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employees would be made aware at the earliest possible date; and so that consultations with employee organizations could begin as soon as possible.

Within a few days after the government announcement in August, consultations began with employee organizations to discuss and develop personnel policies that the government should adopt with a view to, firstly, enabling departments and agencies to adjust their use of manpower to the new financial limits and government objectives and, secondly, to deal fairly with the employees directly affected and keep to a minimum the disruption of their employment in the public service.

These consultations took place over a period of several weeks. Many useful proposals were made by the employee organizations and were incorporated into the policies and procedures which are being applied to the handling of manpower adjustments. While it is perhaps to be expected that the employee organizations would have preferred a policy of no lay-offs, I think that it is correct to say that, in the circumstances, they would agree that the policies and procedures adopted go a long way toward dealing fairly and equitably with the employees affected.

• (12:20 p.m.)

I mention these consultations because there have been allegations that the government acted in a unilateral way in deciding upon and issuing these policies and procedures. This simply was not the case. Indeed, consultations are continuing with the employee representatives to monitor the results of implementing the procedures and to ensure that the most effective action is, in fact, being taken.

I think it would be well to elaborate the principal measures which have been adopted and which are beng implemented. Surplus employees are being given first consideration for re-assignment to jobs for which they are qualified as positions become vacant in their own or other departments. The Treasury Board has requested the Public Service Commission to take action to restrict or suspend hirings and promotions in affected occupational groups and levels, as required, to facilitate the re-assignment of surplus employees.

Departments having requirements for new employees must seek them first from among the surplus employees reported to the commission. Re-assignment will be made not only within a department or between departments in a particular location but, if need be,

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between departments at different locations, although re-assignments will be attempted in such a way as to keep to a minimum changes in employees' jobs, occupations, departments and locations. Relocation expenses will be paid to employees who have to move and departments have been advised how to deal with these situations in detail. I might mention that these arrangements were also arrived at following consultations with employee organizations.

Departments have been directed to identify surplus employees as soon as possible so that there will be maximum time to attempt re-assignment and give maximum notification to the employees affected. Employees will be given at least three months' notice that they are surplus to requirements, and in many cases it will be possible to give longer periods of notice. During this period, every effort will be made to find other jobs for the employees affected.

Departments are keeping employees informed of the progress being made in attempting their re-assignment. If re-assignment is not possible, any lay-offs which take place will be according to the merit principles which govern order of lay-offs and which are set out in the Public Service Employment regulations.

It has been alleged that the government was firing all employees age 60 and over. Nothing could be further from the truth. It did seem, however, to make sense for departments to review the situation in respect of employees in this group, having in mind that there could be less hardship occasioned by the retirement of such an employee than by the lay-off of another employee whose length of service or other circumstances might be less favourable. Departments have been advised to take all factors into account, as well as departmental operational requirements.

It should be clear from what I have said that we cannot yet determine in any precise way how many employees may be separated from the public service. Certainly, it is my sincere hope and expectation that the measures adopted will keep the number to a minimum. Nevertheless, I think we must proceed in the manner that we have begun, because not to do so would be to avoid our responsibility to the public at large for greater efficiency in government departments and agencies and higher productivity from each person on the government payroll.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the minister would