

BUSINESS OF THE SENATE

Hon. Orville H. Phillips: Honourable senators, may I request that Bill C-85 be dealt with as the first order of business?

The Hon. the Speaker *pro tempore*: Is it agreed, honourable senators, that we deal with Bill C-85 now?

Hon. Senators: Agreed.

MAINTENANCE OF RAILWAY OPERATIONS BILL, 1987

SECOND READING

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations) moved the second reading of Bill C-85, to provide for the resumption and continuance of railway operations and for the settlement of disputes respecting terms and conditions of employment between railway companies and their employees.

[Translation]

He said: Honourable Senators, first, on behalf of the government, I wish to thank you for having accepted this unexpected recall so readily. I also want to beg your forgiveness for this fast recall.

As you may know, the negotiations between the parties involved broke off definitely only yesterday morning.

I therefore ask your indulgence in the knowledge that you will support the bill introduced by the government to put an end to this labour conflict.

[English]

Honourable senators, this bill is in four parts, which reflects the fact that there are four labour disputes between the national railways and their unions that have now reached a critical stage. One of those disputes has culminated, as honourable senators know, in a national rail strike.

● (1430)

This bill, on the day after it receives Royal Assent, will end that strike. It will extend the previous collective agreement which expired on December 31, 1986. It will provide arbitration of the collective bargaining dispute by an arbitrator, who will bring in recommendations on the outstanding matters within 60 days, recommendations which will be incorporated into the previous collective agreement with the amended agreement taking effect January 1, 1987.

This bill also contains provisions to settle the other three disputes, if necessary. Those provisions are the same as those which apply to the strikers—in other words, by arbitration. Those parts of the bill dealing with those three disputes will come into force not on the day after Royal Assent but following proclamation.

The four disputes comprise the main Associated Railway Union group, representing some 48,000 railway workers in nine separate unions and negotiating jointly with CN and CP. This is the group that is now on strike. Then there are two smaller groups of railway shopcraft employees represented by

member unions of the Canadian Council of Railway Shopcraft unions, which is negotiating separately with each of the two companies. Finally, the Brotherhood of Locomotive Engineers is negotiating separately on behalf of its members employed by CN.

The Associated Railway Union group declared a strike at midnight, Sunday, August 23. This strike, as honourable senators are aware, has paralyzed rail transportation and placed key sectors of the Canadian economy in jeopardy. It is the conclusion of the government that, notwithstanding every effort and every assistance provided to the parties to encourage them to lead them to reach an agreement on their own, no reasonable prospect exists for a negotiated settlement to this current work stoppage. So the government had no alternative but to introduce this bill.

In the case of the shopcraft unions, the members of those unions have now acquired strike rights, although they have not exercised those rights. Their members are now subject to lay-off as a result of the shutdown of railway operations. With regard to the dispute involving the International Brotherhood of Locomotive Engineers, those parties will acquire strike and lock-out rights at midnight, August 31.

Honourable senators, let me briefly take you through a chronology of the events that have led to the strike with which we are dealing immediately. The previous collective agreement, as I indicated, expired on December 31, 1986. Following notices of dispute filed by the parties in January of this year, a conciliation officer was appointed. He endeavoured to assist in the resolution of the dispute, but no settlement was achieved. Then on March 4, Mr. Douglas C. Stanley of Fredericton and Ottawa was appointed as a conciliation commissioner. In the ensuing months Mr. Stanley did his best to conciliate the differences between the parties, again without success. On August 10 Mr. Stanley's report was released. It was definitive with respect to wages, rejecting the positions of both parties and, instead, recommending a monetary settlement that had been already agreed to in other segments of the railway industry, in VIA Rail and the Ontario Northland Railway. In other areas, notably contracting out and employee security, the commissioner was less definitive, but he still suggested some constructive avenues for pursuing the compromises and trade-offs that would be necessary to reach an agreement.

The initial reactions of the parties to Commissioner Stanley's report were somewhat encouraging. In fact, on August 13 the parties made a joint request for mediation assistance. On the very next day the minister, Mr. Cadieux, appointed Mr. M.K. Carson as mediator, pursuant to section 195 of the Canada Labour Code. Mr. Carson, as many honourable senators know, is an experienced mediator, especially in the railway field, and is a former railway employee himself. He commenced mediation meetings in Montreal on Monday, August 17, and worked constantly with the parties throughout that week. I am informed that some significant progress was made in the early part of the week, but that it became clear to him on Saturday, August 22, that a settlement could not be reached before the strike deadline that had been set by the