that was happening at all. Is that right?

MR. THIBAUT: Well, that's two questions. I'll deal with them one at a time. The first one, ban overtime except emergency, yes. In the interests of the health and safety of the work people, yes, definitely yes. Moonlighting has the same end effect on the health and safety of people. And if in some way we could establish a sufficient basic wage that would make it unnecessary for people to rely on a supplementary income through moonlighting, overtime, or bonuses, then we would be much better off for it in the sense of the health of our province or the health of our nation.

MR. BANMAN: Aren't you leaving out one particular aspect of an individual or person? In other words, some people have more drive than others and some people want to attain more than others either financially or physically or whatever it is. And basically what you are telling me is that that one criteria will then, under this particular legislation, be denied to an individual.

MR. THIBAUT: Again the question of the opposition of the individual is something that occurs, I suppose, in whatever legislation. We have individuals who would prefer to pay a high car insurance rate by reverting to private insurance rather than Autopac, just for example. This is what we have so I don't know what the point in coming at me and saying, "Well, will there possibly not be some objection to individuals who feel that their free rights, their free rights to get sick and die at an immature age, is being imposed upon." Of course you will have the individual who feels that, with all respect to him. But we are either going to advance socially or we are going to live in the old age when the value of life and health didn't mean very much to very many people.

MR. BANMAN: In reply to the questions from the Member for Roblin you mentioned the production of goods and you also included services in that.

MR. THIBAUT: That's our general description.

MR. BANMAN: I refer specifically to the small service industry sector in the province of Manitoba, many of whom I know right now are working on a 40-hour plus four hours overtime and paying their employees along that line. Do you feel that it is going to cause an increased cost to the consumer of the products?

MR. THIBAUT: What isn't an increased cost to the consumer of the product? Any time the minimum wage is increased; any time compensation assessments are increased; it is loaded into the cost of the product and the consumer pays for it anyway. So what's the difference or the significance in this one? Why do we individualize this development? Of course it will go on to the consumer price, that's why we are paying prices that we're paying now because it's part of the whole system. Until we change the system, then we are going to have to live with this anomaly.

MR. BANMAN: No, I just want it understood that it is going to cause . . .

Industrial Relations
Monday, June 6, 1977

MR. THIBAUT: I don't think it has much relation to the bill, the principle of the bill, really, with respect to your right to ask questions.

MR. BANMAN: Yes. No, no, I just wanted to get it on record that it will mean an increased cost to the consumer.

MR. THIBAUT: Well I've disputed the relationship of it to the bill.

MR. BANMAN: You don't think the bill will have any effect on that, on the cost to the consumer? I'm talking now about the small industry that employs three or four people.

MR. THIBAUT: I can't project how a certain employer might use figures to show that it has increased his cost. I can't go into that area. Some employer who is conscientious and believes the bill is good can possibly adjust to it in rearranging his whole practice, in rearranging his costs. I do know. You are asking a question that I am not qualified to answer. But I am sure we will hear employers say, "It has increased my cost." We will probably hear employers say, "It hasn't increased my cost because I have adjusted in this way." I don't know, don't put me down on the record refusing to answer. You are asking an impossible question.

MR. BANMAN: Well fine, if you feel that it is not within your expertise to answer that, that's fine Mr. Chairman, that's all.

MR. CHAIRMAN: Mr. Dillen.

MR. DILLEN: I just have a few questions. I just want to follow up, I think, from where Mr. Banman left off, in that he is referring to an increased cost to the consumer. Mr. Banman can nod or correct me if I'm wrong, when he refers, I believe, to the increase in the overtime rates from one and a half times to one and three-quarter times. Now Mr. Banman has corrected me and his understanding is that he is not going to increase the cost to the consumer. —(Interjection)— Well let's get it straight. Mr. Banman asked whether or not the increase from one and a half times to one and three-quarters, plus the reduction in the hours from 44 to 40, whether that's going to have any impact on the cost of goods to the consumer. I want to pursue that with you, Mr. Thibault, in this way.

If an employer has reduced his number of hours from 44, which he was required to pay time and a half for four hours, to 40 hours, he is no longer required to pay that time and a half for the additional four. Should that not result in a reduction for the costs of goods produced to the consumer?

MR. THIBAUT: That's your question?

MR. DILLEN: Yes.

MR. THIBAUT: I would say yes. I would go beyond that and relate it — and I didn't want to go into this area — back to the earlier days when we were reducing hours from the old 56 during wartime down to 50, down to 48 and 44 and so on. In each instance the employer always said that it is going to increase my costs. But in the final analysis — and the balance sheet showed it, the financial statements of employers showed it and industry as a whole, the financial statements showed that the corresponding increase in efficiency of the worker, when he had to work less hours, was, in fact, a benefit to industry in the economic sense rather than a loss or disaster as some employers would describe it.

MR. DILLEN: Okay. Now, I want to follow up on the safety and health aspect of your remarks. The standards, I believe, that have been accepted for Manitoba are based on the American Industrial Hygiene Association standards that were established by the United States on a threshold limit value for certain toxic gases and dust and so on and in every case have related to an exposure period of eight hours. I want reaffirmation from you, Mr. Thibault, if it is possible, that in your view, the least amount of time that a person can be exposed to the hazards of his workplace, through legislation, the more beneficial it is in the long run for that person's health and safety.

MR. THIBAUT: Oh yes, of course. . . . in the States, that you are talking about, provides a basis for eight hours but that eight hours as well is modified, the same as, to some extent, here it is modified depending upon what you are doing, what chemicals or toxic materials you are handling, what exposure you are subject to. And you can have a duration of only one hour when you have to have a break, it is not eight hours of solid work. And that's because of the health factor, the effect on health. If we look at the Mines Act today, or the hours in relation to mines, you don't work underground more than eight hours. And the reason you don't is because of the danger of silicosis. The damage to the lungs because of the inhalation of dust.

There is the question of exposure to excessive noise, to excessive heat. All that has to be regulated for the safety of the health of the individual is the question of how long he is exposed to it. And we've got a long way to go in that field and certainly we are going to go into it in Manitoba here now, through the opportunity under The Safety and Health in the Workplace Act. It is a tremendous thing that we are moving into here in the sense of protecting the health and the safety of work people in this province.

MR. DILLEN: I have just one final question. Reference was made to northern Manitoba and the

**Industrial Relations
Monday, June 6, 1977**

possibility of you becoming involved in finding some ways of reducing the hours of work in the construction industry. During the periods of peak — I am referring to the north now — during the periods of peak construction, it is probably the period where we have the longest periods of daylight in the north. Under those circumstances and given the opportunity to become involved in the future, would you not think it would be more advantageous to put two 8-hour shifts during those longer periods rather than one 12 or 14-hour shift?

MR. THIBAUT: Two 8-hour shifts back to back?

MR. DILLEN: No, no. Two different . . .

MR. THIBAUT: Oh, two shifts of work crews.

MR. DILLEN: Work crews, two different crews.

MR. THIBAUT: Of course, to us this is the answer. This is the answer. If we are going to protect the health and safety of work persons, these are the approaches we have to think in terms of. Nothing solved by a 14-hour day even if it is only three in the week.

MR. DILLEN: I have heard it argued that under those circumstances no one would go north to work. I'm wondering now if it wouldn't be possible to take the position that all of those amenities that are taken for granted in southern Manitoba should not also be provided on construction sites in the north. You know, those kind of amenities that we take for granted down south.

MR. THIBAUT: Well, if there is any lesson to be drawn from meeting the question of incentive of work persons to go into the less favourable climates of the north, we only have to look at the practice of the Federal Government. If we go into the Yukon, if we go into the Northwest Territories, where federal civil servants are provided the incentive by living allowances, certain remissions of cost, but not at the expense of having to work extra hours. They are working standard work hours set up under federal standards. And that is met quite handily. And this is something we may be able to look at.

MR. DILLEN: Thank you.

MR. CHAIRMAN: No further questions? Thank you, Mr. Thibault.

MR. THIBAUT: Thank you, gentlemen.

MR. CHAIRMAN: Deputy Mayor Bernard Wolfe.

MR. BERNARD WOLFE: Good morning, Mr. Chairman, and the remaining members of the Committee.

City Council on June 1st directed that representation be made to this Committee, specifically in the area of the problem that arises related to the definition of "emergency." I would like to just read, in part, from the Council's official approval of the material it dealt with.

If overtime is assigned under Subsection 33(1), then, according to Subsection 33(3), a full report of the emergency work must be forwarded to the Labour Board for any action it deems appropriate. Such action could presumably include instruction that the emergency work did not in fact qualify under the provisions of 33(1).

33(1) as amended provides that an employee may be required to work overtime but only to the extent necessary to avoid serious interference with the ordinary working of the plant.

We realize that the thrust of the legislation and the proposed amendments relate perhaps more particularly to the field of manufacturing or industry, but certainly not really to the field of municipal government which is a highly personal service orientated delivery system.

The words "serious interference" require that each set of circumstances be interpreted. The difficulty is that the subsection does not really contemplate the service provided by a municipal corporation, or indeed, the Province or Manitoba Hydro.

Your Committee is also of the opinion that the subsection should be clarified so that clearly the Act covers urgent work relative to essential services such as water treatment and delivery, waste, sewage collection and treatment, hydro, fire, police, health services such as hospital, and transportation which takes in the entire spectrum of highways, transit, traffic control, snow and ice control.

It would seem to us at the City of Winnipeg, that the City's concern should be shared by every municipality in Manitoba, not to mention the province's own Highways Branch, the Manitoba Telephone System and the Manitoba Hydro.

Under the proposed amendment, the Lieutenant-Governor-Order-in-Council which really says the Cabinet will declare an emergency. I think that when you're talking about the kind of emergencies that are referred to, they are of the day-to-day emergencies that those of us responsible to see that your water runs and your toilet flushes and the transit system moves and the delivery of groceries get to the corner store during a snowstorm had in mind. We are concerned that the definition of emergency is one of degree. The City Council feels, in its collective opinion, and they almost made it unanimous, the vote was 40 to 3 — which has got to be a remarkable achievement some days — but we would like to feel that the municipality would be in the best position to judge when an emergency

Industrial Relations
Monday, June 6, 1977

was required. I think that in the normal course of collective bargaining we have an effective and cordial relationship with all of our organized collective groups. So that basically our concern cent on Section 33.1 which sets out when an employee may be required to work overtime. The C contends that this section is too narrow and too restrictive and does not take into account specialized nature of municipal public service.

One of the examples that I can remember so well was that during the last three or four years have had major serious snowstorms — certainly not last winter; we could have welcomed some snow — but on those occasions we were forced to co-ordinate and integrate not only our own services with the Manitoba Hydro, the Telephone System to set up emergency lines and co-ordinate and place in operation a whole network of support systems which involve streets, Hydro, fire, police and their inside support staff to do the co-ordinating.

One other example that we are suggesting and it may not really impress too many people except that if you have had to wait at a bus stop, you would then be impressed; that if because of an unfortunate personal situation the relief driver at the end of a transit run isn't there, the driver then operating that vehicle just can't then be assumed to walk away and leave it knowing that back down the line somewhere there may be 30, 40 or 50 people waiting at 30-below. It depends on where you stand and how you interpret really what we're talking about when we say an emergency. We determine somehow, that perhaps there wasn't really the full appreciation of the function of municipal governments in dealing with this particular legislation.

Officially, from the City of Winnipeg, this is our concern. We would like to feel that the amendment could be clarified to perhaps exempt the municipal government from determining and let us work out our own destiny with our own people as to the effectiveness of our compensation through whatever collective agreements we have.

There, Mr. Chairman, very briefly is the area of concern that the City of Winnipeg has in respect to this proposed amendment.

MR. CHAIRMAN: Thank you, Mr. Wolfe. I have Mr. Paulley who wishes to ask you some questions.

MR. PAULLEY: It's really not a direct question to Mr. Wolfe, but I thought it would be advisable to indicate there will be an amendment in the definition of what is a plant which I think will meet the point raised by the City of Winnipeg. I am informing the members of the Committee they will be asked to consider this amendment when we are considering the bill. I think it will overcome a lot of the difficulties by the City of Winnipeg and the other municipalities for rendering such services as snow removal.

I just make one observation insofar as the poor old man, like I, waiting for a bus to come. I recall waiting for 18 days before they came and I don't know whether that was an emergency or not.

MR. WOLFE: Where were you during the rest of the 47 days, Russ?

MR. PAULLEY: But, anyway, I do indicate that I intend to have proposed an amendment, I think that might overcome the difficulties. I would, say, Mr. Wolfe, in the absence of any data collecting agency as to the input of overtime, the requirements, would you not think that it is reasonable that there be some place where this is registered so that we would have some accurate figures as to the incidence of overtime — which we haven't got at the present time other than DBS.

MR. WOLFE: Mr. Chairman, to the Minister. We would be delighted because, you see, I can offer you, as of this morning, our research departments assessment of what the difference would be as of September to the end of the year.

MR. PAULLEY: That's the dollar figure, Mr. Wolfe.

MR. WOLFE: That's just the dollar figure, but in addition to that we monitor very carefully the normal overtime because we feel as perhaps many of the others do, that if the pattern re-occurs, you should be doing something to correct it, either with a change in management administration or another body. But what we are really basically concerned — I think you've identified it — is how can you determine an emergency and let us work that destiny out so that we can continue to deliver that kind of level of services that people expect of us. If you are prepared, we'd just dearly love to make that offer that if our solicitors could work with yours in just making sure that what the City's concern — and I say that it just doesn't only exist in cities, because when I think of the problems with the Hydro crews and your Hydro crews are in the same boat and your problem . . . and I can remember on occasion seeing some mighty fine washouts out in rural Manitoba that you couldn't have waited for another two or three days to put the road back into shape so that things could get back to normal. I understand it's even happened the odd time up in the north between The Pas and Flin Flon when the beavers get busy and decide that they are going to reroute things for you. I know, because I got stuck up in Swan River. —(Interjection)— That's right. That's before you left and things improved.

Mr. Chairman, thank you very much for your consideration, we would be just delighted to work with the Minister of Labour in seeing how this thing can be worked out to the satisfaction of both

**Industrial Relations
Monday, June 6, 1977**

es.

MR. CHAIRMAN: Mr. McKenzie.

MR. McKENZIE: Yes, Mr. Chairman. Mr. Wolfe, do I read your figures here that from September on that this will cost the City \$250,000 per annum in your estimate?

MR. WOLFE: As a matter of fact, you can correct that. The up-to-date figure I got this morning from our research people indicate that that would result in \$350,000.00. On the basic difference of it first . . .

MR. McKENZIE: A second question. Did I read you correctly, Mr. Wolfe, that you said that the licitors or the council had no input into this legislation at all, you weren't considered when it was being drafted?

MR. WOLFE: I wouldn't say that. I said that I was prepared to suggest that we would be in a position as of right now to sit down with whoever was going to redraft this and perhaps more clearly fine it because I think from time to time we have some more fairly good communication with all of the House.

MR. McKENZIE: Thank you, that's all the questions I have, Mr. Chairman.

MR. CHAIRMAN: Any further questions? Mr. Dillen.

MR. DILLEN: Mr. Wolfe, you have just amended that figure of \$250,000 up to \$350,000.00. I want to know if that is for what is considered to be scheduled overtime or for emergency overtime, what is regarded as emergency overtime?

MR. WOLFE: I think it would be a mix of both, really. We have to anticipate what emergencies we might run into towards the end of the year not knowing what weather is going to bring us, but this is in comparison to the track record of last year and the year before so that it's on that basis. You'd be within the ballpark with that figure lumping the two categories together.

MR. DILLEN: Can you give me an idea of — we're talking about the hourly rated work — what the wages and administrative costs are for one person in the hourly rated classification?

MR. WOLFE: No, I can't answer that.

MR. DILLEN: Would it be \$10,000 a year — Wages and administrative costs?

MR. WOLFE: There's just no way I can. . . If you want to give me that question in writing I'll feed it to the machine and I'll get you the answers. I'm not quite clear as to the thrust of your question there.

MR. DILLEN: Okay. What I am trying to establish is, how many more people could be employed by eliminating overtime and reducing this figure? That's what I am trying to get at. If it's \$350,000 — (interjection) — okay, we'll take it as an average of \$10,000 and we'll throw in an extra \$2,000 for administrative costs so there's about \$12,000 a year. If you divide \$350,000 by \$12,000 about 30 additional employees could be taken on by the City and reduce overtime altogether.

MR. WOLFE: No, you can't. Mr. Chairman, with respect, I can see that the problem of operating municipal government and delivering services such as sewer and water, you can't use a third of a person, a quarter of a person, an eighth of a person, when you're dealing with a problem. The extra me is something that has to be done right then and there; you don't have another body just lying around surplus because that's how we were able to cut our taxes this year.

MR. DILLEN: Is there some way that you can respond for the Committee's benefit to determine of what \$350,000, if you can respond in writing . . .

MR. WOLFE: Mr. Chairman, I can respond right now to suggest to you that if the thrust of your question is how many jobs can create in addition to our present numbers, I would say none because that's the normal requirement to operate the peculiar kind of a business in the delivery of personal services in a city the size of Winnipeg.

MR. DILLEN: But the City does work an 8-hour day.

MR. WOLFE: Oh yes. Well, we hope . . . sometimes.

MR. DILLEN: But you couldn't make the differential between what would be scheduled overtime within that \$350,000 and what would be classified as an emergency, a power line down . . .

MR. WOLFE: Oh, the spoke of that would be emergency because, you see, you take for example, Mr. Chairman, this spring we had some disastrous weekends where we had 50 water breaks and I tell you it may not be an emergency to anybody except the people on that street, but if that tap doesn't run . . . Bill, I think we got you on a couple of them . . . but that's the kind of thing that happens. You can't wait until Monday unless, you know, you can shower with a friend down the street somewhere. . .

MR. DILLEN: I think that's fine.

MR. CHAIRMAN: Any further questions. Mr. Pauley.

MR. PAULLEY: Yes, Mr. Chairman. Mr. Wolfe, in your presentation you mentioned, as indeed Mr. Dillen has pursued it to some degree, the question that the overtime cost includes almost tantamount to the scheduled and emergency. I wonder if you could supply the figures as to the number of hours

**Industrial Relations
Monday, June 6, 1977**

required in each of those sections.

MR. WOLFE: We'll try to give you a breakdown on that, Sir.

MR. CHAIRMAN: Any further questions? Hearing none, thank you, Mr. Wolfe.

MR. WOLFE: Thank you very much.

MR. CHAIRMAN: Mr. H. A. Crewson, Manitoba Health Organization.

MR. H.A. CREWSON: Mr. Chairman and members, I think perhaps my presentation would somewhat redundant after hearing Mr. Wolfe inasmuch as our organization represents 160 hospitals and nursing homes in the province and the Board of Directors of our organization at its last meeting in reviewing this bill, actually came forward with essentially the same suggestion that has been made under the City in respect to the fact that in the health facilities there is no intent for the scheduling of overtime, that is not the concern, that doesn't happen. We attempt to provide a maximum of an 8-hour day, and in most cases it is now less than that, but you'll appreciate that in the facilities that there are many things happen, particularly in the critical care areas, which require that individuals go well beyond their scheduled shift for the purpose of looking after special problems and it is our hope that under the amendment to which Mr. Paulley refers that health facilities in the province would be given consideration for their being able to look after this with a minimum amount of disruption and avoid problems in respect to definition of what constitutes emergency and what does not constitute an emergency. We would be pleased to supply whatever data or information is desired by the department in terms of what is incurred in respect to overtime provisions and so on.

MR. CHAIAN: Thank you, Mr. Crewson. Mr. Paulley has a question.

MR. PAULLEY: Mr. Crewson, can you give us any indication of the number of hours involved in overtime work such as you are referring to?

MR. CREWSON: I do not have that with me, Mr. Paulley, but we do have a run that is coming off the computer that will be able to tell us that. It's not a great deal, I might say, it's minimal but there certainly in each and every week a situation where a facility runs into a very special problem.

MR. PAULLEY: But it wouldn't be a very large amount in total.

MR. CREWSON: No, it is not 'no'.

MR. PAULLEY: Fine, thanks, Mr. Chairman.

MR. CHAIRMAN: Mr. McKenzie.

MR. McKENZIE: Yes. Mr. Crewson, I was wondering are you in agreement with Deputy Mayor Wolfe when he said like in the case of the City, the municipality is the best one to declare what an emergency is. Would you recommend that your organization would be the better one to declare when actually an emergency is or when it is an emergency?

MR. CREWSON: I think the best, in terms of definition, is most obviously the health facility itself that is, the hospital or the nursing home. We would be pleased to assist in helping with the wording that would cover this particular aspect but these things happen and they are truly emergencies. There are situations which arise near the end of a shift which obviously the facility itself must have direct control over, not any other organization.

MR. McKENZIE: One other question, Mr. Chairman. Then you feel that you could define it for the Committee so that it . . .

MR. CREWSON: Yes, I am sure we can.

MR. McKENZIE: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Dillen.

MR. DILLEN: I just have one question. Would you prefer that there were . . . oh, we'll use an example of maybe ten full-page of those areas where it is a clear-cut definition of what an emergency is, or would you rather have the term "emergency" remain as it is for a broader interpretation?

MR. CREWSON: Well, I think the broader interpretation would be useful if it is possible to be able to identify those particular industries where the public service is involved and where emergency is a very obvious requirement. There has been a precedent that we are aware of in the past where essential services to the public have been indicated and references made at that point to those areas such as hospitals, nursing homes, fire, police, etc., that would be obviously more desirable than a detailed listing but it may not be possible in this case.

MR. DILLEN: I wonder if you could sort of confirm what my fear is, that you would have ten pages of clear-cut emergencies listed and then one emergency would arise that is not listed and then you would be, you know . . . And really, Mr. Chairman, that is our problem that I think we are trying to put forward in that, under the present wording of the Act, the Board of Directors of our organization just had no way of being able to grasp what would be meant by the classification "emergency" as it applies in the hospital and nursing home field. We couldn't come to grips with that because of the wording as it now exists and we would like to think that in the clarification it would be in broad terms

Industrial Relations
Monday, June 6, 1977

would give the opportunity for the health facility to administer that definition.

Obviously, in those cases where there is collective bargaining and where there are unions involved, that definition would have to be clear-cut in terms of understanding on both sides.

MR. DILLEN: I want to know if you have any history of where an emergency has existed — or what is considered to be an emergency by the organization — where an employee refused to work when was called upon to do so, beyond his eight hours?

MR. CREWSON: Mr. Chairman, we are not aware of such an incident having occurred. I think, by and large, employees of our hospitals and nursing homes look at the need of individuals as being their prime concern and I suppose, in some cases, would even go the length of working the extra time without thought being given to whether or not they were even going to be paid, let alone walk away from it. That is, I think, the general motivation of the people who work there, but we could perhaps see the changes come about, in terms of perception of what is an emergency, that we could run into all sorts of difficulty if we had to go through a lot of administrative red tape to establish it.

At the moment, those who are the head of the team that is caring for the patient call the shot as to whether it is or is not emergency. Those who work in the establishment, in some cases, may or may not perceive it to be. But it becomes a rather difficult thing to deal with each individual employee when these things arise. It's a matter of the team going to work to do whatever is called upon by the head of the team.

MR. DILLEN: I think you're referring specifically to the delivery of health care to a patient.

MR. CREWSON: Yes, yes.

MR. DILLEN: I want to know, as well, if there have been any indications that the support staff — when, maintenance, electrical power, steam or whatever — have ever, to your knowledge, refused work overtime when an emergency has existed.

MR. CREWSON: Not to my knowledge, not to my knowledge.

MR. CHAIRMAN: Any further questions? Mr. McKenzie.

MR. MCKENZIE: Mr. Chairman, I have one more question. Mr. Crewson, have you come up with any figures, or have you done any studies — is it possible that this legislation will increase the health costs?

MR. CREWSON: Well, yes it will to a degree. To the extent that the hours that are put forward by way of emergency overtime at the moment, as we would see it, are unlikely to change, those hours are going to cost us more. From what I've gathered they are going to cost us more and we would have to look to what in essence is 1 ¾ instead of 1 ½ times.

MR. CHAIRMAN: Mr. Paulley.

MR. PAULLEY: Mr. Crewson, have you any objections to the provision in the Act for the reporting overtime to the Labour Board?

MR. CREWSON: No objections, Mr. Paulley.

MR. CHAIRMAN: Any further questions? Hearing none, thank you, Mr. Crewson.

MR. CREWSON: Thank you.

MR. CHAIRMAN: Mr. Paul Hucal.

MR. BOB HUCAL: Gentlemen, my name is Bob Hucal, and I have prepared and presented briefs which, in their original form, took the form of letters to the Honourable Mr. Paulley and to the Premier. The briefs are relatively short. They are on behalf of the Meat Packers Council of Canada (the Manitoba members), and the Meat Packers Council of Canada itself. The Manitoba members are constituted of Swift Canadian, Canada Packers, O.K. Packers, East West Packers (1969) Ltd., Jack Morgan's Meats Ltd., and Burns Meats Ltd. The presentation will be made by Mr. Nicolas Palylyk, who the General Manager for Burns in Manitoba and he is, of course, also here to answer any questions which you may have.

MR. CHAIRMAN: Thank you, Mr. Hucal. There may be some questions that some members do have. Mr. Paulley.

MR. PAULLEY: Yes, Mr. Chairman, I have a

MR. HUCAL: Oh, I'm sorry. Mr. Palylyk wanted to read these briefs. I said he was going to present them to you. They are relatively short.

MR. PAULLEY: I'm sorry. Oh, well, that's fine.

MR. CHAIRMAN: Would you proceed please.

MR. PALYLYK: Mr. Chairman, I would like to present the brief of the Manitoba members first. Our attention in this submission is to identify the areas of our business on which the effect of these amendments would create considerable concern and which amendments, if they become law, would create lasting and permanent damage.

The industry competes on a national level with other packers in other provinces to the extent that over 50 per cent of the product of the Manitoba industry is exported (primarily to Eastern Canada and

Industrial Relations
Monday, June 6, 1977

the United States).

Even though most meat packers operate two and three shifts, fluctuating receipts of products to commodity prices, weather conditions, heavy shipping and delivery obligations, overtime becomes a virtual necessity.

Consequently the current collective bargaining agreement, which governs the entire Canadian industry, provides for overtime services on a "reasonable request" basis of the employer.

The potential effect of voluntary overtime is several fold. We are of the opinion that the industry would be unable to function in its traditional most efficient manner. Namely, by making available its suppliers the services of the packer on short notice and after regular working hours and weekends.

The industry's source of supply is basically from the producer. The tendency of the producer is to deliver products when commodity prices fluctuate to his advantage or when it is convenient for him. Therefore, the producer tends to deliver cattle and hogs when he cannot work the land. A rainy spell immediately increases deliveries to the packers on short notice and the packing industry traditionally

MR. CHAIRMAN: I'm sorry to interrupt you, sir, but we didn't quite get your name and we have it and if you could spell it for us, we could get it for our recording.

MR. PALYLYK: P-A-L-Y-L-Y-K .

MR. CHAIRMAN: Thank you, Mr. Palylyk, would you proceed.

MR. PALYLYK: A rainy spell immediately increases deliveries to the packers on short notice and the packing industry has traditionally accepted deliveries at all times. Acceptance of deliveries of this highly perishable product requires that it be processed immediately and this logically requires overtime on very short notice.

The inability of the industry to require reasonable overtime would put it in the position where it would be non-competitive with out of province packers shipping to the same markets, and at the same time reduce the returns to the producer.

Despite the industry's attempts to control the use of overtime, the requirements of the ordinary day-to-day business, plus the relationship with the producer, caused in excess of 300,000 hours of overtime to be utilized in 1976 by the Manitoba members of the Meat Packers Council.

Preliminary estimates indicate that the additional costs could be one million dollars per year. In an industry already plagued with low profit margins, the effect of such an increment in cost would be most damaging.

We might point out to you that grievances in the industry relating to overtime have been negligible.

Because of this industry practice which is primarily for the advantage of the producer, overtime as you can see, has been extensively used. Any curtailment of such use would put the packers in a position where they would of necessity level off acceptance of deliveries on a shift basis and such levelling off would place the producers in a position where they could not take advantage of price changes nor weather conditions and this change would in turn create an economic disadvantage to them.

We believe that any changes caused by external sources will not only create a situation where the producer will be unable to optimize his returns but also where the Manitoba industry will be faced with continued and additional competitive pressure from foreign packers.

And the second brief is from our national office.

As a considerable amount of overtime operations is normal in the slaughtering and meat packing industry in order to efficiently serve both livestock producers and meat consumers, our members are greatly concerned that the proposed amendments do not, as we fear they will, upset present schedules and established patterns of plant operations in the meat industry, including overtime work where required, or significantly increase the cost of overtime operations.

The operation of packing plants who slaughter and process livestock is basically geared to the flow of livestock to market. This varies from day to day in the week, as well as seasonally and cyclically, reflecting production and marketing decisions of farmers, which are part of a general timetable determined months before and then adjusted in the shorter run according to weather conditions, market trends, and other factors.

Packers have no control over the current volume of livestock marketings, and always try to clear the market, slaughter livestock they buy promptly, and keep the meat moving into the complex distributive network steadily. When the market volume of cattle and/or hogs is heavy, plants normally schedule some overtime as required to handle the increased throughput efficiently.

Packing plants do not schedule overtime unnecessarily. One check is clearly the extra cost associated with it. However, there is no alternative when market volume is heavy, and coolers have

**Industrial Relations
Monday, June 6, 1977**

cleared out and the meat cut up and processed, to make room for the current slaughter.

The meat industry was one of the first to use a moving rail production line on a 'dis-assembly' principle, as carcasses are cut up, trimmed, de-boned and the meat fabricated and processed in various ways. Thus, plant labour is organized on a specialized teamwork basis, and if operations tend beyond regular time a complete gang is necessary. A few missing links could tie up the whole operation.

The Canadian livestock and meat industry has to exert every effort to remain competitive within a North American economy, particularly with respect to U.S. animal agriculture, which has a natural advantage in economies of scale. For this reason maintaining productivity is of prime concern. Another concern, particularly in view of the current high replacement cost of plant facilities and equipment, is to keep throughput at an economical volume.

I hope the foregoing will indicate to you and your Ministers, Mr. Premier, that the meat packing industry, one of the chief secondary manufacturing industries in Manitoba, is concerned at the proposed amendments to the Employment Standards Act.

Particularly, we feel the amendment to clause 29(c) which would raise the overtime rate from one and one-half, to one and three-quarters, of the regular rate, would raise costs excessively and hurt the competitive position of the Manitoba meat industry.

While hopefully the effect of the new clause 33(4) will not prejudice existing mutual employer-employee agreements on reasonable overtime schedules, it is hard to evaluate the extent to which this philosophy might be used to obstruct overtime for which there is sound economic justification.

We would therefore respectfully ask that you give consideration during the Committee stage of Bill 65 to what we believe are legitimate industry concerns with the proposed amendments. Our industry cannot avoid a certain amount of overtime if it is to efficiently serve livestock producers and meat consumers, and contribute importantly to the Manitoba economy. We simply ask that further regulations do not hamstring plant operations or raise costs unreasonably.

MR. CHAIRMAN: Thank you, Mr. Palylyk. There may be some questions. I think Mr. Paulley had a question.

MR. PAULLEY: Yes, I would like to ask Mr. Palylyk if he is aware that according to the DBS the average, throughout the year, of the weekly hours of work in the packing industry is less than 40 hours? As a matter of fact, I believe, sir, it is around 38.5, or something of that figure. Now I can appreciate that this is an average and there may be situations where the 40 hour is exceeded but according to the information I have, that the average throughout the year in your industry is less than 40 hours, and, of course, therefore would not be subjected on an average basis to the payment of overtime, except in exceptional circumstances.

MR. PALYLYK: I can speak for Burns Foods and Swift Canadian and Canada Packers, and our experience last year was 83,000 hours on a work force of 850 people.

MR. PAULLEY: The average for Manitoba, too, if I may say, is indicated as less than 40 hours.

MR. PALYLYK: Yes, we have a 37-hour guaranteed work week. But last year the actual was 83,000 hours. Swift Canadian was just size of the work force.

MR. PAULLEY: 83,000 hours of overtime?

MR. PALYLYK: 83,000 hours of overtime.

MR. PAULLEY: And yet your average is less than 40.

MR. PALYLYK: We cannot level off. We have a 37-hour guaranteed work week. So this week we could work 37 hours but then next week, when the livestock flows in to market, we work over 40 hours. This is what happens.

MR. PAULLEY: 83,000 hours. And the total number of employees? Or total number of hours?

MR. PALYLYK: Approximately 850 people on the payroll between Burns Brandon and Burns Winnipeg.

MR. PAULLEY: What is your work week? You guarantee 37 . . .

MR. PALYLYK: Thirty-seven, a 40 hour work week in the plant and 37 ½ in the office.

MR. PAULLEY: In the office?

MR. PALYLYK: Yes.

MR. PAULLEY: Are the office staff included in this 850 employees?

MR. PALYLYK: Yes, they are.

MR. PAULLEY: Do they work overtime as well?

MR. PALYLYK: Yes. Because when the plant is working you need the clerical backup.

MR. PAULLEY: Thank you.

MR. CHAIRMAN: Any further questions? Mr. McKenzie.

MR. MCKENZIE: Mr. Chairman, Mr. Palylyk, would it be possible for the same regulations as the Manitoba Hog Marketing Commission to regulate the delivery of beef? They get a phone in, don't

Industrial Relations
Monday, June 6, 1977

they? They phone in and you can only take the delivery of so many per day.

MR. PALYLYK: I don't believe they can even control the hogs because even with the hog rece we run into overtime. Say there is a weather disturbance in Ontario, snowstorms and the delive are down. Ontario and Manitoba service the same markets so naturally the price of hogs goes u Ontario and it goes up in Manitoba. Then the farmers wish to take advantage of the higher p because it will only be for several days. The Manitoba Hog Marketing Commission does not s them from delivering. They allow them to take advantage of the upswing in price.

MR. McKENZIE: You then have no control over the delivery of livestock coming in fr Saskatchewan, Alberta or Ontario or the United States in that case.

MR. PALYLYK: Not really, no.

MR. McKENZIE: The other figure that I would like to discuss with you is the one where y mentioned that you see the costs increasing by approximately a million was it?

MR. PALYLYK: Yes.

MR. McKENZIE: That's amongst all the packinghouses?

MR. PALYLYK: That's amongst all the packinghouses. It's a preliminary rough estimate lookin our experience from last year.

MR. McKENZIE: I wonder if, in the next few days, you could break that figure down and give committee something tangible that we could take a look at for further debate.

MR. PALYLYK: Sure.

MR. McKENZIE: The other question was about regulations. "We simply ask that furt regulations do not hamstring plant operations or raise costs unreasonably." What do you expect the regulations that might hinder you or raise the costs in that point?

MR. PALYLYK: The main one would be the time and three-quarters for overtime because compete in the same markets as the provinces to the west of us, the provinces to the east of us, as v as our southern neighbour. If our costs should go up — our margin is very marginal and if our co go up we would naturally be at a disadvantage because we deal on the same markets. We service to Newfoundland and we also service right down to Vancouver.

MR. McKENZIE: Would this then encourage the producers to have their meat processed outs of Manitoba? Is that possible under this legislation? Would it be cheaper for them to ship it to east?

MR. PALYLYK: Certainly it could influence the Saskatchewan producer to go west rather th east.

MR. McKENZIE: That's all I have, Mr. Chairman.

MR. CHAIRMAN: Mr. Bilton.

MR. BILTON: Mr. Chairman, I just have one question to the witness. With the adoption of t overtime legislation do you see a decline in the production of livestock in Manitoba that will affect t farming industry?

MR. PALYLYK: Yes, there could be because our ability to process is naturally determined by t markets available to us that we can successfully compete on and this could have that effect, y

MR. BILTON: Thank you, Mr. Chairman.

MR. CHAIRMAN: Are there any further questions? Mr. Paulley.

MR. PAULLEY: Mr. Chairman, I wonder if Mr. Palylyk could tell us what percentage — wh you're referring to overtime — what percentage — with your guaranteed work week of 37 hours, dc everything beyond that 37 overtime?

MR. PALYLYK: No, in the office, anything beyond 37 ½ because that is the work-week and in tl plant, anything over 40.

MR. PAULLEY: Have you a breakdown of that precisely that we could see?

MR. PALYLYK: I don't have it with me but I could make it available.

MR. PAULLEY: Well, I can appreciate, sir, that you may not have it with you but I am sure it wou be of interest. I did a rough calculation, sir, on your figures that you presented to us of \$83,000 wi 850-odd employees which amounts — if my calculator was working properly — to two hours p week per employee over a year, 100 over a year, which would amount to two hours overtime p employee per week, if evenly distributed. Would that basically be correct?

MR. PALYLYK: It sounds right mathematically, yes.

MR. PAULLEY: Mathematically. Then the increase from one and a half times to one and thre quarters would not exceed, if my figures are correct, about two percent of the hours that are actual worked overtime? The hourly wages.

MR. PALYLYK: I'm not sure I follow your calculations on it.

MR. PAULLEY: I'm not sure of them either really but the point though is that the net cost as

**Industrial Relations
Monday, June 6, 1977**

compute it, based on two hours work per week of overtime, is not a great percentage increase. What your base rate?

MR. PALYLYK: Our base rate is just over \$6.00. We have a new contract to negotiate and then the base rate, if you look at what's allowed under the AIB, would be \$6.50 an hour and that is the base rate. We have brackets — what they call brackets — certain jobs demand certain increments so the top one would be \$8.00-plus under the new agreement.

MR. PAULLEY: Do you, in your collective agreement, have provision for a greater percentage than one and a half times after a certain number of hours?

MR. PALYLYK: Yes we do, such as for statutory holidays we have it.

MR. PAULLEY: No, I was really referring to overtime. Is it all at the present time in your collective agreements at time and a half for overtime hours worked or is there another provision, any provision for a greater . . .

MR. PALYLYK: Yes, there is.

MR. PAULLEY: What would that be about?

MR. PALYLYK: Sunday is double time and I believe it is after twelve hours that it becomes double time.

MR. PAULLEY: The first four hours would be then basically one and a half and after that double time.

MR. PALYLYK: Right.

MR. PAULLEY: And that's included in your cost computation of your 83,000 hours of overtime.

MR. PALYLYK: No, because we figured those are hours, the 83,000 is hours . . .

MR. PAULLEY: Yes, is hours.

MR. PALYLYK: . . . rather than money.

MR. PAULLEY: You haven't a breakdown of how many hours are included in that figure at time and a half and how much at double time.

MR. PALYLYK: That had no bearing on . . .

MR. PAULLEY: Oh yes, it has because, in my opinion, I don't argue Mr. Chairman, but when we are arriving at the cost input of the increase from one and half times to one and three-quarters time, for those hours that you are presently paying double time, they would not be affected. Yet you say that you have 83,000 hours of overtime.

MR. PALYLYK: It would influence the computation of . . .

MR. PAULLEY: Yes, but to what percentage?

MR. PALYLYK: Yes, it would influence the computation of the cost but it would not influence the number of hours actually worked but the cost of that overtime it would affect.

MR. PAULLEY: But, at the present time, sir, what I am trying to get at, at the present time you say that there are 83,000 hours of overtime worked. A portion, I would presume, of that figure of 83,000, you would be required to pay for at the present time at double time.

MR. PALYLYK: Yes, that is true.

MR. PAULLEY: That is true. Now, can we have any idea of a percentage ratio of the hours at double time as against time and a half.

MR. PALYLYK: I can make that available to you.

MR. PAULLEY: Yes, I think it would be interesting because I have seen numerous collective agreements that make the similar provision that yours does as to double time on Sundays and after our hours of overtime and the incident of the increase from one and a half to one and three-quarters may not be quite as significant as it appears just on surface.

MR. CHAIRMAN: Mr. Dillen. Just before I call him, I would like to, for the benefit of the Committee and for the delegations that are here, advise that it is our intention for Committee to rise at 12:30 or as close around there as possible and it is also the intent of the Committee to meet again in this room at 8 p.m. this evening so, for the delegations that are here, I would imagine that there would be no more heard this morning but we would be delighted to hear you this evening. Mr. Dillen.

MR. DILLEN: Mr. Chairman, I would like to ask the delegate, he made reference to \$1 million of increased cost. Is that for the entire meat packing industry or is that broken down to just one packinghouse?

MR. PALYLYK: That is an estimate for the meat packing industry in Manitoba.

MR. DILLEN: In Manitoba.

MR. PALYLYK: Right, \$1 million.

MR. DILLEN: Can you give us some idea of how many pounds of product the meat packing industry processes in Manitoba and what that means in terms of an increase per pound?

MR. PALYLYK: I couldn't, no, unless you can get it from DBS because volumes moving through the plant are classified information. We don't give ours out and I would have no idea what goes

Industrial Relations
Monday, June 6, 1977

through the other plants.

MR. DILLEN: Would you hazard a guess that it would be less than half a cent a pound?

MR. PALYLYK: I wouldn't even want to hazard a guess but if you are suggesting that possibly half a cent a pound is a small amount, I would like to suggest that a quarter of a cent a pound sells your beef as opposed to someone else's. A quarter of a cent determines a sale. .

MR. DILLEN: You are on a continuous shift operation.

MR. PALYLYK: In most of the departments, we are on a continuous basis. There are some departments that do not operate around the clock.

MR. DILLEN: So, in some departments then you have a two shift operation?

MR. PALYLYK: Right and in some we have one.

MR. DILLEN: A one shift operation.

MR. PALYLYK: And some we have three.

MR. DILLEN: Now, in these, which makes up the greater proportion of the operation of a packing plant?

MR. PALYLYK: I would say the two shift, double shifts, would be the largest part of your processing.

MR. DILLEN: Now, in a continuous shift operation, your shifts do not necessarily start on Monday and end on Friday. You would go through the weekend so that a person may not necessarily work 40 hours in the one week.

MR. PALYLYK: We have overlapping shifts, this is true.

MR. DILLEN: So a person could work seven shifts before he would get a day off, because it is two separate weeks.

MR. PALYLYK: You could if you were in the engine room. Say you were a steam engineer, you could conceivably do it. The rest of them are scheduled. If your work week starts on Sunday, you would be, say on a Sunday night, you would be finished on a Thursday night, so we do have a work week and a calendar week.

MR. DILLEN: Okay. Do you know of any instance where employees have refused to volunteer work overtime?

MR. PALYLYK: I can only speak for Burns here in Winnipeg, for our firm. It is not a problem with us under the present arrangement of reasonable overtime. We have had men refuse to work which or leads us to sit down and come up with a compromise but it has been no problem.

MR. DILLEN: It's not been a problem.

MR. PALYLYK: No.

MR. DILLEN: As a matter of fact, if I read your brief correctly, the time and a half payment has, in fact, acted as a deterrent to the company for the requirement of overtime.

MR. PALYLYK: Yes, very definitely because there are other overhead costs that are based on your dollar payroll, like compensation costs, for instance. If they are based on so much per \$100 of payroll ours in Manitoba, in our group are \$1.50 per \$100 of payroll. So, if you inflate your payroll, you naturally inflate your compensation cost.

MR. DILLEN: Now, if the differential moves from time and a half to time and three-quarters, that would act as a greater deterrent to the working of overtime.

MR. PALYLYK: That is right.

MR. DILLEN: Will it result in the requirement for an increase in the number of employees?

MR. PALYLYK: I would have to say no because you cannot predict what you are going to get. You cannot predict when you are going to have a favourable market condition and the producer will want to move his livestock. You cannot predict when you will have a rainstorm and a farmer will come out of the land and decide to run his livestock in. You can't predict when your first snowfall will come and the farmers will be bringing their cows off the community pastures and they will want to move them very fast, move them into the market. It is very difficult to predict and it is something that is of such short duration that you couldn't get another shift going. By the time you would be finished even getting the shift, the urgency would be over.

MR. DILLEN: Right. Can you give me an average of the number of overtime hours required by one person, an average of the required number of overtime hours for each of the three shift circumstances that you've described?

MR. PALYLYK: We have a clause in the agreement which says, "a reasonable amount of overtime," but it is not defined and I just couldn't tell you.

MR. DILLEN: Is there not a requirement in the continuous shift operation for at least eight hours per month, compulsory in the shift change process?

MR. PALYLYK: No.

MR. DILLEN: In the four-shift system?

Industrial Relations
Monday, June 6, 1977

MR. PALYLYK: No, the only thing we have is "a reasonable amount." If you have a shift that works hours, even in there you run into overtime because if you have a heavy volume of business, then at you do is you overlap a number of employees from the shift that is finishing into the next shift and then you do the same with the next shift. In other words, you spike-up the gangs to handle the product. So even if you are operating with three shifts around the clock, you still run into this overtime.

MR. DILLEN: Okay. Now can you give us some indication of the number of overtime hours incurred as a result of absenteeism as opposed to scheduling of overtime?

MR. PALYLYK: Yes, our absenteeism could run at 10 percent. I don't know what portion of it you would apply in there because there are days when that 10 percent doesn't affect you but on the days when you must work overtime that 10 percent absenteeism definitely becomes a factor.

MR. DILLEN: So that is absenteeism as a result of injury through Workmens Compensation, sickness or just somebody that took a day off.

MR. PALYLYK: That is right.

MR. DILLEN: So the combination of that would be about 10 percent?

MR. PALYLYK: It would be about 10 percent but there would be days when this wouldn't affect your overtime because of the lower volume. On days when you have the additional volume it would be a definite factor.

MR. DILLEN: I can work out the mathematics on that, thank you.

MR. PALYLYK: There is something else that I would like to add here too, that when you are working overtime it does not necessarily involve your whole work staff, it could involve just a certain operation. It could be your slaughtering, or it could be your processing, or your beef-boning in the mill, so it is just departmental more or less.

MR. CHAIRMAN: Mr. Osland.

MR. OSLAND: Mr. Chairman, just one short question. You mentioned 37-½ hours for your clerical office staff.

MR. PALYLYK: Right.

MR. OSLAND: Guaranteed?

MR. PALYLYK: They are on a salary basis so it is guaranteed.

MR. OSLAND: And how about the 40 hours for the plant employees?

MR. PALYLYK: Thirty-seven hours guaranteed.

MR. OSLAND: Thank you.

MR. CHAIRMAN: Mr. McKenzie.

MR. MCKENZIE: Just one brief question to Mr. Palylyk. Could you bring us those hours of overtime of the other plants that you don't have? Can you get those figures?

MR. PALYLYK: I will get them, I will attempt to get them all because the competitive nature of the business is such that some of these people are very touchy about their statistics.

MR. MCKENZIE: If you could provide those to the Chairman of our Committee.

MR. PALYLYK: I will, definitely. I will go out to every one of our members and solicit that information.

MR. CHAIRMAN: No further questions? Hearing none, thank you, Mr. Palylyk. Committee rise and we will reconvene at 8 p.m. this evening.