on the problem of automation and the anticipation of adjustment to technological change. Part of the quality of the Freedman report's impact stemmed from its literate, analytical exposition but much more from the recommendations on how labour, management and government should meet the future. My motion, although it does not acknowledge it in words, is inspired by the Freedman report.

I am a railroader, a long service employee of the Canadian National Railways, a member of the Brotherhood of Railway Trainmen, a witness before the Freedman Inquiry, and a participant in the strike of October, 1964, which led to the inquiry. In presenting this motion I am continuing a tradition begun by present and previous colleagues of my party who have insisted for a decade that much more protection and planning should be given to smooth the transition of technological change and the damaging social consequences which flow from it.

My motion zeros in upon one aspect of the general problem. It appears to everyone to be good sense that neither government nor its agencies such as boards and bureaus, nor a host of complex formulae, should get in the way of direct dealing between management and labour. So many critics, hostile to labour, imagine that labour clamours for government interference because of some principle. This is not true. An intelligent union man knows that the ideal situation is where management and labour settle differences at the bargaining table by themselves. Much of the vociferous lobbying of government by labour is to seek a fair chance at the bargaining table. In essence this is the purpose of my motion. When management always has the initiative so that it can introduce or implement any substantial technological change which materially affects the conditions the workers face, without any right of the worker to negotiate regarding the change, then the worker is really at the mercy of management.

Railway labour in its relations with railway management is a model of the problems created by technological change. Railway unions have held contracts for most work on the railways for five generations and have an honourable history of good, responsible relationships with management and with the federal labour agencies which have the jurisdiction in this field. They are even more a model because their membership spreads from sea to sea.

Not long after the second world war railway management, led by the government owned C.N.R. and supported by huge sums from the federal treasury, began both to modernize and innovate. The process was centred on the switch from coal burning to diesel locomotives, the switch to a form of central traffic control based on electronics, and to maintenance and rolling stock changes which emphasized machine operations, much longer trains, faster schedules and remarkable improvements in telecommunications.

Regrettably, the railways in taking these bold incentives for change retained and expanded the implicit theory of unlimited managerial rights. In a nutshell this theory, known as the residual rights theory, permits management to make drastic changes in working conditions during the closed period of a contract. Unless a union has been able to get restrictions of a specific kind written into the contract, it has been defenceless.

Management has not needed to negotiate the changes. It has unilateral power. Any of you who know the history of railway union negotiations in Canada know that management, supported by quasi-judicial opinions of conciliation board judges, has accepted this theory.

As Judge Freedman puts it on page 86:

> There is a deceptive allure about the doctrine. It appears to be eminently sane and reasonable. Since the property and plant belonged to management who else but management should run it and make decisions? True enough, if management by its agreement has surrendered a part of its managerial function, that part is lost to it; but the residue remains. Could anything be more logical?
>
> In confession to certain doubts and misgivings about the adequacy of the doctrine for the contemporary industrial scene, the commission must in fairness record that these doubts and misgivings do not appear to have been shared by the great majority of people who have been called upon to deal with it in an official way. A study of decisions in labour arbitration cases shows a distinct numerical preponderance in favour of the validity of the doctrine. To the extent that this body of jurisprudence may be taken as having settled the law it undoubtedly furnishes impressive support for those who hold the theory as correct. None the less—

I beg hon. members to note this.

> —the commission still has reservations about the doctrine. It seems to treat too lightly the changes in labour-management relations which have been wrought by collective bargaining.

• (5:10 p.m.)

Before I return to the question of residual rights which Mr. Justice Freedman said "lies at the heart of this inquiry", I want to tell you something about the crisis which led to