By looking south of the border we can get some idea as to what would happen in this country if our system of collective bargaining were allowed to deteriorate. In the U.S. trade unions and collective bargaining are on the ropes and the consequences are starting to be noticed. According to the Commission on the Future of Worker–Management Relations, the decline of unions has contributed to the rise in inequality.

The commission reported among other things that the U.S. earnings distribution among workers is the most unequal among developed countries. Lower paid workers in the U.S. earn markedly less than comparable workers in western Europe. U.S. workers work about 200 hours more during the year than workers in Europe. While occupational accident rates in the U.S. showed little improvement over the past decade, they declined significantly in Canada over the same period. So distressed were the commissioners by what they found that they were moved to declare: "A healthy society cannot long continue along the path the U.S. is moving with rising bifurcation of the labour market".

Of course, our industrial relations system is not noiseless. Work stoppages do occur and people are inconvenienced. But in the vast majority of cases, both labour unions and employers recognize that a work stoppage is far more costly than a peaceful settlement. It is in the interests of both parties to resolve their differences through negotiation rather than through the display of raw power.

It should be emphasized that collective bargaining works for business as well as labour. The majority of respondents in a survey of large employers reported that they are successful in reaching their bargaining goals, that they are able to work together with the union during the life of a collective agreement and that they have the ability to adjust to changes in technology.

It seems to me that what employers and managers value above all else is stability. Generally speaking, stability is what they get through the collective bargaining process.

• (1810)

The private member's bill the hon. member has put forward for discussion would significantly change collective bargaining for enterprises regulated by the Canada Labour Code. It seems to me therefore that such reforms ought to be considered within the context of a comprehensive review of part I of the Canada Labour Code.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I am pleased to participate in the debate today on the bill sponsored by the hon. member for Manicouagan.

The summary of the bill found on page 1a states that the purpose of the bill is to prohibit hiring of persons to replace employees of an employer under the Canada Labour Code or of the public service who are on strike or locked out.

In fact this bill goes much further than just prohibiting hiring of new workers. Modelled after labour legislation in Quebec, this bill proposes that government prohibit anyone from performing the work of a person who is on strike or locked out by companies falling under federal jurisdiction, crown corporations and the public service. It also includes provisions for the maintenance of essential services in the event of a strike or lockout in the public service or a crown corporation if public health and safety are at risk and it gives increased powers to the Governor in Council.

The Public Service Staff Relations Act contains a mechanism for providing essential services in strike situations. To replace the designated employee category of the act with these provisions cannot be viewed as a progressive step.

We know that one of the reasons the member is sponsoring this bill is that he is concerned over the effects of the year long labour dispute at the Ogilvie flour mills in Montreal. Members from all sides of this House have expressed concern over the Ogilvie situation and we are all anxious to see a speedy resolution. I was pleased to hear that progress was made at the mediation meetings held on May 25 and 26. There was an agreement to reconvene the talks on June 20 and 21.

If the hon. member for Manicouagan really wanted to help settle that dispute, he should have supported Bill C–262 authored by my colleague, the member for Lethbridge. If the government and the hon. member and his colleagues were really concerned about the workers at Ogilvie Mills and other workers under federal jurisdiction, they could have got on the ball and voted for Bill C–262 on March 20 and supported the hon. member for Lethbridge on his final offer arbitration bill.

If the hon. member and his colleagues wanted to protect both sides of labour disputes they would advocate final offer arbitration as a sure fire solution to settling labour strife.

When workers at the west coast ports were legislated back to work last year, the Minister of Human Resources Development endorsed the use of final offer arbitration as the settlement mechanism. The transport committee in its recently released national marine strategy recommended a final offer selection mechanism for settlement of all disputes between pilots and their customers.

As I stated in this House on previous occasions there seems to be a growing popularity for final offer arbitration. The transport committee also recommended that the new Marine Transportation Act would provide for final offer selection for the settlement of all disputes between the new not for profit seaway corporation and its employees.