a mature approach, but we live in a free country and that should certainly be considered.

In the case of the west coast ports, however, labour disputes are unique for a couple of reasons. One is that the federal government does not allow labour and management to actually carry the resolution process to the point where there is a disruption and it gets into a replacement labour situation or the banning of it. It passes back to work legislation as part of that. That has taught us that there is an innocent third party that is damaged economically. For that reason, there has been great pressure to find a better way to resolve management and labour disputes than through strike or lockout actions and subsequently through the use of scab labour or the banning of that same labour.

We have suggested that what has been working and has even been legislated by the House is the use of final offer selection arbitration. I would be more encouraged if my colleague had brought forward legislation that would take us from sandbox diplomacy with regard to labour relations and move it to a more mature ground, such as that of the final offer selection arbitration process.

The cost of the west coast ports disruption is in the hundreds of millions of dollars. The direct cost of the 1994 dispute was over $125 million. The indirect cost in the loss of future contracts was over $250 million. According to the Minister of Human Resources Development, the threatened grain sales could amount to $500 million.

Having outlined these problems, we did not leave the people in the lurch. We decided we had to do something constructive about this. We suggested the final offer selection process. It is a tried and true process. It is not a brand new idea. In fact, the process has been legislated in this House.

• (1900)

Perhaps it could have an expanded role beyond some of the essential services, such as west coast ports and national railways. It could be accepted by labour and management more readily, rather than going the route of replacement workers or a ban on replacement workers.

This is how final offer selection arbitration works. If, and only if, the union and the employer cannot make an agreement by the conclusion of the previous contract, the following measures are immediately put into place without work disruption. If there is no work disruption that means there are no replacement workers and that step has been precluded altogether.

The union and the employer are requested to provide the name of a person they would jointly recommend as a arbiter. The union and the employer are required to submit to the arbiter a list of matters agreed on and a list of matters still under dispute. For the disputed issues, each party is required to submit final offer for settlement and the arbitrator then selects either the final offer submitted by the trade union or the final offer submitted by the employer. In the event that one party does not submit a final offer, then the other side's offer is automatically accepted and the arbitrator's decision is binding on both parties.

This is the direction in which we believe labour and management relations should be going. It is the way to more maturely settle management–labour disputes. It precludes having to use replacement labour or banning replacement labour altogether. It prevents work disruptions. It prevents loss of pay for the workers. The collective bargaining process is still in place. It is still allowed to take its full course. The parties are brought together to resolve their disputes more quickly, more fairly, more equitably and more harmoniously.

I would ask the hon. member to consider when he brings future legislation to the House this as a third option which might be superior to others that have been considered.

[*Translation*]

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I would like to say a few words on Bill C–317 introduced by the hon. member for Manicouagan.

This bill proposes to amend the Canada Labour Code and the Public Service Staff Relations Act.

The purpose of this bill is, first, to prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code or of the public service who are on strike or locked out and, second, to ensure that essential services are maintained in the event of a strike or lockout in a crown corporation or in the public service.

Although this bill proposes to amend the Canada Labour Code as well as the Public Service Staff Relations Act, I will deal only with the amendments to the Canada Labour Code.

Furthermore, I want to examine two aspects of staff relations I find significant: the use of replacement workers and the maintenance of essential services in the event of a strike or lockout.

It is not the first time that such issues have been raised in the House. Politicians must have raised them often. The spokesmen for employers and unions expressed their views quite forcefully. And industrial relations experts from our universities have tried to explain to us the consequences of our decisions in this area.

The problems concerning the use of replacement workers and essential services are not easy to solve because what is involved is people's livelihoods and rights, as well as society's legitimate expectations. We are asked, as membres of Parliament, to decide if restricting the rights of one group is in the public interest. We are also asked to strike a balance between the rights of employers and those of employees. Whatever legislative action we take,