III. CANADIAN PUBLIC SECTOR: A UNION VIEWPOINT

JOHN FRYER*

Without a doubt, privatization is the single most common threat to the job security of the members of my union, the National Union of Provincial Government Employees—the majority of whom are employed by provincial governments across Canada.

The problems of privatization and contracting out have existed for many years and have been around longer than our National Union, which was formed in 1976. In recent years these problems have escalated from minor occasional labour disputes here and there, to a virtual nationwide epidemic. Now both public and private sectors where our members work have been affected. Provincial governments, Crown corporations, health care institutions, community-based social service agencies, or educational institutions, all, in one way or another, to some degree or another, face the threat of privatization and contracting out.

In this paper I will explain the various forms that privatization and contracting out have taken in Canada and the extent to which it is a problem for the members of my union. I will also explain why we think privatization is a negative force—not just because it represents a major threat to the job security of our members, but, more importantly and contrary to what those in favour of privatization would have people believe, because it is not in the best interests of the general public as citizens and taxpayers.

I will give some examples of how we have been using the labour relations system in Canada to fight privatization and provide a couple of the precedent setting legal decisions regarding privatization and contracting out in the public sector recently made by the courts in Canada. The objective of this paper is to sensitize you—as practitioners, legal experts, and academic observers—to the very real negative impact that privatization and contracting out have on our Canadian way of life, which we as the working people of this country have built since Confederation.

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*National President, National Union of Provincial Government Employees, Ottawa, Ontario, Canada.

Jurisdictional Makeup of Canada

Politically, Canada is divided into ten provinces and two territories. The system of government in Canada is based upon a federal union in which certain stated authority rests with the provinces; and the right to legislate on all other matters is left to the central Parliament which makes up the federal government of Canada. In each of the ten provinces there is an elected legislature. Under the division of authority as defined in Canada's Constitution, the essential local interests existing in each province—such as property and civil rights, health, education, social services—are dealt with by the individual provincial legislatures. The provinces are also empowered to establish and govern their own municipalities. Subject areas that are not affected by provincial boundaries are specifically defined to be within the authority of the federal government, including such matters as defence, trade, banking, currency, and external relations.

Canada has three major public sector employee unions—the Public Service Alliance of Canada, representing mainly federal government employees; the Canadian Union of Public Employees, representing mainly municipal employees; and my union, the National Union of Provincial Government Employees, representing mainly provincial government employees. These three unions are the three largest national unions in Canada, and they represent roughly 50 percent of all unionized workers in the country.

My union, NUPGE, is basically a federation of 13 different and autonomous component unions. Ten of these component unions almost exclusively represent provincial government employees. Although privatization and contracting out is prevalent at all three levels of government in the public sector, it is at the provincial government level that politicians have been most forceful in trying to implement privatization programs. It is therefore this level of government that my paper will mainly address.

Defining Terms

The term privatization (which for us includes the term contracting out) often means different things to different people. Some use it in its most narrow sense, that is, the liquidation or

breaking up of government-owned corporations and the sale of all of their assets to private interests. But, as you well know, that is only one form of privatization currently being practiced, and it is hardly the most common. A great deal more common is the growing practice of contracting out specific government services to private firms. This can range from a municipality's decision to contract out garbage collection, to the Alberta government's replacement of their own temporary workers by a private employment agency, to the federal government's use of private "consultants" to do what has traditionally been "government" work.

There is also the type of privatization which does not involve the exact transfer of specific services from the public to the private sector, but has the private sector increasingly performing a function which has traditionally been considered a public responsibility. This includes such things as the growth of private child care centres, nursing homes, or hospitals. What often happens here is that a government deliberately cuts back the funding required for adequate public-provided child care or health care, and the private sector, seeing a profit-making opportunity, moves in to fill the gap. So when my union talks about privatization, we are not merely talking about the federal government's plan to sell off Crown corporations, such as Air Canada; we are also talking about a wide range of activities that have previously been performed by government and are now becoming part of the private domain.

A detailed definition of privatization is: the sale of Crown corporations, the contracting out of public sector work, the cutting back on needed social services with the false hope that charities can take up the slack, the laying off of public employees, the creation of powerless community boards or agencies to distance government from its own services, the starving of government services of the needed funds to operate. All this and more constitute real, living examples of privatization. It is, in brief, the transfer of public responsibilities to private hands.

The Extent of Privatization

Privatization has already touched the lives of hundreds of thousands of Canadians, and large amounts of government assets have been turned over to the private sector. Accurate figures are hard to come by regarding the number of contracts

and the lists of assets that governments have given over to the private sector. We do know that the actual total value involved can be safely measured in the tens of billions of dollars. Since September 1984, when Brian Mulroney and his Progressive Conservative Party was elected, the federal government has privatized 12 Crown corporations worth nearly $2 billion and has decreased the size of the federal public sector by over ten thousand employees.

In addition to our federal government's privatization initiatives, all provincial governments have been involved in privatization to some degree. The province which has shown the most enthusiasm for privatization is British Columbia. Premier Bill Vander Zalm's $3 billion privatization initiative, announced in October of 1987, represents the largest collective sell-off yet contemplated by any government in Canada. Vander Zalm's privatization program focuses not on selling Crown corporations but on selling off government services ranging from the entire maintenance and repair services provided by the Department of Transportation to dairy testing laboratories and tree nurseries.

Essential services, such as the family support worker program, the Vancouver child abuse team, the Vancouver transition house, Tranquille Institution for the Mentally Handicapped, and numerous other services that seek to raise the quality of life for people less fortunate have been privatized or contracted out. In the last five years, the Socreds in British Columbia has eliminated 40 percent of all positions within the provincial government sector.

The governments of Saskatchewan and Quebec, like British Columbia, have been major boosters of privatization. Since their re-election 18 months ago, the Progressive Conservative government in Saskatchewan led by Premier Grant Devine has privatized several large profit-making Crown corporations. It also plans to privatize the Saskatchewan Government Insurance Corporation, which is estimated to be worth over $100 million. Like British Columbia, Saskatchewan has moved to sell off public sector services, such as the provincial dental care program in schools, all Crown auditing, and some parts of the government's highways department, resulting in the elimination of over 3,000 positions within the provincial government sector. That government also cut back millions of dollars in the budgets of many

nongovernment organizations in Saskatchewan which have traditionally provided community-based social services.

Over the last two years, the province of Quebec has also been an enthusiastic privatizer. The push to sell has been led by Liberal Premier Robert Bourassa. Since their election Bourassa's Liberals have privatized all or part of eight Crown corporations. Some privatization that has taken place in Quebec can best be described as a giveaway. A good example is the sale of the provincial airline, Quebec Air, for $21 million. This action resulted in the layoff of nearly 400 workers.

Dispelling the Myths

The three most common arguments put forward in defence of privatization form a theoretical three-legged stool. I would like to deal with them one by one.

The first argument forms the ideological underpinning for privatization. Governments, we are told, are "too big" and thus "the best government is less government." The best way to achieve this goal of slimming down government and its influence is to transfer as many services as possible to the private sector.

The second argument in favour of privatization postulates that the private sector is intrinsically more "efficient" and more "productive" than the public sector. This line of thinking accepts on blind faith that any privatized service will operate more effectively and at less cost because private sector employees work harder than public sector workers.

The third argument suggests that privatization is "in the national interest," because public spending is out of control, deficits are too high, and privatization will somehow lower costs and reduce the deficit at the same time.

First, let me deal with the ideological rationalization for privatization—the belief that "the best government is less government" and that the way of reducing the size and influence of government is to transfer services to the private sector. I particularly enjoy discussing the myth of "big government" because it is so similar to the myth of "big labour." Both are talked about a great deal, especially in the media, but neither reflects reality. While there are 3.5 million organized workers in Canada, labour's relative lack of influence compared with business is clearly reflected in the actions and policies of governments.

If big labour really had the clout that is attributed to us, Finance Minister Michael Wilson would have introduced a very different tax reform package than the one introduced in June 1987. In fact, he would probably not have introduced tax reform at all, because a different party would be in power. If big labour bosses had so much "control" over their members, the Prime Minister of Canada would not have dismissed as "pathetic" threats made by the president of our sister union, the Public Service Alliance of Canada (PSAC), during its convention a month ago in Halifax that PSAC members will work to defeat the Tory government in the next federal election campaign.

Let's look at the facts. Statistics show that wholly owned public enterprise accounts for 12 percent of the economic activity of Canada, hardly an enormous incursion into private sector territory. A large proportion of that percentage consists of public utilities and noncommercial corporations. Thus, the facts make the arguments against the evils of "big government" sound a bit hollow.

Moreover, some governments and many people in the business community have a double standard in voicing their concern with so-called big government. While the business community applauds a decision to privatize on the ground that government is "too big," those same businesses applaud the government's decision to bail them out when they are in financial difficulty. In short, businesses support "big government" when they have something to gain and rail against it when their interest is at stake.

The second argument in favour of privatization is that the private sector is intrinsically more efficient than the public sector. This argument is heard a great deal in business circles and the media. To date there is little empirical evidence to support it. A study done for the 1984 Macdonald Royal Commission by Borins and Boardman, entitled "Crown Corporations and Economic Efficiency," found that in many industries, public and private corporations have comparable performance levels. The study also concluded that the environment of Crown corporations is more closely related to efficiency than the fact of public ownership, that is, Crown corporations and competitive environments generally perform as efficiently as their private sector counterparts.

I would like to make this observation about the efficiency of the private sector. Even if private enterprises in some cases are

able to demonstrate greater efficiency (which is usually defined as making profits and keeping out unions), it may be because the private sector plays by different rules. Private corporations have no accountability to the public or to Parliament, whereas public enterprises do. Therefore, I am wary of substituting Bay Street for Ottawa or any of the provincial legislatures on the accountability ground alone.

The third argument, that "privatization saves money and therefore reduces government deficits," is the most fallacious of all. To make my point, I will cite some examples. In the province of Newfoundland until the early 1980s, the Newfoundland Hospital Association contracted out food service operations in the hospitals to private companies until they found that the cost of the contracts had almost doubled over a five-year period. Realizing that they were being taken for a ride by private entrepreneurs, the Association decided to contract back in food service operations, and they are now provided by public sector employees at less cost to the employer.

Over the last decade the Ontario government had leased out many of its provincial parks to private operators. The only parks to be leased, of course, were those which were already turning a profit. Until a couple of years ago the Ministry of Natural Resources found itself supporting only those publicly operated parks which suffered losses. When the Liberal government came to power in 1985, they reviewed the program of leasing provincial parks to private sector operators. The review concluded that "the province had received little or no monetary gain from the project." Based on that review, the government decided not to renew the leases of any of the private operators for the provincial parks.

In Saskatchewan the government contracted out highway maintenance in 1983, with the result that 350 highway department employees lost their jobs and $35 million of highway equipment was sold off at bargain-basement prices. Since then the condition of the province's highways has seriously deteriorated. A report by the Canadian Construction Association, prepared in February 1986, concluded, "The backlog of provincial roads in need of repair was in excess of 20 percent."

As I mentioned previously, the Saskatchewan government recently eliminated its dental care plan with the result that over 400 dental therapists and other program staff lost their jobs. The government is now paying a fee-for-service to private den-

tists for each patient between the ages of 5 and 13 at a cost estimate of $75 for each child. Under the new privatized program fewer children will get dental care (41,000 children between the ages of 14 and 16 will not be eligible for dental care). The dental care under the new program will be more expensive for the government and will serve fewer children. In announcing the privatization of the dental care plan, the Minister of Health stated that "Saskatchewan has to trim its dental plan in order to save it." This reminds me of a U.S. Army captain in Vietnam who said, "We had to destroy the village in order to save it!" The privatizers have a peculiar logic of their own.

The best examples of all, however, come from the province of British Columbia. An excellent example of how costs spiral out of control when there is no public accountability is the Coquihalla Highway, which was completed in 1987, for the most part, by private contractors. According to a report of a public inquiry established to look at the cost overruns of completing the Coquihalla Highway, it has cost $1.1 billion, double the original estimate. This is more than the total annual cost of wages and benefits for all of British Columbia's provincial government employees. Some major items cited in the research that was provided to the public inquiry on how the highway was built include lack of soil and rock testing, inadequate design for proper drainage, and insufficient preparatory work by the private contractors who built the highways. These examples relating to the faulty construction of the Coquihalla Highway prove that we cannot count on the government of British Columbia to protect citizens from the profiteering of private entrepreneurs.

In 1972 the British Columbia government built a ski resort called the Manning Park Lodge at a cost of $1 million. Later 15 cottages, a workshop, a power plant, and a ski lift were added. In today's real estate market, the total package would be worth at least $10 million (and it could be worth as much as $20 million). Yet, the whole kit and caboodle was given away in 1985 for $500,000 to a consortium called Gibson, Pass Resorts Inc. A "restraint" measure? Hardly!

The contracting out of meals in penitentiaries in British Columbia is another example of what I'm talking about. Until 1983 most of the food consumed in jail was grown by prisoners and staff. Specialized prisons were run like farms; inmates raised pigs, poultry, and cattle, collected eggs, and grew vegetables and fruits. They exchanged surplus food with other prisons,

which in turn provided clothing, bedding, or other materials made by inmates at other institutions. In 1983 the government allowed outside companies to bid on prison meals. Almost immediately inmates and staff complained about the drop in the quality of the food. This led to a hunger strike by prisoners in one institution and several riots in another. A confidential government study showed that the contracted out meals cost $2.91 each whereas meals prepared by the government's food service officer cost only $2.12. The extra 79 cents per meal translated into an annual increase of $17,895 or about $1,000 per inmate per year.

I could speak at length about essential services, such as the family support worker program, the Vancouver child abuse team, and the Vancouver transition houses, all of which have been privatized or contracted out. Government continues to talk about how awarding these services to the private sector has saved taxpayers money, but the money that the government saved, if any, has been more than offset by the higher social costs created by privatization. These examples, and there are many more, make the point that privatization is not the guaranteed cost-effective measure many politicians would have us believe.

Our National Union realizes that the answer to privatization, because it is politically inspired and implemented, must come through the political process itself. We firmly believe that governments which are ideologically committed to minimizing the role of the public sector must be replaced by governments that want to preserve and improve basic public services and, above all, to keep them within the realm of public control and public accountability. Such political solutions, however, are long-term objectives and do little at the present time to stem the tide against privatization.

The National Union's Campaign Against Privatization

The position of our National Union is, therefore, to oppose privatization at every opportunity. Our campaign against privatization is taking place at three levels: the political level, the bargaining table, and legal challenges involving the arbitration system, labour relations boards, and the courts of law.

The Political Level

At the political level the National Union is currently mounting our most extensive campaign ever to fight privatization. The

theme of our last biennial convention held in March 1988 was *"Public services for people . . . Not for profit!"* At our convention we adopted an extensive plan of action to fight privatization. The plan calls upon the National Union and all its components to wage vigorous and effective fights against the privatization programs that exist in virtually every province of Canada.

We are now in the process of developing several major tools to assist in our fight back. For example, we have developed a booklet that exposes privatization for the false and dangerous idea that it really is; we have produced a video that deals with the negative impact of privatization in a real and gripping way; we have written newspaper, television, and radio ads; we have written fact sheets on privatization and sample letters to the editors on the subject.

We intend to arrange meetings with national organizations of allied groups, such as social action groups, church organizations, and consumer organizations, to ensure that these groups are fully informed about privatization. We will be meeting with the caucuses of all federal parties to discuss privatization and ensure that as many politicians as possible are aware of our views and our plans to fight privatization initiatives. We have also agreed to embark upon a public information campaign regarding privatization with a national speaking tour, appearances on open-line shows, guest editorials in local newspapers, and speeches before appropriate groups.

Much of our work to date against privatization has been, by necessity, defensive. We have been forced to defend ourselves against fundamental attacks. We have been kept so busy defending ourselves that we have had insufficient time to promote our vision of what we think society ought to be. To respond to this need we have prepared our own public services proclamation. The proclamation declares five basic principles:

1. Public services must be accessible to all citizens, no matter where they live, regardless of their social and economic status.
2. Public services must not be withheld or delayed by discrimination, political bias, incomes test, or bureaucratic red tape.
3. Public services must be delivered efficiently, properly, and courteously by public employees whose professionalism, numbers, rates of pay, and working conditions guarantee consistent high standards.

4. Public services must not be provided by private firms or individuals who are vulnerable to patronage, whose profit-seeking priorities and lack of public accountability are incompatible with quality services.
5. Public services must be funded through a progressive tax system based on ability to pay, free from any form of user fees, and must always be maintained at levels adequate to the services needed.

In other words, *public services must be for people not for profit!*

Bargaining for Effective Contract Language

Another important aspect of our campaign against privatization involves negotiating effective contract language at the bargaining table. Obtaining job security and no-contracting-out clauses has become the number one priority of our members. Bargaining for such language is by no means an easy task, but ultimately it is the surest way for our members to avoid the harmful effects of privatization.

In the 1978 round of negotiations for their master agreement covering government employees, our largest component in this province, the British Columbia Government Employees' Union (BCGEU), obtained a no-contracting-out clause known as Article 24, which reads as follows:

> The employer agrees not to contract out any work presently performed by employees covered by this agreement which would result in the laying off of such employees.

BCGEU has been able to win a number of successful arbitration cases based upon this clause. In 1985 the British Columbia Ministry of Forestry decided to eliminate its regional mechanical repair depots throughout the province and to contract out mechanical repair services to local garages. The result was the layoff of a number of mechanics employed by the provincial government. The union grieved the layoffs at one of the locations, arguing that the work being contracted out was work which the laid off employees were qualified to perform and thus in violation of Article 24. The employer argued that the layoffs were not the result of contracting out but that the jobs had been eliminated from the Ministry. The employer also suggested that the work that was contracted out was not the work which was normally performed by the laid off employees. The arbitrator

held that the layoffs were a violation of Article 24 and in a supplementary award ruled that the laid off employees must be returned to their old positions as long as the work was available.

In a subsequent arbitration case (which was a sequel to the above case involving identical circumstances but at a different location), the employer argued that the grievance should fail because it was distinguishable from the other case in that the grievants had been offered alternative employment through a joint reorganization committee pursuant to another article contained in the master agreement. The union argued that the decision to contract out mechanical repair work and to lay off the grievants was made by the Ministry prior to any joint reorganization committee meetings. Accordingly, the efforts of the reorganization committee to identify alternative employment could not detract from the fact that the contracting out resulted in the layoffs. The arbitrator relied on the jurisprudence that arbitrators should uphold one another except where they have a clear conviction that the earlier interpretation is wrong. The arbitrator found that the earlier award was correct and that there were not significant differences in the facts of the two cases.

The two cases mentioned above are examples of successful challenges our union has made against privatization. In general, however, we have not met with great success in using the arbitration system as a means of fighting privatization. The reason for this, of course, is that our components have not had great success in negotiating effective contract language. I strongly suspect, however, that as job security for public sector workers becomes a greater issue and as our components become more successful at negotiating job security and no-contracting-out clauses, the arbitration system will be used more frequently in settling disputes between employers and unions regarding privatization.

The Legal System

Clearly, the most success we have had in terms of blunting governments' privatization plans has been our utilization of labour relations boards and the court system. We have recently received several major decisions in our favour from labour relations boards in this country, which have been appealed and confirmed by the courts. Let me give you a brief synopsis of several cases.

During the last year we have witnessed a number of legal battles between Canada Post and its unionized employees. First, in May 1987 the Canada Labour Relations Board ruled that nonunionized deliverers of rural mail are "employees" for the purposes of the Canada Labour Code. This paved the way for the Association of Rural Route Mail Carriers to apply for certification for rural couriers. Previously the rural couriers had operated under approximately 5,000 individual contracts with Canada Post.

Following rotating strikes in the summer of 1987 by the Letter Carriers' Union of Canada, the Board ruled that Canada Post had contravened provisions of the Canada Labour Code by disciplining members of the Canadian Union of Postal Workers (inside workers) who refused to do the work of the striking letter carriers. Just before this decision an arbitrator had ruled that Canada Post was required to pay union rates to several thousand individuals who had been trained as scabs in the event of a strike by the outside workers.

Around the same time (October 1987) the Canada Labour Relations Board released a major decision which effectively blunted Canada Post's privatization program. The decision regarded a franchise agreement that Canada Post had entered into with a drugstore whereby the drugstore would operate a sub-post office. The Canadian Union of Postal Workers representing inside workers applied to the Board for a determination that a "sale of business" had occurred and that the drugstore was bound by existing collective agreements. The Board granted the union's application. The employer tried to get the Board to reject the application on the basis that labour relations matters of the drugstore could be considered only within the jurisdiction of a provincial labour relations board. The Canada Labour Relations Board ruled, however, that the operation of postal services was within the federal jurisdiction and therefore the application was within the Board's jurisdiction.

In looking at the question of "sale of business," the Board applied the test of continuity of activities and purpose of the operation of the business. The Board noted:

> A drug store had been granted the exclusive right to operate postal services within a distinct geographic territory and thus a coherent and servable part of Canada Post's operation had been transferred. . . . Not only was this main business asset transferred but also Canada Post's client base, good will and training manuals were also

> transferred. The franchise operation not only provided the same services, products and functions but it was also located in the same shopping mall as the former postal station. A sale of business had occurred and the successor rights provision in the collective agreement applied.

Canada Post appealed the decision to the Federal Court of Appeal, which upheld the ruling of the Canada Labour Relations Board. Canada Post has now sought leave to appeal to the Supreme Court of Canada and a tentative hearing date of June 6th has been set.

Our largest Ontario component, the Ontario Public Service Employees Union (OPSEU), recently won an important legal victory in its struggle to halt attempts by the government of Ontario to sell off parts of the public service. In 1987 OPSEU convinced the Ontario Labour Relations Board that a contract between a private company and the Ministry of Natural Resources permitting that company to take over tree-planting operations of the Ministry, came under legislation known as the Crown Transfers Act, and therefore the private company was obligated to honour OPSEU's collective agreement. The company refused to apply the Labour Board's decision and the government appealed, arguing that the transfer of services did not come under the Act since it was not a transfer of "an undertaking." The Ontario Court of Appeal refused to hear the government's case and agreed with the Labour Relations Board decision that when the government transfers services to another employer, the new employer must honour the terms of the old collective agreement.

Another important ruling on successor rights involved a recent decision of the British Columbia Supreme Court in the James Verrin case, wherein Justice Duncan Shaw, on February 12, 1988, upheld the right of a government worker to remain an employee of the government even though his or her work is privatized. (The Supreme Court overturned a ruling last fall by British Columbia's Industrial Relations Council regarding the interpretation of Section 53 (Successor Rights and Obligations) of the Industrial Relations Act.)

James Verrin was employed in a hospital laundry that was privatized. He claimed that this transfer of his operation meant that he was laid off and entitled to his options within the collective agreement (including bumping and reassignments). The government argued that he, along with his former job, had been

transferred to the new employer and, rather than being laid off, he had simply acquired a new boss. An arbitrator agreed with the government. The arbitrator said that the employee automatically became an employee of the new employer. The British Columbia Government Employees' Union appealed the decision to the Labour Relations Board. The Board overruled the arbitrator and held that the employee can choose either to stay with the old employer or to go with the new employer.

The government brought in Bill 19—a regressive antiunion piece of legislation. It abolished the Labour Relations Board and set up the Industrial Relations Council, which our union considers to be nothing more than a biased arm of the government. The government requested that the new Council review the decision of the old Labour Relations Board. The Council sided with the government and overturned the decision. The union appealed to the Supreme Court of British Columbia. In its February 1988 decision, the Supreme Court stated:

> One of the most fundamental rights we possess as free people is to choose the employer for whom we will work. A law which requires a person to be contractually bound to an employer not of his choosing is directly contrary to this basic freedom of choice. . . .
>
> Council for the government submitted that an employee involved in the transfer of a business has an option; either he becomes an employee of the new owner, or he can quit. I do not accept this as a real choice. Quitting means both loss of a job and loss of rights under the collective agreement.

The court found the Industrial Relations Council ruling "patently unreasonable" and ruled that in a transfer situation, employees may elect to go with their workplace to the new employer or stay with their old employer and exercise their rights as laid off employees. This decision, along with Article 24 (the no-contracting-out clause in the master agreement), has placed the privatization plans of the Vander Zalm government in British Columbia on temporary hold.

I mention these precedent cases to give you some idea about how public sector unions in Canada have used labour relations boards and the court system in their fight against privatization. These important decisions clearly represent victories in terms of protecting the job security of our members threatened by privatization.

Conclusion

I hope these examples illustrate our intent to oppose privatization at the bargaining table, before the labour relations board, in the courts, at the political level, and, if need be, in the streets.

The Canadian union movement believes that there is a legitimate role for the public sector in a modern industrialized and civilized society. We believe that one of government's most important roles is to ensure the accountable delivery of needed public services to all citizens without discrimination.

In our view the attempt to decimate the public sector and to unleash upon it the survival-of-the-fittest mentality represented by privatization is a wrong-headed, regressive policy. Its economic advantages are as dubious as its public policy implications. Quite frankly, history has taught working people not to totally trust the unfettered so-called free market economy. It has taught us that the market system does a questionable job of distributing resources equitably. It has taught us that the market system does little to build social cohesion. It has taught us that the free market system does not do enough to encourage social harmony either within or between nations.

You can count on the Canadian trade union movement, together with most other trade union movements around the world, to continue to use all the tools at our disposal to blunt the spread of privatization and contracting out in our society. I can assure you that any help we receive from the members of the National Academy of Arbitrators in this struggle will be gratefully appreciated.

IV. CANADIAN PRIVATE SECTOR: A MANAGEMENT VIEWPOINT

ROY L. HEENAN*

It was with great pleasure that I accepted your kind invitation to address this distinguished gathering and I am honoured to be here. As I remarked the last time I had this privilege, I have tremendous sympathy for arbitrators. This is undoubtedly because, being born in Mexico, I have always remembered a gypsy saying. The worst thing that a Mexican gypsy can wish on

*Heenan Blaikie, Montreal, Canada; Sessional lecturer, Faculty of Law, McGill University, Montreal, Canada.