highest paid government workers. Two days after that they had a new policy. They decided on zero for the people at the lower end of the scale. This was a deliberate provocation and now, in an attempt to extinguish the incident, the President of the Treasury Board states: "For managers we have frozen the budget for salaries and bonuses. They are frozen at the same level as last year". This is false.

• (2130)

History will not remember this government as a caring one. The Canadian people are in need now. The government's intention to reduce the deficit at all costs has created an inflation rate of 6 per cent. Of the 6 per cent inflation rate, half of it was created by the government's policy of higher taxes including the GST.

The conciliation board reports have concluded that: "Major stumbling blocks to negotiations is the employer's position on wages for the next three years".

Before bargaining even began the government said it would legislate strikers back to work and impose the zero, three and three solution. The Liberal Party supports collective bargaining including the right to strike. The Leader of the Official Opposition even wrote to the Prime Minister urging the government to return to the bargaining table to reach a fair and equitable settlement and avoid disruption of services to Canadians.

All the government needs to do is appoint a mediator, get back to the bargaining table and show that it is looking for a solution instead of fostering confrontation.

The government has deliberately played politics with the fundamental infrastructure that keeps the economy of Canada running. It has deliberately provoked a strike that has disrupted transportation, the movement of goods and services, the movement of Canadians, and our social programs.

Clearly the government knew when it introduced the budget in February that it had no intention of negotiating. It could have anticipated today's situation, yet it chose to use the power it has to designate the people working in crucial areas of government operations as essential workers.

Government Orders

This is just another indication of the government's intention to create conflict and destruction of services to try and recoup some of its rapidly disappearing support by legislating them back to work.

As my leader said, this legislation is not necessary. There is no need for it. If the President of the Treasury Board and the government had really wanted a settlement, they would have acted in good faith and negotiated.

There is Tory bonus money available for the bureaucratic elite—lots for the fat cats but no funds available for the work horses.

I want to wrap up by saying that our party will vote against this bill. There would be no strike today if it were not for the misjudgement of this government. The hardship that this strike has caused in this country could have been averted if only the government had named a mediator at the right time.

Mr. Brian O'Kurley (Elk Island): Madam Speaker, I rise today to speak to this legislation not only because it is important as a current issue but also because the wider issue of labour relations in general is now and will in the future become one of the most important and crucial factors in determining Canada's place among her competitors in an increasingly global economic community.

With respect to this specific issue, I would first like to outline the government's program of fiscal restraint and then I would like to discuss some of the aspects of the current strike. I would like to discuss the legislation and the need for it, and then I would like to wrap up with some observations.

The government and country are faced with a physical situation that must be addressed. Wage restraint is one of a series of measures that the government has taken to contain both the deficit and inflationary pressures. The offer that was presented before the union was not inconsistent with other offers to other Public Service unions across the country. Provincial governments in Nova Scotia, for example, offered their civil servants a zero per cent freeze for two years and we did not see a reaction from the Nova Scotia civil servants to the result of having a strike.

In Saskatchewan as well, there has been a restraint program put on. In Manitoba, there is a two-year wage freeze and in Quebec, Newfoundland and New Bruns-