

in the dispute. Judge Green met extensively with the parties during the course of the following three months and filed his report, containing his recommendations on all issues in dispute, on June 24, 1976. On July 17 the Maritime Employers' Association notified my department of its acceptance of the recommendations contained in the report. However, the union rejected the recommendations "in part" and requested mediation assistance based on terms of reference put forward by the union.

On July 13 I appointed Mr. R. L. Kervin, of our Halifax office, as mediator pursuant to section 195 of the Canada Labour Code, with instructions to assist the parties but without placing any restrictions on what areas of the dispute were to be mediated. Mr. Kervin was able to arrange a settlement between the negotiation committees on August 2, subject to its ratification by the union membership. This settlement was rejected by the union membership through a vote held on August 5, 1976. It was following this rejection that the Maritime Employers' Association locked the longshoremen out of the port of Halifax on August 8, effectively closing down the operations of the port.

On September 17 I assigned Mr. W. P. Kelly, assistant deputy minister, Federal Mediation and Conciliation Service, to this dispute to assist the parties in reaching a settlement. Mr. Kelly began meetings with the parties on September 20, assisted by Mr. Kervin, and on September 25 a settlement was reached and a memorandum of agreement executed by the parties, subject to ratification. The membership of local 269 rejected the mediated settlement by a 56 per cent majority.

Because of the threat to the port's reputation, as well as the serious economic effects resulting from the shutdown, I instructed Mr. Kelly to return to Halifax on October 4 and assess the situation following the rejection of the mediated settlement reached on September 25. Mr. Kelly resumed mediation sessions with the objective of developing a formal proposal of terms of settlement. On October 6 I joined Mr. Kelly and met with both parties and submitted a formal proposal setting out suggested terms of settlement.

The proposal, basically, involved the acceptance by both sides of the agreement reached on September 25, but reserving for further negotiation and arbitration, if necessary, four of the contentious items dealing with the dispatching of longshoremen. The parties were given until December 10 to reach agreement on the four contentious items of the rules of dispatch, and failing this I would appoint Judge Nathan Green to arbitrate the items and his award would be incorporated into the collective agreement effective January 1, 1977.

While the union membership accepted this proposal on October 8, although by a narrow margin, the Maritime Employers' Association rejected these terms and put forward their own conditions for the lifting of the lock-out. I found this turn of events most unfortunate and I felt—indeed, I still believe—that this proposal met the requirements of both groups and especially provided the employers the flexibility and stability of the work force it sought. I therefore suggested to the Maritime Employers' Association that they give the

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proposed terms of settlement careful reconsideration, but they informed me on October 13 that they would not accept this proposal as a basis of settlement.

At this juncture, Mr. Speaker, I see only two courses open to the government: to allow the lock-out to continue, in the hope that the pressure of economic strain on the parties will eventually lead to resolution of the dispute, or legislate an end to the lock-out and bring about a resumption of operations in the port while presenting a method for resolution of the dispute. If I have opted for the second solution it is because, having exhausted over the last ten months all procedures and good offices to resolve the dispute through mediation, it is now clear that the serious adverse economic effects of this dispute are such as to warrant legislative action.

Many members of this House are painfully aware of the adverse economic repercussions of this industrial dispute. I have received numerous representations from business and labour representatives, including important shipping interests, as well as elected officials at all levels of government, and of various political affiliations, to put an end to the dispute because of the severe adverse effects on the economy of the city of Halifax and of the province of Nova Scotia.

May I at this stage acknowledge the good intentions and assistance offered by members of parliament from the city of Halifax, and the assistance of the Acting Prime Minister (Mr. MacEachen) in efforts to bring this matter to a resolution. It has been estimated that the economic loss is now well over \$1 million a week and that the number of workers laid off as a result of this dispute is close to 3,000. When I expressed gratitude to hon. members from Halifax, I should have added from the city of Dartmouth also.

That this situation can no longer be tolerated in light of the continuing deterioration of the port's reputation will be evident to all. Accordingly, the Halifax Port Operations Act orders the immediate resumption of longshoring and related operations. The longshoremen will return to work under the terms of the tentative agreement reached on September 25 with the exception of certain contentious items relating to the rules of dispatch. Immediately upon passage of the legislation, local 269 of the International Longshoremen's Association will draft rules of dispatch to cover the outstanding items for submission to and the approval of the Maritime Employers' Association. The proposed rules of dispatch must be submitted by local 269 of the ILA to the Maritime Employers' Association not later than December 10, 1976. If the Maritime Employers' Association agrees with the rules of dispatch as submitted, they will be incorporated into the collective agreement as of January 1, 1977, or as soon as practical after that date.

● (1220)

Should the Maritime Employers' Association fail to agree with the rules of dispatch as proposed, or should local 269 of the ILA fail to submit language on these rules of dispatch to the MEA by December 10, either or both parties may notify me and I will appoint an industrial inquiry commissioner to make a determination on the specific items in dispute. In such