innocent third parties that have no say in disputes which, nevertheless, have a direct impact on their lives.

Hon. members will appreciate that labour disputes can be complex and that our present industrial relations system in Canada is based on practices that have evolved over the years. As we consider Bill C–304, hon. members must remember the essential role played by the right to strike or lock out in the peaceful settlement of many controversial issues raised during the collective bargaining process.

Under our system, employees and employers enjoy considerable leeway to settle their differences in direct negotiations where the State seldom intervenes. In many other countries, this basic freedom is not recognized, but one hopes that with all the changes that are now occurring in a number of countries in eastern Europe, it will soon be common practice.

The conciliation and mediation provisions in Part I of the Canada Labour Code provide employers and employees with the means to deal with the kind of impasse that occasionally occurs during collective bargaining. If the parties are unable to settle their differences through conciliation and mediation, they have the right, provided certain conditions are met, to call a strike or threaten a lockout, to convince the other party that they are serious about their demands.

In most cases the threat of economic retaliation at the last stages of collective bargaining is enough to convince the parties to reach the requisite compromise for a peaceful settlement. Today the number and frequency of work stoppages in Canada are practically negligible. In fact, they represent only a fraction of 1 per cent of total hours worked.

Without wishing to put undue emphasis on this particular aspect, perhaps I may point out that in 1991, the number of hours lost in this country as a result of work stoppages represented only five days per 10,000 days worked.

The system established by Part I of the Canada Labour Code provides for a series of measures to simplify the collective bargaining process and the application of collective agreements. After examining the dispute settlement provisions, I am convinced they can be adapted to the various circumstances that may arise. Although no policy or procedure will ever be able to settle all labour disputes, the flexibility of the dispute settlement provisions in the Canada Labour Code is impressive and testifies to the reliability of an industrial relations system developed over the years. The series of measures provided under the Canada Labour Code does, I believe, offer the flexibility required for effective dispute settlement.

I would like to say very briefly that under this system, the right to strike or lock out cannot be exercised until seven days after the Minister of Labour has exhausted the conciliation measures open to him under the Canada Labour Code.

Furthermore, the minister may at any time appoint a mediator, in accordance with section 105 of the code, to assist the parties in settling their dispute.

According to section 79 of the code, before the report of the conciliation commissioner or conciliation board is made, the parties may at any time agree, in writing, to be bound by the recommendations in the report.

To recapitulate, these procedures provide employers and employees with a series of conciliation and mediation provisions that can help them settle their differences, as well as the option of submitting to a mechanism for achieving a final settlement, under which the parties agree to be bound by the recommendations of a conciliation commissioner or conciliation board.

These are a few of the main ingredients of the collective bargaining process in Canada. I would like to make two comments in this respect. First of all, the provisions of the Canada Labour Code give employers and employees complete freedom to negotiate the collective agreement they feel is the best in the circumstances, considering the business climate and the economic constraints affecting their industry. When conciliation or mediation is provided by a third party, the other parties reserve the right to direct the course of negotiations, the third party being there only to guide them and assist them in defining the parameters of litigious items, seeking a compromise and resolving the impasse.