

*Routine Proceedings*

Since February, there have been regular collective bargaining sessions with Public Service unions representing 58 of the 80 bargaining units and 184,000 of the 190,000 employees subject to collective agreements. I regret to inform the House that unions generally have not agreed to accept, in their negotiating demands, the limits established by the Budget—and the fiscal situation that lies behind it.

Union leaders have continued to make wage and benefits demands that are well beyond the capacity of the public purse. Indeed the leadership of the two largest unions, the Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada have, to my considerable regret, publicly stated that their unions will take whatever action is required to force the government to change its wage policy.

[English]

The government and the country are faced with a fiscal situation which must be addressed. The government outlined its full dimensions in the budget and we owe it to the Canadian public, who are faced with the corrosive effects of recession in every sector of the economy, to live within the measures announced at that time. The fiscal imperatives are clear. We must contain both the deficit and inflationary pressures if interest rates are to be brought down to a level that will lead to a sustained economic recovery.

Continued federal government leadership in dealing with inflationary public sector wage pressures is an essential part of this strategy. The actions of the six provinces which have followed our lead since the budget show that it is the right course.

As President of the Treasury Board I must pursue this objective in a way that preserves the integrity of government services to the Canadian public while minimizing the impact on public employees.

In addition, this government is engaged in a far-reaching process of renewal in the Public Service which I do not wish to see compromised. Its two cornerstones are a more service-oriented Public Service and greater attention to the human dimension in managing the Public Service.

My strong preference, therefore, is to continue to work with the unions to arrive at fair settlements for our employees which are within the limits of what the government and the taxpayers can afford to pay.

At the same time, I will be the first to acknowledge that the choices we have offered the unions are not very palatable to them any more than they are to the government. This is reflected in the current state of the collective bargaining negotiations.

By June 21, the last day before the summer recess of Parliament, 55 of the 80 bargaining units representing some 165,000 employees will have collective agreements that have expired. In five cases, they have been expired for more than one year.

By the time Parliament convenes in September, a further eight agreements will have expired. Also, by that time as many as 38 bargaining units and 170,000 Public Service employees could be in a legal position to strike. In addition, we expect binding awards to be handed down in early July for 18 occupational groups represented by the Professional Institute of the Public Service of Canada.

[Translation]

Mr. Speaker these are the facts of the situation. I would now like to advise the House of the guiding principles that the government intends to follow during the summer months as this situation unfolds. We will continue to press for negotiated settlements for as long as the unions are willing to come to the table. We owe this much to our employees and to the system of collective bargaining itself, which has served both employer and employees well over the years.

But we will move swiftly and firmly if the situation deteriorates unacceptably. We will seek the recall of Parliament to enact the necessary legislation if there are illegal strikes or if there is unreasonable disruption in service to the public.

As announced in the Budget, we will act to modify any arbitral awards that go beyond the 0-3-3 guidelines to bring them in line with the Budget. If we are forced to introduce legislation, it will cover all departments and agencies for which the Treasury Board is the employer as well as other public bodies that are dependent to a significant degree on Parliamentary appropriations. This would include Parliament and its employees. And the same terms will apply to all: a 0 per cent increase in wages in fiscal year 1991-92 or in the period immediately following the expiry of a collective agreement and 3 per cent in the following year.