

*Government Orders*

real question here is this government's role in negotiations with Public Service workers; it is as simple as that.

I have listened to the President of the Treasury Board try to justify the government's actions in these negotiations. There is not one major media outlet in this country that I have seen in the last three or four weeks that has not clearly seen through what this government is trying to do. Look at the editorials if you do not believe the people on the opposition benches and what we have been saying for the last couple of days. *The Globe and Mail*: "Ottawa should respect the right to negotiate", a whole editorial attacking this government's credibility with its own public servants. In *The Globe and Mail* again: "Tories do the almost impossible to spark sympathy for public servants". That was written by Jeffrey Simpson.

The *Vancouver Sun*, hardly a bastion of the left, put this in: "Don't freeze out public servants", and then it goes on to attack this government's credibility in negotiating under law with its own public servants. "Provoking a strike" says the *Edmonton Journal*, there is another real lefty. *The Citizen*: "Back to work legislation, there must be a better way."

I heard the President of the Treasury Board today say that the government would not agree to the appointment of a mediator because it will not accept some third party that had nothing to do with the negotiations so far intervening in these negotiations, helping these negotiations, because the third party may very well dictate what a settlement should be. I find that to be the height of ignorance and one that is not acceptable to any right thinking Canadian who believes in the free bargaining process.

**Mr. Peter Milliken (Kingston and the Islands):** Mr. Chairman, I appreciate the opportunity to say a few words before the debate ends. I wanted to review very briefly the government's mishandling of this case, because if there was ever a situation that cried out for incompetence, this is it. I will have to be brief because of the time. It is a shame I cannot go on at length because it is a disgraceful record and the President of the Treasury Board should be ashamed of the government's record in this regard.

I want to go back to the budget of February 26, 1991 when the Minister of Finance who has since been replaced—he is now the Minister for International Trade—made the following statement concerning the situation of the Public Service in this country.

The government will continue to bargain with its employees but, as any employer would do, it will at all times be cognizant of its bottom line as dictated by the seriousness of the federal fiscal situation.

It was a federal fiscal situation, I might add, that was seriously exacerbated by seven years of Tory mismanagement.

It then said: "The deteriorating deficit situation dictates that for the next fiscal year available resources simply will not allow the government to increase operating budgets to compensate for wage and salary increases. This means that any wage increases resulting from the collective bargaining process will have to be funded through a corresponding reduction in Public Service employment.

With a Public Service work force of approximately 215,000, each increase of one per cent in pay could lead to a loss of approximately 2,000 jobs." That is what the minister said in this House in his budget speech. He did not actually say these words, but it was printed in the material that he distributed in the House at the time.

He went on: "To contain the loss of Public Service employment, and to ensure continuation of the provision of vital public services to Canadians, the government is not prepared to contemplate wage settlements exceeding three per cent a year over the next three years. Negotiated settlements of three per cent are consistent with this environment of severe restraint and are in line with the government's inflation targets. The alternative to a firm wage bargaining stance would be a much deeper reduction in public sector employment including lay-offs."

In other words, 3 per cent was the figure that was given out and it was understood at the time that if there were negotiated settlements of less than 3 per cent there would be lay-offs to take their place.

Well the government apparently abandoned this scheme and it abandoned it, of all places, at the negotiating table. Imagine, you announce it publicly in the House what your bargaining stance is and then you go into the