compromise. He therefore made a formal proposal to the parties that would have, if accepted, resolved the dispute and ensured the immediate resumption of operations at PRG-2.

The major elements of Kelly's proposal were as follows: one, that the parties implement formally the terms of the agreement now in effect for the Vancouver Grain Terminals under the collective agreement negotiated in 1985, and, two, that the parties submit the outstanding differences with respect to job classifications, et cetera, to an arbitrator for final and binding determination.

It was the second element that proved to be the sticking point. It was acceptable to the union only if a specific individual—Justice Emmett Hall—was appointed as the arbitrator.

By insisting on the appointment of a particular individual the union was inviting questions about his impartiality and, therefore, the impartiality of the arbitration process.

By making the appointment a condition of acceptance the union was creating a precedent that would have undermined the quasi-judicial arbitration process not only for this dispute but perhaps for future disputes.

The company refused to submit to binding arbitration on matters it sees as being "one of the few remaining rights of management in most collective agreements."

Honourable senators, I am sure we all wish that the parties to this dispute could be left to work out a solution. However, I understand from those who have been directly involved in trying to reach a solution that there is no end in sight to the dispute and to the recalcitrance of the two parties. More importantly, there are innocent third parties whose interests are at stake and who could sustain irreparable harm, namely, western grain producers who cannot get their grain to international markets. We must also consider its effects on the overseas reputation of Canada as a reliable source of export grain at a time when we are trying to compete in an increasingly competitive and fluid international grain market; and the Canadian economy for which this work stoppage constitutes an unacceptable cost.

In that regard, let me quote from the Bairstow Report of 1978, which states:

● (1510)

> Canada's grain handling system occupies a position of tremendous importance to the Canadian economy. It intimately connects a wide range of economic activity in the primary, secondary and tertiary sectors, encompassing in the process the manufacture of farm implements, supplies and materials; the processing of food products for domestic consumption; and the preparation of a wide variety of grain and grain products for export to some of the world's largest consumer nations. In an industry of this magnitude, the coordination, timing, and efficiency of resource employment are essential to the maintenance of our domestic food supplies and to Canada's reputation as a reliable source of grain exports.

Honourable senators, having given a brief glimpse of the background to this legislation, allow me to review quickly the major provisions of the bill.

In addition to providing for an immediate resumption of terminal operations at PRG-2, the bill requires the parties to incorporate the terms of the agreement between the B.C. Terminal Elevator Operators' Association and the Grain Workers' Union in Vancouver into their collective agreement.

This merely formalizes the existing informal arrangement in which the employer has been implementing many changes which have arisen from time to time as a consequence of the Vancouver agreement.

With respect to the issues which caused the impasse in negotiations, the bill calls for the appointment by the Minister of Labour of an arbitrator to make a final and binding determination. A 45-day time limit is established for this process, subject to extension only if both parties to the dispute agree.

Honourable senators, I do not like back-to-work legislation. I do not like governments having to wade into and resolve private sector labour-management disputes. I am sure most honourable senators share my distaste.

However, of greater concern to this Parliament is the public good, and in particular the plight of western farmers who cannot get their grain to market while one of Canada's most modern grain handling facilities lies dormant.

Given the precedence that the public good must take over private interests, and given the resources and time that have already been committed to try to find a solution, I believe that we have no option but to approve this legislation.

Honourable senators, I therefore urge you to give this bill speedy and positive consideration.

Hon. Hazen Argue: Honourable senators, I agree with Senator Kelly when he says that we regret having this legislation before us today. It is almost becoming a pattern with this government that dispute after dispute goes unsettled and finally Parliament is asked to provide a legislated framework for the settlement of the dispute. I believe that that flies in the face of normal collective bargaining. I, as well as others, regret that the free collective bargaining process has not resulted in a settlement in any of these disputes.

I have interests, I guess, on both sides of this dispute because I am a grain farmer. For some time I had the honour to be responsible for the Canadian Wheat Board. It is essential to the agricultural industry and to farmers that grain be moved on to the world markets. However, I believe that the position that has been taken by the grain handlers' union over a period of some years now—because they have been without a contract now for about four years—has been generally responsible.

When I was a minister I had dealings with this union on behalf of the government, and I can say that I found Mr. Henry Kancs to be a responsible labour leader. I found him to be a labour leader who kept in mind the interests of the grain producers as well as the interests of the workers in his union,