

Government Orders

From the outset, I had hoped to negotiate wage settlements within the 0-3 guidelines by offering some flexibility on non-wage proposals, but throughout the bargaining process it was also clear that we might have to resort to a legislated settlement in the interests of all parties concerned.

[*English*]

Hon. members know that successive governments have taken the approach that the Public Service should be a fair employer and should provide compensation that is sensitive to the larger labour markets.

The unions are perfectly right when they point out that public service settlements in recent years have been lower than those provided by other sectors of the economy and that zero and three therefore are even more difficult to accept for this year and next, but they have been perfectly wrong to suggest that government workers are underpaid in comparison with their private sector counterparts.

The inflation targets announced by the Minister of Finance in the February 26 budget should in fact bring increases in the cost of living below the level of 3 per cent by the third year of the zero, three and three program which is why this bill seeks to implement only the first two years and to permit the resumption of full collective bargaining as soon as possible.

[*Translation*]

When I reported to the House on June 19 on the status of negotiations, we were seriously considering the possibility of recalling Parliament during the summer recess, for a number reasons. First of all, the collective agreements of 55 bargaining units representing some 165,000 employees were due to expire, with more to follow later on. We were also expecting a series of binding awards that would be a serious threat to the Public Sector Wage Restraint Program. Furthermore, two groups represented by the Professional Institute of the Public Service of Canada, Auditing and Computer Administration, had been in a legal strike position for some time.

Finally, since the number of groups that would be in a legal strike position was increasing daily, it became more and more likely that essential services to Canadians would be disrupted.

[*English*]

As it has turned out, Parliament did not have to be recalled. The binding awards that were handed down for 18 bargaining units represented by the Professional Institute of the Public Service of Canada reflected the zero and three framework.

I would like to repeat that again in this House. The binding awards that were handed down for 18 bargaining units represented by PSAC reflected the zero and three framework. For their part, several other groups including ships offices and air traffic controllers have reached settlements with Treasury Board based on zero and three. To that extent our hopes have been realized.

On the other hand, the Public Service Alliance of Canada continues to reject the budget's wage policy. Its leadership categorically refused to negotiate on the basis of zero and three. Most of the 155,000 employees that it represents are in a legal strike position, and hon. members are well aware that many of them are exercising it.

Before the House recessed I served notice that we could well have to consider legislation upon our return. We are now in that position.

The government has now decided that it must proceed for two principal reasons. The first and most important is the one that I gave at the outset. We simply cannot wait any longer to deal with the situation created by the strike.

In addition, the Public Service Alliance of Canada has made it very plain in public and to me in private that it will not now or ever voluntarily accept the terms of the budget. Since the government is not about to abandon the budget, we are at an impasse.

[*Translation*]

Mr. Speaker, after explaining the reasons that led the government to table these objectives, I would now like to discuss some of the details of the bill itself.

The bill imposes a two-year extension on all collective agreements and all prior compensation plans. This means that all present strike activities will be illegal. As soon as the legislation comes into force, all union members now on strike will have to return to work. The bill provides for stiff fines for union leaders and employees who refuse to go back to work or recommend continuing the strike: up to \$100,000 a day for the unions,