

*Grain Handlers' Strike*

Initial attempts at reaching a new collective agreement proved fruitless, despite the lengthy assistance of two conciliation officers. As a result, on February 15 of this year I appointed Dr. Neil Perry of the University of Victoria, British Columbia, as a conciliation commissioner and I received Dr. Perry's impartial report on April 29.

The recommendations contained in the report were accepted by the union membership on May 5 but were rejected by the companies on May 13. Every effort was then made to develop a method of producing a negotiated settlement. But as far as the parties were concerned, the end of the road had been reached. The union's firm position was the Perry report and nothing less than the Perry report. The employers' position, although never precisely specified at that time, was that only something much less than the Perry report would be acceptable. We were faced with a complete impasse in which there was no possibility of achieving a negotiated settlement.

● (1510)

The fact that there was no possibility of further negotiations was underlined most forcibly to me and to the minister responsible for the Canadian Wheat Board, the Minister of Justice (Mr. Lang), when we met with representatives of the companies a few days later. Indeed, they indicated to us that the alternative, as they saw it, could well be a work stoppage. The only responsible view for the government to take was that a work stoppage was not only unnecessary, in view of the existence of a reasonable and viable alternative in the form of Dr. Perry's report, but would certainly adversely affect the national interest.

As a result of this view, and because at that time parliament was in dissolution for the general election, the governor in council, having decided that any work stoppage would adversely affect the national interest, made an order pursuant to section 181 of the Canada Labour Code, part V, Industrial Relations, to suspend any work stoppage until the election was over. This initiative in May was taken to avoid the prospect of a work stoppage which for all practical purposes could have lasted three months before parliament could be reassembled to take action.

Both the Prime Minister (Mr. Trudeau) and myself later received telegrams from the presidents of the companies involved in which they expressed concern over what they termed the inflationary consequences of Dr. Perry's report. This called for pay increases of 87 cents an hour in the first year and 65 cents an hour in the second year of a two-year agreement, with cost of living adjustments, a new pension plan and other benefits. The base rate now is \$4.96 an hour. The Prime Minister replied to the company presidents to the effect that the recommendations took into account the parity issue between the grain handlers and Vancouver longshoremen and that it should not set a precedent for other wage settlements in other sectors of the economy.

On August 20, my colleague the Minister of Justice and myself, together with senior officials of my department, personally met with the four company presidents in Saskatoon. Three days later I was advised that the grain elevator companies, with the exception of Burrard Terminals Limited, had posted lay-off notices affecting some 50 per cent of their work force, effective August 23 and 26. In

view of this action, the companies were advised that there appeared no point in holding the further meeting scheduled for August 26.

As a direct result of the lay-off notices, the unions saw fit to withdraw services and mount picket operations. Subsequently, between September 13 and 30 a number of private discussions were held among the parties and departmental officials in both Ottawa and Vancouver. Following these discussions, I was satisfied that only two items were separating the parties, the pension issue and the cost of living allowance formula. As a result, on September 30 I made a proposal for settlement of these two items, a settlement that would have cost considerably less than the 61 per cent figure that has been widely referred to. The union accepted my proposal but the grain elevator companies rejected it. This brief summary is, I think, a sufficient chronological backdrop to a situation that can no longer be allowed to run its harmful and protracted course unchecked.

Before I refer to the proposed legislation I would like, with hon. members' permission, to further clarify the government's position with regard to this dispute and to rebut certain statements that have been made in connection with the government's position. First, I take issue with those parties who consider that, by endorsing the commissioner's recommendations, the government has not acted impartially and is, in effect, encouraging so-called "inflationary" settlements.

I would like to make these factual points. In this instance, the companies and union had ample time to engage in genuine good-faith bargaining during the months that followed the expiry of their old contract in October, 1973. It was not until they reached a deadlock that my department became involved, offering our experienced mediation and conciliation services. It was only after all other efforts had failed that I appointed Dr. Perry as a conciliation commissioner.

Dr. Perry is a skilled, respected, impartial expert who in fact served the same parties in 1965 as an industrial inquiry commissioner. His wide experience in labour relations also includes chairmanship of federal conciliation boards and an industrial inquiry commissioner for the B.C. government. It is neither surprising nor unusual that the government accepted his report, for the presumption behind the appointment of an outside adjudicator in any labour dispute is that the government will give credence and weight to his findings. To do so is certainly not to undermine either of the parties or to sabotage negotiations; to suggest this is both unreasonable and unrealistic. To do otherwise would, indeed, undermine the parties.

When it becomes necessary to resort to conciliation, it does not rule out further bargaining but it does mean that subsequent discussions have to take place within the new parameters of the conciliator's report. Now, no union in this day and age is likely to accept less than a conciliation report recommends, and no democratic government prevailed upon to enforce a settlement would think of imposing terms lower than those advocated by a neutral expert. In this case there was no real bargaining between the grain companies and the union since the Perry report was released; not because the government accepted the report on a basis of settlement, but because the union accepted it