File — Dossier
465-10
Volume
1
Department — Ministère
BUREAU DU SOUS-MINISTRE
Subject — Sujet
CONFLITS DE TRAVAIL
INDUSTRIE MARITIME ET DÉBARDAGE
GC 40-2 7690-21-872-2206

File — Dossier
465-10
Volume
1
Department — Ministère
DEPUTY MINISTER'S OFFICE
Subject — Sujet
LABOUR DISPUTES
STEVEDORING AND LONGSHORING
GC 40-2 7690-21-872-2206

SECRET

Referred to Remis à	Remarks Remarques	Initials Initiales	Date	P.A. Date Classer	Initials Initiales	B.F. Date Reporter

CLOSED
FERMÉ

File — Dossier
465-10
Subject — Sujet
STEVEDORING AND LONGSHORING
Volume
1
GC 40-1 7690-21-872-2205

Government of Canada Gouvernement du Canada

GC 39-3
7530-21-870-7442

Government of Canada / Gouvernement du Canada

CLOSED VOLUME
VOLUME COMPLET

DATED FROM / À COMPTER DU: Jan '84 TO / JUSQU'AU: Mar 87

AFFIX TO TOP OF FILE - À METTRE SUR LE DOSSIER

DO NOT ADD ANY MORE PAPERS - NE PAS AJOUTER DE DOCUMENTS

FOR SUBSEQUENT CORRESPONDENCE SEE - POUR CORRESPONDANCE ULTÉRIEURE VOIR

FILE NO. - DOSSIER N°	VOLUME
465-10	2

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable Pierre H. Cadieux

FROM / DE: ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: November 24, 1987

SUBJECT / OBJET: **Dispute between the Canadian Lake Carriers Association and the Canadian Merchant Service Guild (275 licensed deck officers)**

I am pleased to confirm that the recent settlement between the above-cited parties, reached with the assistance of Conciliation Commissioner John Hopper, has been ratified by a substantial majority (76.8%).

This settlement completes several sets of major negotiations this year involving various high profile groups employed on the Great Lakes/Seaway system.

All of the collective agreements concerned were successfully concluded with either conciliation or mediation assistance. Also, settlements in all cases were reached without strike/lockout action except for the Marine Engineers strike in late September and early October. As you are aware, the companies continued to operate and there was minimal impact on shipping activity during the work stoppage. In the final analysis, the Marine Engineers' strike was settled with the mediation assistance of our Senior Mediator, Mac Carson.

As is always the case with major transportation disputes, several representations were received from various grain interest groups, pressing for swift government intervention in the event of disruptions to Great Lakes shipping or the Seaway. At least on this occasion, some of them had the good grace to write in subsequently thanking you and the department for effective conciliation and mediation initiatives.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
NOV 25 1987
Référé:
Entered:

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

Copy for the Deputy Minister

TO / À: The Honourable Pierre H. Cadieux

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: November 9, 1987

SUBJECT / OBJET: **Dispute - St. Lawrence Seaway Authority and Canadian Brotherhood of Railway, Transport and General Workers**

The Canadian Brotherhood of Railway, Transport and General Workers (CBRT) informed us Friday that the tentative agreement reached with the St. Lawrence Seaway on October 30, 1987, has been ratified by the membership. The majority voting in favour was in the order of 60% with the two largest locals, Welland in the western section and St. Lambert in the eastern section, voting substantially in favour.

The agreement covers the key operational and maintenance group comprising about 850 employees. You will recall that a tentative two year package concluded earlier had been narrowly rejected. Mac Carson and I reconvened the parties in Ottawa immediately following the rejection and a three year agreement, which will expire on December 31, 1989, was reached.

In addition to the larger operational and maintenance group, two similar three year agreements have been concluded and ratified covering the supervisors and a headquarter's office group, respectively.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR

NOV - 9 1987

Référé:.....
Entered:.....
.....

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

Copy for the Deputy Minister

October 26, 1987

Our File: 339-0363-C-86-1

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: Request for Ministerial Consent, pursuant to Section 187(5) of the Canada Labour Code (Part V), to make a complaint to the Canada Labour Relations Board alleging a failure to comply with Section 148(b) affecting the Seafarers' International Union of Canada (Applicant) and Sedpex Inc., St. John's, Newfoundland, (Respondent)

Attached are a copy of the union's request for consent to make a complaint to the Canada Labour Relations Board (CLRB) and a copy of the employer's reply, filed pursuant to Section 9 of the Canada Industrial Relations Regulations.

The union represents approximately 65 oil rig employees aboard a drilling rig vessel located in the Hibernia oil field off Newfoundland's coast. This oil rig is jointly owned by Sedpex Inc. and Petro-Canada. The collective agreement negotiated by the parties expired on April 3, 1987. A conciliation officer was appointed on March 3, 1987, and met with the parties on June 11, 29 and August 12, 1987. Following the filing of the report of the conciliation officer, the parties were advised on September 25, 1987, that a conciliation commissioner would not be appointed.

On August 21, 1987, the CLRB received an application from some of the employees in the bargaining unit seeking to have the union decertified. This application is scheduled to be heard by the Board on November 16-20, 1987.

...2

Canada

In its request for Ministerial consent, the union alleges that the company altered the terms and conditions of employment of the employees in the bargaining unit without the consent of the bargaining agent and before the requirements of paragraphs 180(1)(a) to (d) of the Code were met. The union specifically alleges that the unilateral announcement by the company on August 10, 1987, that it would henceforth pay one half of the premiums for dental insurance, to which the employees in the bargaining unit could subscribe, has altered the terms and conditions of employment of the employees within the bargaining unit. The union indicates that it had refused the company's proposal in this regard during the negotiations for the collective agreement which expired on April 3, 1987.

In reply, the company submits that the collective agreement allowed it to implement the plan for union members. It also argues that the dental plan is a voluntary benefit and therefore does not constitute a term or condition within the meaning of the Canada Labour Code. Furthermore, the company argues that the implementation of the dental plan on a shared cost basis is consistent with all health benefits provided by the employer and does not constitute an alteration of terms and conditions of employment.

We have consulted with the Legal Services Branch and, after a careful review of the request for consent and the employer's reply, we recommend that Ministerial consent be granted. As mentioned earlier, the Board has scheduled hearings for November 16-20, 1987, to deal with an application for decertification of the union. It is considered important that the Board have all the matters in dispute between the parties before it during those hearings. This dispute hinges upon the interpretation of the provisions of the Code when applied to the specific circumstances of this case and is therefore most appropriately decided by the CLRB.

Given the previous involvement of a conciliation officer in negotiations for a collective agreement and the fact that bargaining is at an impasse, it was felt that the appointment of an FMCS officer under Section 9(e) of the Regulations, a discretionary step, would serve no useful industrial relations purpose.

...3

Accordingly, we recommend that consent be granted to the union for the making of a complaint to the Board in respect to Section 148(b) of the Code. If you approve, attached for your signature is the necessary formal consent certificate. It would be appreciated if it could be left undated as this would allow us to date it concurrently with written notification to the parties.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Recommended:

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

Associate Deputy Minister

Approved:

Minister of Labour

Att.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

Copy for the Deputy Minister

465-10

TO / A: The Honourable Pierre H. Cadieux

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: October 26, 1987

SUBJECT / OBJET

In the matter of the Canada Labour Code (Part V - Industrial Relations and a dispute affecting Canadian Lake Carriers Association (representing certain member companies) and Canadian Merchant Service Guild

I am pleased to inform you that a Memorandum of Agreement, subject to ratification, was concluded by the above-mentioned parties when meeting under the auspices of Conciliation Commissioner John M. Hopper, in Ottawa, on October 22, 1987. The Memorandum, in effect, constitutes the Commissioner's report. It will be released to the parties today and we understand that it will subsequently be put out to the membership by the union. Ratification procedures are expected to be completed by November 23.

This development in the Canadian Lake Carriers Association (CLCA) and Canadian Merchant Service Guild (CMSG) negotiations is very encouraging. It is the third and final group to settle in the present Great Lakes bargaining round. The unlicensed personnel, represented by the Seafarers' International Union (SIU) settled in late May and ratified in July. The marine engineers, represented by the Canadian Marine Officers' Union (CMOU) settled on October 18 and ratified last week. Assuming ratification by the CMSG licensed deck officers, all three unions will have three-year collective agreements with the Association in force until May 31, 1990.

In addition and as you are already aware, the main operational and maintenance group on the St. Lawrence Seaway has recently settled with the Authority and ratification results should be known later this week.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 27 1987
Référé:
Entered:

Labour Canada / Travail Canada

To-À: Miss Jennifer R. McQueen

Remarks - Remarques:

For your information

Oct. 23, 1987 — W. P. Kelly

Date

Lab/Trav 028 (04/76) 7530-21-036-3714

00000 9

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

October 23, 1987 Our File: 339-0402-B-86

MEMORANDUM TO: W. P. Kelly

Re: Dispute between Canadian Lake Carriers Association and Canadian Merchant Service Guild

Attached is the report of Conciliation Commissioner John M. Hopper who has been able to assist the parties in settling the above-cited dispute affecting 275 deck officers.

Mr. Hopper's report comprises a one-page covering letter and a Memorandum of Agreement signed by the parties on October 22, 1987, and subject to ratification by the union membership. The agreement provides for an increase in the order of 2% in the first year and cost of living increases in the second and third years, not to exceed 5% each year. The agreement is scheduled to remain in force from June 1, 1987, to May 31, 1990. The provisions of the agreement follow the broad outline of the one reached recently with the marine engineers, with the exception of the pension provisions which provide for a larger contribution by the employer.

We have had the one-page covering letter translated into French for release to the parties. The parties, we understand, are looking after the translation into French of the Memorandum of Agreement and attachments before it is placed before the union membership for a vote.

As required by Section 170(a) of the Code, I would recommend, for your approval, that the Commissioner's

...2

Canada

report be released to the parties. Because the Commissioner's report is in the form of a Memorandum of Agreement with attachments, subject to ratification, we are not recommending a public release.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Approved:

_____
Associate Deputy Minister

Attachment

cc. The Honourable Pierre H. Cadieux
Miss Jennifer R. McQueen

Ottawa, Ontario

October 23, 1987

Mr. Michael McDermott
Director General
Mediation and Conciliation
Labour Canada
Ottawa, Ontario
K1A OJ2

Dear Mr. McDermott

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting the Canadian Lake Carriers Association (representing certain member companies) and the Canadian Merchant Service Guild

The writer met with the above-mentioned parties and wishes to report a Memorandum of Agreement was reached October 22, 1987.

The attached signed memorandum, which is subject to ratification, is considered as my report in the matter.

Yours truly,

John M. Hopper
Conciliation Commissioner

Att.

TRADUCTION

Ottawa (Ontario)

le 23 octobre 1987

M. Michael McDermott
Directeur général de la
Médiation et de la Conciliation
Travail Canada
Ottawa (Ontario)
K1A 0J2

Concernant le Code canadien du travail (Partie V - Relations industrielles) et un conflit opposant l'Association canadienne des armateurs des Grands Lacs (représentant certaines société membres) et la Guilde de la marine marchande du Canada

Monsieur,

Le soussigné a rencontré les parties mentionnées ci-dessus et désire signaler qu'un protocole d'accord a été conclu le 22 octobre 1987.

Le protocole signé ci-joint, sujet à ratification, est considéré comme mon rapport dans cette affaire.

Veuillez agréer, Monsieur, l'expression de mes sentiments distingués.

John M. Hopper
Commissaire-conciliateur

MEMORANDUM OF UNDERSTANDING

BETWEEN

CANADIAN LAKE CARRIERS ASSOCIATION

AND

CANADIAN MERCHANT SERVICE GUILD

The parties agree that any section or subsection not mentioned in the Conciliation Commissioner's report shall remain in effect.

Dated this 22nd day of October, 1987, at Ottawa, Ontario

[signature]
CANADIAN LAKE CARRIERS ASSOCIATION

[signature]
CANADIAN MERCHANT SERVICE GUILD

John M Hopper

MEMORANDUM OF AGREEMENT

BETWEEN

CANADIAN MERCHANT SERVICE GUILD

AND

CANADIAN LAKE CARRIERS ASSOCIATION

The parties to this Memorandum agree to renew the collective agreement which expired May 31, 1987, with the following amendments attached hereto and forming part hereof.

It is also agreed that the Letters of Understanding (nos. 1 and 3) annexed to the collective agreement which expired May 31, 1987, are hereby renewed for the duration of the collective agreement to be signed, and the Letter of Intent (no. 2) re mandatory leaves is hereby cancelled and revoked. In addition, a letter of understanding dealing with the application of the expression "economy of operation" in subsection 2.1, attached hereto, will be annexed to the collective agreement to be signed.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

LETTER OF UNDERSTANDING (2)

It is understood that the economic operation of the Company's fleet is an objective which both parties fully endorse and will strive to achieve as being in their mutual interest.

However, for purposes of grievance arbitration only, and during the term of the present collective agreement, the Company undertakes to avoid unnecessary recourse to the expression "for economy of operation" appearing in Subsection 2.1 in prosecuting its case, where the invocation of such expression is intended only to reinforce its case which may otherwise be justified in virtue of other dispositions of the collective agreement.

It is also understood that by this undertaking the Company has in no way set aside its fundamental right, indeed its obligation, to operate its fleet as economically as possible.

Dated this Oct 7 day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 1. INTERPRETATION AND AMENDMENT

1.6 f) "OFFICER" means a certificated First Mate, Second Mate, Third Mate, or Relieving Mate who is employed by the Company.

Dated this Oct 7 day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARRICLE 4. UNION SECURITY

It is agreed between the parties that the clauses of this Article shall be re-arranged numerically.

Dated this 5th day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 4. UNION SECURITY

4.10 Should the Company require an Officer to present himself for an employment interview at the Company's office, he shall be paid travel expenses as defined in Article 16.1.

Dated this Oct 7 day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 7. HOURS OF WORK

7.8 a) Should an Officer on any CLCA member company vessel be laid off for less than six (6) consecutive days during the navigation year and the vessel is put back into service, he shall not suffer any loss in normal pay because of such lay-off. The period of employment for which the Officer is so recalled shall not be less than five (5) days for tankers and ten (10) for bulkers.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 7. HOURS OF WORK

7.8 b) It is agreed between the parties that this clause is deleted.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 13 - SCHEDULED TIME OFF WITHOUT PAY

13.1 Scheduled time off shall be granted for each working hour in the working week for which time off is granted. Subject to the conditions and exceptions stated in the section, each Deck Officer shall be entitled to scheduled time off from the vessel on which he works, the scheduled time off to be calculated as equivalent to two (2) days off for each six (6) days worked of eight (8) hours per day. (.334 factor).

13.2 Each eligible Deck Officer shall be granted scheduled time off without pay as follows:

Each eligible Deck Officer shall be granted scheduled time off without pay based on the .334 factor for each hour worked.

13.3 ~~Accumulated~~ SCHEDULED time off will not be granted for periods of less than fourteen (14) days without mutual consent.

13.4 When a Deck Officer has ~~accumulated~~ COMPILED fourteen (14) days or more of time off and, provided he has made his request in writing fifteen (15) days in advance, he shall be granted a minimum of fourteen (14) days time off. However, all such time off shall be completed before the first day of December. On vessels operating twelve (12) months of the year, time off shall not be taken between December and the following January 15th, unless suitable arrangements can be made.

13.5 A Deck Officer shall not be compelled to take time off from his ship or be prevented from doing so.

13.6 Only one (1) Deck Officer per vessel will be permitted to take time off at one time and time off shall be granted on the basis of rank for the vessel on which the Deck Officer is employed, unless otherwise mutually agreed upon amongst the Deck Officers involved.

13.7 An Officer, prior to proceeding on time off, will notify the Master in writing of his intended date of return to the vessel. If he is recalled to work prior to the expiration of such time off, he shall be paid at the overtime rate of pay for all work performed between the time of recall and the time his time off would normally have expired as per notification.

ARTICLE 13 - SCHEDULED TIME OFF WITHOUT PAY, continued

13.8 Effective November 1,1987, an Officer who has at least one year of seniority with the Company, shall be paid an allowance to defray reasonable travel expenses between the port of disembarkation and his home in Canada once per season, two ways when taking his scheduled time off without pay. These costs are to include first class surface passage plus meals and berth or economy air fare or car allowance. Effective November 1,1987, the car allowance will be twenty-five cents ($0.25) per kilometre where no public transportation is available. All claims for scheduled time off transportation allowance shall be supported by original receipts for the actual funds expended.

The amount mentioned above shall increase at the same percentage increase as the normal wage in the 2nd and 3rd years of the agreement.

Dated this 14th day of October,1987, at Ottawa, Ontario

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 14. WAGES

The rates of pay in effect from June 1, 1987 to May 31, 1988 inclusive.

Any adjustments or percentage increases shall be calculated only from the ~~stand by~~ rate. The factor of .334 shall be used to determine the ~~basic~~ hourly rate.

Effective October 18, 1987, to May 31st 1988.

	NORMAL HOURLY RATE	TOTAL HOURLY RATE	OVERTIME AND ONE HALF	DOUBLE TIME	DOUBLE TIME AND ONE HALF
1st Mate	$13.92	$18.57	$25.53	$32.49	$39.45
2nd Mate	$12.64	$16.86	$23.18	$29.50	$35.82
3rd Mate	$12.19	$16.26	$22.36	$28.45	$34.55

Effective June 1, 1988, the above schedule of wages shall be increased by the cost-of-living index increase covering the previous 12-month period ending May 31, 1988, but said increase shall not exceed the total of 5%.

Effective June 1, 1989, the 1988 schedule of wages shall be increased by the cost-of-living index increase covering the previous 12-month period ending May 31, 1989, but said increase shall not exceed the total of 5%.

Dated this 22nd day of October 1987, at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 14. WAGES

14.3 All pay cheques and pay slips shall be placed in a sealed envelope from the Company pay office.

Dated this 7 day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 15. TRANSFER EXPENSES

15.2 The Company shall pay for or indemnify the Officer for all expenses incurred by him in transferring from one vessel of the Company to another vessel of the Company, upon production by the Officer of acceptable receipts or vouchers as evidence of those expenses. These costs are to include first class rail passage, economy air fare, taxi or two way car allowance, where public transportation is not available, of twenty-five cents ($0.25) per kilometre, effective June 1st, 1987, and the necessary meals and lodging.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ Hourly Rate in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

15. TRANSFER EXPENSES

15.3 Effective November 1, 1987, in the event that an Officer is transferred by the Company from one vessel to another vessel of the Company, the Company shall continue to pay the Officer his regular pay and reasonable expenses during the time period necessary to enable him to make his transfer.

Any combination of work hours and travel hours in excess of 8 hours in a day will be paid at the normal rate unless the terms of Article 15.2 take effect.

Dated this 22nd day of October 1987, at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 16. TRANSPORTATION, MEALS AND ROOM ALLOWANCE

16.1 When a Deck Officer has served the Company continuously aboard ship from the time of Spring fit-out (or if signed on the vessel after Spring fit-out as a replacement, from the time of such signing on) to completion of lay-up in the Fall, except only periods of justifiable absence from duty, the Company agrees to pay reasonable transportation costs to and from his home. These costs are to include first class surface passage or economy air fare or two way car allowance, where public transportation is not available, of twenty-five cents ($0.25) per kilometre, effective June 1st, 1987, meals and berth.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ hourly rate in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 17. PREMIUM PAY

It is agreed between the parties that both clauses, 17.1 and 17.2 of the collective agreement are deleted.

Dated this 2nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 17. PREMIUM PAY

17.5 An Officer having completed ninety (90) days with the same Company in a permanent position shall receive sixty-dollars ($60.00) to defray the costs of safety boots. Payment shall be made on November 30th of each year. Only CSA approved footwear shall be acceptable under the regulation.

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 18. SCHOOL PLAN

18.1 An Officer who has completed at least one (1) full navigation season of continuous employment with the Company and who succeeds in obtaining a higher certificate shall be entitled to receive from the Company, in respect of time spent, a subsistence of two thousand and ninety dollars ($2,090.00) provided that, after obtaining such certificate he remains with the Company for ninety (90) days.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ hourly rate in the 2nd and 3rd years of the agreement.

Dated this 27th day of October, 1987, at Ottawa, Ontario

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 23. MARINE DISASTER

23.1 An Officer who, while employed by the Company, suffers loss of clothing or other personal effects of any kind because of marine disasters or shipwreck, shall be compensated by the Company for such loss, up to a maximum of two thousand and ninety dollars ($2,090.00).

Dated this 22nd day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 31. ESTABLISHED CUSTOMS

31.2 Where an Officer has completed one (1) full season with the Company and accommodations are suitable, he may make arrangements to have his wife (or common law wife) accompany him for a period of up to, no more than, twenty-three (23) days each season. These arrangements will be approved for only two (2) Officer's wives (or common law wife) at a time.

The Officer's wife (or common law wife) shall not interfere in any way with the operation of the vessel. The Officer involved will be responsible for the cleaning of his quarters while his wife (or common law wife) is aboard, and his wife (or common law wife) shall sign a waiver releasing the Company of all liability for any mishap that may happen to her while she is aboard the vessel.

Dated this 7 day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 33. FAMILY SECURITY PLAN

33.1 The Company agrees, effective June 1st, 1987, to make a contribution of seven dollars and forty-three cents ($7.43) per position per day aboard the vessel.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ HOURLY-RATE in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987, at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

34. PENSION PLAN

34.1 Where an Officer elects to contribute to the Guild's "Retirement Security Plan", the Company shall pay, on behalf of each Officer, in addition to his regular pay, six and one half percent (6½%) of the Officer's ~~standby~~ rate on the basis of eight (8) hours for each day worked. Hourly rate

Effective June 1,1988, the Company contribution shall be seven (7) percent of the Officer's normal ~~rate~~ on the basis of eight (8) hours for each day worked. HOURLY RATE

Dated this 22nd day of October, 1987, at Ottawa, Ontario

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 35. PROFICIENCY PAY

35.1 When an Officer is in charge of a vessel between Tibbets Point and St. Lambert Lock, excepting when the vessel is at anchor or not underway, he shall receive the following rates of pay in addition to his applicable rate at the time the work is performed.

a) June 1st, 1987 to May 31st, 1988 - $10.35 per hour.

This proficiency pay will be paid for each hour, calculated to the nearest (1/4) hour, during which he is in charge on the bridge of the vessel in this area.

The amount mentioned above shall increase at the same percentage increase as the normal ~~pay~~ wage rate in the 2nd and 3rd years of the agreement.

Dated this 7th day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 39. RETROACTIVITY

39.1 Retroactivity will be paid on basic wages, pension contributions, overtime, leave credits, family security plan, and proficiency pay only.

The above terms refer to terminology used in the contract which expired May 31,1987.

Dated this 21st day of October, 1987 at Ottawa, Ontario.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 41. HIRING SERVICE

41.1 Effective June 1st, 1987, the Company agrees to pay the CMSG the sum of ninety six cents ($0.96) per position per day aboard the vessel to be remitted to the CMSG 3235 Granby Avenue, Montreal, Quebec, H1N 2Z8, not later than the 15th of the following month.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ Hourly rate in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987, at Ottawa, Ontario

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 43. MEDICAL CARE PREMIUMS

43.1 Effective June 1st, 1987, the Company agrees to pay the sum of seventy cents ($0.70) per day worked as a contribution towards medical care premium or the Family Security Plan as designated by the Guild. This can be redirected by the Guild upon thirty (30) days notice to the Company.

The amount mentioned above shall increase at the same percentage increase as the normal ~~wage~~ hourly rate in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987, at Ottawa, Ontario

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 44. LEGAL DEFENSE INSURANCE

44.1 Legal Defence Insurance for Officers covered by this agreement shall be provided in the following manner:

The Guild shall provide legal defence insurance which shall be paid for by the Company at the rate of fifty-seven cents ($0.57) per day per position effective June 1st, 1987.

The Company agrees to send the aggregate of the contributions for each month to the Canadian Merchant Service Guild, 3235 Granby Avenue, Montreal, P.Q., H1N 2Z8, on or before the 15th of the following month.

The contributions shall be accompanied by a list in duplicate showing each Officer's name, the number of days for which contributions are being made and the number of positions on each vessel, whether such positions are filled or vacant.

The amount mentioned above shall increase at the same percentage increase as the ~~basic wage~~ Normal hourly rate in the 2nd and 3rd years of the agreement.

Dated this 22nd day of October, 1987 at Montreal, Quebec.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

ARTICLE 46. DURATION OF AGREEMENT

46.1 This agreement shall remain in force from June 1st, 1987, to May 31st, 1990, and shall, without further act of the parties be renewed from year to year thereafter; unless written notice of desire to amend, modify or cancel any term hereof is given by either party to the other, not later that one hundred and fifty days (150) prior to May 31st, 1990.

46.2 In the event neither party gives notice to reopen one hundred and fifty days (150) prior to May 31st, 1990, allowing the agreement to continue on a year to year basis, either party may give written notice of desire to amend, modify or cancel any term thereof one hundred and fifty days (150) prior to the anniversary date of May 31st, in any given year, in which case this agreement shall terminate on the anniversary date in that year.

IN WITNESS WHEREOF the parties hereto have signed this Agreement the 7th day of October 1987.

CANADIAN LAKE CARRIERS ASSOCIATION

CANADIAN MERCHANT SERVICE GUILD

Copy for the Deputy Minister

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

SECURITY - CLASSIFICATION - DE SÉCURITÉ

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 19 1987

OUR FILE/NOTRE RÉFÉRENCE

Référé

YOUR FILE/VOTRE RÉFÉRENCE

Emergo

DATE

October 19, 1987

TO / A: The Honourable Pierre H. Cadieux

FROM / DE: ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W. P. Kelly W.P. KELLY

SUBJECT / OBJET: **In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting Canadian Lake Carriers Association, Montreal, Quebec and Canadian Marine Officers' Union**

The parties in the above-mentioned labour dispute, covering some 300 marine engineer officers, reached a tentative agreement yesterday morning on the second day of mediation meetings held at our Montreal Offices. You appointed Mac Carson as Mediator last Thursday. Mr. Carson convened the parties for Saturday morning bringing them together for the first time since their last formal meeting in mid-September.

Details of the settlement are being kept confidential pending ratification procedures which are expected to be completed within ten days. However, it appears that the union gained little that was not available before it commenced a three-week strike on September 28, 1987. As you know, the impact of the strike was marginal given that the ship owners continued operations with management and replacement engineers.

The CMOU settlement is not expected to create any problems of relativity vis-à-vis the agreement covering unlicensed personnel negotiated earlier this year with the Seafarers' International Union. A third group, involving the Canadian Merchant Service Guild, representing the licensed deck officers, is due to meet the Canadian Lake Carriers Association in Conciliation Commissioner proceedings in Ottawa later this week.

The weekend settlement represents a second success for Mr. Carson within a few days. He assisted the St. Lawrence Seaway Authority and the Canadian Brotherhood of Railway, Transport and General Workers to reach a tentative settlement last Wednesday covering the large operational and maintenance group.

Copy for the Deputy Minister.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable Pierre H. Cadieux

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W. P. KELLY

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: October 14, 1987

SUBJECT / OBJET: In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting **Canadian Lake Carriers Association**, Montreal, Quebec and **Canadian Marine Officers' Union**

Yesterday we received telephone requests from both parties in the above-mentioned labour dispute asking that a Mediator be appointed. The initial calls were from the Company side. Both George Miller, the Vice-President of the Canadian Lake Carriers Association (**CLCA**) and its Chief Negotiator, and Raymond Lemay, President of Canada Steamship Lines, emphasized the timeliness of a mediation appointment.

Mr. Lemay, whose company operates the largest Canadian laker fleet, also indicated that he had met informally with the President of the Canadian Marine Officers' Union (**CMOU**) Gil Gauthier, and that he had grounds to believe that a settlement could be reached within a day or two of negotiations commencing. In his call, Mr. Gauthier referred to his meeting with Mr. Lemay and, generally, echoed the positive tone concerning the usefulness of mediation at this time.

Neither party wants to send or join in a written request. They prefer that the request remains on the basis of informal telephone calls and that the appointment be made at the Minister of Labour's initiative. It would appear that neither side wants to have its "inquiry" interpreted as a sign of weakness. In such circumstances, it is not unusual for us to make an appointment and to facilitate a return to the bargaining table.

.../2

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 19 1987
Référé:
Entered:

In the present dispute, the parties have not met since mid-September. The union commenced strike action on September 28 but the shipping companies have continued virtually full operations with management and replacement engineers. The strike has had no noticeable impact on Great Lakes traffic although yesterday the union began picketing terminal grain elevators at Thunder Bay and this action could increase the dispute's public profile.

In my view, sufficient pressures have developed to make a mediation appointment timely and potentially productive. I am, therefore, on your behalf, appointing Mr. M.K. Carson, as Mediator pursuant to Section 195 of the Code. Mr. Carson knows the industry and the parties well. I intend to inform the parties officially of his appointment tomorrow morning and to have a brief press release issued subsequently indicating that you have made the appointment.

Government of Canada / Gouvernement du Canada

BEST AVAILABLE COPY

MEMORANDUM **NOTE DE SERVICE**

TO / A: Minister

Original Signed by LILLIAN McGLYNN a signé l'original

FROM / DE: Jennifer R. McQueen

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	OCT - 6 1987

SUBJECT / OBJET: **PORT OF MONTREAL**

Mr. Theodore Beaudin, the President of the International Longshoremen's Association, Local 375, held a press conference at which he requested the formation of a federal commission of inquiry to look into the matter of workers safety in the Port of Montreal. During his conference, Mr. Beaudin made a certain number of statements on which I wish to comment:

1. The accident rate is twice as high as it is in the mining sector

Labour Canada has no statistics on accidents/injuries suffered by employees belonging to M.E.A. for the period comprised between 1982 and 1985. The reason for this is that M.E.A. has opposed Labour Canada's jurisdiction in the Port for a long time and therefore member employers would not report accidents until required by a direction issued by LAO Guy Lauzon in April 1987.

However, M.E.A. inspectors have informed us that 138 accidents took place in the first 6 months of 1986 which caused 6 213 days lost. As well, between January 1 and July 31, 1987, 96 accidents occurred for a loss of 7 723 person-days. Transposed on an annual basis, this could amount to an average of approximately 200 lost time injuries. This is much higher than the national average of one accident for every 12 employees noted for the period 1983-85; it is, nevertheless, lower than the ratio of one in one found in the mining area.

.../2

2. The federal government is protecting the interests of employers rather than the safety of workers

Because of its safety profile as illustrated above, Labour Canada has classified M.E.A. in Montreal as a high priority employer. An action plan was therefore designed to ensure a systematic inspection of machinery, the identification of infractions with a view to eliminate them, a survey of employers to improve accident investigation and reporting mechanisms and the evaluation of the safety committee.

In 1986-87, for instance, 371 machine inspections were performed involving all eleven member employers of M.E.A. During these inspections, 243 infractions were recorded, and all were rectified within the periods prescribed in the assurances of voluntary compliance (A.V.C.) received. Each inspection covered ten main points, such as operator training, reports of equipment verifications by qualified persons, materials handling area, load storage limits, equipment commissioning, etc.

Regular follow-up inspections are also planned for 1987-88, maintenance certificates and records of heavy equipment will be verified and accident investigations are conducted on a regular basis.

3. The safety committee has no decision-making powers. M.E.A. paralyzes the committee's work

Under the current Code provisions, safety and health committees have no decision-making powers. The conditions governing the joint safety committee at M.E.A. have been bargained and agreed to by both parties. A validation order under section 92(4) of Part IV was issued on April 4, 1986. A meeting took place in last April to counsel M.E.A. and the union on committee's role and proper functioning. It is planned to conduct a thorough evaluation of that committee when the current negotiations are over and a new collective agreement is signed.

In addition to the safety committee under the collective agreement, there exist a group of 5 inspectors, funded by the M.E.A. that conducts round-the-clock safety monitoring. The five inspectors are chosen and supervised by the safety committee and are subject to approval by a representative of the union.

.../3

Finally, 2 persons ensure a constant liaison between the safety committee and the group of inspectors. One of the two is a full time union official who is also a member of the joint safety committee.

4. Working hours too long

Working hours are being monitored closely. Follow-ups are conducted on a monthly basis. Labour Canada is currently of the opinion that Code provisions governing hours of work are not being violated.

5. Lack of Training

This is being assessed as part of our on-going inspection and monitoring program.

The attention which the Port of Montreal has been receiving from Labour Canada for some time now is in keeping with the requirements of our compliance policy with regard to the selection of areas for priority intervention and methods of correcting situations of non-compliance.

A Labour Affairs Officer is assigned there virtually on a full-time basis to conduct equipment inspections and ensure that any hazards are detected and eliminated.

Recently, ministerial consent was obtained to launch a prosecution against "Federal Marine" and M.E.A. for wilfull contravention of Part IV, which contravention could have resulted in the death of or serious injury to one or many employees.

It is our intention to maintain our priority intervention policy in the Port of Montreal as long as the situation warrants. This of course is being coordinated with the Canadian Cost Guard safety officers who share the responsibility of enforcing Part IV of the Code in the Marine area. In effect, two joint meetings have taken place since proclamation of Part IV in the extended jurisdiction, at which the division of roles between Labour Canada and the Canadian Coast Guard has been clarified.

Ghislain Deroy
Operations
997-2554

GD/hdb

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / A: The Honourable Pierre H. Cadieux

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: September 28, 1987

SUBJECT / OBJET: **Port of Montreal** - Labour Dispute Between the Maritime Employers' Association (**MEA**) and the International Longshoremen's Association (**ILA**) Local 375

You spoke to me about the question posed to you in the House on September 24, 1987, by Robert Toupin, M.P., concerning negotiations in the Port of Montreal and, more particularly, a request for the appointment of an Industrial Inquiry Commission.

In the preamble to his question, Mr. Toupin referred to a press conference held by the union on Monday, September 21, 1987, during which, according to Mr. Toupin, the union asked for the appointment of an Industrial Inquiry Commission to look into delays in negotiations, the state of labour relations and "the ambiguous role" played by the President of the MEA. Mr. Toupin's question specifically asked if you intended to appoint a commission of inquiry.

Press reports on September 22 and 23 did not mention a union press conference. They referred to the slow and difficult nature of current negotiations and reiterated union allegations that the MEA is a powerful lobby able to obtain decisions from the Minister of Labour and from the Prime Minister's Office which defy logic. No mention was made in these reports of a union request for an Industrial Inquiry Commission.

The union's allegations about special consideration for the MEA are not new and are unfounded. With respect to delays in negotiations, Conciliation Commissioner Marc Gravel was appointed on May 14, 1987, and met with the parties on many occasions throughout June and July.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
SEP 29 1987
Référé:
Referred:

On August 6, 1987, the Canada Labour Relations Board issued a first decision in relation to the amalgamation of ILA Local 1845, the coastal local, with Local 375. As you are aware, a number of steps have since been taken and the Board has now finalized its decision in the matter. While these Board matters were in progress, the Conciliation Commissioner, who had been nearing completion of his hearings, had to suspend his proceedings. Mr. Gravel resumed his meetings on September 16 and they are continuing tomorrow and on several dates during the first half of October.

In the circumstances, your response to Mr. Toupin was completely appropriate and, if the matter is raised again, you might want to emphasize that the Conciliation Commissioner is still seized with the case and that he has meetings scheduled during October.

Deputy Minister
Labour Canada
Ottawa, Ontario
K1A 0J2

Sous-ministre
Travail Canada
Ottawa (Ontario)
K1A 0J2

465-10

BY HAND **SECRET**

September 22, 1987.

Mr. Ramsey M. Withers
Deputy Minister
Department of Transport
Transport Canada Building, 25th Floor
330 Sparks Street
Ottawa, Ontario
K1A ON5

Dear Ramsey:

Further to our conversation of this morning, I hope the following information will be useful:

Great Lakes Shipping

The dispute covered in the press is between the Canadian Lake Carriers Association (CLCA) and the Canadian Marine Officers' Union (CMOU) which represents engineering officers. The CMOU has been in a legal strike position since September 2 and has now set a strike date for September 28. The Association bargains with two other unions, the Seafarers' International Union (SIU) representing seamen and other unlicensed personnel and the Canadian Merchant Service Guild (CMSG) representing licensed deck officers. The SIU settled with the Association, earlier this year, in mediation. Conciliation Officer proceedings have been completed in the Guild dispute and the Minister's decision to name a Conciliation Commissioner in the dispute will be made known to the parties on Friday morning.

The nub of the issue is:

> The Canadian Marine Officers' Union represents marine engineers aboard vessels owned by members of the Canadian Lake Carriers Association. The Union has set a strike date for September 28 but the Association has indicated its intention to continue operating its vessels, through the use of management personnel, in the event of a work stoppage. The Seafarers'

...2

Canada

International Union settled a three-year agreement with the Association, earlier this year, covering unlicensed personnel. The Association and the Canadian merchant Service Guild will be informed on Friday of the decision to name a Conciliation Commissioner in their dispute. Therefore, neither the SIU or the Guild will be in a legal strike position if the CMOU does strike on September 28.

St. Lawrence Seaway

The St. Lawrence Seaway Authority is in dispute with the Canadian Brotherhood of Railway, Transport and General Workers (CBRT) which represents two bargaining units covering Seaway operational and maintenance workers and supervisors, respectively. Conciliation Officer proceedings have been underway but have reached impasse in the larger operational group and are not progressing in the supervisory group. However, the Conciliation Officers have not yet submitted their reports.

The issue is as follows:

> The Conciliation Officers have not yet submitted their reports in the labour disputes between the St. Lawrence Seaway Authority and the CBRT affecting operational and supervisory employees. When the reports are submitted, Labour Canada will consider whether or not to make Conciliation Commissioner appointments in accordance with the appropriate provisions of the Canada Labour Code.

Yours sincerely,

Jennifer R. McQueen

The Honourable Pierre H. Cadieux SECRET

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. Kelly

September 22, 1987

Labour Disputes Involving the Great Lakes and the St. Lawrence Seaway

We understand from the Privy Council Office that you may be asked to give a brief update at the Cabinet meeting on Thursday, October 1, concerning the current labour disputes involving Great Lakes shipping and the St. Lawrence Seaway. These disputes are the subject of reports in the press this morning.

Great Lakes Shipping

The dispute covered in this ~~morning's~~ press is between the Canadian Lake Carriers Association (CLCA) and the Canadian Marine Officers' Union (CMOU) which represents engineering officers. The CMOU has been in a legal strike position since September 2 and has now set a strike date for September 28. The Association bargains with two other unions, the Seafarers' International Union (SIU) representing seamen and other unlicensed personnel and the Canadian Merchant Service Guild (CMSG) representing licensed deck officers. The SIU settled with the Association, earlier this year, in mediation. Conciliation Officer proceedings have been completed in the Guild dispute and ~~your~~ decision to name a Conciliation Commissioner in the dispute will be made known to the parties on Friday morning.

the Min's

.../2

The crux of the issue is:
If the matter is raised, you might want to indicate the following to your colleagues:

The Canadian Marine Officers' Union represents marine engineers aboard vessels owned by members of the Canadian Lake Carriers Association. The Union has set a strike date for September 28 but the Association has indicated its intention to continue operating its vessels, through the use of management personnel, in the event of a work stoppage. The Seafarers' International Union settled a three-year agreement with the Association, earlier this year, covering unlicensed personnel. I will be informing the Association and the Canadian Merchant Service Guild tomorrow of my decision to name a Conciliation Commissioner in their dispute. Therefore, neither the SIU or the Guild will be in a legal strike position if the CMOU does strike on September 28.

WILL BE INFORMED ON FRIDAY

St. Lawrence Seaway

The St. Lawrence Seaway Authority is in dispute with the Canadian Brotherhood of Railway, Transport and General Workers (CBRT) which represents two bargaining units covering Seaway operational and maintenance workers and supervisors, respectively. Conciliation Officer proceedings have been underway but have reached impasse in the larger operational group and are not progressing in the supervisory group. However, the Conciliation Officers have not yet submitted their reports.

The crux is as follows:

If the matter is raised, you might want to indicate the following:

The Conciliation Officers have not yet submitted their reports to me in the labour disputes between the St. Lawrence Seaway Authority and the CBRT affecting operational and supervisory employees. When the reports are submitted, I will consider whether or not to make Conciliation Commissioner appointments in accordance with the appropriate provisions of the Canada Labour Code.

Labour Canada

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

DEPUTY MINISTER'S COPY

September 22, 1987 Our File: 326-3-3322

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: **Dispute between Sedpex Inc., St. John's, Nfld., and Seafarers' International Union of Canada (representing a unit of employees aboard drilling rig vessel "SEDCO 710")**

The Conciliation Officer assigned to deal with this dispute reports that the parties have been unable to reach a settlement. The parties are negotiating a renewal of their agreement which expired April 3, 1987, covering a unit of 65 oil rig employees aboard drilling rig vessel "SEDCO 710". This rig is under contract to Petro-Canada and is drilling on the Grand Banks. It is the only unionized rig in North America. The union was certified in July, 1985, and a first agreement was concluded in April, 1986.

Despite the efforts of the Conciliation Officer, the parties were unable to reach a settlement on the key issues of wages, union recognition and recall rights following lay off. The union is demanding a three-year agreement with annual wage increases based on a cost-of-living allowance. In addition, it is seeking to maintain existing provisions of the collective agreement which require union membership as a condition of employment and which do not place any limitation on the time an employee remains on the recall list following a lay off.

The company has offered a one-year agreement with no wage increase and is demanding an "open shop" under which union membership would be voluntary. With respect to an employee's right to recall after being laid off, the employer has proposed limiting such rights to one year and allowing for the transfer of personnel into this bargaining unit with the prospect of layoffs of existing employees.

...2

Canada

Negotiations are proving to be very difficult especially for the union which has applied to the Canada Labour Relations Board alleging unfair labour practices by the company. In addition, the Board is seized with an application from certain bargaining unit members seeking to have the SIU's bargaining rights revoked. Board proceedings in these matters have not been finalized yet.

The employer does not favour the appointment of a Conciliation Commissioner. The union, on the other hand, has sent a telegram formally requesting such an appointment. In the event that a Commissioner is not appointed in this case, it can be expected that the union would publicly criticize the decision.

In our view, the appointment of a Conciliation Commissioner would serve no useful industrial relations purpose. The parties have not indicated any willingness to compromise their respective positions nor have they indicated that they are prepared to place their negotiations in abeyance pending the outcome of the ongoing proceedings before the Canada Labour Relations Board. Until Board proceedings have been completed in this dispute, it is unlikely that meaningful negotiations will take place. In the event that a Conciliation Commissioner is not appointed, both parties are aware that mediation assistance could be made available to them in the event that they decide to resume negotiations.

If a work stoppage was to occur, it is reported that the company would intend to continue operations. For its part the union has stated that it would attempt to have any unionized offshore supply vessels honour its picket line. If necessary, it has asked the Canadian Labour Congress to support a boycott of Petro-Canada service stations in order to place further pressure on Sedpex Inc.

...3

After considering all factors, we recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Recommended:

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

Associate Deputy Minister

Approved:

Minister of Labour

465-10

September 18, 1987 Our File: 339-0609-B-86

MEMORANDUM TO: W. P. Kelly

We have received a notice of dispute pursuant to Section 163 of the Code from the Maritime Employers Association, Montreal, Quebec, concerning a collective bargaining dispute between the company and the International Longshoremen's Association, Local 1654.

The parties are negotiating a renewal of their existing collective agreement, which expired on December 31, 1986, covering a unit of 77 longshoremen in the Port of Hamilton, Ontario. The parties have met in direct negotiations but have been unable to reach agreement.

I would recommend, for your approval, that Mr. W. R. Edmondson be appointed as Conciliation Officer in accordance with Section 164(1)(a) of the Canada Labour Code (Part V - Industrial Relations).

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Approved:

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

Associate Deputy Minister

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
SEP 2 - 1987
Référé: Referred:

DEPUTY MINISTER'S COPY

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

465-10

BEST AVAILABLE COPY

August 24, 1987 Our File: 339-0449-B-87

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: Dispute between Verreault Navigation Inc., Les Méchins, Compté de Matane, Quebec, and Seafarers' International Union of Canada (SIU)

The Conciliation Officer assigned to deal with this dispute reports that the parties have been unable to reach a settlement. The parties are negotiating a renewal of their agreement which expired August 10, 1987, covering a unit of 45 tradesmen employed at a dry dock facility in the Gaspé region.

The key unresolved issues include wages, employer contributions to the pension fund, medical benefits and union hiring hall fund. The union is seeking to increase rates of pay and benefits for these tradesmen to the level enjoyed by SIU members employed aboard vessels. In this regard, the union is looking for hourly wage increases of $1.20 in the first year, and $1.00 in each of the remaining two years of a three-year agreement. The employer has proposed hourly increases of $0.55 in the first year and $0.35 in each of the remaining two years. The employer is opposed to granting land-based employees terms and conditions of employment similar to unlicensed personnel.

The employer is not opposed to the appointment of a Conciliation Commissioner. The union, on the other hand, is opposed and has sent us a telegram to reinforce its position. In our view, the appropriate course of action is to not appoint a Commissioner. Such a decision will bring pressure to bear on the negotiations which we feel is necessary before a settlement can be reached. Both parties have indicated a desire to meet again and are exploring dates in early September.

...2

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
AOUT 27 1987
Référé: _____
Referred: _____

Canada

In the meantime, there are no indications of immediate strike action. Should a work stoppage eventually take place, the impact would be largely confined to the parties themselves.

After considering all factors, we recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code.

Original Signed by
Original signé par
M. McDERMOTT
Michael McDermott

Recommended:

Original Signed by
Original signé par
M. McDERMOTT
Associate Deputy Minister

Approved:

Minister of Labour

Copy for The Deputy Minister

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

August 17, 1987

Our File: 339-0272-B-87

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: Dispute between Canadian Lake Carriers Association, Montreal, Quebec, and Canadian Marine Officers' Union

The Conciliation Officer assigned to deal with this dispute reports that the parties have been unable to reach a settlement. The parties are negotiating a renewal of their agreement which expired on May 31, 1987, covering approximately 300 marine engineers. The Association represents 12 shipping companies currently operating approximately 60 ships throughout the Great Lakes and the St. Lawrence Seaway.

A number of issues were addressed during Conciliation Officer proceedings, but the parties were unable to reach compromises on the key issues relating to wages, wage premiums and overtime. Based on a three-year agreement, the Association has offered an annual wage increase of 1.1% in the first year and cost-of-living increases to a maximum of 5% in the second and third years. The parties are also at odds over premium rates of pay for persons serving on tankers and self-unloaders and over the payment of double time.

There have been two recent settlements in Great Lakes shipping which, while not necessarily setting precise patterns for the industry, could be regarded as having established "a ball park" and, therefore, relevant to the Canadian Marine Officers Union (CMOU) dispute. Members of the Seafarers' International Union (SIU) have ratified by 96% the agreement reached with the Canadian Lake Carriers Association (CLCA) covering unlicensed personnel, and the Canadian Merchant Service Guild (CMSG) is presently conducting ratification proceedings for a tentative agreement reached with Upper Lakes Shipping covering licensed deck officers. Upper Lakes Shipping is a sizeable company which negotiates separately from the CLCA.

...2

Canada

The union has requested the appointment of a Conciliation Commissioner, while the Association has expressed no preference one way or the other. In our view, the appointment of a Conciliation Commissioner would serve no useful purpose and would delay build up of the bargaining pressure required to encourage the compromises necessary for settlement. In addition, no Commissioner was appointed in the SIU dispute with the Association and a settlement was reached in mediation. To appoint a Commissioner in this case could give confusing signals to the Canadian Merchant Service Guild and the same employer in the deck officers' dispute, which is at the Conciliation Officer stage and where there are still prospects for moves towards settlement.

There is the potential for a work stoppage in the CMOU dispute which would disrupt Great Lakes/Seaway traffic. We believe, however, that it would be more in the public interest to bring the dispute to a head now, as opposed to later when a work stoppage would be more disruptive towards the close of the season. ~~A decision against the appointment of a Commissioner~~ is, in our view, the appropriate course to follow. ~~Mediation assistance would be available~~ to the parties at an appropriate time.

After considering all factors, we recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Recommended:

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
W.P. KELLY

Associate Deputy Minister

Approved:

Minister of Labour

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable Pierre H. Cadieux

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: August 14, 1987

SUBJECT / OBJET

CLRB ACTIVITY AFFECTING MEA PORT OF MONTREAL AND INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

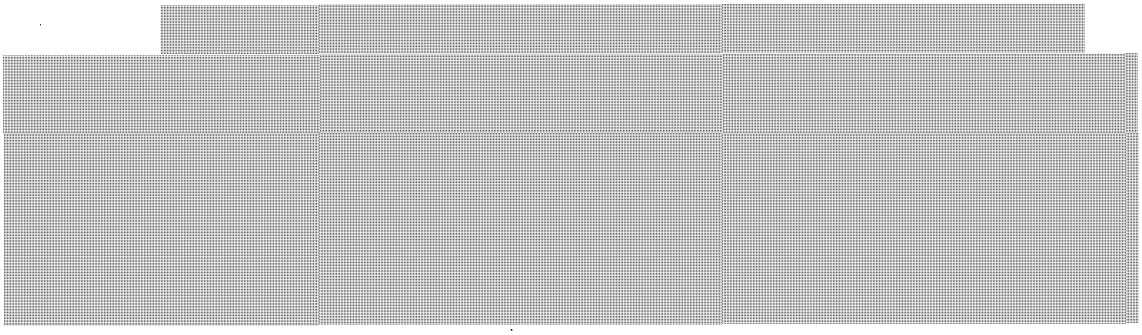
On August 5, 1987, a panel of the Canada Labour Relations Board chaired by Serge Brault issued a decision affecting two longshore bargaining units in the Port of Montreal represented by the International Longshoremen's Association (ILA). On August 13, we briefly discussed the implications of this very untimely decision in light of current conciliation activity, and the purpose of this memorandum is to advise you on recent developments and to confirm the course of action which we discussed.

Locals 375 and 1845 of the ILA represent longshoremen involved in loading and unloading ocean going and coastal vessels respectively in the port of Montreal. The Maritime Employers Association (MEA) represents the employers in the port pursuant to geographic certification orders issued by the CLRB in April 1986. The collective agreement between the MEA and ILA local 375 expired December 31, 1986 and this dispute is currently before a Conciliation Commissioner, Marc Gravel. The agreement between the MEA and ILA local 1845 expired March 31, 1986, and is currently at the conciliation officer stage.

In its decision, the Board determined that there is no longer any valid rationale to maintain two separate bargaining units, since the distinctions between ocean going and coastal vessels no longer apply. The Board has indicated that it intends to revoke the certification of locals 375 and 1845, and to issue a new certification order for a single, combined unit. It has directed that representatives of the two union locals, assisted by a Board officer, should meet to try and resolve the internal union problems raised by this decision by September 15. Meanwhile, the two units are to remain as they are - i.e. as separate bargaining agents - until the new certification order is issued sometime after September 15.

.../2

s.23



While the concept of a single longshoremen's unit for the port of Montreal is probably a good one, the timing of the Board's decision could not have been worse from an industrial relations point of view. The MEA and ILA local 375 are at a critical point in very difficult negotiations before Conciliation Commissioner Marc Gravel. Commissioner Gravel had been preparing to conclude his meetings with the parties when the Board decision was rendered, with the result that a number of new issues and questions were raised between the parties. At a meeting held on August 12, the MEA advised the Commissioner and the union that it would be filing a s.119 application with the CLRB, seeking clarification on a number of points raised by the decision.

A copy of the MEA's application to the Board in this matter is attached for your information. I have been assured that the CLRB will handle the application in an expeditious manner. In view of these developments, and as we discussed, we will be advising the Conciliation Commissioner that his reporting time will be extended pending clarification by the Canada Labour Relations Board of its August 5th decision. I have spoken to Commissioner Gravel regarding this matter and he is in agreement with this course of action.

Att.

PORT OF MONTREAL BUILDING
WING 2
CITE DU HAVRE
MONTREAL, P.Q.
H3C 3R5

E DU PORT DE MONTRÉAL
AILE 2
CITÉ DU HAVRE
MONTRÉAL, P.Q.
H3C 3R5

MEA
AEM

MARITIME EMPLOYERS ASSOCIATION
ASSOCIATION DES EMPLOYEURS MARITIMES

TELEPHONE (514) 878-3721

s.23 BEST AVAILABLE COPY

August 12th, 1987.

BY FACSIMILE

Mr. W. P. Kelly
Associate Deputy Minister
Federal Mediation and conciliation Service
Labour Canada
Ottawa, Ontario
K1A 0J2

Dear Mr. Kelly:-

Further reference is made to our telephone discussions of today's date wherein I indicated [redacted].

[redacted]

[redacted]

We certainly hope that this matter can be resolved as quickly as possible in order that we may pursue the negotiation of a new collective agreement with the least possible delay.

Yours very truly,

A. E. Masters
President

AEM/flb

Encl.

OGILVY, RENAULT

AVOCATS

AGENTS DE BREVETS ET MARQUES DE COMMERCE

BUREAUX D'OTTAWA
50, RUE O'CONNOR, BUREAU 1015
OTTAWA, ONTARIO, CANADA K1P 6L2
TÉLÉPHONE (613) 230-8661
TÉLÉCOP (613) 230-5459
TÉLEX 053-3055

1981, AVENUE McGILL COLLEGE
BUREAU 1100
MONTRÉAL, QUÉBEC, CANADA H3A 3C1
TÉLÉPHONE (514) 286-5424
TÉLÉCOP (514) 285-9389
TÉLÉCOP (514) 286-5474
CÂBLES JONFALL MONTRÉAL
TÉLEX 05-25362

Montréal, le 12 août 1987

Conseil Canadien des relations
du travail
Edifice C.D. Howe
240, rue Sparks
4e étage ouest
Ottawa (Ontario)
K1A 0X8

Compétence de Me Marc Lapointe, Président
Me Serge Brault, Vice-Président

Messieurs,

Concernant le Code canadien du travail (Partie V - Relations industrielles) et une révision initiée par le Conseil en vertu de l'article 119 dudit Code visant l'Association Internationale des Débardeurs, section locale 1845 et l'Association Internationale des Débardeurs, section locale 375, agents négociateurs accrédités, l'Association des Employeurs Maritimes, Montréal, Québec, employeur - VOTRE DOSSIER 530-1376
Requête en vertu de l'article 119 pour modifier la décision du 5 août 1987

Les adresses de la requérante, l'Association des Employeurs Maritimes (ci-après appelée l'A.E.M.), pour les fins de signification des procédures sont les suivantes:

Conseil Canadien des relations
du travail

Le 12 août 1987

Ogilvy, Renault
1981, avenue McGill College
Bureau 1100
Montréal (Québec)
H3A 3C1

Compétence de Me Gérard Rochon

et

Association des Employeurs Maritimes
Edifice du Port de Montréal, Aile 2
Cité du Havre
Montréal (Québec)
H3C 3R5

Compétence de Monsieur A.E. Masters
Président

Les adresses des intimées, l'Association Internationale des Débardeurs, section locale 375 et l'Association Internationale des Débardeurs, section locale 1845 sont les suivantes:

Local 375 — 3977, rue Ste-Catherine est
Montréal (Québec)
H1W 2G7

Local 1845 — 2520, rue Ste-Catherine est
Montréal (Québec)
H2K 1K1

La présente constitue une requête en vertu de l'article 119 du Code canadien du travail pour obtenir la révision et modification de la décision rendue le 5 août 1987 dans l'affaire mentionnée en rubrique.

Par sa requête, la requérante demande que le Conseil 1) annule le délai pour l'entrée en vigueur de sa décision du 5 août 1987, 2) émette immédiatement l'ordonnance confirmant l'unité appropriée telle que définie dans cette décision, soit:

Conseil Canadien des relations
du travail

Le 12 août 1987

> "tous les employés travaillant au chargement et au déchargement des navires et autres travaux connexes dans le port de Montréal, à l'exclusion des autres employés déjà représentés par un agent négociateur."

et désignant la section locale 375 de l'Association Internationale des Débardeurs comme le nouvel agent négociateur, le tout pour les raisons suivantes:

1. L'état des négociations entre l'A.E.M. et les sections locales 375 et 1845

Le Conseil n'est pas sans savoir, tel qu'il le mentionne d'ailleurs dans sa décision, que les conventions collectives des deux (2) sections locales sont échues et que l'une et l'autre sont présentement engagées dans le processus de négociations pour le renouvellement de leur convention collective respective avec l'A.E.M.

Quant à la section locale 1845, les négociations sont présentement rendues à l'étape du conciliateur désigné, monsieur Roch St-Hilaire, et des rencontres ont eu lieu dernièrement dans le cadre de la poursuite de cette conciliation.

Quant à la section locale 375, les négociations entamées il y a déjà presque huit (8) mois, sont maintenant rendues à l'étape ultime du commissaire conciliateur désigné, soit Me Marc Gravel, avec lequel les parties ont eu de nombreuses rencontres afin de faire valoir leurs points de vue respectifs. L'étape du commissaire conciliateur en est presque rendue à sa phase finale.

2. Les effets légaux de la décision du 5 août 1987 lorsqu'elle sera en vigueur

Par sa décision du 5 août 1987, le Conseil avise les parties à l'avance que les deux (2) unités de négociation existantes pour le port de Montréal seront à court terme abolies et une nouvelle unité de négociation

sera créée regroupant le travail effectué sous le couvert des deux (2) unités antérieures.

En conséquence, lorsqu'elle prendra effet (à une date ultérieure au 15 septembre 1987), cette décision et l'ordonnance qui l'accompagnera auront pour effet de replacer les parties à la première étape des négociations, soit au niveau de l'avis de négociations prévu à l'article 146 du Code canadien du travail.

Tout le processus de négociations devra alors reprendre à cette première étape de négociations pour considérer cette fois les demandes additionnelles de négociations qui résulteront de la fusion de ces deux (2) unités de négociation.

Entre-temps, le conciliateur, monsieur Roch St-Hilaire, quant à la section locale 1845 et le commissaire conciliateur, Me Marc Gravel, quant à la section locale 375, deviendront "functus officio" puisque les deux (2) unités de négociation en rapport avec lesquelles ils ont été nommés auront été abolies.

3. Futilité des négociations en cours

Cependant, parce que l'entrée en vigueur de cette même décision est reportée à plus tard (après le 15 septembre 1987) afin de permettre dans l'intervalle aux sections locales concernées de régler leurs problèmes internes, il en résulte que l'A.E.M., à titre d'employeur, doit poursuivre séparément avec chacune des sections locales 1845 et 375 le processus de conciliation engagé dans un cadre totalement irréaliste, puisque les unités pour lesquelles chacun négocie n'auront plus d'existence lorsque la décision du Conseil prendra effet.

Dans un telle situation, le rôle du commissaire conciliateur, Me Marc Gravel, et particulièrement du rapport qu'il doit soumettre à la fin de sa conciliation n'a plus de valeur probante puisque tout le processus devra être repris dans un contexte nouveau une fois que la décision du 5 août 1987 entrera en vigueur.

Conseil Canadien des relations
du travail

Le 12 août 1987

4. Effets pratiques de la décision du 5 août 1987

Les membres de votre Conseil qui ont entendu cette affaire sont bien conscients du fait que la revendication essentielle des membres de la section locale 1845 est de pouvoir obtenir la sécurité d'emploi telle qu'elle existe pour les membres de la section locale 375. Or, un des problèmes fondamentaux qui est présentement en litige entre l'A.E.M. et la section locale 375 devant le commissaire conciliateur, Me Marc Gravel, est justement de définir le nombre et l'identité des employés membres de la section locale 375 qui seront ajoutés à la liste de sécurité d'emploi.

Quoique la fusion des deux (2) unités n'apporte pas et ne garantit certainement pas l'octroi des bénéfices du programme de sécurité d'emploi aux membres de la section locale 1845, il n'en demeure pas moins que la fusion des deux (2) unités et donc des employés membres de la section locale 1845 avec la section locale 375 amène une dimension totalement nouvelle à la présente conciliation qui en est rendue à sa phase finale.

Cependant, parce que l'effet de cette décision du 5 août 1987 est reporté à une date ultérieure, une négociation qui porterait sur l'ensemble du problème est actuellement impossible, la nouvelle unité de négociation n'existant toujours pas. L'effet donc de ce délai donne à la section locale 375 un avantage démesuré puisqu'il lui sera loisible à court terme de recourir à des moyens de pression tels la grève pour forcer en priorité l'inclusion de ses membres sur la liste de sécurité d'emploi de l'employeur au préjudice des membres de la section locale 1845, qui ne peuvent faire valoir leurs droits tant que la décision n'est pas en vigueur.

De plus, une fois cette décision en vigueur, le nouvel agent négociateur, soit la section locale 375, pourra alors à nouveau reprendre le processus de négociations et recourir à nouveau à des moyens de pression pour forcer l'inclusion cette fois des anciens membres de la section locale 1845 sur la liste de sécurité d'emploi.

Cette situation d'iniquités totalement inacceptable et injuste envers l'A.E.M. résulte directement du délai accordé pour l'entrée en vigueur de la décision du 5 août 1987.

5. Justification de la requête en vertu de l'article 119

La décision du Conseil du 5 août 1987 rend totalement inutile la poursuite de la conciliation présentement engagée et qui en est rendue à sa phase finale quant à la section locale 375.

En effet, il ne sert plus à rien de poursuivre des négociations qui achoppent essentiellement sur la question de l'identité et du nombre des employés à ajouter sur la liste de sécurité d'emploi, lorsque l'on sait par ailleurs qu'un nombre additionnel d'une centaine d'employés (section locale 1845) viendront éventuellement (après le 15 septembre 1987) s'ajouter au groupe actuel des deux cent cinquante (250) nouveaux membres de la section locale 375 qui désirent obtenir la sécurité d'emploi en priorité.

Les données du problème ne sont plus les mêmes et toute poursuite de négociations fructueuse doit nécessairement tenir compte des effets à venir de la décision du Conseil. Or, tant que cette décision du Conseil n'est pas en vigueur, une telle négociation est impossible et c'est la raison pour laquelle nous croyons essentiel que le Conseil modifie sa décision du 5 août 1987 en donnant un effet immédiat à sa décision et en émettant immédiatement l'ordonnance définissant la nouvelle unité et désignant le nouvel agent négociateur.

Nous soumettons respectueusement qu'en fractionnant ainsi sa décision en vertu de l'article 120.1 du Code canadien du travail, le Conseil dans un premier temps préjudicie et porte atteinte aux droits de l'A.E.M. qui se voit dans l'impossibilité de pouvoir entreprendre la négociation des droits de l'ensemble de ses employés qui feront partie de la nouvelle unité de négociation et dans un deuxième temps, accorde un avantage indu à la section locale 375 en lui faisant bénéficier d'une négociation par

Conseil Canadien des relations
du travail

Le 12 août 1987

étape d'abord en faveur de ses membres actuels et par la suite, en faveur des employés ajoutés à l'unité nouvelle par l'effet de la décision du Conseil, chaque étape étant par ailleurs assortie d'un droit de grève. L'article 120.1 du Code canadien du travail prévoit qu'un tel fractionnement de décision ne peut se faire s'il porte atteinte aux droits d'une partie.

Cependant, nous croyons qu'il serait malheureux que les efforts déployés par la section locale 375 et l'A.E.M. auprès du commissaire conciliateur, Me Marc Gravel, soient anéantis pour la seule raison qu'une nouvelle unité de négociation a été créée et qu'un nouvel agent négociateur a été désigné.

A cet égard, nous soumettons respectueusement que le Conseil a les pouvoirs nécessaires en vertu des articles 121 et autres du Code canadien du travail pour émettre une ordonnance déterminant que la conciliation entre l'A.E.M. et le nouvel agent négociateur, section locale 375, devra se poursuivre avec le commissaire conciliateur déjà désigné mais dans le cadre de la nouvelle unité de négociation. Ainsi pourra se poursuivre une conciliation efficace sans perdre le bénéfice du travail important déjà effectué par les parties devant le commissaire conciliateur en place.

Pour le moment, l'A.E.M. a avisé la section locale 375 et le commissaire conciliateur, Me Marc Gravel, qu'elle soumettrait au Conseil la présente requête en vertu de l'article 119 et que l'A.E.M. ne pouvait dans les circonstances poursuivre le processus de conciliation en cours tant que le Conseil ne se sera pas prononcé sur sa requête.

Conclusions

Pour ces motifs, nous prions le Conseil de bien vouloir modifier et amender sa décision du 5 août 1987 dans l'affaire mentionnée en rubrique en annulant le report de l'entrée en vigueur de sa décision et en émettant sans délai une ordonnance déterminant la nouvelle unité de négociation, telle que définie par sa décision et désignant le nouvel agent négociateur, soit la section

Conseil Canadien des relations
du travail

Le 12 août 1987

locale 375; de plus, nous demandons au Conseil d'ordonner que l'A.E.M. et le nouvel agent négociateur, section locale 375, poursuivent dans le cadre de la nouvelle unité de négociation définie par le Conseil le processus de conciliation présentement en cours devant le commissaire conciliateur, Me Marc Gravel, et enfin, de convoquer les parties à une audition aussi rapidement que possible advenant une contestation de la présente requête.

Une copie de la présente requête a été remise aux sections locales 1845 et 375 de l'Association Internationale des Débardeurs.

Le tout respectueusement soumis.

OGILVY, RENAULT

par: _____
Gérard Rochon
Procureur de la requérante

GR/fd

c.c.: -Monsieur G. Legault
-Monsieur R. Lacas
-Association Internationale des Débardeurs, section locale 375
-Association Internationale des Débardeurs, section locale 1845
-Me Marc Gravel
-Monsieur Roch St-Hilaire

c.s.: Monsieur A.E. Masters ✓

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Jennifer R. McQueen
Deputy Minister

FROM / DE: E. MacPherson

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 17, 1987

SUBJECT / OBJET **NEWFOUNDLAND DOCKYARDS**

As you requested on Thursday, July 16, 1987, I contacted the Canada Labour Relations Board regarding the current status of the case pending before the Board involving the Newfoundland Dockyards.

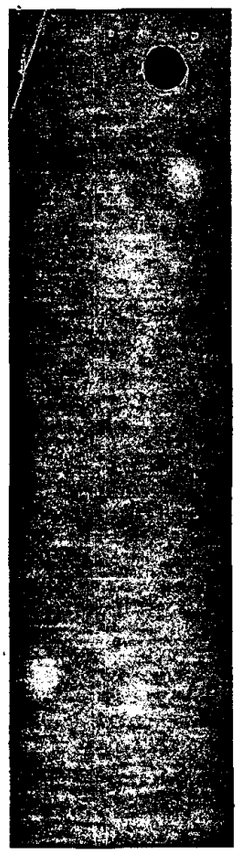
On February 7, 1986 a panel of the Board comprised of Marc Lapointe, Brian Keller and Victor Gannon, issued a decision dealing with other aspects of this case (copy attached). Judgement was reserved on the portion of the applications dealing with Terra Transport, Newfoundland Dockyard and CN Marine.

I was informed by the Registrar of the Board that the Dockyard matter is "still before the Board", and that no estimate can be given as to when a decision will be rendered.

Mr. Kelly conveyed this information to Ramsay Withers on Friday morning, July 17.

Att.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL 1987
JUIL
Référé: 1696
Referred:



information

This is not an official document. Only the Reasons for Decision can be useful for legal purposes.

Ce document n'est pas officiel. Les motifs de décision seulement peuvent être utilisés aux fins légales.

Canada Labour Relations Board

Conseil Canadien des Relations du Travail

Summary

VARIOUS APPLICATIONS CONCERNING CANADIAN NATIONAL RAILWAY COMPANY, NEWFOUNDLAND DOCKYARD CORPORATION, TERRA TRANSPORT, CN MARINE INC., CANADIAN PACIFIC LTD., ONTARIO NORTHLAND RAILWAY, CANADIAN DIVISION, BROTHERHOOD OF RAILWAY CARMEN OF THE UNITED STATES AND CANADA, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION, UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, THE INTERNATIONAL MOLDERS' AND ALLIED WORKERS' UNION, AND CANADIAN COUNCIL OF RAILWAY SHOPCRAFT EMPLOYEES AND ALLIED WORKERS.

Board Files: 530-1148, 530-1251, 530-1252, 555-2151, 555-2152, 555-2153, 555-2163, 555-2164, 555-2165, 555-2167, 555-2168, 555-2169, 555-2228, 555-2229, 555-2230, 555-2231, 555-2232, 555-2233, 555-2234, 555-2235, 555-2236, 555-2378, 565-242, 565-243, 565-244, 565-245

Decision No.: 556

Résumé de Décision

DIVERSES REQUÊTES CONCERNANT LA COMPAGNIE DES CHEMINS DE FER NATIONAUX DU CANADA, NEWFOUNDLAND DOCKYARD CORPORATION, TERRA TRANSPORT, CN MARINE INC., CANADIEN PACIFIQUE LTÉE, ONTARIO NORTHLAND RAILWAY, LA DIVISION CANADIENNE DE LA FRATERNITÉ DES WAGONNIERS DE CHEMINS DE FER DES ÉTATS-UNIS ET DU CANADA, LA FRATERNITÉ INTERNATIONALE DES OUVRIERS EN ÉLECTRICITÉ, L'ASSOCIATION INTERNATIONALE DES MACHINISTES ET DES TRAVAILLEURS DE L'AÉROASTRONAUTIQUE, L'ASSOCIATION INTERNATIONALE DES TRAVAILLEURS DU MÉTAL EN FEUILLES, L'ASSOCIATION UNIE DES COMPAGNONS ET APPRENTIS DE L'INDUSTRIE DE LA PLOMBERIE ET DE LA TUYAUTERIE DES ÉTATS-UNIS ET DU CANADA, LA FRATERNITÉ INTERNATIONALE DES CHAUDRONNIERS, CONSTRUCTEURS DE NAVIRES EN FER, FORGERONS, FORGEURS ET AIDES, L'UNION INTERNATIONALE DES MOULEURS ET TRAVAILLEURS ASSOCIÉS, ET LE CONSEIL CANADIEN DES EMPLOYÉS DE MÉTIERS D'ATELIERS FERROVIAIRES ET DES TRAVAILLEURS ASSOCIÉS.

Dossiers du Conseil: 530-1148, 530-1251, 530-1252, 555-2151, 555-2152, 555-2153, 555-2163, 555-2164, 555-2165, 555-2167, 555-2168, 555-2169, 555-2228, 555-2229, 555-2230, 555-2231, 555-2232, 555-2233, 555-2234, 555-2235, 555-2236, 555-2378, 565-242, 565-243, 565-244, 565-245

N° de Décision: 556

The Board was faced with applications and cross-applications involving the parties referred to in the style of cause in which:

(1) certain member-unions of the Canadian Council of Railway Shopcraft Employees and Allied Workers sought separate certification to represent their members vis-à-vis each of the employers;

(2) certain member-unions of the Council and C.N.R. Co. sought decertification of the Council; and

Le Conseil a été saisi de requêtes et de requêtes croisées visant les parties mentionnées ci-haut où:

(1) certains syndicats membres du Conseil canadien des employés de métiers d'ateliers ferroviaires et des travailleurs associés visaient à obtenir des accréditations distinctes pour représenter leurs membres auprès de chacun des employeurs;

(2) certains syndicats membres du Conseil et la Compagnie de chemins de fer CN visaient à faire annuler l'accréditation du Conseil; et

... 2

(3) it was asked of the Canada Labour Relations Board to declare that Terra Transport Division, Newfoundland Dockyard Division, and C.N. Marine Inc. be declared separate employers for the purposes of the Code. This would result in separate certifications being issued for each union certified at Terra, the Dockyards and C.N. Marine, as well as C.N.R.

The Board, after lengthy hearings granted each of the member-unions of the Council separate certification to represent their members at each of C.N.R., C.P.R. and Ontario Northland Railway. The certification of the Council was revoked.

The Board did not deal with the application dealing with Terra Transport, Newfoundland Dockyard and C.N. Marine but reserved jurisdiction. It also reserved jurisdiction to deal with outstanding issues dealing with the composition of some bargaining units.

(3) l'on demandait au Conseil canadien des relations du travail de déclarer que la Division Terra Transport, la Division Newfoundland Dockyard et CN Marine Inc. sont des employeurs distincts aux fins du Code. Chaque syndicat accrédité auprès de Terra, Newfoundland Dockyard, CN Marine et la Compagnie des chemins de fer nationaux du Canada recevrait donc une accréditation distincte.

Suite à une longue période d'audiences, le Conseil a accordé à chaque syndicat membre du Conseil, une accréditation distincte pour représenter leurs membres auprès de la Compagnie des chemins de fer nationaux du Canada, de la Compagnie de chemins de fer Canadien Pacifique et d'Ontario Northland Railway. L'accréditation du Conseil a été révoquée.

Le Conseil n'a pas tranché la requête concernant Terra Transport, Newfoundland Dockyard et CN Marine, mais a réservé sa juridiction. Il l'a également réservée pour traiter des questions en suspens concernant la composition de certaines unités de négociation.

Canada Labour Relations Board

Conseil Canadien des Relations du Travail

Reasons for decision

Canadian Division, Brotherhood Railway Carmen of the United States and Canada,

applicant,

and

Canadian National Railway Company and Newfoundland Dockyard Corporation,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 555-2151

International Brotherhood of Electrical Workers,

applicant,

and

Canadian National Railway, Company, Newfoundland Dockyard Corporation and CN Marine Inc.,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Boar File: 555-2163

International Association of Machinists and Aerospace Workers,

applicant,

and

Canadian National Railway Company, Newfoundland Dockyard

... 2

Corporation and CN Marine Inc.,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 555-2169

Sheet Metal Workers' International Association,

applicant,

and

Canadian National Railway Company, CN Marine Inc., Newfoundland Dockyard Corporation and Terra Transport,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 555-2228

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada,

applicant,

and

Canadian National Railway Company, CN Marine Inc., Newfoundland Dockyard Corporation and Terra Transport,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,
certified bargaining agent.

Board File: 555-2231

... 3

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers,

applicant,

and

Canadian National Railway Company, CN Marine Inc., Newfoundland Dockyard Corporation and Terra Transport,

respondents,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 555-2234

International Association of Machinists and Aerospace Workers,

applicant,

and

Canadian National Railway Company,

respondent,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent,

and

The International Molders' and Allied Workers' Union,

interested party.

Board File: 555-2378

... 4

Canadian Division, Brotherhood Railway Carmen of the United States and Canada,

International Brotherhood of Electrical Workers,

International Association of Machinists and Aerospace Workers,

Sheet Metal Workers' International Association,

United Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada,

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers,

applicants,

and

Canadian Pacific Ltd. and its subsidiaries,

employer,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board Files: 555-2152
555-2164
555-2167
555-2229
555-2232
555-2235

Canadian Division, Brotherhood Railway Carmen of the United States and Canada,

International Brotherhood of Electrical Workers,

International Association of Machinists and Aerospace Workers,

Sheet Metal Workers' International Association,

United Apprentices of the Plumbing and Pipe Fitting

... 5

Industry of the United States and Canada,

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers,

applicants,

and

Ontario Northland Railway,

employer,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board Files: 555-2153
555-2165
555-2168
555-2230
555-2233
555-2236

Canadian Council of Railway Shopcraft Employees and Allied Workers,

applicant,

and

Canadian National Railway Company, Canadian Pacific Ltd., and Ontario Northland Railway,

employers.

Board File: 530-1148

International Brotherhood of Firemen and Oilers,

applicant,

and

Canadian Pacific Ltd. and its subsidiaries,

employer,

and

Canadian Council of Railway

... 6

Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 530-1251

International Brotherhood of Firemen and Oilers,

applicant,

and

Ontario Northland Railway,

employer,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

certified bargaining agent.

Board File: 530-1252

Canadian National Railway Company (CN Rail Division, Terra Transport Division and Newfoundland Dockyard Division) and CN Marine Inc.,

applicants,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

respondent council of trade unions,

and

Canadian Division, Brotherhood Railway Carmen of the United States and Canada, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of Electrical Workers, International Association of Machinists and Aerospace Workers, Sheet Metal Workers' International Association, International Molders' and Allied Workers' Union and United Association of Journeymen and Apprentices of the

... 7

Plumbing and Pipe Fitting Industry of the United States and Canada,

respondent trade unions.

Board File: 565-242

Canadian Division, Brotherhood Railway Carmen of the United States and Canada,

applicant,

and

Canadian Council of Railway Shopcraft Employees and Allied Workers,

respondent council of trade unions,

and

International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of Electrical Workers, International Association of Machinists and Aerospace Workers, Sheet Metal Workers' International Association, International Molders' and Allied Workers' Union, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada,

respondent trade unions,

and

Canadian National Railway Company,

Canadian Pacific Ltd.,

Ontario Northland Railway,

employers.

Board Files: 565-243
565-244
565-245

... 8

The Board was composed of Mr. Marc Lapointe, Q.C., Chairman, Mr. M. Brian Keller, Vice-Chairman and Mr. Victor E. Gannon, Member.

Appearances:

Mr. Denis J. Power, Q.C. for the Canadian Division, Brotherhood Railway Carmen of the United States and Canada;
Mr. Maurice W. Wright, Q.C., for the International Brotherhood of Electrical Workers and for the International Association of Machinists and Aerospace Workers;
Messrs. Harold F. Caley and Michael A. Church, for the Sheet Metal Workers International Association, the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, and for the International Brotherhood of Firemen and Oilers;
Mr. A. Rosner, for the Canadian Council of Railway Shopcraft Employees and Allied Workers;
Messrs. Alphonse Giard, and John A. Coleman for the Canadian National Railway Company, CN Marine Inc., Newfoundland Dockyard Corporation and Terra Transport;
Messrs. M. Shannon and I.J. Waddell, for Canadian Pacific Ltd.; and
Mr. P.A. Dyment, for Ontario Northland Railway.

These reasons for decision were written by Mr. Marc Lapointe, Q.C., Chairman.

I

All of these cases had to do with a realignment in the representation of a large group of employees in the employ

... 9

of three major railways in Canada: the shopcraft employees at Canadian National Railway Company, at Canadian Pacific Ltd., and at Ontario Northland Railway.

Shopcraft employees are members of one of the following unions: the Brotherhood of Railway Carmen of the United States and Canada (Canadian Division); the International Association of Machinists and Aerospace Workers; the International Brotherhood of Electrical Workers; the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers; the Sheet Metal Workers' International Association; the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada; the International Brotherhood of Firemen and Oilers; and, the International Molders' and Allied Workers' Union.

As regards the railway companies, Canadian Pacific Ltd. includes the subsidiaries thereof, where some of these shopcraft employees are employed: the Dominion Atlantic Railway Company; the Esquimalt and Nanaimo Railway Company; the Quebec Central Railway Company; and the Toronto, Hamilton and Buffalo Railway Company. Canadian National Railway Company includes CN Marine Inc., Terra Transport and Newfoundland Dockyard.

There are a multitude of collective agreements governing the terms and working conditions of these various parties: some were the result of agreements between bargaining agents certified under the Canada Labour Code, others were the result of agreements issuing from voluntary recognition by the employers of some of these certified bargaining agents. To complicate this picture, some agreements were the result

... 10

of voluntary recognitions by some of the employers granted to uncertified bargaining agents such as federations of some of the craft unions. These federations are not listed in the style of cause as applicants before the Board.

II

The relationships between these parties are generally nation-wide, involve practically all of the railway industry and encompass large numbers of employees, in excess of 20,000.

The Board had to hold a very long series of public hearings to complete the considerable data which its own investigators had amassed prior to public hearings. The complexity of the cases stemmed, in part, from the necessity to clarify and air relationships established over a great number of years and steeped in traditions the beginning of which have been lost in the fog of passing years, but which left a number of labour relations ´cobwebs´.

These cases also involved a new view of multi-employer/union collective bargaining and a view of broadbased bargaining concepts in an industry which in some quarters has, in the past, been heralded as the pinnacle of a sound and rational broadbased bargaining relationship.

What has occurred in more recent years in that industry, including the causes behind the instant applications would seem to demonstrate that the pinnacle has yet to be scaled.

These cases also involved a study of the provisions of the Code contained in Section 130 which deals with councils of

... 11

trade unions. This section appeared for the first time in the Canada Labour Code in 1973 (R.S., c. L-1, amended by 1972, c. 18). Prior to that date there had been no concept of a certifiable council of trade unions in the federal Code.

Despite all of its research, the Board has not been able to ascertain the genesis of the 1973 amendment which brought these provisions in the Code.

The Code was further amended in 1978 (R.S., 1977-78, c. 27) as regards this section, more specifically subsection (2) where paragraph (b) was abrogated.

Work jurisdictions and the very difficult disputes which arise from them were also rampant in some of the aspects of the respective positions and representations of the unions in these cases. This, of course, is a throwback to the former configuration of the labour movement dividing itself into craft unions and industrial unions.

Craft unions became deeply entrenched in the railway industry very early and despite the 1973 amendment to the Canada Labour Code, which deemphasized the traditionally acquired rights of craft unions to be certified separately, the long relationships between these craft unions and the railway companies have created long-standing practices which may still foster work jurisdiction disputes. However, here again, more advanced technology and new work methods and tools have led to an inexorable blurring of the ancient sharp delienations between some aspects of the work performed by members of the crafts involved, to the great concern of some of the craftsmen.

... 12

Another compelling factor forced these craft unions into a less individualized approach to representation and bargaining rights. It was the necessity for a more rational approach to collective bargaining in very large enterprises involved in an industry vital to the whole Canadian nation: broader based bargaining.

Besides the shopcraft unions, there are many other unions grouping other categories of employees working for the railway companies. The categorization of these unions has adopted many modes across the years. Today they can be described as: the running trades, the ´non-ops´ and the shopcrafts.

Attempts began very early to group the unions for collective bargaining purposes with the eventual creation of voluntary associations set up for the purpose of ´common front´ negotiations. Nowadays, these associations have become known as ARUs: Associated Railway Unions. The same phenomenon occurred on the employers' side and for a while, the Railway Association of Canada (RAC) existed, grouping the railway employers into a common front for the purpose of collective bargaining only.

At the height of the period when the system was working well, the picture of the collective bargaining process in the railway industry was very convincing as to the possibility of efficient, fruitful and peaceful multi-employer, multi-union collective bargaining encompassing a whole sector of the industrial federal scene.

Three key factors, however, must be stressed.

... 13

1. In federal labour relations, there is no certification system whereby, and without oversimplifying it, employers may form an association and seek certification for that association as employees joining a union may. The Board recognized for a long time that the Railway Association of Canada which was the creation of a voluntary agreement between the employers was a de facto bargaining agent, but could not and did not certify it.

2. The ARUs are not certified either. They never were transformed into Councils of trade unions after 1973, nor were they prior to 1973. They are strictly based on voluntary agreements between some unions to act in concert and were accepted as such by the employers.

3. The shopcraft unions, however, availed themselves of the provisions of section 130 of the Code and under the name of Division N^{O} 4 Railway Employees' Department, A.F. of L - C.I.O. were certified by the Board. This agent eventually changed its name to Canadian Council of Railway Shopcraft Employees and Allied Workers. Unlike the ARUs and the RAC described above, this is not a voluntary association but a council of trade unions. It meant, as the Code stated in 1973, that the Council certified by the Board became the bargaining agent for a unit of all of the employees represented by the various crafts constituting the Council.

As the Code states in section 130(3):

> *"130.(3) Membership in any trade union that forms part of a council of trade unions is deemed to be membership in the council of trade unions."*

... 14

The Council becomes a trade union. So repeats the Code more specifically in section 130(4)(b):

> *"130.(4) Where a council of trade unions is certified by the Board as the bargaining agent for a bargaining unit,*
>
> ...
>
> *(b) this Part applies, except as otherwise provided, as if the council of trade unions were a trade union."*

Therefore, the various shopcraft unions in the instant case were not acting on their own respective behalf at the bargaining table or in the day-to-day application of collective agreements, having been replaced by a single certified spokesman: the Council.

The Council, as a certified trade union, could act alone in negotiations or could voluntarily join with other unions to from an ARU in order to form a common front facing the employers. But in the ARUs, whereas other unions each chose a spokesman, the shopcraft unions had imposed one upon themselves: the Council.

III

It is with this background in mind that one must turn to three events which preceded the applications under study. First, towards the end of 1981, and as confirmed by decisions of the Board in March of 1982, the common front on the employers' side was broken by the Canadian National Railway Company which applied to the Board in order to make it aware of the fact that it had withdrawn its voluntary participation in the Railway Association of Canada. The Board granted that application and accordingly issued a series of amended certifications to realign the

... 15

representation rights. Second, on June 1983, the Board modified the certifications issued to the Canadian Council of Railway Shopcraft Employees and Allied Workers at the request of said Council, in order to specify that the Council was a council of trade unions pursuant to section 130 of the Code and, more importantly, in order to name (enumerating specifically the members of said Council - that is, each one of the constituent unions, applicants in the cases now under study) its components.

The rumblings were becoming ominous. It is a well-known fact, and it came to the knowledge of the Board, that during the course of the year 1983, an outside union began organizing the members of the applicant shopcraft unions.

Third, on September 1, 1983, the Council itself, under the provisions of section 119 of the Code (review) made application to the Board for it to grant separate certifications to its constituent unions. With certain conditions, CN Railway Company did not object, but CP objected strenuously. The Board rejected that application at the beginning of 1984. The raid by another union did not materialize.

On October 3, 1984, the Canadian Division, Brotherhood of Railway Carmen of the United States and Canada (hereinafter: the Carmen) applied for separate certification as regards Canadian National Railway Company, Ontario Northland Railway and Canadian Pacific Ltd. (Board Files: 555-2151, 555-2152, 555-2153).

The International Association of Machinists and Aerospace Workers (hereinafter: the IAM) followed suit on October 15,

... 16

1984, vis-à-vis the same three employers (Board Files: 555-2167, 555-2168, 555-2169) and so did, on October 17, 1984, the International Brotherhood of Electrical Workers (hereinafter: the IBEW), also vis-à-vis the same three employers (Board Files: 555-2163, 555-2164, 555-2165).

The Board held public hearings in November 1984, in December 1984 and in January 1985. On January 15, 1985, the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (hereinafter: the Boilermakers) filed for separate certifications vis-à-vis the same three employers (Board Files: 555-2234, 555-2235, 555-2236). On the same day, January 15, 1985, the Sheet Metal Workers' International Association had followed suit (Board Files: 555-2228, 555-2229, 555-2230). They had been preceded by one day by the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (hereinafter: the Pipe Fitters) (Board Files: 555-2231, 555-2232, 555-2233).

On January 18, 1985, the Carmen filed an application to revoke the certification of the Council vis-à-vis the Canadian Pacific, the Canadian National Railway Company and the Ontario Northland Railway (Board Files: 565-243, 565-244, 565-245). These applications for revocation by the Carmen had been preceded on January 17, 1985 by an overall revocation application submitted by the Canadian National Railway Company (Board File: 565-242).

On July 3, 1985, the International Brotherhood of Firemen and Oilers applied for a review of the certifications held on its behalf by the Council vis-à-vis Canadian Pacific Ltd. and vis-à-vis Ontario Northland Railway (Board Files:

... 17

530-1251, 530-1252), to substitute itself to the Council as the certified bargaining agent in both instances, conditional on the Board granting, inter alia, the revocation applications directed at the Council.

Finally, on October 10, 1985, the IAM filed an application for certification to displace the Council as bargaining agent of a group of employees, heretofore belonging to the International Molders' and Allied Workers' Union, and represented by the Council (Board File: 555-2378). On August 28, 1984, prior to all of these applications, the Canadian Council of Railway Shopcraft Employees and Allied Workers filed an application to change its name to Canadian Council of Railway Shopcraft Unions (Board File: 530-1148).

IV

The position of the three respondent employers as regards these applications for certification varied. Canadian National Railway Company did not object, basically because it was in agreement that the Council has not, for a number of years, constituted and is still not now constituting a sound bargaining agent, and has become detrimental to rational collective bargaining.

Canadian Pacific Ltd. argued, to the contrary, that the Council was a valid and sound bargaining agent and expressed great concern if the Board was to fragment the bargaining units, claiming it would create havoc. Ontario Northland Railway adopted, generally speaking, the same position as the latter employer, although in a less vigourous way.

... 18

It is to be noted, and very important to realize, that the Council had been instructed by its constituents and took the position publicly throughout these hearings, that it did not oppose, first, the three first applications, and, second, the balance of the applications by the four unions which had not joined the Carmen, the IAM and the IBEW, at the outset but which applied towards the end of the public hearings in these cases.

It must also be realized that there were and are two additional applications before the Board, one by the Council (Board File: 560-85) asking the Board to declare that Canadian National Railway Company and CN Marine Inc. and Terra Transport in Newfoundland and Newfoundland Dockyard are one and the same employer. This application is asking the reverse of what the Canadian National Railway Company is asking the Board to do in its application (Board file 530-1129) to fragment the national units of the shopcraft unions, because it argues, CN Marine Inc., Newfoundland Dockyard and Terra Transport, are separate employers. Therefore, CNR Co. asks the Board to issue separate certifications vis-à-vis these "divisions" of the Canadian National Railway Company to each of the shopcraft unions who have employees who are their members in the employ of each of these "divisions".

The Board has reserved its decisions regarding these two applications and it must be noted that the application by Canadian National Railway Co., is vigourously contested by the Carmen, the IAM, and the IBEW.

Therefore, the present reasons for decision strictly deal with a realignment of representation rights on the union

... 19

side, concerning all of the shopcraft employees in the employ of these three employers.

V

The evidence concerning the applications for certification brought out some salient facts which the Board shall now underline.

1. None of the applicants had to produce much evidence to justify their status as associations under the Code. The Board files are replete with evidence that they meet the criteria of the Code in this regard.

2. Each of the applicants for certification have satisfied the Board that they each had the majority representative character vis-à-vis each of the three employers.

3. All of the applications are timely according to the prescriptions of the Code.

4. As was pointed out above, there are well over 20,000 shopcraft union employees working for these three employers. This was the overall constituency of the certified bargaining agent, the Council. However, when one looks at the constituents' share of that number, the three first applicants, that is, the Carmen, the IAM and the IBEW, have for many years now, constituted the overwhelming majority. And as between these three, the Carmen hold the lion's share. To put it bluntly, a Council of trade unions consisting of only the Boilermakers, the Pipe Fitters, the Sheet Metal Workers, the Firemen and Oilers and the Molders, would bring very little comfort to employees interested in

... 20

having concentrated and effective common front bargaining against the employers.

5. All of the applicant unions, including the "big three" (the Carmen, IBEW and IAM), while arguing that they must have separate bargaining certificates, have convinced the Board, through the evidence, that they still favour and will continue to favour in the future, common front or joint bargaining with the employers. It is common knowledge, and therefore the Board was aware of it, that even while the applicants were proceeding before the Board with the instant applications, negotiations were in progress with the employers and they were speaking, at the negotiation table, with a common voice. The Council itself, depending on circumstances facing the shopcraft unions, would in the past either join or not an ARU for a round of negotiations. Its disappearance would not detract from the possibility of some or all of these unions joining an ARU. In other words, the applicants all vowed that they would, once certified, immediately look to join an ARU or form one. Why not remain in the Council then?

They all insisted that the key difference would be that it would be on a <u>voluntary</u> basis and that they could therefore individually control their own destiny.

The history of collective bargaining in the Canadian railway industry shows that there has been, on the union side, for a number of years, voluntary and uncertified associations of railway unions with centralized negotiations. They have been in a constant status of flux, in the sense that some unions did not join in some years while they rejoined in the next round of negotiations and may have left again in the

... 21

next round, all depending on the perception in specific rounds of negotiations that special individual serious problems might require a determined individual stand.

These voluntary associations of unions did establish operating rules to govern the handling of problems arising in the course of multi-union, multi-employer negotiations, such as spokesmen, common demands, specific demands, ratification procedures, etc.

The employers did the same thing (see the RAC above) for a long while and it is only in recent years that CNR Co. withdrew from RAC. Yet, it is again common knowledge, and was put in evidence before the Board during these hearings, that in the current round of negotiations that company met with the unions jointly with the other employers, although not all of their demands were similar to all of the demands of the other employers.

VI

The very essence of the case of the three main applicants requesting to be granted separate bargaining rights is that the Council did not work. How it did not work was the subject of long testimonial evidence and many exhibits by the Carmen, the IAM and the IBEW. Democratic representation principles were at stake and had to be reconciled by the Council in an attempt to govern unequal partners. The very small unions, in exchange for their accepting to be subsumed into the Council, expected to have or to preserve as close to an equal voice as that of, for instance, the Carmen who represented approximately 50% of the employees covered. The old maxim "no taxation without representation" also got into

... 22

the act. The Carmen were expected to pay the same per capita as the others in the Council, notwithstanding their disproportionate voice in the decision-making process of the Council.

To a lesser degree, but in the same fashion, the IAM with over 5,000 employees covered and the IBEW with over 3,000, were confronted by the same dilemma.

The evidence is that for years now the three unions all had a hand at attempting to amend the Council's constitution in search of a formula which would keep all component unions satisfied, but without success: the aspirations of each of the unions and the dimensions of the problems were irreconcilable. The end result? The Council became a straitjacket because of its very legal nature. The Code provides that the certified Council is the only permitted voice to speak on behalf of its components. Therefore, matters had to be put to a vote where the Council had to speak for its members and when a matter was put to a vote, all the formulae used enhanced the power of the smaller unions who voted a disproportionately large number of votes. The end result was that in all cases each of the "big three's" position could always be outvoted by the smaller unions; in the case of the Carmen, it became particularly galling.

To placate the Carmen and to forestall their applying for certification, a proposal was made to drastically reduce their financial contribution (per capita) to the Council. This would have resulted in highly debilitating financial consequences for the Council. A bargaining agent which must defend the interests of over 20,000 employees vis-à-vis

... 23

three employers, two of which are major enterprises, needs sufficient funds, or at least the normal level of funds which a regular and normal bargaining agent usually benefits from in today's world of labour relations.

The evidence indicates that at the time of hearings, the whole permanent staff of the Council was reduced to two persons. The quid pro quo was for the Council to hand back to the unions a great proportion of the responsibilities which a bargaining agent usually handles: for instance, grievances and arbitrations except for a token registration by the Council in the latter case. This practice, in turn, placed the Council, the employees in the unit, and the craft unions in jeopardy as to who was responsible for what, as illustrated by a number of situations witnessed by the Board in applications for violations of the duty of fair representation (section 136.1 of the Code).

To the employers having to deal with the Council as a bargaining agent, the situation had become less than acceptable.

Canadian Pacific Ltd. and its subsidiaries did not wish to see these applications granted for other obviously worthy reasons and, therefore, did not present any evidence of problems with the Council. However, Canadian National Railway Company which eventually filed a revocation application against the Council (Board File: 565-242) stated in its written submissions, inter alia:

> *"... it is submitted that the Constitution of the Respondent Council is both inadequate and inequitable in that it does not provide for the proper representation of employees and an appropriate framework for sound labour relations. Consequently, it is submitted that the... Council*

... 24

> *does not fulfill the prerequisites for trade union status within the meaning of the Canada Labour Code.*
>
> *4. Furthermore, and subsidiarily, it is submitted that in respect of its functionning and activities, the Respondent Council is either not empowered to perform or simply abdicates its duties and obligations as a bargaining agent and a trade union within the meaning of the Canada Labour Code.* [The Company submits that it wishes and is entitled] *to deal with a true trade union which will be empowered to, and will in fact, perform all the duties and assume all the responsibilities of a trade union and bargaining agent under the Canada Labour Code."*

Let us use an illustration. An offer made at negotiations by the employers which would be acceptable to let us say the Carmen and IBEW, to the knowledge of the employers, could be turned down by a vote of the whole Council to the exasperation of both the employers and the Carmen and the IBEW who together represent 13,000 shopcraft employees, or, a majority of employees represented by the Council.

The Board is at a loss to understand why in 1973, Parliament felt necessary to insert in Part V of the Code, a concept which was priorly foreign to it. Voluntary grouping of bargaining agents for negotiation purposes had always existed prior to that addition to the Code, and they usually afforded a sufficient degree of flexibility to allow for one of the partners to withdraw in dire circumstances and according to self-imposed methods and rules negotiated by the employer or employers facing such a common front.

This is in fact what the Woods Task Force had in mind, the Board believes, when, in dealing with multi-employer and multi-union collective bargaining, it stated:

> *"551. In restructuring bargaining units we recommend that the Canada Labour Relations Board have power to join existing units in one*

... 25

> *certificate, to order joint bargaining where more than two unions or two employers are involved, and to take other steps it considers appropriate to bring the legal determination of units into line with a natural determination of the bargaining structure.*
>
> *552. As noted above, the choices of form which the unit may take are numerous. We record them not to indicate favourites but to suggest the scope for this discretion in seeking the policy of 'freeing' unit determinations both before and after original certifications. The choices include craft units, plant units, multi-plant, multi-employer and multi-union units, industry-wide units, regional units, national units, different units for different purposes, and units created through federal-provincial co-operation."*
>
> (Woods Task Force, Canadian Industrial Relations: the Report of the Task Force on Labour Relations, Ottawa, Privy Council Office, 1968, page 164)

But the provisions of section 130 of the Code offer a poor vehicle to achieve these laudable purposes.

The only explanation which the Board can presume is that it was judged that since similar provisions existed in the Public Service Staff Relations Act, R.S.C. 1970, c. P-35, they should be added to the Canada Labour Code. However, in the public service labour relations scheme, since it was predetermined that bargaining units would be horizontal and right across all departments of the government, one can understand that there might be a need to resort to councils of trade unions. Not necessarily so in the private sector.

Section 130, which produced the Council in the instant cases, also produced, in the specific circumstances, a straitjacket or dead end. The shopcraft unions which for various reasons, including technological changes, had seen their numbers reduced, and the crafts whose members were no longer required in the same number by the railway employers were anxious to seek the protection, the strength and

... 26

harbour of a Council, but were not willing, in exchange, to admit that, in the decision-making process, they could not expect to have a voice equal to that of the larger unions which were bringing them, because of their large number the very protection, strength and harbour that they needed. Pride in craft and desire to protect or enlarge work jurisdictions must be measured in connection with fundamental principles of majority rules which are basic in the canadian model of collective bargaining and representation of employees by bargaining agents.

VI

The Board was also made aware through these applications and the attendant investigation and public hearings of a number of rather extraordinary bargaining relationships existing in parallel with, in addition to, or despite the existence of the normal one-on-one relationship created by the certification of a bargaining agent vis-à-vis a given employer.

Some of those are the result of former bargaining modes which, despite later certifications, have subsisted in part; some federations of some craft unions on some properties still insist on co-signing or signing collective agreements or addenda to collective agreements, with the obvious consent of some employers.

Some old certifications refer in their definitions to collective agreements which were arrived at on the basis of voluntary recognitions by some employers.

... 27

The Board earlier referred to these anachronisms as "cobwebs". These situations can only lead to confusion and the Board has attempted in the new descriptions of bargaining units which it has issued on the basis of its adjudication on these applications, to eliminate as many of these "cobwebs" as possible while not jeopardizing the rights of anyone.

VII

The Board has come to the conclusion that all of the applications for certification have to be granted and has issued the necessary certifications which the parties have already received.

1. The evidence was overwhelming that the Council no longer constituted an appropriate bargaining unit.

2. The Council itself was not objecting to the granting of separate certificates to its component craft unions.

3. Separate bargaining rights will permit the wish of the majority in each craft to express itself, which was not the case under the Council.

4. Employers should have a more reliable response in collective bargaining.

5. The Board is convinced that these unions will essentially group into voluntary associations of unions for the purpose of collective bargaining, thereby recreating multi-union collective bargaining.

Amidst the evidence concerning major issues in these cases, there was a considerable amount surrounding highly contested

... 28

work jurisdictions on some properties in cases concerning the Canadian National Railway Company. The Board reserved jurisdiction to deal with these specific problems at a later date, as appears in the covering letter which was attached to the certification orders already forwarded to the parties in the Canadian National Railway cases.

The Board shall ask the interested parties to submit additional written representations in support of their respective positions regarding these outstanding issues. One example: the reclamation plants on Canadian National Railway Company, in Moncton, New Brunswick; London, Ontario; and Transcona, Manitoba.

Because of and in addition to the granting of separate bargaining rights to all craft unions, the Board has also granted the revocation applications of the Carmen and of Canadian National Railway Company as against the Council.

The Council not being a certified bargaining agent any more, there was no longer any purpose in the Board addressing the application of the Council for a change in its name on the bargaining certificates it had been granted. That application is dismissed.

There were a handful of Molders left in the employ of the Canadian National Railway Company. Advisedly, the Union representing them did not object to its members signing IAM cards and going into the bargaining unit of that union. The Board has therefore granted that application for certification by the IAM. Another cobweb gone.

The International Brotherhood of Firemen and Oilers had ceded its bargaining rights to the Council which had been certified separately to represent the firemen and oilers at Canadian Pacific Ltd. and its subsidiaries and at Ontario

... 29

Northland Railway. There are no such crafts on the Canadian National Railway Company property.

The Union would have preferred that the Council remain its bargaining agent, but only if the Council retained its overall bargaining rights. Alternatively, the Brotherhood sought to recuperate its bargaining rights. In view of the separate certifications granted to the Council by the Board, that Brotherhood proceeded by way of applications to review (Board Files: 530-1251 and 530-1252).

The investigation of the Board revealed that the Council was not opposing these applications, nor were the properties (except for their overall opposition to fragmentation). Furthermore, the applicant Brotherhood satisfied all of the Code prescriptions in such an application including majority character.

Therefore, the Board also granted these applications and issued the appropriate certifications.

ISSUED at Ottawa, this 7th day of February 1986.

Marc Lapointe, Q.C.
Chairman

M. Brian Keller
Vice-Chairman

Victor E. Gannon
Member of the Board

CLRB/CCRT -556

Government of Canada / Gouvernement du Canada

MEMORANDUM — NOTE DE SERVICE

TO / À: The Honourable Pierre H. Cadieux

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: July 17, 1987

SUBJECT / OBJET: **International Longshoremen's and Warehousemen's Union v. the Queen**

Please find attached copy of a letter from Eric Bowie, Chief General Counsel, Department of Justice, dealing with the application brought by Mr. Glass before Mr. Justice Collier on Tuesday, July 14th. He refused Mr. Glass' motion that you be substituted for the undersigned as the person to be examined on behalf of the Crown and his Reasons in writing are not as yet available.

His Lordship also ordered a filing of a list of documents by July 22nd. We are presently preparing this list, which is important, as we must submit all pertinent documents at this time or consequently we would be precluded from using same at the trial.

You will note that Mr. Glass would like to complete the examination before August 6th and I am informed his reason is he plans vacation for the following two or three weeks. I have informed Mr. Bowie that I am on vacation till August 10th, but would be prepared to meet Mr. Glass anytime from August 12th to 21st. I understand Mr. Bowie will be on vacation from August 23rd to 28th. I have made it clear to Mr. Bowie that I have commitments for the entire month of September and he should make it as a matter of record to Mr. Glass of my availability in August in the event he goes before the Court seeking determination of a date to meet his convenience. In other words, if he is so anxious to proceed, he can relinquish part of his vacation.

I will be informed on developments on this matter while I am on vacation and will keep you fully informed.

Att.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL JUIL 17 1987
Référé: Referred:

Department of Justice Canada
Ministère de la Justice Canada

Ottawa, Canada
K1A 0H8

BY HAND

July 16, 1987.

Mr. William P. Kelly,
Associate Deputy Minister,
Labour Canada,
Federal Mediation and Conciliation Service,
Place du Portage,
Phase II,
11th Floor,
Ottawa,, Ontario.

RE: INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION V. THE QUEEN

Dear Mr. Kelly:

I attended before Mr. Justice Collier on the application brought by Mr. Glass on the morning of Tuesday, July 14th. At that time His Lordship indicated that he would not order that the Honourable Pierre Cadieux be substituted as the person to be examined on behalf of the Crown and he also said that he would give his Reasons the following morning. I attended again yesterday and at that time His Lordship gave brief Reasons which will not be available for several days in writing. When they are, I will forward them to you. He also ordered at that time that the examination of you should take place in Vancouver, his reason for this being that the Crown is resident throughout the country and that departmental officers carry on their departmental business in various parts of the country and that in his view it is appropriate to hold the examination at a place convenient to the other party. The examination is to take place before a court reporter in Vancouver and he left it for the parties to agree on a date. If we are unable to agree, no doubt Mr. Glass will take out an appointment on whatever date suits him and we will find ourselves back before Mr. Justice Collier or some other judge if we do not attend on that date. Mr. Glass told me that he would like to complete the examination before August 6th and I told him we would look into the matter of dates and let him know.

Of immediate concern is the Order his Lordship made with respect to filing a list of documents. Both parties have been ordered to deliver their list of documents and file it by July 22nd which is next Wednesday. The list we have to file is one which enumerates all those documents of which the Crown has knowledge that might be used in evidence to establish or assist in establishing any allegation of fact in our pleading, in other words all those documents which we could put into evidence which would go to justifying the legislation under section 1 of the Charter. I understand that these documents are now being assembled and it is

Canada

important that we be in a position to review them all by Monday, July 20th so that the list can be finalized and sent from here on Tuesday. It is most important that we comply with this Order both because the consequence of not doing so is that we would be precluded from using the documents at the trial, if there is a trial, and also because failure to comply would certainly lose us the sympathy of the court on future applications. Without wanting to seem pessimistic I think it is probable that we will have more motions of this kind before the case is ended. I would therefore appreciate you doing everything possible to get us the required documents by Monday at the very latest.

Yours very truly,

Eric A. Bowie,
Chief General Counsel.

EAB/mmk

c.c.: Mr. P. Sorokan.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Mr. W. P. Kelly
Associate Deputy Minister
Federal Mediation and
Conciliation Service

FROM / DE: Peter Sorokan
Senior Counsel
Legal Services

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: July 22, 1987

SUBJECT / OBJET: **ILWU v The Queen**

This is to confirm that the ILWU and the International Longshoremen's and Warehousemen's Union, Local 500 have commenced proceedings in the Federal Court of Appeal by way of an Originating Notice under Section 28 of the Federal Court Act, against the British Columbia Maritime Employers Association, asking the court to set aside the decision of Joseph M. Weiler, Industrial Inquiry Commission, appointed under the Maintenance of Ports Operation Act, 1986.

As you are aware, s. 28 of the Federal Court Act provides for a review of decisions of federal boards, commissions or other tribunals unless the decision is a decision of an administrative nature not required by law to be made on a judicial or quasi judicial basis.

Because of the importance of this matter and of its consequences on other similar legislation that may be enacted by Parliament, I think we should give serious thought to instructing the Deputy Attorney General to intervene in this matter. In any event, I propose to discuss this with Eric Bowie later today and will communicate with you again after that.

A copy of the Notice of Motion is enclosed for your information.

Peter Sorokan

Encl.

cc: Deputy Minister

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL 28 1987
JUIL
Référé: 1728
Referred:

WITH THE COMPLIMENTS OF / AVEC LES COMPLIMENTS DE

ERIC [illegible]

DEPARTMENT OF JUSTICE / MINISTÈRE DE LA JUSTICE

ORIGINATING NOTICE UNDER SECTION 28 OF THE FEDERAL COURT ACT

BETWEEN:

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION - CANADIAN AREA AND INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION, LOCAL 500

APPLICANTS

BRITISH COLUMBIA MARITIME EMPLOYERS ASSOCIATION

RESPONDENT

TAKE NOTICE that the Applicants herein apply pursuant to paragraph (a) of subsection 28(1) of the Federal Court Act to the Federal Court of Appeal, at a time and place to be fixed, to review and set aside the decision of Joseph M. Weiler, Industrial Inquiry Commission appointed pursuant to the Maintenance of Ports Operations Act, 1986, S.C. 1986, c. 47, s. 7(1) rendered on the 28th day of June, 1987 and communicated to the Applicants on the 13th day of July, 1987 on the grounds that the Industrial Inquiry Commission (a) failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction; (b) erred in law in making its decision or order; and (c) based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner without regard for the material before it.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of July, 1987.

JAMES E. DORSEY, ESQ.
Solicitor for the Applicants

TO: The Respondent

NOTICE TO THE RESPONDENTS

You are required to take cognizance of the within Application and make opposition thereto in accordance with its terms and the appropriate provisions of the Rules of this Court.

If you fail to do so, you will be subject to have such Judgment given as the Court may think just upon the Applicants' own showing.

Note: (1) Copies of the aforesaid Rules of Court, information concerning the local offices of the Court, and other necessary information can be obtained upon application to the Registry of this Court at Ottawa (telephone 992-4238) or at any local office thereof.

(2) This Application is filed by: JAMES E. DORSEY, ESQ. of BRAIDWOOD, MacKENZIE, BREWER & GREYELL, 1600, 1185 West Georgia Street, Vancouver, British Columbia, V6E 4G5, Solicitor for the within-named Applicants.

IN THE FEDERAL COURT OF APPEAL

ORIGINATING NOTICE UNDER SECTION 28 OF THE FEDERAL COURT ACT

BETWEEN:

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION – CANADIAN AREA AND INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION, LOCAL 500

APPLICANTS

AND:

BRITISH COLUMBIA MARITIME EMPLOYERS ASSOCIATION

RESPONDENT

ORIGINATING NOTICE

BRAIDWOOD, MacKENZIE,
BREWER & GREYELL
Barristers and Solicitors
1600, 1185 West Georgia Street
Vancouver, B. C., V6E 4G5

File: I-295(3)

JED/wjc

I HEREBY CERTIFY that the above document is a true copy of the original filed of record in the Registry of the Federal Court of Canada the 17 day of July A.D. 1987

Dated this 17 day of July 1987

Original to Kelly
Cont acknowledged
cc Dick
ministers
michel
Dept for
action
6/4/87

RCV22177 16:28 04/03/87

SEAFARERS MTL
APRIL 3, 1987

ATT: THE HONOURABLE PIERRE CADIEUX, MINISTER OF LABOUR

AS OF TODAY'S DATE, THE NEGOTIATIONS BETWEEN SEAFARERS' INTERNATIONAL UNION OF CANADA (SIU) AND THE CANADIAN LAKE CARRIERS ASSOCIATION (CLCA) HAVE BROKEN OFF IN CONCILIATION WITH MR. R. DOUCET.

AS INDICATED BY THE CLCA DURING OUR FINAL MEETING, WE WERE AT AN IMPASSE AND MR. DOUCET WAS SUBSEQUENTLY ASKED BY THE SIU TO MAKE HIS REPORT.

I WOULD, THEREFORE, RESPECTFULLY REQUEST THAT YOU DO NOT APPOINT A MEDIATION BOARD OR COMMISSIONER AND GRANT US OUR RIGHT UNDER THE CANADA LABOUR CODE TO GO ON STRIKE WHEN WE ARE IN A LEGAL POSITION TO DO SO.

ANDREW C. BOYLE
EXECUTIVE VICE-PRESIDENT
S.I.U. OF CANADA

CC: ANDRE OUELLET
IAN ANGUS

4:20 PM
SEAFARERS MTL

MINISTER OF LABOUR
APR - 6 1987
MINISTRE DU TRAVAIL

REFERENCE NO. 871559
FILE NO. 38

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
APR AVR - 6 1987
Référé:
Referred:

April 3/87
465-10

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

BEST AVAILABLE COPY

TO / À
Mr. W. P. Kelly
Associate Deputy Minister
Federal Mediation & Conciliation Service

FROM / DE
Peter Sorokan
Senior Counsel
Legal Services

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE: 3200-13
YOUR FILE/VOTRE RÉFÉRENCE:
DATE: March 18, 1987

SUBJECT / OBJET
International Longshoremen's and Warehousemen's Union Canada Area Locals 500, 502,503, 504, 505, 506, 508, 5151 and 519 v. Her Majesty

Further to our conversation of yesterday concerning the above matter, I now enclose a copy of Mr. Bowie's handwritten note to me as well as a copy of the Reasons given by Mr. Justice Jerome for denying the Crown's application to strike out the Statement of claim.

I am also enclosing a copy of my memo of today's date to Mr. Bowie.

Peter Sorokan

Encl.

cc: Deputy Minister

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
MAR 18 1987
Référé: 688
Referred:

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À:
Mr. E. A. Bowie, Q.C.
Chief General Counsel
Department of Justice (Room 425)

FROM / DE:
Peter Sorokan
Senior Counsel, Legal Services
Labour Canada

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE: 3200-13
YOUR FILE/VOTRE RÉFÉRENCE: 288020
DATE: March 18, 1987

SUBJECT / OBJET: International Longshoremen's and Warehousemen's Union - Canada Area Locals 500, 502, 503, 504, 505, 506, 508, 515 and 519 v. Her Majesty

Yesterday I received your hand-written note together with a copy of the Reasons of Mr. Justice Jerome for denying the Crown's application to strike out the Statement of Claim in the above matter.

As I have already informed you by telephone, I spoke to Bill Kelly about the possibility of an appeal of this decision. Mr. Kelly in turn spoke to the Minister, and the Minister has agreed that the decision be appealed. Would you, therefore, proceed with the preparation and filing of an Appeal Notice.

In the meantime, Mr. Kelly has asked if you could prepare a short note outlining the basis of the Appeal, and I understand that you will be preparing such a note in the next day or so.

Peter Sorokan

Department of Justice Canada
Ministère de la Justice Canada

Peter

As we discussed, I recommend an appeal! - Our Minister is agreeable to appeal.

I shall prepare the Notice - it must be filed by March 23rd

Eric.

Court No. T-2557-86

Federal Court of Canada
Trial Division

BETWEEN:

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION - CANADA AREA LOCALS 500, 502, 503, 504, 505, 506, 508, 515 and 519

EVERY PERSON ORDINARILY EMPLOYED IN LONGSHORING OR RELATED OPERATIONS AT A PORT ON THE WEST COAST OF CANADA AND WHO IS SUBJECT TO THE PROVISIONS OF THE MAINTENANCE OF PORTS OPERATIONS ACT 1986

Plaintiffs

- and -

HER MAJESTY THE QUEEN

Defendant

REASONS FOR ORDER

THE ASSOCIATE CHIEF JUSTICE:

This application by the Crown to strike the Statement of Claim came on for hearing at Vancouver, British Columbia, on January 21, 1987. At the outset of the hearing, I dealt with a motion by the plaintiffs which was resolved on consent. As a result of that motion, it was ordered:

(i) that this action be continued on behalf of the second named plaintiffs and that they be joined as parties;

(ii) that certain named union representatives continue as representing their respective locals; and

(iii) that the Statement of Claim be amended, by the addition of a number of individual plaintiffs and the corresponding plea that the challenged legislation violates the right to liberty of all the plaintiff employees, contrary to section 7 of the Charter of Rights. The plaintiffs withdrew a further alternative request for a determination of a question of law under Rule 474.

The action is for a declaration that the Maintenance of Ports Operations Act, 1986, S.C. 1986, c. 46, is inconsistent with the provisions of the Constitution and of no force or effect. The legislation is said to prohibit and/or restrict the plaintiffs from bargaining collectively and from lawfully withholding their services. The plaintiffs claim that such restrictions violate their freedom of association and right to liberty under sections 2(d) and 7 of the Charter of Rights and Freedoms.

The Crown brings this motion to strike under Rule 419(1) of the Federal Court Rules on the ground that no reasonable cause of action is disclosed. Counsel for the applicant concedes that this is an extreme application of the rule. It is acknowledged that the claim discloses a cause of action. The basis of the submission is that the present state of the law renders it impossible for the plaintiffs to succeed.

Mr Bowie says he did NOT concede this. P Saunders

Crown counsel argues that the issues in this case have already been conclusively determined by decisions which this Court is bound to follow. In particular, he cites

Public Service Alliance of Canada v. The Queen, [1984] 2 F.C. 562, affirmed [1984] 2 F.C. 889, in which my colleague Reed, J. held that the freedom of association does not include the right to bargain collectively and that "liberty" in S. 7 does not encompass the freedom of contract. Both opinions were upheld by the Federal Court of Appeal. Similarly, the Court of Appeal in Smith, Kline & French Laboratories et al v. The Attorney General of Canada, [1986] 1 F.C. 174, (affirmed, unreported, A-909-85, December 9, 1986) affirmed Strayer, J.'s decision that the rights protected by S. 7 have to do with the bodily well-being of a natural person, not his economic interests.

The argument that these decisions preclude the plaintiff's constitutional challenge in this case invokes many of the principles of the defence of res judicata. That defence, according to Jowitt's Dictionary of English Law, is based on the premise that:

> A final judgment already decided between the same parties . . . on the same question . . . is conclusive between the parties, and the issue cannot be raised again.

Res judicata itself, of course, is not applicable here as the earlier litigation was not between these parties. Nonetheless, the argument to strike based on the current state of the law is not without precedent. In R. v. Sylvestre, [1986] 3 F.C. 52, the Court of Appeal struck a claim for certiorari by a member of the Armed Forces who had beeen dismissed for being a homosexual. The decision was based on pre-1982 case-law which established that the Crown was not contractually bound to a member of the Armed Forces and that the relationship between the two did not give rise

to a remedy in the civil courts. The Court found that this state of the law had not been changed by the Charter of Rights and Freedoms and that the statement of claim, therefore, disclosed no cause of action.

It is fundamental that any order depriving a litigant of the right to be heard must be granted only in the clearest of cases and with extreme caution. That principle applies even more strongly where it is acknowledged that on the face of the pleadings, a cause of action exists.

In the final analysis, the most significant factor is that the plaintiffs now include individuals as well as unions. The claim, in turn, seeks a declaration that the legislation in issue offends the Charter by compelling these individuals to work under conditions and for wages they do not accept. There is therefore more at stake in this action than in the cases referred to by the Crown. In the P.S.A.C. case, Reed, J. specifically noted at page 575 that the Public Sector Compensation Restraint Act, S.C. 1980-81-82-83, c. 122, the challenged legislation, did "not cover employees not previously covered by a collective bargaining agreement". Both the P.S.A.C. and Smith, Kline cases dealt with interest that could be considered purely economic. There was no suggestion, as here, of employees being compelled on pain of fines to attend at their place of work and perform services. These distinctions save the cause of action.

During the course of argument, both counsel had reason to refer to the suitability of Rule 474 for the

resolution of this problem. Counsel for the plaintiffs advanced (and later withdrew) a final alternative argument that rather than accept the Crown's premise and dismiss the action at this stage, I should order that the question be resolved under Rule 474. Counsel for the Crown, in fairness, acknowledges that pre-determination of a question of law in that way might very well provide a more precise and more comprehensive resolution of the issue. It is clear, however, that the parties are not agreed on either the factual or legal basis for such an application and in light of the reasoning of the Federal Court of Appeal in Novopharm v. Wyeth Ltd., [1986] 26 D.L.R. (4th) 80, recourse to Rule 474 appears impossible at this time. In any event, no such formal application is before me, so nothing precludes it, should the parties find it appropriate to do so at a later stage.

The application is therefore dismissed with costs. The defendant is to file a statement of defence within thirty days of the date of these Reasons. Counsel may prepare a draft Order for signature.

O T T A W A

March 13, 1987

J. Jerome

A.C.J.

Federal Court of Canada

Court No. T-2557-86

BETWEEN

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION - CANADA AREA LOCALS 500, 502, 503, 504, 505, 506, 508, 515 and 519, et al

Plaintiffs

— *and* —

HER MAJESTY THE QUEEN

Defendant

REASONS FOR ORDER

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE** 465-10

TO / À: The Honourable Pierre H. Cadieux

FROM / DE: (sgd.) W.P. Kelly
W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: March 16, 1987

SUBJECT / OBJET

ILWU CHALLENGE OF THE MAINTENANCE OF PORTS OPERATIONS ACT 1986

In November 1986, legal counsel for the International Longshoremen's and Warehousemen's Union filed a Statement of Claim in the Federal Court, seeking a declaration that the Maintenance of Ports Operations Act 1986 is inconsistent with the provisions of the Constitution and that the Act is thus of no force or effect against the ILWU.

In January 1987, the Attorney General, representing Her Majesty the Queen, moved a motion to strike out the Statement of Claim on the grounds that no reasonable cause of action had been disclosed. The case was heard by the Associate Chief Justice, James Jerome, on January 21, 1987.

Justice Jerome's decision dismissing the motion to strike the Statement of Claim was issued on March 13, 1987, and the Crown has been directed to file a statement of defence within 30 days. A copy of the Associate Chief Justice's reasons for decision are attached for your information.

I will be meeting with legal counsel from the Justice department in the near future to determine the lines of argument we will take in our statement of defence, and will keep you apprised of developments in this case.

Att.

EM/rc

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
MAR 17 1987
Référé:
Referred:

Make me Sorokan have copy of this.

Court No. T-2557-86

Federal Court of Canada
Trial Division

BETWEEN:

INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION - CANADA AREA LOCALS 500, 502, 503, 504, 505, 506, 508, 515 and 519

EVERY PERSON ORDINARILY EMPLOYED IN LONGSHORING OR RELATED OPERATIONS AT A PORT ON THE WEST COAST OF CANADA AND WHO IS SUBJECT TO THE PROVISIONS OF THE MAINTENANCE OF PORTS OPERATIONS ACT 1986

Plaintiffs

- and -

HER MAJESTY THE QUEEN

Defendant

REASONS FOR ORDER

THE ASSOCIATE CHIEF JUSTICE:

This application by the Crown to strike the Statement of Claim came on for hearing at Vancouver, British Columbia, on January 21, 1987. At the outset of the hearing, I dealt with a motion by the plaintiffs which was resolved on consent. As a result of that motion, it was ordered:

(i) that this action be continued on behalf of the second named plaintiffs and that they be joined as parties;

(ii) that certain named union representatives continue as representing their respective locals; and

(iii) that the Statement of Claim be amended, by the addition of a number of individual plaintiffs and the corresponding plea that the challenged legislation violates the right to liberty of all the plaintiff employees, contrary to section 7 of the Charter of Rights. The plaintiffs withdrew a further alternative request for a determination of a question of law under Rule 474.

The action is for a declaration that the Maintenance of Ports Operations Act, 1986, S.C. 1986, c. 46, is inconsistent with the provisions of the Constitution and of no force or effect. The legislation is said to prohibit and/or restrict the plaintiffs from bargaining collectively and from lawfully withholding their services. The plaintiffs claim that such restrictions violate their freedom of association and right to liberty under sections 2(d) and 7 of the Charter of Rights and Freedoms.

The Crown brings this motion to strike under Rule 419(1) of the Federal Court Rules on the ground that no reasonable cause of action is disclosed. Counsel for the applicant concedes that this is an extreme application of the rule. It is acknowledged that the claim discloses a cause of action. The basis of the submission is that the present state of the law renders it impossible for the plaintiffs to succeed.

Crown counsel argues that the issues in this case have already been conclusively determined by decisions which this Court is bound to follow. In particular, he cites

Public Service Alliance of Canada v. The Queen, [1984] 2 F.C. 562, affirmed [1984] 2 F.C. 889, in which my colleague Reed, J. held that the freedom of association does not include the right to bargain collectively and that "liberty" in S. 7 does not encompass the freedom of contract. Both opinions were upheld by the Federal Court of Appeal. Similarly, the Court of Appeal in Smith, Kline & French Laboratories et al v. The Attorney General of Canada, [1986] 1 F.C. 174, (affirmed, unreported, A-909-85, December 9, 1986) affirmed Strayer, J.'s decision that the rights protected by S. 7 have to do with the bodily well-being of a natural person, not his economic interests.

The argument that these decisions preclude the plaintiff's constitutional challenge in this case invokes many of the principles of the defence of res judicata. That defence, according to Jowitt's Dictionary of English Law, is based on the premise that:

> A final judgment already decided between the same parties . . . on the same question . . . is conclusive between the parties, and the issue cannot be raised again.

Res judicata itself, of course, is not applicable here as the earlier litigation was not between these parties. Nonetheless, the argument to strike based on the current state of the law is not without precedent. In R. v. Sylvestre, [1986] 3 F.C. 52, the Court of Appeal struck a claim for certiorari by a member of the Armed Forces who had beeen dismissed for being a homosexual. The decision was based on pre-1982 case-law which established that the Crown was not contractually bound to a member of the Armed Forces and that the relationship between the two did not give rise

to a remedy in the civil courts. The Court found that this state of the law had not been changed by the Charter of Rights and Freedoms and that the statement of claim, therefore, disclosed no cause of action.

It is fundamental that any order depriving a litigant of the right to be heard must be granted only in the clearest of cases and with extreme caution. That principle applies even more strongly where it is acknowledged that on the face of the pleadings, a cause of action exists.

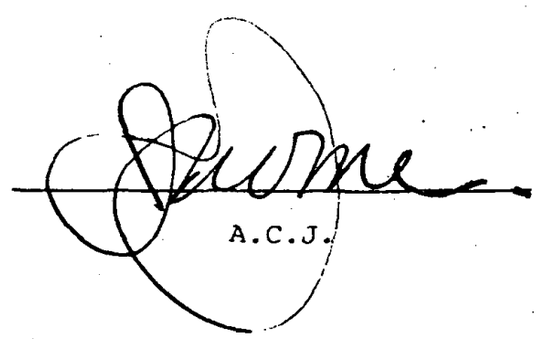
In the final analysis, the most significant factor is that the plaintiffs now include individuals as well as unions. The claim, in turn, seeks a declaration that the legislation in issue offends the Charter by compelling these individuals to work under conditions and for wages they do not accept. There is therefore more at stake in this action than in the cases referred to by the Crown. In the P.S.A.C. case, Reed, J. specifically noted at page 575 that the Public Sector Compensation Restraint Act, S.C. 1980-81-82-83, c. 122, the challenged legislation, did "not cover employees not previously covered by a collective bargaining agreement". Both the P.S.A.C. and Smith, Kline cases dealt with interest that could be considered purely economic. There was no suggestion, as here, of employees being compelled on pain of fines to attend at their place of work and perform services. These distinctions save the cause of action.

During the course of argument, both counsel had reason to refer to the suitability of Rule 474 for the

resolution of this problem. Counsel for the plaintiffs advanced (and later withdrew) a final alternative argument that rather than accept the Crown's premise and dismiss the action at this stage, I should order that the question be resolved under Rule 474. Counsel for the Crown, in fairness, acknowledges that pre-determination of a question of law in that way might very well provide a more precise and more comprehensive resolution of the issue. It is clear, however, that the parties are not agreed on either the factual or legal basis for such an application and in light of the reasoning of the Federal Court of Appeal in Novopharm v. Wyeth Ltd., [1986] 26 D.L.R. (4th) 80, recourse to Rule 474 appears impossible at this time. In any event, no such formal application is before me, so nothing precludes it, should the parties find it appropriate to do so at a later stage.

The application is therefore dismissed with costs. The defendant is to file a statement of defence within thirty days of the date of these Reasons. Counsel may prepare a draft Order for signature.

O T T A W A
March 13, 1987



FEDERAL COURT OF CANADA

Names of Counsel and Solicitors of Record

COURT FILE NO.: T-2557-86

STYLE OF CAUSE: International Longshoremen's and Warehousemen's Union - Canada Area Locals 500, 502, 503, 504, 505, 506, 508, 515 and 519,

Plaintiffs

- and -

Her Majesty the Queen

Defendant

PLACE OF HEARING: Vancouver, B.C.

DATE OF HEARING: January 21, 1987

REASONS FOR ORDER of the Associate Chief Justice dated March 13, 1987

APPEARANCES:

N. Glass	for the Plaintiffs
E.A. Bowie, Q.C.	for the Defendant

SOLICITORS OF RECORD:

Swinton & Company Vancouver, B.C.	for the Plaintiffs
Frank Iacobucci, Q.C. Deputy Attorney General of Canada Ottawa, Ontario	for the Defendant

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

Miss J. R. McQuillan

465-10.

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	December 29, 1986

TO / À: Honourable Pierre H. Cadieux

FROM / DE: W.P. Kelly

SUBJECT / OBJET: **DISPUTE - BRITISH COLUMBIA MARITIME EMPLOYERS ASSOCIATION & INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION (CANADIAN AREA)**

I am very pleased to report that, in compliance with the Maintenance of Ports Operations Act, 1986, the parties have revised their collective agreement to reflect their interpretation of the recommendations contained in Conciliation Commissioner Larson's report, and these amendments shall become effective January 1, 1987.

Earlier reports reaching me indicated that little progress was being made and the BCMEA would likely apply for a referee as the union was reluctant to enter into any agreement which they felt would prejudice their Court challenge to the Maintenance of Ports Operations Act, 1986. The signed Memorandum of Agreement does contain a clause stipulating that the implementation of such terms and conditions on January 1, 1987, in no way prejudices the union's Court challenge to the Act.

The signed Agreement also contains the following important clause:

"It is further agreed that issues of importance to either party will be actively pursued as provided by Section 12 of the Maintenance of Ports Operations Act, 1986 and any change to the Collective Agreement, beyond the above-mentioned document, which may be agreed upon and approved by our respective memberships will become effective on the date(s) specified by the Parties."

This means that the parties intend to come to grips with the container clause and other items of interest to the union and, if they are successful in resolving their differences, would allow us to terminate the Industrial Inquiry Commission proceedings now under way. I am not optimistic that the union can resolve this controversial question without binding findings but I wish them well.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Mr. E. A. Bowie, Q.C.
Chief General Counsel
Criminal Prosecutions Section
Department of Justice

FROM / DE: Peter Sorokan
Senior Counsel, Legal Services
Labour Canada

SECURITY - CLASSIFICATION - DE SÉCURITÉ: 465-10

OUR FILE/NOTRE RÉFÉRENCE: 3200-13

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: December 12, 1986

SUBJECT / OBJET

International Longshoremen's and Warehousemen's Union v. Her Majesty

I refer to our several conversations concerning the above case and enclose herewith copies of the following documents:

1. Memorandum dated December 5, 1986 from W. P. Kelly to the Minister of Labour; and

2. Memorandum dated December 11, 1986 from Janis Gardiner of the Minister's office to W. P. Kelly.

You will note that the Minister of Labour has agreed that a preliminary Motion be made, asking the Federal Court to strike out the Statement of Claim. I presume that you will take this action at your earliest opportunity.

Peter Sorokan

Encl.) No Enclosure to P.A.

cc: Deputy Minister
cc: Mr. W. P. Kelly, Associate Deputy Minister

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
DEC 15 1986
Référé: Referred:

00013
0

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / A: The Honourable Pierre H. Cadieux

(sgd.) W.P. Kelly

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ: 465-10

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: December 8, 1986

SUBJECT / OBJET: Port of Quebec - Labour Dispute Between the Maritime Employers Association and the International Longshoremen's Association, Local 1739

Mediation meetings were held in Quebec City on December 4 and 5, 1986, under the auspices of the mediators (Doucet and St. Hilaire) accompanied by the Director General, Mediation and Conciliation (McDermott). On Friday afternoon, December 5, a mediators' proposal was given to the parties. Following the requirements of the CLRB Order of November 14, 1986, the officers of Local 1739 submitted the proposal to its members for a secret vote on Sunday, December 8. The proposal was rejected by 171 votes to 3 votes. Four votes were void. A CLRB officer was in attendance as provided for in the Board's Order.

The mediators' proposal was prepared after it became clear during mediation meetings held from November 27 to December 1, that a negotiated settlement, based on the parties modifying their formal positions through mediation, would not be possible at this time. The mediators developed a proposal which took into account certain principal demands of both sides and which also reflected areas where some flexibility had been indicated to them privately.

Throughout the dispute, the union has been stressing its demands to remove the concept of "converted" hours from the job security guarantee and to avoid the need for the employer to recuperate any outstanding job security advances from individual longshoremen at the end of the year. The employer, on the other hand, has been stressing its demands for greater flexibility in deployment and its need for relief from premium wage rates.

.../2

The mediators' proposal took into account these respective positions and, among other things, involved a trade-off between "converted" hours and premium rates. It proposed abolishing "converted" hours which would mean that henceforward any hours worked and paid at time and one-half or double time, would only be debited to the total job security guarantee at single time. This approach is in line with the practice in the Port of Montreal and is more advantageous to the longshoremen. In return, the mediators proposed that the first eight hours in any shift would be paid at single time. Premium rates would only apply for night and weekend shifts and in certain other cases. However, no premium rate would exceed double time.

Certain other matters were addressed in the proposal, including a means whereby only half, rather than all, the bargaining unit members need be available for call on alternate weekends. For wages, parity with Montreal was proposed for 1987 and 1988, in a three-year agreement to expire on December 31, 1988. Parity with Montreal offers the prospect of a $1.00 per hour increase for Quebec effective January 1, 1987, since the present Montreal hourly base rate is at $17.00 and not $16.00 hours as in Quebec.

As yet we have no detailed reasons for the union's rejection of the mediators' proposal. There is a suggestion that the monetary package is unacceptable and that the prospect of recuperation of advances from the job security fund outstanding at the end of the year, continues to present a problem. The mediators' proposal endeavours to mitigate this latter eventuality and, in any event, the job security guarantee would assure each qualified longshoremen wages of at least $25,840 in 1987, provided that he is available for call.

Beyond the monetary concerns, the proposed three-year term might present problems for Local 1739, since the expressed aim of the ILA in all St. Lawrence and Eastern Canadian ports is a common termination date of December 31, 1987. If that is the case, it would be an indication that Local 1739 leadership is still pursuing the common front approach and that it is still not ready to recommend a settlement of the Port of Quebec dispute which would compromise common termination dates.

.../3

The only formal contact from the union has been a call from the Business Agent, André Gauvreau, to Rolland Doucet to indicate that the union committee is available for further negotiations in conformity with the CLRB Order. The MEA has indicated to us this morning that the mediators' proposal is acceptable as the basis for settlement of the dispute.

We are assessing the situation with a view to determining the next steps and I will be in further contact with you on this matter.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

BEST AVAILABLE COPY

TO / À: The Honourable Pierre H. Cadieux

(Sgd.) W.P. Kelly

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ

OUR FILE/NOTRE RÉFÉRENCE: 465-10

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: December 8, 1986

SUBJECT / OBJET: Dispute between Can-Coast Marine Inc., Shediac, N.B., and Seafarers' International Union of Canada (SIU) (unlicensed employees aboard the vessel "Coastal Canada")

I am pleased to advise that a tentative settlement was reached on Saturday, December 6, 1986, with the mediation assistance of our Halifax officer, James DeYoung.

You will recall this dispute was the subject of correspondence from Messrs. Rod Murphy and Iain Angus of the N.D.P., calling for Ministerial action in referring this dispute to the Canada Labour Relations Board for an imposed agreement under Section 171.1 of the Code. It was also raised in the House by Mr. Angus and was one of the matters brought up at your meeting on Friday, December 5, 1986, with James A. McCambly, President, Canadian Federation of Labour. The 22-member bargaining unit had commenced strike action on November 24 and the SIU had made representations for Ministerial action under Section 171.1 of the Code.

We felt that there was still a chance for a negotiated settlement with mediation assistance, despite the fact that the parties were not interested in mediation. We received word this morning that the union membership has voted to accept the settlement terms and a collective agreement is expected to be signed by the end of the week.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
DEC - 9 1986
Référé:
Referred:

Government of Canada / Gouvernement du Canada

ACTION REQUEST / FICHE DE SERVICE

To — À	File No. — Dossier N°
Deputy Minister	
	Date: 5.12.86

From — De

Peter Sorokan

☐ Please call / Prière d'appeler	Tel. No. — N° de tél.	Ext. — Poste

☐ Returned your call / Vous a rappelé	☐ Will call again / Vous rappellera	☐ Wants to see you / Désire vous voir

Date	Time — Heure	Message received by / Message reçu par

☐ Action / Donner suite	☐ Approval / Approbation	☐ Note & return / Noter et retourner
☐ Comments / Commentaires	☐ Draft reply / Projet de réponse	☐ Note & forward / Noter et faire suivre
☐ As requested / Comme demandé	☐ Signature	☐ Note & file / Noter et classer

For your information. This was sent forward to Mr. Kelly, for his signature.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Minister

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ: 465-10

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: December 5, 1986

SUBJECT / OBJET: International Longshoremen's and Warehousemen's Union v. Her Majesty

As you are aware, nine Canadian area locals of the above-noted union commenced proceedings in the Trial Division of the Federal Court of Canada, claiming that the Maintenance of Ports Operation Act, 1986 infringes upon or violates or destroys their rights to exercise their fundamental freedom of association as guaranteed by the Canadian Charter of Rights and Freedoms, and that the Act is inconsistent with the Plaintiff's freedom of association guaranteed by the Charter. Among other things, the Plaintiffs claim a declaration that the Act is inconsistent with the provisions of the Constitution, and a declaration that insofar as the Act purports to prohibit or restrict the Plaintiffs and persons represented by them from bargaining collectively and from withdrawing their services in otherwise lawful strike action, it is of no force or effect against them.

The Statement of Claim has been studied by the Department's Senior Counsel, who has also had discussions with Eric Bowie, Chief General Counsel of the Department of Justice. It is their view that a preliminary Motion ought to be made at this stage, asking the court to strike out the Statement of Claim on the basis that it does not disclose any reasonable cause of action. If this course of action is adopted, and if it is successful, we will have avoided a lengthy court action with a minimum of effort. On the other hand, if it is not successful, we will not have compromised our position in any way and would be able, in due course, to defend the action in the normal manner.

I believe that we should instruct the Department of Justice to take the above described action, and I hereby seek your concurrence with this proposal.

W. P. Kelly

P. Sorokan
997-3603

Copy to Miss J.R. McQueen

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Minister

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: December 5, 1986

SUBJECT / OBJET: International Longshoremen's and Warehousemen's Union v. Her Majesty

As you are aware, nine Canadian area locals of the above-noted union commenced proceedings in the Trial Division of the Federal Court of Canada, claiming that the Maintenance of Ports Operation Act, 1986 infringes upon or violates or destroys their rights to exercise their fundamental freedom of association as guaranteed by the Canadian Charter of Rights and Freedoms, and that the Act is inconsistent with the Plaintiff's freedom of association guaranteed by the Charter. Among other things, the Plaintiffs claim a declaration that the Act is inconsistent with the provisions of the Constitution, and a declaration that insofar as the Act purports to prohibit or restrict the Plaintiffs and persons represented by them from bargaining collectively and from withdrawing their services in otherwise lawful strike action, it is of no force or effect against them.

The Statement of Claim has been studied by the Department's Senior Counsel, who has also had discussions with Eric Bowie, Chief General Counsel of the Department of Justice. It is their view that a preliminary Motion ought to be made at this stage, asking the court to strike out the Statement of Claim on the basis that it does not disclose any reasonable cause of action. If this course of action is adopted, and if it is successful, we will have avoided a lengthy court action with a minimum of effort. On the other hand, if it is not successful, we will not have compromised our position in any way and would be able, in due course, to defend the action in the normal manner.

I believe that we should instruct the Department of Justice to take the above described action, and I hereby seek your concurrence with this proposal.

(Sgd.) W.P. Kelly

W. P. Kelly

P. Sorokan
997-3603

Copy for Miss McQueen

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

SECURITY - CLASSIFICATION - DE SÉCURITÉ	465-10
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	November 17, 1986

TO / A: The Honourable Pierre H. Cadieux

FROM / DE: W. P. Kelly

SUBJECT / OBJET: Port of Quebec Labour Dispute Between the International Longshoremen's Association and the Maritime Employers Association: Canada Labour Relations Board Decision

Further to the information provided to your office on Friday, we have now obtained confirmation of the Decision of the Canada Labour Relations Board arising from the complaint by the Maritime Employers Association (MEA) against the International Longshoremen's Association (ILA) for a failure to meet and bargain in good faith. The complaint was sustained and a nine point remedial Order was made. The Board confirmed its oral Order in hand-writing. An application for certification as a Council of Unions from ILA Locals 375, 1846, 1605 and 1739 was rejected. However, no written confirmation of the latter oral decision has yet been issued.

The text of the Board's Order, which was signed by the Chairman, is attached. It is a forthright Order which must mean that the Board found unequivocally that the union had indeed failed to comply with Section 148(a) of the Code. We will be able to verify this once the Board's Reasons for Decision are issued. The most significant points of the Order are as follows:

ILA Local 1739, its officers and representatives, to cease contravening Section 148(a) and to conform with it.

Local 1739, its officers and representatives to advise the mediator and the employer, formally in writing, within 24 hours, that they are available to meet without delay, and without prior conditions, to undertake collective bargaining in good faith and to make every reasonable effort to conclude a collective agreement. (The 24 hours to commence Monday, November 17.)

ILA Local 1739 and its officers to submit without delay, for the approval of its members alone, by secret ballot, any tentative agreement reached at the bargaining table or any proposal for settlement which the mediators deem advisable to be submitted for their (members') approval.

...2

- In such a case, Local 1739 to convene a meeting of its members alone, at 24 hours' notice, and to provide each member, at the same time, with the text of the proposal which they will be required to decide on. A Board officer would attend the meeting at which the vote is taken.

- Local 1739 to hold information meetings for its members at least once a week until the agreement is renewed.

- The MEA to distribute a copy of the Order to all employees in ILA Locals 375, 1846, 1605 and 1739.

It is evident from the nature of the Order that the Board places great emphasis on an expeditious resumption of mediation and that resumed negotiations should take place between the MEA and ILA Local 1739, the Port of Quebec longshoremen's local, without any involvement by members of other ILA locals. In the circumstances, the meeting with Mr. Savard, President of Local 1739, and representatives of other ILA locals, which your office had tentatively scheduled for you for tomorrow, should perhaps be cancelled or postponed so that Local 1739 can give the required priority to complying with the Board's Order.

Attachment

- DISPOSITIF -

Le Conseil DECLARE que le local

1739 de l'ASSOCIATION INTERNATIONALES DES DEBARDEURS, ses dirigeants et représentants dont M. André Gaudreau, son agent d'affaire et porte-parole, ont manqué à leur obligation de négocier de bonne foi et qu'ils ont ainsi contrevenu au paragraphe 148 a) du Code canadien du Travail

Conformément aux pouvoirs qu'il détient en vertu de l'article 189 du Code, le Conseil,

ORDONNE au local 1739, ses dirigeants et ses représentants de cesser de contrevenir au paragraphe 148 a), et de s'y conformer;

ORDONNE au local 1739, ses dirigeants et représentants d'aviser formellement et par écrit, dans les 24 heures, les médiateurs désignés par le ministère du Travail de même que la partie patronale de leur disponibilité à les rencontrer sans délai et à poursuivre, sans condition préalable, des négociations collectives de bonne foi et à faire tout effort raisonnable en vue de conclure une convention collective,

ORDONNE au local 1739 et à ses dirigeants de transmettre au présent Conseil une copie de l'avis adressée aux médiateurs et à l'employeur en vertu du paragraphe précédent.

ORDONNE au local 1739 et à ses dirigeants de soumettre sans délai à l'approbation de leurs seuls membres, par scrutin secret, tout projet de convention collective convenue à la table des négociations ou toute proposition de règlement que les médiateurs pourraient juger opportun de soumettre à leur approbation;

ORDONNE qu'en pareil cas le local 1739 convoque une telle assemblée de ses seuls membres 24 heures d'avance et remettre à chacun d'eux, dans le même délai, le texte du projet sur lequel ils seront appelés à se prononcer;

ORDONNE au local 1739 d'aviser le présent Conseil de la tenue de toute telle assemblée, dans le même délai, et de permettre à un agent du Conseil d'y assister, si le Conseil le juge opportun;

ORDONNE au local 1739 et à ses dirigeants de tenir une assemblée d'information de leurs membres au sujet du déroulement des négociations, au moins une fois par semaine, et ce jusqu'au renouvellement de leur convention collective;

Conformément à l'article 118 du Code, le Conseil ORDONNE à l'Association des employeurs maritimes de distribuer copie de la présente décision à tous les employés des locaux 375, 1846, 1605 et 1739 de l'A.I.D., en les accompagnant d'une lettre formulée comme suit:

> "Le Conseil canadien des relations du travail a récemment été saisi d'une plainte de négociation de mauvaise foi concernant le local 1739 de l'A.I.D. à Québec.
>
> Le Conseil nous a ordonné de vous transmettre personnellement une copie de sa décision dans cette affaire."

Le Conseil ORDONNE enfin au greffe de transmettre sans délai une copie de cette décision au ministre du Travail.

Québec le 14 novembre 1986

RCV21593 16:10 11/07/86

CNCP MSG SVC
GUD041 NOV 07 1605 EST

CTO914
MU094 202 FR
TDRA MONTREAL PQ 07 1539
HONORABLE PIERRE CADIEUX
MINISTRE DU TRAVAIL
CHAMBRE DES COMMUNES
OTTAWA ONT
BT

MONSIEUR LE MINISTRE,
LORSQUE VOUS POURREZ LIRE CES LIGNES NOUS SERONS UNE AUTRE FOIS PRIS A PROCEDER SUR UNE PLAINTE DE L'ASSOCIATION DES EMPLOYEURS MARITIMES ENTRE LES DEBARDEURS, CETTE FOIS PARCE QUE NOS CONFRERES DE QUEBEC AURAIENT REFUSES DE NEGOCIER.

NOUS VOUS AVISONS QU'IL NOUS FAUT VOUS RENCONTRER TRES BIENTOT PARCE QU'IL EST CLAIR QUE LES TACTIQUES DE L'EMPLOYEUR NOUS DIRIGENT TOUT DROIT VERS UN CONFLIT MAJEUR DE TOUTE LA COTE EST DU CANADA. ET CE CONFLIT ALIMENTE ET VOULU PAR L'EMPLOYEUR, SELON SON HABITUDE, SERA REGLE PAR UNE DEMANDE DE L'EMPLOYEUR POUR UNE AUTRE LOI SPECIALE.

IL NOUS FAUT VOUS RENCONTRER POUR OBTENIR DES ASSURANCES CONTRE CES PREVISIONS PARCE QU'IL EST CLAIR, POUR NOUS, QUE C'EST CE QUE VEUX L'EMPLOYEUR.

NOUS SAVONS QUE NOTRE EMPLOYEUR A SES ENTREES AU GOUVERNEMENT, NOUS OSONS CROIRE QUE NOTRE PETIT GROUPE DE TRAVAILLEUR POURRA ETRE ENTENDU AVANT QUE LA COTE EST DU CANADA ET TOUTE LA VALLEE DU SAINT LAURENT SOIT EN GREVE VOULUE PAR L'EMPLOYEUR QUI VIENDRA PLEURNICHER A VOTRE BUREAU POUR QUE VOUS AVISIEZ DANS UN DOSSIER OU VOUS N'AURIEZ AUCUNE DONNEE REELLE POUR COMPRENDRE LA REALITE.

THEODORE BEAUDIN PRESIDENT
DU CONSEIL DES SYNDICATS 375 1605 1739 ET 1846

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable Pierre H. Cadieux

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ: 465-10

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: October 22, 1986

SUBJECT / OBJET: **CONTAINER HANDLING SITUATION ON THE U.S. WEST COAST VIS-A-VIS THE PORT OF VANCOUVER**

During the recent publicity involving the lockout in the Port of Vancouver and the controversial container clause, a newspaper article appeared indicating that it was ironic that the ILWU in the United States had just negotiated a clause in their contract similar to the Canadian "destuffing" clause. I mentioned at the time that this was not entirely correct and a complicated situation existed in the United States involving National Labour Relations Board decisions and Court judgements.

To try and shed some light on a very complex situation, I have had a brief paper prepared for you dealing with the situation on the U.S. West coast from 1959 when containers first became an issue, and a history of events on the Canadian West coast.

It seems to be the view of the experts that changes in container handling operations on the U.S. West coast, necessitated by the January 24, 1986, NLRB ruling, will have little, if any, effect on Canadian bound container cargo which will continue to be exempted from stuffing/destuffing operations. It is estimated, that as a result of the Canadian container clause, 80,000 containers each year destined for Canada are shipped through the Ports of Seattle and Tacoma.

Att.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 22 1986
Référé: / Referred:

CONTAINER HANDLING SITUATION ON THE U.S. WEST COAST VIS-A-VIS THE PORT OF VANCOUVER

Background

U.S. West Coast

The history of the container handling clause on the United States West Coast dates back to the Mechanization and Modernization (M & M) Agreement signed in 1959 between the Pacific Maritime Association (PMA) and the International Longshoremen's and Warehousemen's Union (ILWU). That agreement provided protection for workers in the longshore industry facing the adverse effects on their employment of increased automation and the introduction of containerization. It included a provision for an M & M Fund which was to be used to provide a variety of benefits designed to prevent lay-offs and to maintain earnings of the regular work force. In the negotiation of the M & M Agreement, the PMA won significant modifications in the work rules as well as the almost unlimited right to introduce new methods of work. The matter of stuffing and destuffing of containers was not discussed during the 1959-60 negotiations. Neither did the subject arise during the 1966 negotiations when containers had become more common, and after container work had become a negotiating issue on the U.S. East Coast.

The Container Freight Station Supplement executed on January 5, 1970, between the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union, specified that containers other than factory loads be stuffed or destuffed by ILWU labour as a condition of being loaded on or unloaded from ships. All such work was to be brought to the Container Freight Station on the dock or areas adjacent to the dock, unless there was mutual agreement to have the work done elsewhere. The CFS had a basic complement of steady ILWU men consisting of utility men and clerks, separate from the regular longshoremen. Only less-than-container lot (LCL) or consolidated freight was to be covered by CFS units. Containers loaded at the point of origin or "containers of convenience" were not covered by CFS units. Containers loaded at the point of origin represented a vast majority of containers handled by the ILWU and they were to be loaded and unloaded by regular longshoremen and not CFS men as were "containers of convenience" which are odd lot shipments, stuffed and destuffed for the convenience of the shipper.

The contract negotiations between the PMA and the ILWU for a new Pacific Coast Longshore Contract document saw a number of modifications made in the CFS Supplement Agreement effective February 10, 1972. Included among these was the issue of jurisdiction of the stuffing and destuffing of containers within port "zones" with a tonnage tax being paid by employers on containers consolidated by non-ILWU labour. An impasse was reached concerning the amount of container tax and the question of work jurisdiction between the ILWU and the Teamsters. After resolution of the problem between the two unions, the ILWU was able to assure the PMA that acceptance of ILWU container jurisdiction proposals would not result in strike action by the Teamsters. The final settlement provided for employers to contribute a tax of $1.00 per long tonne of containerized cargo stuffed or destuffed by non-ILWU labour within a fifty-mile radius of the port. The new supplement was, however, rendered inoperative by court injunctions and the issue was before the National Labor Relations Board and the courts for years.

In April, 1972, the Port of Seattle filed suit in U.S. Federal Court charging the ILWU and PMA with a violation of anti-trust laws through their agreement that "containers originating at or destined for delivery to a non-PMA member facility employing ILWU labour within the Port Area CFS Zone shall be stuffed and unstuffed by ILWU labour employed by an employer signatory to the Pacific Coast Longshoremen and Checkers Agreement or the CFS Supplement....". On May 16, 1972, a Federal District Court Judge ruled illegal new sections of the CFS Supplement which: called for the container tax; provided that Port Zone work be performed by ILWU labour and, prevented a PMA member's subcontracting of container work to non-PMA employers. The ILWU and PMA then agreed to reinstate relevant sections formerly contained in the Container Freight Station Supplement which required the use of ILWU labour for the stuffing and destuffing of non-factory loads as a condition of loading cargo on ships. This also was ruled against in mid-June by a Federal judge, further reducing ILWU jurisdiction over container work.

A related complaint was filed with the National Labor Relations Board (NLRB) against the ILWU and shippers by several forwarders who used Teamsters to pack and unpack vans, charging that the container tax was an illegal attempt to stop steamship companies from using forwarders. The NLRB issued a decision on February 11, 1974, finding that the PMA and various locals of the ILWU

had violated the National Labor Relations Act by entering into the 1970 and 1972 Container Freight Station Supplements, and that the union and various locals had violated other sections of the Act by attempting to implement the 1970 Supplement. On August 26, 1980, the PMA moved the Court of Appeals for the District of Columbia to recall its mandate in Pacific Maritime Association v. NLRB, and to remand the case to the NLRB in light of the Supreme Court's decision in NLRB v. Longshoremen ILA. On March 6, 1981, the court remanded this proceeding to the NLRB for reconsideration in light of the decision involving the ILA and the parties subsequently filed statements of position and briefs. The issue in the case to be determined was whether the CFS Supplements negotiated by the ILWU with the PMA were lawful work preservation agreements.

Years of uncertainty over the status of the container clause came to an end January 24, 1986, when the National Labor Relations Board upheld the PMA-ILWU 1972 Container Freight Station Supplement, which, among its provisions, establishes a 50-mile ILWU jurisdiction for CFS handling of ocean containers. The NLRB ruling held that certain sections of the CFS Supplements were illegal in that they compelled PMA member stevedoring companies to cease handling non-exempt containers used by non-member steamship companies which were not owned by or leased by PMA members, unless the containers were stuffed or destuffed by ILWU-represented employees. In its decision, the Board was unable to find that the ILWU had ever permanently bargained away the right to perform container work and suggested that the Supplements had a legitimate work preservation objective. The NLRB found that to the extent the Supplements extend to containers which are owned by non-PMA members or which have been leased to such non-members from sources other than PMA employers, they are an unlawful attempt to pressure employers to cease doing business with companies not employing ILWU members.

On March 24, 1986, the PMA and the ILWU agreed on a plan to enforce the NLRB order providing for a 35-day transition period. The plan included a provision that all vessel operating carriers, or other employers covered by the ILWU/PMA agreement or the CFS Supplements discontinue their past practice of subcontracting of stuffing or destuffing of containers and refrain from future subcontracting work to employers not party to the new agreement. On April 28, it came into full force and effect, compelling PMA members to utilize ILWU-manned Container Freight Stations within the Port Zone and shifting much of the stuffing/destuffing work from

non-ILWU CFS's to facilities coming under the jurisdiction of the ILWU. PMA members allowing non-ILWU labour to perform CFS work are subject to a $1,000 per container assessment. A member found to intentionally violate the 50-mile rule will be subject to an additional $1,000 per container penalty. The interim document outlining implementation procedures also states that "the ILWU and PMA shall jointly pursue all available legal remedies for the purpose of obtaining a modification of NLRB Decision and Order D-3426 dated January 24, 1986, so as to extend its application and scope to include containers owned or leased by non-PMA member companies".

Companies that are not members of the Pacific Maritime Association are not subject to the clause and will continue to operate normally unless the appeal launched by the PMA and ILWU challenging the exemption is successful. While the PMA has more than 115 members, including most of the West Coast waterfront employers, it still remains to be seen what effect the NLRB Decision will have on the Ports of Seattle/Tacoma in relation to stuffing/destuffing work. Indications to date are that, in the Port of Los Angeles, where the concentration of PMA members is relatively high, a significant amount of the container handling work is returning to the ILWU but longshoring industry observers on the Canadian West Coast indicate that there does not appear to have been a dramatic increase in ILWU stuffing/destuffing hours at the Ports of Seattle and Tacoma in the nine-month period since the NLRB decision.

Canadian West Coast

The container handling clause (Article 26.05 of the BCMEA-ILWU Collective Agreement) was first introduced into the collective bargaining process between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union - Canadian Area during the 1970 negotiations. The clause, which has been a major issue in all of the collective bargaining rounds since its inclusion in the contract, reads as follows:

> "Any container which is destined for, or comes from, any person who is not the owner of the cargo in, or to be placed in, such container, who consolidates or receives consolidated cargo which comes from or is destined to any point within the Vancouver Local Area, or the Prince Rupert Port area shall be packed or unpacked, as the case may be, on the dock by persons employed under the

terms and conditions of this Agreement. Note: Personal household effects are specifically excluded from this requirement.

All containers other than the above shall move freely to the dock area and thence to the ship from place of origin or from the ship to dock area and thence to destination, as the case may be, without packing or unpacking by persons covered by this Agreement.

The above provisions in this section shall apply in respect to deepsea vessel container movement only, and the present Coastwise practice now in effect concerning containers, cribs and boxes shall continue for present Coastwise operations.

Definition: 'Vancouver Local Area' shall mean the area between and including the official Vancouver Port Area, East to Hope and South to the US/Canadian Border, plus the whole of Vancouver Island."

The employer, the BCMEA, views the container handling clause as a major hurdle in attracting new container shipping lines to the Port of Vancouver and points to the ever-increasing amount of Canadian-bound container traffic moving through the Ports of Seattle and Tacoma. Canadian containerized cargo, off-loaded in the U.S. ports, carries a Vancouver bill of lading and moves through the dock area intact before being forwarded to Vancouver by rail or truck. Various studies have been conducted in an attempt to place the amount of containerized cargo lost to the Ports of Seattle and Tacoma in perspective but most sources suggest that a figure of some 80,000 containers per year is not unrealistic.

The union, the ILWU - Canadian Area, views the container clause as a form of work preservation and steadfastly rejects proposals for its removal from the collective agreement. While there has been some indication that the union might be prepared to give up the right to stuff/destuff containers in exchange for some form of job guarantee for its members, the ILWU position invariably reverts to the bottom line that the clause is not subject to negotiation.

During the 1982 negotiations for a new collective agreement, the BCMEA proposed a one-year moratorium on the container handling clause with extensive safeguards designed to protect the ILWU jurisdiction in various eventualities. In addition, the BCMEA proposed that the clause be reinstituted in the event that there was a loss of man-hours

as a result of the change. The ILWU was unalterably opposed to the employer proposal and felt that the experiment would result in a loss of jurisdiction that could never be recaptured.

In his report to the Minister of Labour in the 1982 dispute, Conciliation Commissioner Allan Hope recommended that there be a one-year moratoriuim on the application of the container provision with an automatic reinstatement of the provision at the end of one year with no onus upon the union to establish that the experiment had been a success or failure. The Commissioner stated that it was essential that the ILWU be left in a position to defend its jurisdiction, including the right to seek future conditions that would permit it to retain jurisdiction over any subsidiary work generated by any change in the container provision.

Following the release of the Hope Report to the parties, the BCMEA and the ILWU met in direct negotiations but were unable to conclude a new agreement. While the BCMEA accepted the recommendations of the Conciliation Commissioner for settlement (including the container provision), the ILWU initiated work slowdowns which resulted in the BCMEA imposing a lockout at all longshoring operations on the West Coast. Following the passage of back-to-work legislation by Parliament, restoring longshoring operations in the various ports, the parties reached an accord in direct bargaining.

The new collective agreement provided for a committee of two persons, one representing the BCMEA and one representing the ILWU, to be appointed to conduct a detailed study of the container clause with particular emphasis on work opportunity. The study team was to report back to the Joint Industry Labour Relations Committee within nine months and this Committee would then decide whether to implement the container clause in its current or any modified form. The Committee of two was designated to be Don Garcia representing the union and D.B. McLennan representing the BCMEA. In its recommendations, contained in the October 1983 report entitled "Vancouver the Alternative", the Committee proposed a one-year trial implementation of a container clause which would have expanded the scope of containers to be exempted from the stuffing/destuffing requirements of the agreement. In addition, the Committee recommended that adequate safeguards be placed in the agreement to preserve the ILWU man-hours at agreeable levels. Despite the fact that the recommendations were co-authored by the Canadian Area President of the ILWU, the membership of the Vancouver Local 500, those longshoremen mainly effected by the container clause, voted against implementation. Subsequently, Don Garcia lost his bid for re-election as Canadian Area President of the ILWU to Dave Lomas at the 1984 convention.

During the fall of 1984, representatives of the Vancouver Port Corporation and the BCMEA, in addition to ILWU Canadian Area President Dave Lomas, travelled to the Far East to promote additional shipping traffic for the Port of Vancouver. During the trip, the group heard directly from several heads of major shipping consortiums about their concerns relating to the container handling clause contained in the BCMEA-ILWU collective agreement and their reluctance to route their vessels through the Port of Vancouver as long as the clause remained in the collective agreement.

During 1985, the BCMEA and the ILWU agreed to further discussions concerning the container clause and a joint committee, consisting of several respresentatives from each group, explored various options for the removal of the clause from the contract with appropriate employment safeguards for union members effected. Options such as a guaranteed block of hours relating to container work, the establishment of ILWU-manned Container Freight Stations and individually guaranteed hours for longshoremen were put forward by the parties.

When the negotiations opened between the parties for a new 1986 collective agreement, the container handling clause was the main issue on the bargaining table. Despite the work of the joint labour-management committee studying the container clause, discussions concerning the removal of the clause from the contract bogged down when the union demanded a 40-hour per week guarantee for longshoremen covered by the collective agreement. During April of 1986, the ILWU once again held an election and the incumbent, Dave Lomas, was defeated by his predecessor, Don Garcia, for the Canadian Area presidency.

While Lomas had shown some indication of flexibility in negotiations relating to the container clause, the return of Don Garcia to the position of Canadian Area ILWU President brought about an immediate hardening in the union's bargaining position. The ILWU declared that the container clause was not for negotiation and demanded that the conciliation officer dealing with the dispute file his report and that further third-party assistance be waived, placing the parties in a legal strike/lockout position.

Given the problematic labour relations history between the parties, the Minister of Labour appointed Dalton Larson as Conciliation Commissioner to assist the parties in resolving their differences. In his report filed with the Minister, the Commissioner recommended the removal of the container clause from the collective agreement between the BCMEA and the ILWU in exchange for a guarantee of 725,000

hours of container work yearly for ILWU members. The onus is placed on the BCMEA to prove to the union that the guarantee is no longer needed in the future. The reaction of the ILWU to the Larson Report was to issue a press release suggesting that the report was a "sorry ending" to months of conciliation proceedings and that the Commissioner lacked the required understanding of the longshoring industry and its problems.

In the meantime, negotiations concerning the container clause and other contract items are continuing while the Ports of Seattle and Tacoma continue to attract increasing amounts of Canadian-bound container traffic.

Summary

The current round of negotiations between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union - Canadaian Area have again focussed directly on the controversial container handling clause which allows longshoremen to stuff/destuff consolidated containerized cargo coming from or destined for any point within the Vancouver Local Area or the Prince Rupert Port area. The container handling clause was initially negotiated into the collective agreement in 1970 with the idea that work opportunities for longshoremen would be maximized through it but it appears that the opposite has, in fact, taken place. Many shippers began moving their cargo through U.S. West Coast ports such as Seattle to avoid the effects of the clause and the BCMEA, concerned over the loss of container shipping for the Port of Vancouver, has sought to have the clause removed from the collective agreement during the last several rounds of negotiations. The ILWU views the container clause as a work preservation issue for its members and is reluctant to negotiate away the provision for anything less than some form of full employment security for the longshoremen.

The recent decision of the National Labor Relations Board (NLRB) in the United States which held that certain aspects of the 1970 and 1972 Container Freight Station Supplements were illegal in that they violated sections of the National Labor Relations Act has given rise to a shift in stuffing/destuffing activity to ILWU-manned facilities on the U.S. West Coast docks from the off-dock Container Freight Stations. While it still remains to be seen what permanent effect the NLRB decision will have on U.S. West Coast ports, it is likely that

ports such as Seattle, with some 5.6 million metric tons of containerized cargo in 1985, will experience a substantial increase in container handling activity amongst regular ILWU-members.

To put the issue in its proper perspective, there are a number of points which should be noted:

- Canadian-bound container cargo currently routed via the Ports of Seattle or Tacoma is carried by ocean carriers on a Vancouver bill of lading and moves through these ports intact as it is destined for a point outside of a 50-mile radius of the port zone;

- changes in container handling operations on the U.S. West Coast, necessitated by the January 24, 1986 NLRB ruling, will have little, if any, effect on Canadian-bound container cargo which will continue to be exempted from stuffing/destuffing operations;

- container traffic handled through the Port of Vancouver increased at a modest pace between 1980 and 1984 while Canadian container cargo shipped via the Ports of Seattle and Tacoma increased by 165.3% over the same period;

- it has been estimated that as many as 80,000 containers shipped through American West Coast ports each year are destined for Canada.

FMCS, Labour Canada
October, 1986

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Honourable Pierre H. Cadieux

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ: 465-10

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: October 21, 1986

SUBJECT / OBJET: **PORT OF VANCOUVER'S BRIEFING PAPER**

The attached briefing paper on the "Beneficial Owners" clause, which is the container clause in the ILWU collective agreement, has just been released by the Port of Vancouver. The paper makes a compelling case for the removal of the clause from the agreement if the Port of Vancouver is going to be able to compete with Seattle and Tacoma on the U.S. West coast. I am trying to ascertain the distribution of this document but I imagine you and the Minister of Transport will shortly receive an official copy.

Att.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 22 1986
Référé: Referred:

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

FACSIMILE

TO / À: Mr. W. P. Kelly
Associate Deputy Minister
F.M.C.S.

FROM / DE: Bill Lewis
Senior Conciliation Officer/M&C

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: 21 October 1986

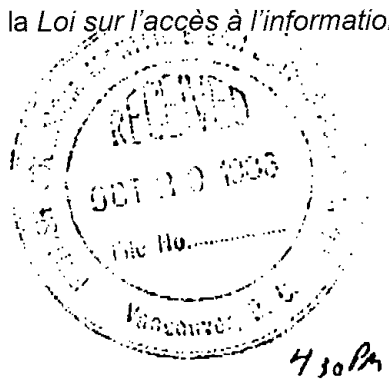
SUBJECT / OBJET: B.C. Maritime Employers Association
and
I.L.W. U. Canadian Area
Our File: 326-3-3046

The attached document of 21 pages was received this morning from the BCMEA.

Bill Lewis

(21 pages attached)

ASSOCIATE DEPUTY MINISTER OF LABOUR
OCT 21 1986
SOUS-MINISTRE ASSOCIÉ DU TRAVAIL



BRIEFING PAPER
"BENEFICIAL OWNERS" CLAUSE
PORT OF VANCOUVER

PURPOSE:

The purpose of this paper is to provide background information on the "Beneficial Owners" Clause and to assist in understanding the issues involved. It sets out the present status of the matter and assesses the future both with and without the clause.

THE CLAUSE:

The following is a quotation from the existing ILWU contract:

"Any container which is destined for, or comes from, any person who is not the owner of the cargo in, or to be placed in, such container, who consolidates or receives consolidated cargo which comes from or is destined to any point within the Vancouver Local Area, or the Prince Rupert Port area shall be packed or

unpacked, as the case may be, on the dock by persons employed under the terms and conditions of this Agreement.

The term "Vancouver Local Area" shall mean the area between and including the official Vancouver Port Area, East to Hope and South to the U.S./Canadian Border, plus the whole of Vancouver Island."

In practical terms, what this means is that any container which requires to be loaded or unloaded within the defined area by other than the "beneficial owner" of the cargo must, if it moves through the port to or from a deepsea vessel, be loaded or unloaded by ILWU labour. For example, this includes such units as may be handled by the freight forwarding industry through the various facilities they operate. These consist largely of containers made up of various less-than-container consignments.

It would also apply for instance to full load containers of one or more commodities for one client handled at a warehouse or distribution facility designated by the importer but not owned and operated by him.

BACKGROUND:

In pre-container days a very large proportion of import merchandise via Vancouver destined for the major consumer markets of Canada was handled by consolidators (pool car operators) for inland movement between Vancouver and interior destinations.

In some cases the consolidation was performed at off-dock warehouses, by trucking cargo discharged from conventional vessels from the piers to nearby warehouses with rail track facilities. In others the consolidation was performed at the piers. All but very shorthaul movements were by rail which necessitated rail siding facilities at off-dock locations. In either case the longshoremen handled the loose cargoes off the ships to place of rest in the shed and subsequently to the inland vehicle, either truck or railcar. They were not concerned about that portion of the consolidation for inland movement which took place off-dock as they were securing all the truck loading work involved for the transfer goods.

Furthermore the pricing for railcar or truck movement was then based on various commodities at so much per 100 pounds with minimum weights per car for mixed or

straight loads. These minima were generally realistic and could be achieved in most cases. There was, therefore, little dead freight being paid.

As containerization was introduced and grew in the period after 1970 longshore labour began to see certain potential loss of manhours as full containers began to move directly to those consolidators with off-dock warehouses.

There was still, at this time, a large volume of cargo being consolidated on the dock for inland movement. The proliferation of off-dock warehouses had not yet taken place and was not predicted - certainly not to the extent we know it today. The high cost of empty return movement and the shortage of export cargo in Eastern Canada which could afford the long inland transportation cost led lines to restrict door to door delivery in containers and to unload them in Vancouver for quick turnaround and outbound loading with local export cargo - a situation which still exists to a major degree.

Thus the current "beneficial owners" clause was negotiated to ensure Vancouver longshoremen retained the work they had historically enjoyed.

Meanwhile dramatic changes in Canadian inland distribution were taking place. New industrial areas without rail trackage were being developed. The railways faced increasing truck competition both long and short haul necessitating greater emphasis on intermodal trailer-on-flatcar systems to enable them to provide the door-to-door distribution.
Consumer goods which had been previously moved from Eastern Canada to the west were progressively diverted from boxcars to trailers with the ultimate requirement to find eastbound loads for their return movement. Thus evolved the even greater use of intermodal trailers and subsequently also of domestic containers for the movement of imported merchandise through Vancouver destined to the Prairies and Eastern Canada. Truck competition for eastbound backhaul cargo had at the same time changed the pricing structure. The boxcar rates based on various commodities and per 100 pounds were replaced with a "per trailer" or "per domestic container" price.

This gave rise to the need for greater attention being paid to maximizing the payload of trailers or domestic containers for inland movement. The freight forwarding industry and others recognized the benefits of greater control over the consolidation activity. Expensive land with railcar capability was no longer

needed. Shipping lines not serving Vancouver were already offering Vancouver delivery via Seattle. Freight forwarders and others also quickly recognized the opportunity created by direct delivery off Seattle to both circumvent the so-called container clause and at the same time to set up their own off-dock warehouse and transfer facilities where they could better control the loading of domestic equipment.

Thus evolved the proliferation of off-dock premises and the erosion of Vancouver's share of Canadian destined imports via west coast ports to the point where today we find ourselves as a port at the crossroads.

CURRENT POSITION:

The following Tables 1, 2 and 3 will serve to indicate several factors which bear out how critical our position is at this time.

TABLE 1

Statement of Canadian Container Cargo Moved by U.S. West Coast Ports

Loaded (TEU's) - Twenty-foot equivalent units)

Year	Imports	Exports	Total
1981	40,523	13,189	53,712
1982	41,041	13,415	54,456
1983	47,362	16,103	63,465
1984	55,207	24,389	79,596
1985	59,955	26,373	86,328

TABLE 2

Statement of Container Cargo Moved via Port of Vancouver (Foreign Trade Only)

Loaded TEU's

Year	Imports	Exports	Total
1981	47,808	50,810	98,618
1982	38,327	43,842	82,169
1983	44,935	55,424	100,359
1984	51,437	65,925	117,362
1985	51,042	85,528	136,570

TABLE 3

Statement of Total Seattle and Tacoma Volumes

Loaded (TEU's)

Year	Seattle	Tacoma	Total
1981	639,607	127,176	766,783
1982	614,352	104,550	718,902
1983	734,903	123,058	857,961
1984	827,616	142,801	970,417
1985 (EST.)	656,565	441,370	1,097,935

Table 1 shows the growth of imports and exports via U.S. ports. It is particularly significant to note that the total number of loaded import TEU's moved by U.S. ports is greater than that now moved through Vancouver, as shown in Table 2.

Table 3 is provided for general information purposes and to compare volumes at Seattle and Tacoma with those via Vancouver shown in Table 2.

Admittedly some of the import volume shown in Table 1 is handled by lines who do not serve Vancouver and call only at either Seattle or Tacoma. It is, however, estimated that some 25,000 TEU's which were delivered to Vancouver via U.S. ports in 1985 were from vessels also making direct calls at Vancouver and can thus be very directly attributed to the "beneficial owners" clause. It is important to realize that a certain amount of the success of lines which do not call Vancouver can be attributed to the fact that, to circumvent the clause, a U.S. gateway is essential and therefore lines which don't come to Vancouver are perhaps given a greater share then might otherwise be the case. The forwarding industry which controls a very large proportion of this cargo, for reasons outlined in the background section, have every incentive to use the full range of competing lines

serving both Seattle and Tacoma, thus forcing all lines to provide attractive rates, delivered Vancouver and to incur over the road delivery at costs estimated to average $300.00 U.S. per 40-foot unit.

From Table 1 it is also clear that significant inroads into Canadian exports are being made. Once boxes are in Canada with imports there is great demand to return them with export cargo. Again, while this export cargo is mainly full load, some of it is cargo transferred from domestic equipment to containers, at both off-dock and on-dock facilities.

While Vancouver has enjoyed very significant growth in both import and export volumes of containerized cargo over recent years as shown in Table 2, this success is mainly due to the following:

- overall increase in import volumes from the Far East

- containerization of forest products rather than conventional movement caused by very low westbound easterly rates as cargo imbalance force lines to put something into containers to reposition them back to the overseas markets.

- Maersk line commenced service to Vancouver in mid-1985 - a decision taken in expectation that the "beneficial owners" clause would be removed.

- Cosco introduced service in February this year as trade with China increased.

Maersk has publicly stated that if the clause goes they will stay - if the clause remains, they will leave. Other carriers are watching the outcome of the container clause issue very closely and will undoubtedly reassess their positions should the clause remain.

Reorganization of the Japanese 6 into new consortia with non-Japanese partners in all but one case has resulted in greater capacity being offered on the Pacific Northwest services. This in itself may not be of great significance insofar as the clause is concerned but what is important is that certain of these new partners have not served Vancouver before and their partners have been and continue to be under pressure to support their need to call in Vancouver. The possible removal of the clause as a result of the current negotiations has kept them calling at

Vancouver pending the outcome. There is little doubt that if the clause remains, certain partnerships will take a new look at their long-term plans. The outcome may well be different.

A factor which tends to complicate the issue at this time is that approximately 37% of the import and export containers which are presently moving through Vancouver are either being unloaded or loaded on the docks by the longshore labour. This happens despite the clause for several reasons:

- Certain consignees of import products do not wish to use U.S. ports.

- Terminal operators offer rates for unloading containers and consolidating outbound vehicles which are attractive to the shipping lines taking into consideration the fact that the shipping line does not then have to incur a trucking cost from Seattle/Tacoma.

- For economic reasons, certain export cargo arrives by railcar and requires transfer to containers. The off-dock facilities do not generally have the railcar capability. This in

combination with the additional truck haul that would be required between off-dock locations and the container terminal leads to on-dock ILWU handling.

Pertinent to this report is the fact that the Port Corporation has been working closely in recent months with rail carriers and particularly with CP Rail/Soo Line in an effort to introduce double-stack train service between Vancouver and Minneapolis/Chicago. While some U.S. cargo is being handled via Vancouver at the present time, it is felt that a more effective alternative to U.S. gateways to and from this market may have significant potential for acceptance by U.S. importers and exporters. The initiative is being developed in the expectation that the "beneficial owners" clause will be removed and that lines can be attracted to use the service.

STATUS OF CONTRACT NEGOTIATIONS:

Work has continued under the agreement which expired December 31, 1985, pending negotiations of a new contract.

Shortly after the presidential election for the Canadian Area of the ILWU took place in April, the Minister of Labour appointed a Commissioner. Mr. Dalton L. Larson was appointed on May 30, 1986. Discussion with both British Columbia Maritime Employers Association (BCMEA) and the ILWU ensued. Both parties were subsequently requested to submit their positions and cases in writing. Each was then requested to write their rebuttal to the others submission. This was completed and the Commissioner submitted his report which was received by the Minister on September 2, 1986.

The Minister released the report to the BCMEA and the Union on September 8 and it was received by the parties on September 9. The report deals at considerable length with both labour and management views on the effects of the clause. In summary, it recommends that the container clause be eliminated on the condition that the Association (BCMEA) guarantee that the number of straight-time-equivalent-hours

worked on containers in any year be set at a minimum of 725,000. In the event that hours fall below that number, the BCMEA would be required to pay any shortfall at straight time rates to trustees (not named) for the benefit of active members of the union, based on some determination by them of the actual work opportunities lost. Such guarantee, the report states, "should continue indefinitely to the satisfaction of the Union, that it is no longer required."

The BCMEA and the Union met twice in September. The Union insisted the clause issue was not negotiable. The BCMEA was not prepared to negotiate other matters without including the clause issue. The Union balloted their membership and secured a 94% strike mandate.

On October 3 the BCMEA announced a lockout to become effective 0100 Monday, October 6. The BCMEA withdrew its lockout on October 8 for a period of 30 days after considering a request from the Minister of Labour to allow grain shipments to move.

THE FUTURE:

The Vancouver Port Corporation based on a general consensus in the industry has for some time indicated publicly that removal of the "beneficial owners" clause would generate an additional 50,000 TEU's through the port in the first full year after removal. Our position remains unchanged and is based on an estimated 25,000 TEU's now trucked from Tacoma and Seattle ex vessels which also make a Vancouver call. We also expect that a further 25,000 TEU's can be recovered as follows:

1. From lines who do not call at Vancouver, once the need for clients to use a U.S. gateway because of the clause has been removed.

2. By persuading lines who would not even consider a direct Vancouver call as long as the clause remained in effect to reassess their position and make Vancouver a regular port of call.

3. By improved train service and equipment to the Prairies, Eastern Canada, and U.S. Midwest.

On the other hand, should the clause remain in effect when the new contract eventually is agreed, there are some very major downside effects.

Maersk Line has made its position clear they will leave if the clause stays - to the end of July Maersk's volumes are running at an annualized rate of about 20,000 TEU's and they are rapidly gaining market share through aggressive marketing and sales and a high level of service. They have recently established an office in Calgary and have their own office and organization in Ontario and Quebec. Their 1987 volumes can well be expected to reach 30,000 TEU's. Retention of the clause would mean loss of most of this volume to Vancouver and mean that three very strong marketers, APL, Sea-Land and Maersk, each with their own people and offices throughout Canada, would be serving only U.S. North Pacific Ports.

With double-stack train service via Chicago already taking its toll, this development could ultimately result not only in loss of business to Vancouver, but also to the two major transcontinental rail carriers as more cargo is switched to the Chicago gateway.

As indicated in the section dealing with the present situation, it is predictable that other lines will reassess their future scheduling and concentrate their efforts through Seattle or Tacoma. Should a substantial portion of their Canadian cargo continue to be forced through U.S. ports and they continue to incur the cost to deliver this cargo to Vancouver of some $300.00 U.S. or more per 40 foot unit, it follows that as vessel sizes increase the cost of a second port of call becomes more expensive and there is every likelihood that decisions to concentrate on one port will be made. There is not much doubt a U.S. port will be chosen. The sheer size of the U.S. market will be sufficient to influence the decision.

Therefore, should Maersk leave and others follow the loss to the port in the first year is estimated at 45,000 TEU's with continuing erosion in the future.

The following is a comparison of what could happen in 1987 if the clause goes or remains. Figures assume an estimated market growth of 5%

	1987	
Current forecast 1986	Clause Remains	Clause Removed
210,000 TEU's	173,250 TEU's	270,500 TEU's

The difference, therefore, could be 97,250 TEU's. The seriousness of this difference cannot be overstated. Future losses may well be even greater.

Another factor which should not be overlooked is that the port's major strength is its export potential. The ability to handle the export container cargoes economically is dependent on import boxes being available augmented by empty inbound positioning. If the imports are lost it will become increasingly necessary to position empties to handle the exports. Someone will have to pay and the exporters could find their freight costs escalating perhaps even to the point of losing certain marginal business.

For this reason the background portion of this paper concluded by stating that the Port of Vancouver is at the crossroads. For Vancouver to remain in the quest for an increasing share of the Canadian and the U.S. Midwest markets, the clause must be removed as a part of the settlement of the current contract.

Removal of the clause at this point in time is paramount to the port's survival as a container port. This is not to say that all container business will be lost, but what remains will be very insignificant over time.

Both Seattle and Tacoma are watching the outcome of the clause issue closely, realizing that if it goes Vancouver can become a significant competitive threat but that if it remains they will reap the spoils.

Port Promotion Department
October, 1986

Government of Canada / Gouvernement du Canada

MESSAGE

FOR COMMUNICATION CENTRE USE - À L'USAGE DU CENTRE DE COMMUNICATIONS

465-10

FROM / DE: PIERRE H. CADIEUX, MINISTRE, TRAVAIL CANADA

TO / À: VOIR LA LISTE DE DISTRIBUTION CI-JOINTE

NO.

DATE: Sept 28/86

PRECEDENCE - PRÉSÉANCE

SECURITY - SÉCURITÉ

12 | 10

INFO

MESSIEURS,

J'ACCUSE RÉCEPTION DE VOTRE TÉLÉGRAMME CONCERNANT LE PRÉSENT LOCK-OUT ET LE CHANGEMENT DES CONDITIONS DE TRAVAIL DANS LE PORT DE QUÉBEC, AINSI QUE LA REQUÊTE DÉPOSÉE AUPRÈS DU CONSEIL CANADIEN DES RELATIONS DU TRAVAIL (CCRT) PAR LES SECTIONS LOCALES 375, 1605, 1739 ET 1846 DE L'ASSOCIATION INTERNATIONALE DES DÉBARDEURS AUX TERMES DE L'ARTICLE 130 DE LA PARTIE V DU CODE CANADIEN DU TRAVAIL.

TOUTES CES QUESTIONS SONT DU RESSORT DU CCRT, L'ORGANISME QUASI-JUDICIAIRE QUI S'EST VU CONFÉRER PAR LE PARLEMENT CANADIEN LA COMPÉTENCE DE STATUER SUR DE TELLES MATIÈRES. JE CROIS COMPRENDRE QUE LE CONSEIL A REÇU DES REQUÊTES DE VOTRE PART ET QU'IL EST À LES ÉTUDIER

DISTRIBUTION

CHARGE TO - AU COMPTE DE

PAGE	OF / DE	ORIGINATOR - INITIATEUR	DIVISION	TEL.	APPROVED - AUTORISÉ
1	2	Michael McDermott/db	SFMC	997-3290	

GC 45 7540-21-866-6545

Government of Canada / Gouvernement du Canada

MESSAGE

FILE - DOSSIER

FOR COMMUNICATION CENTRE USE - À L'USAGE DU CENTRE DE COMMUNICATIONS

FROM / DE

TO / À

INFO

NO.

DATE

PRECEDENCE - PRÉSÉANCE

SECURITY - SÉCURITÉ

12 | 10

POUR CE QUI EST DE VOS COMMENTAIRES AU SUJET DE LA NOMINATION D'UNE COMMISSION D'ENQUÊTE INDUSTRIELLE, JE VOUDRAIS VOUS SIGNALER QUE DE TELLES COMMISSION NE SONT QUE TRÈS RAREMENT CONSTITUÉES. ELLES NE PEUVENT SERVIR DE SUBSTITUTS À LA NÉGOCIATION COLLECTIVE, AUX RECOURS DEVANT LE CCRT OU AUX DISPOSITIONS EXISTANTES SUR LA SANTÉ ET LA SÉCURITÉ. PAR CONSÉQUENT, LES QUESTIONS AUXQUELLES VOUS FAITES RÉFÉRENCE DEVRAIENT ÊTRE SOULEVÉES PAR LA VOIE DES PROCÉDURES APPROPRIÉES QUI SONT DÉJÀ ÉTABLIES.

CONFIRMATION S.V.P.

DISTRIBUTION

CHARGE TO - AU COMPTE DE

PAGE 2 OF / DE 2

ORIGINATOR - INITIATEUR: Michael McDermott/db

DIVISION: SFMC

TEL.: 997-3290

APPROVED - AUTORISÉ

GC 45

7540-21-866-6545

LISTE DE DISTRIBUTION

Monsieur Théodore Beaudin
Président
Association internationale des
débardeurs, section locale 375
3977 est, rue Ste-Catherine
Montréal (Québec)
H1W 2G7

NO. DE TÉL.: (514) 527-9863

Monsieur Jacques Duguay
Président
Association internationale des
débardeurs, section locale 1605
3221, Duc de Milan
Québec (Québec)
G1E 6T9

NO. DE TÉL.: (418) 661-1744

Monsieur André Gauvreau
Agent d'affaires
Association internationale des
débardeurs, section locale 1739
480, rue Champlain
Québec (Québec)
G1K 4J3

NO. DE TÉL.: (418) 529-4139

Monsieur Marcien Poirier
Président
Association internationale des
débardeurs, section locale 1846
C.P. 1414
Rue du Fleuve
Trois-Rivières (Québec)
G9A 5L2

NO. DE TÉL.: (819) 374-6617

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

PA

TO / À	Honourable Pierre Cadieux
	(Sgd.) W.P. Kelly
FROM / DE	W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ

465-10

OUR FILE/NOTRE RÉFÉRENCE

YOUR FILE/VOTRE RÉFÉRENCE

DATE
September 22, 1986

SUBJECT / OBJET

ATTACHED TELEGRAM dated Sept. 22/86

The attached telegram is actually a power play by the four locals of the International Longshoremen's Association to gain recognition for their so-called "Council of Unions" and bring about joint bargaining in the St. Lawrence River ports. This would naturally enhance their bargaining power as they could shut down the three ports simultaneously.

The Canada Labour Relations Board is the tribunal to determine "appropriate bargaining units". This is well-known to the union and their lawyers. I understand the union has an application before the Canada Labour Relations Board seeking certification of a Council of Unions in the St. Lawrence ports and it is a matter to be dealt with by the Board.

It would seem to me that the attached telegram is the opening salvo of the war we have predicted between the Maritime Employers Association and the International Longshoremen's Association. You will note they have touched all bases. They deal with safety as well as labour relations and, not surprisingly, call for the appointment of an Industrial Inquiry Commission. You should also note that they threaten "political" consequences as well as labour relations consequences.

Send Herm a copy of all this.

We have just received this telegram and I would like to prepare a well considered reply which we should have for your approval on your return to Ottawa.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
SEP 23 1986
Référé: _____
Referred: _____

RCV21403

MMCP

Sept. 22/86
1) Dack
2) Dept for Action
copies to all Assts

CNCP MSG SVC
GVTL SEP 22 1359 EST

CTO361
ME033 291 FR
TDRA MONTREAL PQ 22 1500
L'HON PIERRE CADIEUX MINISTRE DU TRAVAIL
TRAVAIL CANADA
CHAMBRE DES COMMUNES
OTTAWA ON
K1A 0A6
BT

MONSIEUR LE MINISTRE,
LE CONSEIL DE SYNDICAT 375, 1605, 1739 ET 1846 VOUS COMMUNIQUE LE PRESENT TELEGRAMME POUR VOUS DEMANDER UNE RENCONTRE DANS LES PLUS BREFS DELAIS POUR OBTENIR DU CONSEIL CANADIEN DES DES RELATIONS DE TRAVAIL UNE AUDITION POUR METTRE FIN AU LOCK-OUT ET AU CHANGEMENT DE CONDITIONS DE TRAVAIL QUE L'ASSOCIATION DES EMPLOYEURS MARITIMES FAIT SUBIR AUX DEBARDEURS DU PORT DE LA VILLE DE QUEBEC.

PUISQUE NOUS AVONS DEPOSE UNE REQUETE SELON L'ARTICLE 130 DU CODE CANADIEN DU TRAVAIL POUR QUE NOTRE CONSEIL DE SYNDICAT SOIT RECONNU COMME AGENT NEGOCIATEUR AUPRES DE L'ASSOCIATION DES EMPLOYEURS MARITIMES, EMPLOYEURS AU PORT DE QUEBEC ET OBTENIR LA RECONNAISSANCE DE NOTRE CONSEIL UNE FOIS POUR TOUTE.

PAR LA MEME OCCASION, NOUS VOUS DEMANDONS L'OPPORTUNITE DE VOUS EXPLIQUER LES ABBERATIONS DONT L'ASSOCIATION DES EMPLOYEURS MARITIMES EST RESPONSABLE DANS LES PORTS DU QUEBEC ET DE L'EST DU CANADA.

IL EST CLAIR QU'IL EST DE L'INTERET DE LA PAIX INDUSTRIELLE ET POLITIQUE QU'IL NOUS FAUT OBTENIR UNE COMMISSION D'ENQUETE SUR LES RELATIONS DE TRAVAIL ET LA SANTE ET SECURITE DANS LES PORTS DU QUEBEC POUR QUE CESSENT LES COUTS MONETAIRES ET HUMAINS ENORMES QUE LES CITOYENS DU CANADA DOIVENT ASSUMER ALORS QUE L'EMPLOYEUR ET SES COMPAGNIES EMPOCHENT TOUJOURS PLUS DE PROFIT A TOUS LE ANS. S'IL N'Y A RIEN DE FAIT A TRES COURT TERME A CES SUJETS, NOUS DEVONS VOUS METTRE EN GARDE CONTRE LES CONFLITS POLITIQUES ET DE TRAVAIL MAJEURS QUI S'EN VIENNENT A GRAND PAS DANS LES PORTS DE L'EST DU CANADA.

THEODORE BEAUDIN LOCAL 375
ANDRE GAUVREAU LOCAL 1739
MARTIEN POIRIER LOCAL 1846
JACQUES DUGUAY LOCAL 1605
POUR LE CONSEIL DE SYNDICAT 375, 1605, 1739 ET 1846

09235
(see 07575)

Labour Canada | Travail Canada

Associate Deputy Minister | Sous-ministre associé

Ottawa, Ontario K1A 0J2 | Ottawa (Ontario) K1A 0J2

CONFIDENTIAL

September 19, 1986

465-10

MEMORANDUM TO: Hon. Pierre Cadieux

FROM: W. P. Kelly

SUBJECT: Dispute - British Columbia Maritime Employers Association - International Longshoremen and Warehousemen's Union (Canadian Area)

The two negotiating committees met briefly yesterday to discuss Commissioner Larson's report. This meeting took place on the initiative of the Union. While the Union has publicly rejected the Conciliation Commissioner's report, they were very careful during the meeting Thursday to avoid creating an impasse. The BCMEA took the position that there were items that give them difficulty in the report, but they see the recommendations forming a basis of settlement, with some adjustment.

The key question, of course, is the container clause, which gives the Union the right to stuff and de-stuff containers on the dock. This has been a bone of contention for the last decade, and the evidence seems conclusive that the continuation of such a clause in the collective agreement drastically affects the competitiveness of the Port of Vancouver, vis-à-vis, Seattle and the handling of containers. The employers have made it quite clear that they will not sign an agreement unless the container clause is removed. Neither side took a position on this controversial clause yesterday.

The Union informed the BCMEA that they were taking a strike vote of their Locals, which should be completed by the weekend. They agreed to further meetings, and, as a result of commitments on both sides, the meeting will not take place until Thursday, September 25.

As a result of the strike in the forest industry, the Port of Vancouver is handling very little tonnage, and I sense that the Union is not anxious to strike, but, undoubtedly, will receive an overwhelming strike mandate.

The container issue is the major obstacle in reaching settlement. The employers are dug in, and, in my view, the Union realizes that they are fighting a rear-guard action in trying to retain this clause. The problem is, will the membership, particularly Local 500, the big Vancouver Local, voluntarily agree to delete this clause from their collective agreement.

W. P. Kelly.

Canada

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
SEP 19 1986
Référé:
Referred:

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

465-10

TO / À: The Honourable Pierre Cadieux

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: September 16, 1986

SUBJECT / OBJET: Lockout at the Port of Quebec

The Maritime Employers Association (MEA) instituted a legal lockout at midnight last night in its dispute with Local 1739 of the International Longshoremen's Association (ILA) representing about 225 longshoremen in the Port of Quebec. The lockout also covers about 20 Checkers in the Port who are in a separate bargaining unit represented by ILA Local 1605.

The lockout follows intensive mediation sessions on September 10, 11 and 12, and again yesterday, September 15, under the auspices of Rolland Doucet and Rock St. Hilaire of our Montreal office. When the mediation meetings adjourned at 2 a.m. this morning, the parties were still quite far apart. While the union has indicated that it appreciates the employer's need to cut labour costs in the Port, it is still seeking improvements in the application of the job security plan, particularly in relation to a formula for "converted" hours under which premium shift hours are recuperated to repay advances from the job security fund at premium rates of pay rather than at straight time. This differs from the situation in the Port of Montreal but the employer is steadfastly resisting any change at Quebec which it claims would aggravate the Port's already poor competitive position.

In addition to resisting job security plan improvements, the employer is seeking a number of concessions aimed at lowering labour costs and increasing flexibility of manpower deployment. Conciliation Commissioner Laurent Cossette of Quebec City generally recommended the status quo on most major terms and conditions of employment. Negotiators for the parties have remained at the call of the mediators. At the present time, Mr. Doucet is preparing a working document for discussion with the parties this afternoon in a further effort to bring them closer together.

.../2

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
SEP 16 1986
Référé: _____
Referred: _____

If questioned on this matter, you could indicate that every effort has been made in conciliation to assist the parties to resolve their differences. You could emphasize that you appointed two experienced mediators (Messrs. Doucet and St. Hilaire) on September 8 and that, although a lockout has been declared, they are continuing to work with the parties in an effort to achieve a settlement. We will keep you informed of developments.

465-10

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	September 16, 1986

TO / À: The Honourable Pierre Cadieux

(Sgd.) W.P. Kelly

FROM / DE: W. P. Kelly

SUBJECT / OBJET: Lockout at the Port of Quebec

There have been rapid developments since I sent you a memorandum this morning confirming that the Maritime Employers Association (MEA) had locked out longshoremen and checkers in the Port of Quebec.

Mediator Rolland Doucet prepared a working document this morning for further discussions with the parties this afternoon. However, the MEA reacted unfavourably and insisted that negotiations would only be productive if the union seriously considered accepting the employer's proposals for lower labour costs and increased manpower deployment flexibility. The union, the International Longshoremen's Association (ILA), is not ready to do so and sees no point in further meetings at this time.

By implementing the lockout, the MEA is seeking to exert maximum pressure on the union to concede to its demands. The union negotiators are scheduled to meet their membership tomorrow to report to them on the outcome of mediation proceedings to date.

If you are questioned on the dispute, you could indicate that every effort has been made in conciliation to assist the parties to resolve their differences. You might want to stress that the two mediators (Messrs. Doucet and St. Hilaire) whom you appointed on September 8, continued to work with the parties in an effort to achieve a settlement up to and beyond the employer's lockout deadline at midnight on September 15. The mediators will continue to monitor developments and remain available to assist the parties at any time.

Labour Canada / Travail Canada

To-À: Miss Jennifer R. McQueen

Remarks - Remarques:

For your information

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR

SEP - 8 1986

Référé:
Referred:

Sept.5/86
Date

W. P. Kelly

Lab/Trav 028 (04/76) 7530-21-036-3714

PA-465-10

September 5, 1986 Our File: 326-3-3046

Sept. 5/86.

MEMORANDUM TO: W. P. Kelly

Re: Dispute between British Columbia Maritime Employers Association, Vancouver, B.C., and International Longshoremen's and Warehousemen's Union - Canadian Area

Attached is a copy — filed in wallet behind file — of the report of Conciliation Commissioner Dalton L. Larson, who dealt with this dispute affecting 2,850 regular and 1,500 casual West Coast longshoremen. Their collective agreement expired on December 31, 1985. For convenience, a six-page summary of Mr. Larson's lengthy report is also attached.

The Commissioner's report deals with all the proposals tabled by each party in a comprehensive manner and contains recommendations on each item, the details of which are outlined in the attached summary.

In order to increase operational flexibility and productivity, the Employers Association tabled proposals in the areas of container-handling, bulk terminals, deepsea ship gangs, hours of work, and dispatch to rated classifications, among others. The union, while opposing the concessions being sought by the employers, tabled demands on wages, term of agreement, vacation pay, welfare plan, pensions and automation protection, among others.

The most critical issue which has dominated the talks is the Employers Association's proposal to eliminate the container clause in the current collective agreement, which requires packing and unpacking of consolidated cargo on the docks. The container clause, according to employers, adds to costs and is responsible for incoming cargo, which otherwise would likely be handled through the Port of Vancouver, being diverted to the Port of Seattle. The container clause requires that cargo consolidated in a container which is destined to, or originates from, any point in the Vancouver or Prince Rupert area must be packed and/or unpacked on the docks. The problem, however, is that incoming cargo is not dispatched directly to a consignee from the dock but is sent to a warehouse (an on-dock container freight

...2

station) where ILWU members destuff the consolidated cargo for transport to the consignee. As a result of the container clause, container cargo is handled twice, once on the docks and once in the warehouse. Because of a fear of lost work opportunities if the container clause was eliminated, the union has adamantly resisted the employers on this issue. The Commissioner recommends the elimination of the container clause on the condition that the Employers Association guarantees that the number of hours available to be worked on containers in any year be fixed at 725,000. In the event that hours fall below this fixed number, the Employers Association would be required to pay any shortfall based upon the actual work opportunities lost.

On wages and term agreement, the union is seeking a 6.5% increase in a one-year agreement. The Employers' Association has proposed a three-year agreement with no wage increase in the first year, and increases to the base rate in the second and third year of approximately 1% and 2%, respectively. The Commissioner recommends a three-year agreement with no wage increase in the first year, and 2% and 3% on the base rate in the second and third year, respectively.

It is recommended, for your approval, that the Commissioner's report be released to the parties pursuant to Section 170(a) of the Code. It is also recommended that a press release be issued once the parties are in receipt of the report.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Approved:

Associate Deputy Minister

Attachment

cc. The Honourable Pierre H. Cadieux
Miss Jennifer R. McQueen

Sept 5. 3/86.

Summary of the Report of Conciliation Commissioner Dalton L. Larson in the dispute between the British Columbia Maritime Employers Association (BCMEA), Vancouver, British Columbia, and the International Longshoremen's and Warehousemen's Union (ILWU)- Canadian Area

Background

The current labour dispute between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union - Canadian Area centres around negotiations for renewal of the collective agreement which expired on December 31, 1985. The agreement, covering some 2,850 regular longshoremen and 1,500 casual longshoremen, was the subject of direct bargaining between the parties from October 4 to December 2, 1985. Following the breakdown of direct negotiations between the parties, the union filed a notice of dispute with the Minister of Labour and requested that he waive the conciliation proceedings of the Canada Labour Code to allow the parties to resolve the problem themselves. In view of the previous history of problematic labour negotiations between the parties, the Minister decided to appoint a Conciliation Officer to assist the parties in an attempt to resolve their differences.

Following the appointment of Bill Lewis as Conciliation Officer on December 20, 1985, the parties continued to meet in direct negotiations during the month of January, 1986. Conciliation meetings between Mr. Lewis and the parties began on February 3, and continued on various dates during the following two-month period. The parties met again in direct negotiations on April 7 and 8 but talks were put on hold during the ILWU annual convention and election of officers during the second week of April. The ILWU election saw Don Garcia defeat the incumbent Dave Lomas to regain the presidency which Garcia had lost in the election of 1984. The newly-elected President subsequently requested that Mr. Lewis file his report with the Minister and that no further third-party assistance be provided.

Once again, in light of the problems which have plagued past negotiations between the parties, the Minister decided to appoint Dalton Larson of Delta, B.C. as a Conciliation Commissioner in the dispute. Mr. Larson's appointment on May 30, 1986 was followed by meetings with the two sides on five separate occasions during the month of June. Following the conclusion of meetings with the parties, Conciliation Commission Larson requested additional written information

from the parties before preparing his final report to the Minister of Labour. The Commissioner has now filed his final report containing recommendations for resolution of the labour dispute.

Issues

The issues in dispute between the parties are not new but reflect the employer's continued desire to obtain greater flexibility in port operations. To this end, the BCMEA is seeking the removal of the container clause from the collective agreement which requires stuffing and de-stuffing of consolidated cargo in the port. The container clause has been the subject of much controversy since its inclusion in the collective agreement in 1970 and several studies relating to the effects of the clause on cargo diversion to the Port of Seattle and work opportunities in the Port of Vancouver for longshoremen have been undertaken. A joint BCMEA-ILWU study released in October, 1983 recommended a one-year moratorium on the clause with a study of the effects of such a change. The recommendation, co-authored by ILWU President Don Garcia, was subsequently rejected by the union caucus.

In the current round of negotiations, the employer is also seeking the addition of a clause related to work in bulk terminal operations and more flexible hours of work and cross-utilization in work assignments. The ILWU, on the other hand, is seeking the inclusion of additional employees in the mechanization and mobilization agreement of 1978, which offers protection to individuals affected by technological change.

Recommendations

The importance of the container handling clause is evidenced by the fact that Commissioner Larson has devoted some 14 pages of his 66-page report to this particular issue. Larson observes that the ILWU has made various suggestions concerning guarantees in exchange for elimination of the container handling clause and concludes that the union would have no objection in principle to the elimination of the clause, if sufficient guarantees were provided. Accordingly, the Conciliation Commissioner recommends that the container clause, Article 26.05 be eliminated on the condition that the BCMEA guarantee that the number of hours available to be worked on the containers in any year be fixed at 725,000. In

the event that the hours fall below that number, the BCMEA must pay any shortfall at straight time rates to trustees for the benefit of active members of the union based on a determination of actual work opportunities lost. The guarantee is to continue indefinitely until the BCMEA is able to demonstrate to the satisfaction of the ILWU that it is no longer needed.

The Commissioner has recommended a collective agreement of three years' duration, providing for no wage increase in the first year of the contract, a two per cent increase on base rate effective January 1, 1987 and a further three per cent increase on base rate effective January 1, 1988. While the Commissioner is not proposing a wage increase for the 1986 calendar year, he recommends, for the sake of continuity, that the provision dealing with rectroactivity of wages in the collective agreement be retained.

During negotiations, the ILWU proposed that the benefits of the "M & M Supplementary Pension Agreement" be extended to all union members. The BCMEA maintained that the M & M Supplementary Pension Agreement was a singular program and negotiated only for those union members who are employed as at August 1, 1962 and that any extension of such benefits to all employees would result in prohibitive additional costs. The Commissioner accepts the union rationale and recommends that the agreement be extended to all union members without restriction as to when they joined the union. The original 455 who jointed prior to August 1, 1962, would continue under the original conditions of the program while all others would be subject to the restriction applicable after December 31, 1978 that members must work at least 85 per cent of the average port union member hours.

In the area of bulk terminal operations, the BCMEA proposed a new provision governing same to provide increased flexibility. The ILWU resisted the proposal on the grounds that there is already sufficient wording in the collective agreement dealing with uninterrupted operations to give bulk terminal operators all the flexibility that they require. Commissioner Larson concludes that he does not feel it is necessary to establish a comprehensive new system for bulk terminal operators and in that respect, he feels it would be appropriate for the BCMEA to withdraw its proposal.

The report of the Conciliation Commissioner also deals with the issues of recognized holidays and vacations with pay. In the case of recognized holidays, the dispute centres around a supplementary proposal by the ILWU which would provide for proportionate accrual of pay for recognized holidays in cases where a longshoreman did not meet the qualification for a statutory holiday. While the Commissioner acknowledges the fact that there is logic in each of the parties positions, he recommends that the union withdraw its demand on this particular issue. The ILWU has also proposed that vacation pay be increased for all categories of service by one per cent while the BCMEA has countered the proposal by stating that the economics of the industry prohibit the granting of additional pay for time not worked and that everything possible must be done to make the industry more competitive. While the Commissioner expresses concern over the decline in the total number of hours of work available for employees in the industry, he does not feel that an increase in paid vacations is justifable at this time.

The welfare agreement sets up a plan administered by trustees which is jointly funded by contributions from the employer and employees. The fund is then used to pay for such benefits as: medical, dental, group life, weekly indemnity and long-term disability insurance. The ILWU has asked for an additional ten cents per hour to be contributed by the employers which would generate an additional $410,000 during 1986 assuming that welfare plan hours remain constant. The increase would then be used to fund cost of eliminating the "UIC carve-out program". The new UIC carve-out was introduced through a recommendation to the trustees by the parties some years ago that sick benefits be integrated with those available under the Unemployment Insurance Act. The ILWU base their proposal to eliminate the carve-out on three current undesirable effects: the benefit level is lower because the level of entitlement is calculated on the level of earnings and the period immediately preceeding the benefit period which includes 17 weeks of sick pay; members invariably end up owing the Welfare Plan; and the UIC sick benefits are taxable while the others are not. In recommending that the ILWU's proposal be accepted, the Commissioner states that the financial integrity of the Welfare Plan should not be affected since the cost of elimination should amount to under $300,000 and total revenues from increased contributions should exceed $400,000. However, in order to permit some staging of costs, the Commissioner suggests that it would be appropriate to eliminate the "UIC carve-out" effective January 1, 1987 and to increase funding to the plan at that same time.

The ILWU proposal on pensions sets out three requirements: an increase in the basic pension by $4.00 per month per year of service; an increase in the bridge benefit by $2.00 per month per year of service; and implementation of the "87 formula" at age 55. The Commissioner observes that the parties are unable to agree on the financial implications of their own pension plan and that ILWU members are more concerned with benefits while the employers are naturally concerned with costs. The Commissioner suggests that the whole matter of the adequacy of benefits and the cost of funding the plan should be referred to the board of trustees who should be directed to report to the parties no later than July 1, 1987. The Commissioner suggests that the board of trustees should investigate the conversion of the current plan into a "money purchase pension" and if the determinations of the board are positive, part of its recommendation should include substantial additional contributions by the employers.

The BCMEA has put forth a proposal that Article 19 of the collective agreement be amended to replace the classifications of Hatch Tender and Winch Driver by two employees in a single class who would be able to operate not only winches but also cranes and ship gantries and who could act as signalmen as required. The Commissioner states that the argument of the ILWU relating to the interchangeability of dock and ship gangs is persuasive, but he feels that the employer proposal is the kind of productivity improvement that should be welcomed by both parties to make the industry more competitive and, for this reason, he recommends that the BCMEA proposal for a new Article 19.08 applicable to deepsea ship gangs be accepted.

In the area of hours of work, the BCMEA has proposed an amendment which would make it possible for any employer to designate dock gantry crane drivers as part of the regular workforce. The union did not oppose the proposal to designate dock gantry crane drivers as part of the regular workforce but suggested that the same arrangement had been tried in the past and had been found to be impracticable. The ILWU, however, did strongly oppose an amendment which would permit all employers to employ a regular workforce, saying that such a change would unbalance the distribution of work available to union members. An even distribution of work is necessary because all major benefits are based upon accumulating a minimum number of hours of work. The Commissioner concludes that this is not the time to change the basic work structure since there is nothing to indicate that work on the docks has become substantially more predictable. He indicates that he does not feel enough thought has been given to the consequences of expanding the

group of employers who are entitled to employ irregular workforce and he rejects that proposal. However, he does feel that the proposal to include the dock gantry drivers in the regular workforce is justified and recommends that the provision be included in a new collective agreement. In addition, the Commissioner recommends that BCMEA proposals relating to dispatch to related classes, on site training and continuous operations be dropped.

The BCMEA has proposed amendments to the transportation and travelling time allowances contained within Article 22 of the collective agreement. In addition to proposing that travelling time allowances within each Local's area now contained within Article 22 of the collective agreement be eliminated, the Association also proposed that the travel time of three hours allocated to travel between Vancouver and Squamish be reduced to two hours. The Commissioner is not convinced that the proposal is necessary at this time, nor is he certain or the factual basis of the proposal. The Commissioner indicates that he does not feel he has sufficient information to make a positive recommendation and for this reason, he recommends that the proposal be dropped.

The employer proposes several amendments to Article 24.03 which, in their totality, would comprise a significant change in the manner that work is done on the docks. The employer contends that the changes would provide employers with better manpower utilization without any increase in employee work burden and, while the Commissioner acknowledges that he is in full sympathy with improving productivity and the efficiency and consequent competitiveness of an operation where a problem is shown to exist, he feels that in this case, there is no factual basis for the proposed changes. As Mr. Larson has not been apprised of any particular problem in the present utilization of gangs, he feels that it would be unwise to respond to such a proposal and recommends that it be withdrawn.

In conclusion, the Conciliation Commissioner suggests that, while he is not an expert on the longshoring industry, he has brought a degree of objectivity and a new point of view to the negotiations and hopes that the complete package of recommendations will form the basis for a mutually satisfactory settlement of the labour dispute.

Program Planning and
Technical Support
September 3, 1986

Labour Canada / Travail Canada

To-À : Miss Jennifer R. McQueen

Remarks - Remarques :

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
AUG AOUT 20 1986
Référé:
Referred:

For your information

Aug. 20/86
Date

Mr. W. P. Kelly

BA

aug. 20/86

August 20, 1986 Our File: 326-3-3091

MEMORANDUM TO: Mr. W. P. Kelly

Dispute between Maritime Employers Association, Port of Quebec, and International Longshoremen's Association, Local 1739

Attached is a copy of the report of Conciliation Commissioner Chief Judge Laurent Cossette, Quebec Municipal Court, who dealt with the above-cited dispute affecting some 225 Port of Quebec longshoremen. Their collective agreement expired December 31, 1985. It should be noted that a number of appendices referred to in the report are not attached because of their voluminous nature. For convenience, we have also attached a six-page summary of the report prepared by the Program Planning and Technical Support Branch of PHC$. → see in Pocket behind file dated Aug. 7/86.

This round of bargaining is very difficult given the significant reduction in costs being sought by the Employer's Association in order to restore the Port to a competitive position. The Employers' Association is seeking relief in three main areas, namely monetary clauses (i.e. a reduction in wages, overtime payments and premium payments) which have an effect on the cost of handling cargo; secondly, operational work methods having a direct impact on productivity and Port efficiency; and thirdly, administrative procedures which affect the maintenance of sufficient manpower flexibility. The Employers' Association believes that the achievement of these three main bargaining objectives would enable the Port of Quebec to regain the cargo that has been lost to other ports.

...2

The union views the Employer Association's concession demands as an attack on the union and its membership. The union opposes most of the Employer Association's proposals and their response to them was quite general. The union wants no changes to the present collective agreement for 1986 but wishes to seek improvements to current working conditions in 1987 along the lines of the last contract negotiated for the Port of Montreal, especially in the area of job security benefits.

The Commissioner states in his report that it is impossible for him to arrive at firm conclusions for each item in dispute but he has made some recommendations and suggestions as to how the issues might be resolved.

I would recommend, for your approval, that the Commissioner's report be released to the parties pursuant to Section 170(a) of the Code.

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
E. O. PIGEON
Michael McDermott

Approved:

(Sgd.) W. P. Kelly

Associate Deputy Minister

Atts.

c.c.: The Honourable Pierre H. Cadieux
Miss Jennifer R. McQueen

465-10.

aug. 20/86.

Summary of the Report of Conciliation Commissioner Laurent Cossette in the Dispute Between the Maritime Employers Association and the International Longshoremen's Association, Local 1739 Port of Quebec

The report of Conciliation Commissioner Laurent Cossette in a dispute involving the Maritime Employers Association and the International Longshoremen's Association, Local 1739, Port of Quebec, has been filed with the Minister of Labour. The previous collective agreement between the parties, covering some 225 longshoremen in the port, expired on December 31, 1985. In an attempt to assist the parties in resolving their differences, Conciliation Officer R. St-Hilaire was appointed on February 7, 1986. Following conciliation meetings in March and April which were unsuccessful in resolving the dispute , the Minister of Labour appointed Chief Judge Laurent Cossette of the Municipal Court of Quebec as Conciliation Commissioner on May 27, 1986. Individual and joint meetings with the parties were held in June and July of this year and the Commissioner has now filed his final report.

In his opening remarks, Conciliation Commissioner Cossette suggests that the proposed contract amendments put forward by the MEA are concerned with seeking a significant reduction in costs while the union demands seem aimed at obtaining a collective agreement similar to that which existed prior to the previous agreement, i.e., an agreement more or less similar to that which exists for the longshoremen in the Port of Montreal. The union would particularly like to regain some of the benefits which its members enjoyed under the previous job security plan.

In its written submission to the Conciliation Commissioner, the employer makes mention of a number of regional ports in the area which have gained a good part of the market in terms of cargo tonnage and operate at lower costs than the Port of Quebec.

With a goal of restoring the Port of Quebec to a competitive position, the employer seeks several major modifications in the new collective agreement. These include what the employer terms as "necessary corrective measures" in three areas: monetary clauses which have an effect on the cost of cargo handling in the Port of Quebec; operational work methods which have a direct affect on the productivity and efficiency of the Port of Quebec; and administrative procedures which hinder the employers in maintaining

sufficient manpower flexibility and maximum productivity in the port. The MEA believes that such corrective measures are necessary if the port wishes to regain the cargo which it has lost to other ports.

In the area of direct monetary clauses, the employer proposes that the $16.00 an hour base rate be maintained only for work in those classifications involving the operation of specialized equipment. For all other classifications, the MEA proposes a reduction in the base rate to $12.00 an hour. The employer suggests an urgent need for a reduction in the cost of the job security plan and to this end, proposes that the formula relating to job security be amended to include in the calculation all hours worked with the lone exception being "la seine" hours which would not be counted. In addition, all job security plan hours would be paid at the reduced rate of $12.00 per hour.

In the area of employer contributions to the pension and welfare funds, the MEA indicates that contributions in the regional ports vary from 0 to 52 cents per hour while the contribution rate presently in effect at the Port of Quebec is $1.84. The employer feels that there is no justification for an increase in contributions during the next collective agreement and therefore, proposes a freeze on employer contributions.

In the area of premium pay, the employer points to what it feels are overly generous provisions for overtime work. The MEA suggests that such conditions do not exist in the regional ports with which the Port of Quebec must compete for cargo and that in addition, collective agreements in the American longshoring industry reflect overtime and cargo premiums much less than those which exist in Eastern Canada. In seeking a return to what the employer feels would be normal standards for the industry, it requests that all premiums attached to different types of cargo be eliminated and that a overtime rate of one and one half times the base rate be established, payable only after eight hours of work in one day. In addition, the employer proposes that the maximum rate payable at any time would not exceed two times the base rate and this would be applicable for work carried out during meal periods, on the weekend or on a statutory holiday.

The MEA feels that the cost of the floating statutory holidays, in effect in the current agreement, has become totally uncontrolable and has created an artifical

restriction relating to the availability of manpower. It is therefore necessary, in the employers opinion, to return to the concept of fixed legal holidays.

The current collective agreement for the Port of Quebec provides job security for two groups of linesmen which the MEA does not feel is economically justified. Since ship movement in the port requiring the presence of linesmen has declined significantly over the years, substantial payments have been made from the job security plan. This has, in turn, required charges against ships docking at the Port of Quebec to be among the highest on the St. Lawrence and even in Eastern Canada. The employer proposes that the present clauses in the collective agreement relating to job security for linesmen must be eliminated and replaced with a clause providing a minimum guarantee of two hours for the linesmen according to need.

The last item with financial implications relates to the duration of the collective agreement. The employer suggests that it is of great importance that a contract of three years duration be accepted to provide the required industrial stability to put the Port of Quebec in a competitive position.

The employer also made recommendations to the Conciliation Commissioner in the area of operational work rules. In the Port of Quebec, certain sectors of manual labour are under the jurisdiction of the ILA but at the same time are excluded from the longshoring collective agreement. In most other ports in Eastern Canada, manual labour necessary to discharge or unload trucks and rail cars is excluded from ILA jurisdiction, as is the work required in the securing of canvas covering over bulk cargo and removing snow from the canvas. Management is of the opinion that this type of work must be excluded from the union jurisdiction in order to keep manpower costs down and the port competitive.

The union have acknowledged the problem with the manual labour and have suggested that the work be assigned to non-union workers at the rate of $12.00 per hour. The Commissioner observes that since the members of the union are not interested in doing this work, there is really no justification for the work remaining under their jurisdiction. The Commissioner also observes that the effect of the union proposition would be to pay a non-union worker to do the work while paying an employee covered by the job security plan to remain at home.

In the area of effectiveness and composition of the work force, the employer suggests that, once and for all, realistic guidelines concerning the composition of manpower be strictly established according to the needs of the operations. To this end, the MEA proposes that the collective agreement be amended to provide for not less than six men possessing classifications judged necessary by the employer for cargo loading or unloading operations. The need for additional manpower shall be at the discretion of the employer. The MEA also suggests that no fixed quota of longshoremen be established for any other tasks falling under the jurisdiction of the collective agreement.

In the area of hours of work, the employer contends that it is essential that all port operators be able to work regular hours of work with a right to extend the hours in cases where management deem it necessary. In cases which do not involve finishing the loading or unloading of a ship, the employer proposes an extension of four hours with a guarantee of four hours while in cases where the unloading or loading of a ship may be finished, an extension according to the time required and payable only on the basis of the hours worked. The employer also insists that it must have the right to call manpower at all times for a guarantee of four hours to face urgent situations in winter, on weekends and on legal holidays.

The MEA proposes additional changes to the collective agreement to provide a continuing ability to respond to the needs of the longshore industry. To this end, the MEA suggests that it must have the right to eliminate classifications which it considers superfluous. In addition to the right to add to the number of workers in a classification, management must also have the right to reduce the number of emloyees in a classification in order to respond to the changes in work methods. The MEA suggests that Article 8 of the Collective Agreement must clearly establish that each employee must possess one primary classification and secondary classifications for which he is qualified. The employer recommends that the new agreement recognize the right of the employer to establish training programs for union employees when necessary and for non-union employees in order to respond to sporadic manpower needs. It is also necessary that management be accorded the right to hire employees who are fully qualified for posts where it is impractical to institute lengthy training.

After having received the submission of the employer, the Conciliation Commissioner forwarded a copy to the union representatives. As might be expected, the union representatives view the employers proposals as an attack on the union by an employer frustrated and not being able to exercise its monopoly in all ports of the St. Lawrence. The union submission on the items in dispute is of a more general and global fashion and speaks to the "social life" and "conditions of work" of its members.

In their submission, the union asks the Conciliation Commissioner to assist in putting a halt to the employer's destruction of the social lives of the longshoremen in the Port of Quebec and the deterioration of the longshoremen's social class over the last few collective agreements. The union goes on to decry the employers administrative incompetance in deploying some members of the union to work 80 hours in one week and leaving others at home collecting job security or unemployment insurance benefits. The union demands that the "status quo" be maintained for 1986 and negotiations resume for 1987 with the employer proving his impartiality towards the Port of Quebec.

In his report, Conciliation Commissioner Cossette suggests that the principal theme of the union relates to the recuperation of hours advanced under the job security plan. He suggests that this may not be totally clear from the ILA submission and in fact, it is unclear as to whether or not the union concern deals with the concept of paying back the hours or the method in which the MEA applies the recuperation provisions contained in the collective agreement. Acknowledging the relative equality of wages and working conditions which has existed in the three St. Lawrence ports for a number of years, the Commissioner states that it is neither just nor equitable that the salaries of workers with some 20 years of service should suddenly be reduced by 25 per cent and thus rejects the employers demands for wage concessions. The Conciliation Commissioner expresses agreement with the employer's suggestion that training courses for the longshoremen be established. In dealing with the job security plan and pension fund, the Commissioner states that there is no need to modify these provisions for the time being.

In the area of statutory holidays, the Commissioner suggests that union would have to waive the concept of floating holidays in order to obtain the removal of Article 17.07 which provides for six non-working days in the Port of

Quebec, during the Christmas and New Year season. The question of weekend work was one which Conciliation Commissioner Cossette dealt with in his report of May of 1983 in which he recommended that employees not be penalized for refusing weekend work when they had a reasonable excuse. The Commissioner observes that the previous collective agreement was silent on this subject and he simply reiterates his previous recommendation to the parties. In considering the employers demand for a reduction in the number of linesmen, the Commissioner suggests that such a reduction is certainly desirable and recommendable but cautions that the ages and respective levels of the linesmen must be taken into account in the process.

The Conciliation Commissioner feels that the current collective agreement already confers sufficient powers on the employer to bring about certain modifications in the work rules. As for hours of work, the Commissioner suggests that a degree of flexibility to meet the necessities of the industry is desirable and recommendable and suggests that related clauses contained in the collective agreement for the Port of Montreal be incorporated into the Port of Quebec collective agreement. The Conciliation Commissioner rejects the union demand for a one-year collective agreement and while observing that a three-year agreement is in the tradition of the industry, makes recommendations for a two-year agreement covering the calendar years 1986 and 1987. For 1986 the Commissioner recommends the "status quo" with certain contract which are outlined in the report; for 1987, Cossette suggests the same "status quo" modified to include the base salary in effect for longshoremen in the Port of Montreal.

In the report, the Conciliation Commissioner observes that it is impossible for him to arrive at firm recommendations for each point in dispute and suggests that his report is somewhat brief and general in context. Many of the Conciliation Commissioner's recommendations contained in the report seem to lack specific clarity and would appear to be open to interpretation by the parties.

Program Planning and Technical Support
Federal Mediation and Conciliation Service
August 20, 1986

46 5-10

July 4, 1986 Our File: 326-3-3133

July 4/86

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: Dispute between Les Armateurs du St-Laurent Inc. and Seafarers' International Union of Canada (SIU)

The Conciliation Officer in this dispute reports that a settlement has not been reached affecting 30 unlicensed personnel employed aboard company vessels. The parties collective agreement expired December 31, 1985.

These negotiations are closely related to and parallel the SIU and Rail and Water Terminals (Quebec) Inc. case. A memorandum was sent to you yesterday in the latter case recommending against the appointment of a Conciliation Commissioner.

The SIU, as in the Rail and Water Terminals case, is proposing an hourly increase of $3.00 to the current hourly premium rate of pay ($6.00) for longshore work usually done by the 30 unlicensed personnel when company vessels operate in the Arctic area. The current hourly rates of pay for bargaining unit members associated with their regular duties as unlicensed seamen range between $9.86 and $10.33, depending upon classification. The company opposes the union's demand to increase the hourly premium for longshore work and wishes to maintain the current rate of $6.00.

The union does not favour the appointment of a Conciliation Commissioner while the company is not opposed to such an appointment. In our view, a Commissioner appointment would not assist in the settlement of this dispute. Bargaining pressure is needed to convince the parties of the need to reach a compromise on the longshore premium pay issue. Such pressure would be generated by a ministerial decision against the appointment of a Commissioner.

...2

There are no indications at the present time that the union is considering strike action. However, should the union eventually decide on such a course of action, the impact would be limited to the parties and the bargaining unit.

After carefully reviewing the case, we recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code and that the parties be so notified. We are prepared to provide mediation assistance, if necessary, in order to effect a resumption of negotiations and bring about a settlement.

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
E. O. PIGEON

Michael McDermott

Recommended:

Original Signed by
Original signé par
M. McDERMOTT

Associate Deputy Minister

Approved:

Minister of Labour

465-10

July 3/86

July 3, 1986 Our File: 326-3-3132

July 3/86.

MEMORANDUM TO: The Honourable Pierre H. Cadieux

RE: Dispute between Rail & Water Terminals (Quebec) Inc., Chargeurs Unis Inc. and Transport Desgagnés Inc., and Seafarers' International Union of Canada

The Conciliation Officer assigned to this dispute reports that the parties have been unable to reach a settlement. The dispute affects some 40 unlicensed personnel employed aboard company vessels. Their collective agreement expired December 31, 1985.

With the assistance of the Conciliation Officer, all outstanding issues, except for longshore premium pay, have been settled. Presently, bargaining unit members, depending upon their classification, receive hourly rates of pay ranging between $9.86 and $10.33 for performing the regular duties of a seaman. When they are involved in loading and unloading vessels, which they are often required to do when operating in the Arctic, they are paid an additional amount of $6.00 per hour while engaged in such longshore work. The union wants this premium hourly rate for longshore work increased to $9.00, while the employer and its two subsidiaries wish to maintain the existing premium hourly rate of $6.00.

The union does not favour the appointment of a Conciliation Commissioner while the company is not opposed to such an appointment. In our view, a Commissioner appointment would not assist in the settlement of this dispute. Bargaining pressure, associated with a ministerial decision against the appointment of a Commissioner, is needed to convince the parties of the need to reach a compromise on the longshore premium pay issue.

There are no indications at the present time that the union is considering strike action. However, should the union eventually decide on such a course of action, the impact would be limited to the parties and the bargaining unit.

...2

After carefully reviewing the case, we recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code and that the parties be so notified. We are prepared to provide mediation assistance, if necessary, in order to effect a resumption of negotiations and bring about a settlement.

Original Signed by
Original signé par
E.O. PIGEON

for
Michael McDermott

Recommended:

Original Signed by
Original signé par
M. McDERMOTT

for
_____
Associate Deputy Minister

Approved:

_____
Minister of Labour

DEPUTY MINISTER'S COPY

May 22/86.

H65-10

May 22, 1986 Our File: 326-3-3091

MEMORANDUM TO: The Honourable Bill McKnight

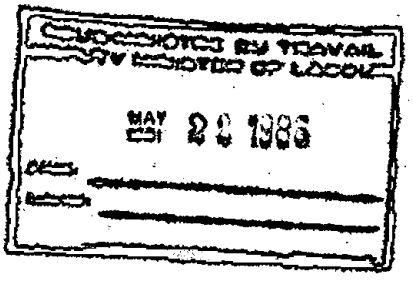
Re: Dispute between Maritime Employers Association, Port of Quebec, Quebec and the International Longshoremen's Association, Local 1739 (Quebec)

The Conciliation Officer in this dispute reports that the parties have not been able to revise their existing collective agreement which expired on December 21, 1984, covering 225 longshoremen in the Port of Quebec, Quebec.

From the outset of conciliation proceedings, the key issues have been those directly related to or impacting on the job security plan. The existing job security plan provides qualified longshoremen with an annual salary based on a guaranteed minimum of 1520 hours of work over a 38-week period. Neither side is arguing to change the minimum hours of work guaranteed for the year. However, the employer is attempting to reduce the costs associated with this plan while the union is seeking to exclude certain hours of weekend work which are currently charged against the yearly guaranteed hours.

For its part, the employer is seeking to modify the existing shift schedules in order to acquire more flexibility to meet peak periods of work.. In addition, the employer wants to reduce the current gang size from eleven (11) to nine (9) longshoremen. These two proposals would reduce the employer's total costs by increasing productivity, while decreasing the frequency and size of payments made to individual longshoremen under the job security plan.

...2



The union is seeking to have all weekend work excluded from the calculation of the employee's guarantee under the job security plan. Currently, half of the hours worked on weekends by longshoremen covered by the job security plan are converted to straight-time hours and applied against the employee's job security plan entitlement.

Both sides favour the appointment of a Conciliation Commissioner. In our view, such an appointment would be beneficial to the parties and serve a useful industrial relations purpose. The job security plan is the cornerstone to labour peace in the three major Quebec ports of Montreal, Trois-Rivières and Quebec City. The appointment of a Conciliation Commissioner would provide a continuing opportunity for a compromise. In addition, a Conciliation Commissioner's report with recommendations on the key issue, if necessary, could provide a basis for settlement or further negotiations.

Two additional factors also favour the appointment of a Commissioner. If a work stoppage was to occur, activity within the Port of Quebec would be severely restricted, if not stopped completely. In addition, contract negotiations affecting longshoremen at the Port of Trois-Rivières are currently at a standstill awaiting a decision from the CLRB on certification-related matters. Once these quasi-judicial proceedings are completed, any progress in the dispute affecting the Port of Quebec should be a positive influence on the Port of Trois-Rivières contract talks.

Therefore, we would recommend, subject to your approval, that the following person be considered to act as Conciliation Commissioner:

Chief Judge Laurent Cossette
Quebec Municipal Court
Quebec, Quebec

...3

Chief Judge Laurent Cossette is well known and highly respected by the parties to this dispute through his involvement as a Conciliation Commissioner in the parties' previous round of negotiations in 1983. His report at that time laid the basis for a settlement and he is currently named as the sole arbitrator in the grievance arbitration provisions of the parties' existing collective agreement. Judge Cossette has indicated that he is prepared to act as a Conciliation Commissioner if formally approached.

Accordingly, we recommend, for your approval, that Chief Judge Laurent Cossette be appointed as a Conciliation Commissioner. Attached, for your signature if you agree, is the necessary instrument of his appointment. We would plan to date the instrument concurrent with notification to the parties.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Recommended:

(Sgd.) W. P. Kelly

Associate Deputy Minister

Approved:

Minister of Labour

Attachment

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Honourable Bill McKnight

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ: **CONFIDENTIAL**

OUR FILE/NOTRE RÉFÉRENCE: 44-7-300

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: May 14, 1986

SUBJECT / OBJET: **DISPUTE - Maritime Employers Association, Port of Trois Rivieres, & International Longshoremen's Association, Local 1846**

You will recall that you were tied up on the day you were scheduled to meet with Arnie Masters and I met with him on your behalf. As a result of that meeting it became apparent that the MEA was either going to lockout in Trois Rivieres or "walk away" from the Port completely.

As you know, the tonnage is a way down in the Port of Trois Rivieres and Masters advises the job security provisions with the ILA is costing them over $30,000 a week. The Board has held hearings on the Section 132 geographic certification involving Bécancour and while we are hopeful there will be a positive decision, we have no way of knowing when this decision will come down. The Chairman is handling this case himself and we have every reason to believe that it will be a very lengthy decision covering a lot of history.

As a result of my meeting with Masters I contacted Helen LeBel, the lawyer for Local 1846 of the ILA, and impressed upon her the importance of the Union coming to some interim arrangement pending the Board's decision. I suggested the alternative might be that the MEA would pull out of the Port of Trois Rivieres and the Union would have no security if they were dealing directly with the stevedoring companies involved. LeBel saw the significance of the message and assured me she would discuss the matter with her principles.

I am pleased to report that an interim agreement has been reached, subject to two weeks notice by either party, and, while not fully familiar with the agreement the net effect is to place some of the longshoremen in laid-off status where they will pick up UIC benefits. Masters maintains there is still a drain on the job security fund but to a far lessor degree.

I am very pleased with these developments as it seems we have avoided a lockout with all its political consequences.

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

BEST AVAILABLE COPY

TO: The Honourable Bill McKnight

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
APR AVR 28
Référé:
Referred:

SECURITY - CLASSIFICATION - DE SÉCURITÉ

OUR FILE/NOTRE RÉFÉRENCE 44-7-388

YOUR FILE/VOTRE RÉFÉRENCE

DATE April 25, 1986

FROM DE (Sgd.) W. P. Kelly
W.P. Kelly

SUBJECT OBJET Scheduled Meeting with Arnold Masters, President, Maritime Employers Association, on April 29, 1986 Concerning the Situation in the Port of Trois-Rivières

The President of the Maritime Employers Association will be meeting with you on April 29, 1986 to present the Association's position relating to the current labour dispute in the Port of Trois-Rivières between the Association and Local 1846 of the International Longshoremen's Association. The MEA has also voiced concern relating to Section 132 of the Canada Labour Code, Part V, and its application by the Canada Labour Relations Board and it is likely that Mr. Masters will also wish to speak to you on this topic. In this regard, you may wish to refer to my earlier memo of April 15, 1986 with the attached documents, i.e. the translated English version of Conciliation Commissioner Claude Foisy's report and the MEA's brief to the Canada Labour Relations Board concerning geographic certifications under Section 132 of the Canada Labour Code, Part V. I am attaching these documents for your convenience in case you wish to review them.

In his report, Conciliation Commissioner Foisy concluded that a settlement of the current labour dispute is highly unlikely before the matters pertaining to Section 132 are clarified. As you are aware, he chose not to make specific recommendations for a settlement but simply confined his remarks to a description of the situation and its background elements.

On October 7, 1985, the International Longshoremen's Association, Local 1846, filed an application with the Canada Labour Relations Board under Section 132, requesting certification of a geographic unit covering longshoring operations in the Ports of Trois-Rivières and Bécancour. Since release of the Foisy Conciliation Commission Report, the CLRB had scheduled hearings for May 6, 7 and 8, to rule on the application. A decision on the part of the CLRB to grant a Section 132 certification to ILA, Local 1846, would go a long way to relieving the financial burden on the job security fund provided for in the collective agreement between the MEA and ILA, Local 1846, in the Port of Trois-Rivières.

.../2

As indicated in my previous memo to you, I have had an opportunity to speak with Marc Lapointe, Chairman of the CLRB, when he was in the Department on another matter, and I am convinced that he is fully aware of the significance and import of the Section 132 application put forward by the International Longshoremen's Association. It appears, that for the time being, the Maritime Employers Association is continuing operations in the Port of Trois-Rivières on a day-to-day basis with a lockout being a definite possibility in order to eliminate the drain of funds related to job security payments in the port.

While we have no precise idea of the MEA's time frame in the current dispute, the Association obviously wishes to resolve the financial problems related to the job security fund as soon as possible. If an early decision from the CLRB is not forthcoming on the Section 132 application, we can expect to see the MEA negotiators bring matters to a head in the Port of Trois-Rivières' labour dispute.

During your discussion with Mr. Masters, you may wish to indicate to him that you appreciate the significance of the upcoming hearings with regard to Section 132 of the Canada Labour Code. You can add that the importance of an early decision is recognized and that this concern will be conveyed to the CLRB. You may also wish to express to Mr. Masters that, in the interests of promoting long term stable and healthy labour relations between the MEA and ILA, the employer hold off the consideration of any major move until the decision of the Canada Labour Relations Board has been handed down.

Attachments (3)

GC/ml

Canada Canada

To-À: Miss Jennifer R. McQueen

Remarks - Remarques:

For your information.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR

APR AVR 14 [illegible]

Référé:
Referred:

W. P. KELLY

Date

000215

Lab/Tray 028 (04/76) 7530-21-036-3714

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

44-7-300

QA-

April 10, 1986 Our File: 326-3-3017 April 10/86.

MEMORANDUM TO: Mr. W. P. Kelly

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting the Maritime Employers' Association, Port of Trois-Rivières, Que. and International Longshoremen's Association, Local 1846

Attached is a copy of the report of Conciliation Commissioner Claude H. Foisy, who was appointed to further assist the above-cited parties to revise their existing collective agreement covering 131 longshoremen. This agreement expired on December 31, 1985.

Mr. Foisy was appointed as Conciliation Commissioner on January 6, 1986, following the failure of the parties to resolve their differences with the assistance of a Conciliation Officer. Meetings were held with the parties during January, February and March of this year. However, the Conciliation Commissioner reports that he has been unable to assist the parties in concluding a revised agreement and has not made specific recommendations for settlement.

The principal issue discussed by the parties was the existing job security plan which guarantees an annual income level in the event that insufficient work is available. The workload in the Port of Trois-Rivières has dropped significantly over the past few years and the decline is forecast to continue. As a result, the MEA claims that it has been unable to recover the cost of the job security plan from the cargo "tax" charged to the stevedoring companies which are members of the Association. The main points of Commissioner Foisy's report are given in the attached summary prepared by Program Planning and Technical Support.

.../2

The report devotes considerable attention to the impact of operations in the Port of Bécancour on the job security issue and on the consequent impasse in negotiations. Bécancour is situated across the St. Lawrence River from Trois-Rivières. The port, which is currently busy and has bright prospects, is operated solely by Murray Bay Marine Terminals Ltd. Although Murray Bay draws on essentially the same pool of longshore labour as MEA members in Trois-Rivières, it does not belong to the Association and does not contribute to the job security fund. MEA members regard themselves as guaranteeing the availability of experienced longshoremen, through an expensive job security fund, largely to the benefit of the rival company. In the circumstances, the MEA has concluded that the job security plan cannot be continued on current terms.

Associated with the MEA - Murray Bay rivalry, is a lengthy record of CLRB proceedings which Commissioner Foisy describes in some detail. In essence, the proceedings relate to the scope of a geographical certification under Section 132 of the Code and the identification of an appropriate agent to represent the employer or employers in the Port of Bécancour. Certain matters are still to be determined by the Board and by the Federal Court. The Commissioner has concluded that a settlement of the current labour dispute is highly unlikely before these matters are clarified. In the circumstances, he has not made specific recommendations for settlement but has confined his remarks more to a description of the situation and its background.

I would recommend, for your approval, that Mr. Foisy's report be released to the parties pursuant to Section 170(a) of the Code.

Original Signed by
Original signé par
M. McDERMOTT

Michael McDermott

Approved:

Associate Deputy Minister

Att.

ANNEX "A"

SUMMARY OF THE REPORT OF CONCILIATION COMMISSIONER CLAUDE H. FOISY IN A DISPUTE BETWEEN THE MARITIME EMPLOYERS' ASSOCIATION, PORT OF TROIS-RIVIERES, AND THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, LOCAL 1846

Conciliation Commissioner Foisy has chosen to set out his report in three distinctive segments. The first section of the report deals with the question of job security and its historical context pertaining to the St. Lawrence River ports. The second section deals with the certification of bargaining units and the judicial and quasi-judicial context which actually prevails. The third section deals with the economic activities in the Ports of Trois-Rivières and Bécancour. The Commissioner then reviews the positions of the parties with regard to job security and draws his conclusions.

In dealing with the job security issue, Commissioner Foisy reflects back to the St. Lawrence ports during the 1960's when frequent work stoppages, criminal activity, mediocre productivity, manpower surpluses, administrative problems and the onslaught of technological change in the longshoring industry clouded the scene. Mention is made of the appointment of Dr. Laurent Picard as Industrial Inquiry Commissioner by the Minister of Labour in 1966 and the subsequent Picard Report designed to achieve rationalization of operations, stabilization of work and general improvement of working conditions in the longshoring industry. The Picard recommendations, implemented under the provisions of the St. Lawrence Ports Working Conditions Act of July 15, 1966, provided income security for the longshoremen through the establishment of a job security plan. Although the modalities of the plan have changed over the years, the basic principle has remained intact and the Commissioner credits this with assuring the stability of labour relations between the parties over the past twenty years.

The main stumbling block in the current negotiations for a new collective agreement to replace the one which expired on December 31, 1985, centres around the job security plan. If the job security plan was to be continued on the same basis for 1986, it would impose on the MEA at Trois-Rivières a guarantee of $35,354 per longshoreman including social benefits. Since there are 131 longshoremen at Trois-Rivières who are covered by the job security plan, the MEA guarantee for 1986 would be $4,631,374. Taking into account the MEA's projection of hours worked for 1986, the job security plan would cost the employer $2,444,260 for the year. On the other hand, while the job security plan is not necessarily financed from one year's revenue, the Commissioner notes that the anticipated 1986 revenue from cargo tax is calculated at $153,120, a shortfall of some $2,291,140.

In reviewing the situation relating to the certification of bargaining units, the Commissioner notes that during the mid 1970's, the Quebec government created la Société du parc industriel du Centre du Québec (la Société) whose purpose was to develop and commercialize an industrial park site on the south side of the St. Lawrence River facing Trois-Rivières. One of the most important features of the industrial park is the Bécancour port infrastructure of which la Société is the proprietor.

Section 132 of the Canada Labour Code (Part V - Industrial Relations) provides that where employees are employed in the longshoring industry in a designated geographical area, the Canada Labour Relations Board may determine that the employees of two or more employers in the geographic area constitute a unit appropriate for collective bargaining and may, certify a trade union as the bargaining agent for the unit. Where the Board certifies a trade union as the bargaining agent, the Board shall order that an agent be appointed by the employers as their representative and that the agent so appointed be authorized to discharge the required duties and responsibilities.

While the CLRB issued a geographical certification for the Port of Bécancour to ILA, Local 1846, the accreditation of an employer has proven to be a major problem. Murray Bay Marine Terminal (MBMT), one of nine stevedoring companies operating at Bécancour, signed an agreement with la Société giving it exclusive longshoring operation rights at the port. The CLRB subsequently granted Murray Bay Marine Terminal the right to negotiate with ILA, Local 1846.. An appeal to the Federal Court of Appeal by the MEA was successful and the CLRB decision was returned to the Board for review. The CLRB subsequently rendered a second decision maintaining the geographical accredition of MBMT and the Federal Court of Appeal is expected to hear a new appeal within the next month. On October 7, 1985, ILA, Local 1846, filed a new application with the CLRB under Section 132 seeking geographical certification as the bargaining agent for longshoremen employed in longshoring operations in both Trois-Rivières and Bécancour. To date, the CLRB has not ruled on this application and the Commissioner is unable to predict when a decision will be made. In the meantime, Murray Bay Marine Terminal signed a five-year agreement with ILA, Local 1846, providing for monetary increases lower than Trois-Rivières and a job security plan for twelve employees.

Cargo tonnage has dropped significantly at Trois-Rivières and this trend is predicted to continue. The MEA is not prepared to provide job security for more than 40 longshoremen while the ILA cannot allow the balance of their members to be divested of what they view as an acquired right. The MEA has forbidden longshoremen covered by the job security plan in Trois-Rivières from accepting employment with Murray Bay Marine Terminal at Bécancour. For its part, the union is prepared to consider a reduction in the total number of weeks covered by the job security plan, as well as crediting the MEA for the hours worked by longshoremen from Trois-Rivières at the Port of Bécancour. The MEA rejects the idea of a buy-out scheme such as those which were utilized in the mid-1970's and the ILA maintains that the transferring of its members to other ports is not feasible. Neither side has put forth an acceptable compromise solution.

Commissioner Foisy concludes that the impasse will only be receptive to settlement once the judicial and CLRB aspects are cleared up. Since he has no jurisdiction in these areas, the Commissioner has chosen to make no formal recommendations for possible settlement of the industrial dispute.

Concernant le Code canadien du travail (Partie V - Relations industrielles) et le différend entre l'Association des employeurs maritimes, Port de Trois-Rivières, Trois-Rivières (Québec) et l'Association internationale des débardeurs, Local 1846

À: L'Honorable Bill McKnight,
Ministre du travail du Canada

Rapport du Commissaire-conciliateur Claude H. Foisy, c.r.

Le 31 mars 1986

Monsieur le Ministre,

Le 6 janvier 1986, vous me nommiez commissaire-conciliateur pour agir dans le différend opposant l'Association des employeurs maritimes (A.E.M.) - Port de Trois-Rivières et l'Association internationale des débardeurs, local 1846 (A.I.D. 1846). Dans le cadre de mon mandat, j'ai rencontré les parties à plusieurs reprises, tantôt à Trois-Rivières, tantôt à Montréal et j'ai également eu plusieurs conversations privées avec elles. Avant ma nomination, les parties avaient tenu entre elles une seule séance de négociations le 6 novembre 1985. Lors de cette rencontre, il est apparu qu'il existait un différend majeur sur la question de la sécurité d'emploi. Devant l'impasse, elles ont conjointement demandé la conciliation.

Effectivement, une rencontre de conciliation eut lieu le 28 novembre 1985 en présence de monsieur André Drouin de votre ministère. Cette rencontre a de nouveau mis en évidence que les parties étaient en complet désaccord sur la question de la sécurité d'emploi. Devant l'ampleur du désaccord, il fut décidé de ne pas pousser plus avant la conciliation.

Mes rencontres avec les parties ont montré qu'outre leur profond désaccord sur la question de la sécurité d'emploi qui demeurait entier, il y avait "sur la table" des demandes d'ordres opérationnel et monétaire qui n'avaient jamais été discutées voire même formulées clairement. Au cours des échanges que j'ai eus avec les parties, il est apparu que ces autres demandes n'avaient pas la même importance et qu'elles se règleraient probablement assez facilement une fois que le désaccord fondamental sur la sécurité d'emploi aurait été solutionné.

En somme, il n'y a qu'un seul sujet de désaccord entre les parties, soit la sécurité d'emploi. Le différend est profond et ses causes, complexes. Compte tenu des implications importantes que ce désaccord peut avoir sur les activités économiques du Port de Trois-Rivières en général et les conditions de travail des débardeurs de même que sur les opérations des employeurs, il m'apparaît important de vous situer le problème tel qu'il m'est apparu suite aux rencontres et discussions que j'ai

eues avec les parties. Pour ce faire, je traiterai des points suivants:

1. la sécurité d'emploi et son historique;
2. les unités d'accréditation et le contexte judiciaire et quasi-judiciaire qui prévaut actuellement.
3. les activités économiques aux ports de Trois-Rivières et Bécancour.

Je discuterai ensuite de la position des parties en regard de la sécurité d'emploi et ferai part de mes conclusions.

1. La sécurité d'emploi et son historique

Au début des années 1960, les ports de Montréal, Québec et Trois-Rivières étaient sujets à des arrêts de travail fréquents et souffraient entre autres, d'un haut taux de criminalité, d'une productivité médiocre, d'une surabondance de main-d'oeuvre, d'une administration déficiente, de favoritisme dans le placement et étaient secoués par l'arrivée d'un changement technologique majeur - le container. Tous ces facteurs créaient un climat d'insécurité chez les débardeurs qui ne savaient pas qui travaillerait le lendemain et à quelles conditions. Voir à ce sujet les constatations contenues dans les rapports d'enquête Cassidy, Smith et Deschênes.

Du 9 mai 1966 au 14 juin 1966, les ports de Montréal, Québec et Trois-Rivières ont été complètement paralysés par une grève générale. Une des causes importantes de cet arrêt de travail était le trop grand nombre de débardeurs par rapport au travail disponible. Suite à cette grève, le 27 juin 1966, le ministre du travail créait la Commission Picard dont le mandat, entre autres, était d'enquêter et faire rapport sur:

> «(a) La composition et le nombre de membres des équipes de travailleurs affectées au débardage et à des travaux connexes, aux ports de Montréal, Trois-Rivières et Québec, les charges d'élingue dans les opérations de chargement et de déchargement auxdits ports, le cerclage des marchandises auxdits ports et l'utilisation d'autre outillage et d'autres méthodes influant sur la productivité dans les opérations de chargement et déchargement, y compris la réception et la livraison des marchandises compte tenu de la santé et de la sécurité des débardeurs et des autres personnes employées auxdites opérations;
> (b) L'appel et le rappel des travailleurs employés au débardage et à d'autres travaux connexes auxdits ports;
> (c) La sauvegarde de la sécurité de l'emploi durant la période d'application de la convention découlant du règlement dont il est question ci-dessus, eu égard aux changements qui peuvent être effectués par suite de l'application

> des conclusions formulées en rapport avec les questions décrites aux alinéas a) et b), pour les membres en règle de l'International Longshoremen's Association, au 1er jour de juin 1966, qui deviennent admissibles, au cours de l'année civile 1966, aux prestations de bien-être prévues en vertu des conditions du régime de santé et de bien-être de la Fédération des Armateurs du Canada et de l'I.L.A. et qui gagnent leur vie entièrement ou en majeure partie en effectuant des travaux de débardage et des travaux connexes, dans lesdits ports;
> ...»

La Commission a soumis son rapport le 27 octobre 1967 - L.A. Picard, Rapport de la Commission d'enquête sur les ports du St-Laurent (1967) -. La Commission recommanda l'instauration d'une garantie d'emploi pour les débardeurs de chacun des trois ports qui gagnaient leur vie entièrement ou en majeure partie à effectuer des travaux de débardage et travaux connexes. La Commission, à la page 161 de son rapport, a référé à cette garantie d'emploi dans les termes suivants:

> «La sécurité d'emploi garantit à chaque membre admis au Régime que, durant la Saison de sécurité d'emploi, on lui fournira du travail, jusqu'à concurrence de la Saison normale de travail sinon, il sera payé pour les heures manquantes, au taux courant de salaire pour le temps normal, à même le Fonds de sécurité d'emploi. Toutes les heures pour lesquelles il a par ailleurs droit d'être payé sont comptées comme des heures de travail.»

La Commission Picard a établi des critères suivant lesquels les débardeurs ayant droit à la sécurité d'emploi ont été identifiés de même qu'elle a défini l'étendue et les modalités d'application de ladite sécurité d'emploi. On prévoyait entre autres qu'elle serait financée à même une taxe aux employeurs sur la cargaison qu'ils étaient appelé à manipuler. Un ratio fut établi pour chaque type de cargaisons afin de faire correspondre la taxe au rapport marchandises / employés nécessaires à leur manutention (par exemple, cargaison conventionnelle 1/1, vrac 10/1, grain 30/1).

Cette sécurité d'emploi fut imposée aux parties par législation. Bien que les modalités d'application de ladite sécurité d'emploi aient pu varier au fil des conventions collectives, le principe même de la sécurité d'emploi recommandé par la Commission Picard a été reconduit dans toutes les conventions collectives subséquentes imposées par le gouvernement ou intervenues directement entre les locaux A.I.D. et les employeurs ou le mandataire de ces derniers, l'A.E.M. dans les trois ports susnommés du St-Laurent.

De 1966 à 1975, les trois ports du St-Laurent ont fait l'objet d'arrêts de travail associés au renouvellement des conventions collectives. Il y eut des grèves en 1966, 1972 et 1975. À chacune de ces occasions, la cause des conflits était reliée au fait qu'il y avait plus de débardeurs que de travail disponible. En somme, ces conflits étaient directement reliés à la sécurité d'emploi des débardeurs.

La sécurité d'emploi initialement a été accordée à tous les débardeurs qui, au cours des années précédentes, avaient travaillé un nombre minimum d'heures dans l'industrie. Même en éliminant les marginaux et compte tenu des changements technologiques amenés par l'arrivée des containers qui demandaient une manipulation par des équipes réduites, il y avait un surplus de main-d'oeuvre. Pour l'employeur, afin que la garantie d'emploi soit viable, il doit viser à équilibrer d'une part le coût total de son engagement avec d'autres ports des heures effectivement travaillées. Afin de minimiser le coût de ladite sécurité d'emploi, l'employeur, dans le cadre des arrêts de travail auxquels j'ai référé plus haut, a comme solution de compromis, financé des rachats de sécurité d'emploi. De 1972 à 1974, l'employeur a racheté 1,000 débardeurs, ce qui avec les coûts des financements, lui a coûté 19 millions de dollars. Pour se financer, l'employeur dût emprunter et hypothéquer les ports. L'emprunt fut remboursé à même une surtaxe sur la marchandise.

Au fil des conventions collectives, d'autres rachats furent effectués par exemple, lors de la conclusion de la dernière convention collective entre l'A.I.D. 1846 et l'A.E.M., le 1er janvier 1983, l'A.E.M. racheta la sécurité d'emploi d'une trentaine de débardeurs à raison de 26,000$ chacun. L'une des conditions de ce rachat est que les débardeurs renoncent à leur sécurité d'emploi. En d'autres termes, s'ils désiraient de nouveau travailler dans le port, ils devraient recommencer au bas de l'échelle, sans aucune priorité.

Le régime de la sécurité d'emploi en place depuis la fin des années 1960 dans les ports du St-Laurent (Montréal, Québec et Trois-Rivières) est la pierre angulaire qui assure la stabilité des relations de travail entre les parties.

D'une part, elle garantit aux employeurs l'accès prioritaire à un bassin de main-d'oeuvre qualifiée et disponible sept jours par semaine et d'autre part, elle assure aux employés un revenu garanti qui l'attache au port. Au surplus, l'imposition de la taxe sur le tonnage, qui est la même à Montréal, Québec et Trois-Rivières, fixe des règles monétaires minimales applicables également à tous les employeurs, lesquels sont constamment en compétition les uns contre les autres. Si le coût de base est le même pour tous, il y a moins d'intérêt pour les employeurs à déménager d'un port à l'autre pour obtenir un meilleur coût de revient. Ceci ne veut pas dire qu'il ne peut survenir de déplacement des opérations d'un port à l'autre. De tels déplacements surviennent de temps à autre. Ils résultent plutôt de facteurs inhérents aux conditions économiques ou géographiques des ports, facteurs sur lesquels les parties n'ont pas de contrôle par opposition à des déplacements occasionnés par des coûts de main-d'oeuvre disparates et qui seraient initiés par les employeurs pour maximiser leurs profits. En d'autres termes, les conditions de travail à peu près uniformes qui prévalent dans les ports de Montréal, Québec et Trois-Rivières contribuent de façon importante à la paix industrielle de ces trois ports. Mentionnons que depuis 1975, aucun arrêt de travail n'est survenu dans le cadre de la renégociation des conventions collectives.

La convention collective arrivée à terme le 31 décembre 1985 que les parties tentent présentement de renouveller et qui est toujours en vigueur, décrit le régime de sécurité d'emploi à l'article 15. S'il devait continuer de s'appliquer tel quel pour 1986, il imposerait aux employeurs de Trois-Rivières représentés par l'A.E.M. une garantie de 35,354$ par débardeur, incluant les avantages sociaux. Cette garantie s'applique sur quarante (40) semaines à l'intérieur d'une période de cinquante-deux (52) semaines. Il y a 131 débardeurs à Trois-Rivières qui ont droit à cette sécurité d'emploi. La garantie de l'A.E.M. pour 1986 serait donc de 4,631,379$. Compte tenu des heures travaillées projetées pour 1986, la sécurité d'emploi coûterait à l'employeur, pour la seule année 1986, 2,444,260$. Pour financer ce déficit, le revenu anticipé de la taxe sur la cargaison manipulée est de 153,120$.

2. Les unités d'accréditation et le contexte judiciaire et quasi-judiciaire

Le port de Trois-Rivières, tout comme ceux de Montréal et de Québec, fait l'objet d'accréditations géographiques émises par le Conseil canadien des relations du travail (CCRT) aux termes des dispositions de l'article 132 du Code canadien du travail. Brièvement, il s'agit d'unités d'accréditation regroupant tous les débardeurs travaillant dans une aire géographique déterminée représentés par un syndicat (en l'occurence tous des locaux de l'A.I.D. à Québec, Trois-Rivières et Montréal) et toutes les compagnies d'arrimage opérant dans l'aire géographique déterminée. Ces compagnies, pour fins de négociations collectives et d'administration des conventions collectives, sont représentées dans chacun des ports par l'A.E.M., laquelle a été nommée mandataire aux termes de l'article 132(3).

Au port de Trois-Rivières, l'accréditation comprend tous les débardeurs représentés par l'A.I.D. 1846 de tous les employeurs, ces derniers étant représentés par leur mandataire, l'A.E.M. Aux termes de la convention collective qui prévaut actuellement entre elles, tous les employeurs ont accès au même bassin de tous les débardeurs et tous les employeurs sont assujettis à la même taxe sur les marchandises qu'ils sont appelés à manipuler.

Au milieu des années 1970, le gouvernement du Québec créa la Société du parc industriel du Centre du Québec (la Société) dont la mission entre autres, était de développer et commercialiser un parc industriel sis sur la rive sud du St-Laurent face à Trois-Rivières. L'un des atouts importants de ce parc industriel est l'infrastructure portuaire de Bécancour dont la Société est propriétaire. Le port de Bécancour est situé sur la rive sud du St-Laurent, à une très courte distance du port de Trois-Rivières auquel il fait face.

Le 1er mai 1983, le CCRT émettait une accréditation géographique couvrant tout le port de Bécancour par laquelle il accréditait l'A.I.D. 1846 (même local que celui de Trois-Rivières) comme agent négociateur des débardeurs employés par neuf compagnies d'arrimage (qui comprenaient toutes les compagnies d'arrimage opérant à Bécancour). Huit de ces compagnies

nommaient l'A.E.M. comme mandataire aux termes de l'article 132(3). Dans les jours qui ont suivi, Murray Bay Marine Terminal (MBMT), l'autre compagnie, signait avec la Société une entente suivant laquelle il lui était consenti l'exclusivité des opérations de débardage dans le port de Bécancour.

Suite à cette entente, MBMT déposait auprès du CCRT une requête afin qu'elle soit reconnue la seule des entreprises à pouvoir désigner un mandataire. Le 7 décembre 1983, le CCRT accordait la requête et permettait ainsi à MBMT de négocier directement avec l'A.I.D. 1846. L'A.E.M. demanda alors la revision de cette décision du CCRT devant la Cour fédérale d'appel. Cette dernière, le 1er avril 1985, cassait la décision du Conseil et lui retournait le dossier pour qu'il en dispose à nouveau.

Suite à cette décision de la Cour fédérale d'appel, le CCRT invita les parties à lui faire de nouvelles représentations et, le 27 juin 1985, rendait une décision par laquelle il maintenait l'accréditation géographique sous l'article 132 et déclarait que le seul employeur désigné était MBMT, lequel était requis de se nommer un mandataire. L'A.E.M. déposa alors devant la Cour fédérale d'appel une demande de revision pour casser cette dernière décision aux motifs qu'une accréditation sous l'article 132 ne pouvait être accordée à un seul employeur. Je suis informé que la Cour fédérale d'appel entendra les parties à ce sujet vers la fin d'avril 1986.

Le 7 octobre 1985, l'A.I.D. 1846 a déposé auprès du CCRT une nouvelle requête sous l'article 132 afin que soit accréditée une unité géographique couvrant à la fois les opérations de débardage des ports de Trois-Rivières et Bécancour. À ce jour, le CCRT n'a pas statué sur cette requête et je ne suis pas en mesure de dire quand une décision interviendra.

Le 8 octobre 1985, l'A.I.D. 1846 et MBMT qui, suite à la décision du 27 juin 1985 du CCRT, avaient entamé des négociations pour la signature d'une convention collective, conformément aux exigences du Code du travail, concluaient une convention collective d'une durée de cinq ans laquelle contenait entre autres des dispositions monétaires moins restreignantes pour MBMT que celles contenues dans la convention collective intervenue à Trois-Rivières entre le même local 1846 et l'A.E.M. et qui venait

à échéance le 31 décembre 1985. Les parties convenaient également d'une sécurité d'emploi applicable à douze employés seulement.

En septembre 1985, l'A.E.M. a signifié à l'A.I.D. 1846 un avis suivant lequel elle interdisait aux débardeurs de Trois-Rivières couverts par la sécurité d'emploi, d'aller travailler à Bécancour pour son compétiteur MBMT. Suite à cette interdiction, le local 1846 logea une plainte de pratique déloyale contre l'A.E.M. auprès du CCRT. Cette plainte est toujours pendante devant le Conseil. De plus, l'A.E.M. a réclamé des débardeurs couverts par sa sécurité d'emploi à Trois-Rivières et qui ont travaillé à Bécancour pour MBMT, qu'ils lui remboursent la valeur des heures travaillées à Bécancour. L'A.E.M. prétend qu'elle a droit de se voir créditer toutes les heures travaillées au bénéfice de son compétiteur par sa main-d'oeuvre parce qu'au moment où ces employés ont travaillé pour MBMT, ils étaient déjà payés par l'A.E.M. aux termes des dispositions sur la sécurité d'emploi contenues dans la convention collective du port de Trois-Rivières.

D'un autre côté, l'A.I.D. 1846 est liée avec MBMT par une convention collective suivant laquelle elle doit fournir la main-d'oeuvre nécessaire à défaut de quoi MBMT peut embaucher à l'extérieur de ses rangs. Pour remplir son obligation envers MBMT, l'A.I.D. 1846 assigne à Bécancour des aspirants membres c'est-à-dire des nouveaux débardeurs.

Cette situation inconfortable dans laquelle est placée l'A.I.D. lui cause des problèmes avec ses membres. D'une part, il y a des débardeurs formés et compétents qui, bien que payés par la sécurité d'emploi de l'A.E.M. à Trois-Rivières, ne travaillent pas parce qu'il n'y a pas de volume. D'autre part, le syndicat doit engager de nouveaux débardeurs pour travailler à Bécancour où le volume de cargaison est supérieur. En somme, le syndicat ne peut fournir de travail à ses membres qui veulent travailler et il doit engager des nouveaux que les anciens voient travailler de l'autre côté du fleuve d'un mauvais oeil. Le syndicat a fait valoir que la situation deviendra explosive avant longtemps car les nouveaux membres voudront prétendre à des droits acquis pour le travail effectué à Bécancour.

Le contrat d'exclusivité de MBMT avec la Société a été renouvellé et s'étend jusqu'au 31 mars 1987.

3. Les activités économiques aux ports de Trois-Rivières et Bécancour

A) Trois-Rivières

Les statistiques de l'administration du port de Trois-Rivières concernant le chargement et déchargement du grain, du vrac et du cargo conventionnel pour les années 1980 à 1985 sont reproduites ci-après. Les chiffres entre parenthèses indiquent le tonnage computé par l'A.E.M. et sur lequel ses membres ont été taxés suivant le ratio établi par le rapport Picard (30/1 grain, 10/1 vrac, 1/1 conventionnel).

	Grain	Vrac	Conventionnel	Total
1980	1,242,111 (41,403)	217,096 (21,709)	217,824	280,936
1981	750,353 (25,011)	262,578 (26,257)	215,525	266,793
1982	714,477 (23,815)	253,463 (25,346)	197,883	247,044
1983	1,111,809 (37,060)	283,025 (28,302)	187,576	252,938
1984	1,138,473 (37,949)	376,080 (37,608)	183,199	258,756
1985	676,550 (22,551)	301,126 (30,112)	80,907	133,570
1986 *	600,000 (20,000)	300,000 (30,000)	30,000	80,000

* Tonnage estimé

Les données de ce tableau sont illustrées graphiquement à l'annexe A de ce rapport. Le graphique réfère aux tonnes converties suivant le ratio décrit plus haut et apparaissant entre parenthèses au tableau.

B) Bécancour

Contrairement à la baisse importante des activités économiques constatées dans le port de Trois-Rivières en 1985 et qui, suivant toutes probabilités, se poursuivra en 1986, les activités du port de Bécancour sont à la hausse. Cette augmentation des activités prévue à Bécancour pour 1986 correspond au début des opérations de l'aluminerie Péchiney située dans le parc industriel de la Société. Il appert que les activités de cette entreprise auront un effet d'entraînement important sur les activités générales

du port qui devraient progresser dans les prochaines années.

Les parties estiment que pour 1986 à Bécancour, il se chargera ou déchargera 850,000 tonnes (85,000) de vrac et 50,000 tonnes de conventionnel pour un total de 135,000 tonnes converties.

Ceci conclut l'énoncé des éléments et facteurs qui entourent et conditionnent les négociations entre les parties pour le renouvellement de la convention collective au port de Trois-Rivières. Voyons maintenant les positions respectives énoncées par l'A.E.M. et le syndicat.

La position de l'employeur

L'employeur fait valoir qu'il n'a plus les moyens financiers de payer la sécurité d'emploi tel qu'il l'a fait dans le passé. En janvier 1983, lorsqu'il a signé la dernière convention collective, le portrait qu'il avait de l'activité économique du port de Trois-Rivières - 266,793 tonnes converties en 1981 et 247,000 tonnes converties en 1982 et les prévisions pour les prochaines années - combiné à la réduction des débardeurs assujettis à la sécurité d'emploi via un rachat, l'avait amené à accepter de s'engager à accorder la sécurité d'emploi définie à l'article 15 de la convention collective toujours en vigueur. À cette date, près de 200 personnes étaient inscrites à la liste de sécurité d'emploi. Avec le rachat et l'attrition, il en reste 131.

Devant l'expérience catastrophique vécue en 1985, où 133,570 tonnes converties ont été manipulées et les prévisions que seulement 80,000 tonnes converties le seront pour 1986, l'A.E.M. ne peut s'engager à garantir la sécurité d'emploi à 131 débardeurs. Pour illustrer cette position, j'attache à ce rapport deux annexes. L'Annexe B illustre le nombre de débardeurs

assignés quotidiennement durant l'année 1985. La ligne rouge représente le plafond de la sécurité d'emploi consentie à 131 débardeurs. Ce tableau montre que ce plafond n'a été atteint qu'à une seule occasion. Toute assignation sous cette ligne-plafond représente pour les employeurs une perte financière au chapitre de sécurité d'emploi. L'Annexe C représente les mêmes données pour les mois de janvier et février 1986 et illustre un besoin de main-d'oeuvre encore moins élevé qu'à la même période en 1985.

Basée sur les statistiques de 1985 et les heures effectivement travaillées (13,933 pour le grain et 21,783 pour le vrac) et ses prévisions pour 1986, l'A.E.M. offre de maintenir la sécurité d'emploi pour 40 débardeurs, soit 18 pour le vrac, 12 pour le grain et 10 pour le conventionnel. L'A.E.M. estime que si elle devait garantir la sécurité d'emploi à 131 débardeurs comme c'est le cas actuellement, il lui en coûterait pour 1986, un déficit net de 2,291,140$.

Le syndicat pour sa part, admet que les activités du port de Trois-Rivières ont diminué et il propose de créditer l'employeur pour les heures travaillées par les débardeurs au port de Bécancour et également de réduire le nombre de semaines sur lequel la garantie serait applicable.

Pour le syndicat, il n'est pas question de signer une convention collective qui ne contiendrait pas de clause de sécurité d'emploi applicable à tous les débardeurs qui y sont assujettis. Le syndicat souligne que la sécurité d'emploi est la garantie de la paix industrielle dans les ports du St-Laurent et qu'elle a été imposée aux employeurs par législation. Si la garantie d'emploi ne devait plus s'appliquer, on reviendrait vite à la loi de la jungle qui prévalait dans les années 1960 où les employeurs déménageaient leurs opérations d'un port à l'autre au gré des conventions collectives qu'ils pouvaient négocier, ce qui amenait l'insécurité de la main-d'oeuvre et son caractère transitoire. S'il n'y a pas de sécurité d'emploi, l'accréditation géographique sous l'article 132 perd tout son sens et il devient plus avantageux pour les débardeurs de négocier des contrats individuellement avec chaque compagnie.

En somme, suivant le syndicat, la garantie est tabou et il est impensable que ses membres consentent à s'en départir. Des 131 débardeurs couverts présentement par la sécurité d'emploi, le plus jeune a 25 ans d'ancienneté. Il n'est donc pas question que les débardeurs acceptent que 90 d'entre eux soient purement et simplement dévestis de leurs droits acquis. D'ailleurs, souligne-t-il, dans le passé, à chaque fois que le volume des affaires a baissé, les employeurs,pour équilibrer le ratio débardeurs/volumes de cargaisons, ont racheté la sécurité d'emploi. Le dernier rachat a coûté 26,000$ par débardeur en 1983. Si l'employeur trouve qu'il y a trop de débardeurs, il peut toujours offrir de racheter des postes.

Pour les employeurs, cette position est inacceptable. D'une part, font-ils valoir, les affaires ont diminué considérablement à Trois-Rivières et l'achalandage s'est déplacé à Bécancour. À cet endroit, le débardage est effectué par les débardeurs du même local 1846 mais au profit d'un compétiteur. Si d'une part, il maintenait, par une garantie d'emploi,un bassin de main-d'oeuvre compétent et qu'il ne peut l'utiliser à cause de la baisse du volume des marchandises, il verrait le syndicat, en vertu de la convention collective signée avec MBMT, fournir à cette dernière les mêmes débardeurs qu'il couvre par sa sécurité d'emploi. En fait, il maintiendrait une main-d'oeuvre spécialisée pour le bénéfice de son compétiteur qui ne paye aucune taxe pour la marchandise manipulée à Bécancour.

Il n'est pas non plus question pour l'A.E.M. dans le contexte actuel,qu'il offre quel que rachat que ce soit. En effet, il achèterait la sécurité d'emploi des débardeurs qui iraient immédiatement travailler pour son compétiteur de l'autre côté du fleuve. Il est donc impensable pour les employeurs de Trois-Rivières qui n'ont pas accès au port de Bécancour, de financer un compétiteur. Ils doivent donc fixer les conditions de travail des débardeurs de Trois-Rivières en se référant à la situation qui prévaut à Trois-Rivières seulement. Comme dans l'espèce, le volume ne justifie pas la sécurité d'emploi au-delà d'un maximum de 40 débardeurs, il n'est pas question de payer des débardeurs pour lesquels ils n'ont plus de travail. La situation pourrait cependant être différente s'ils avaient accès au port de Bécancour et si tous les employeurs des deux

ports étaient sujets à la taxe qui finance la sécurité d'emploi.

Pour l'A.E.M., il est totalement illogique que les débardeurs de Trois-Rivières lui demandent sur un volume anticipé de 80,000 tonnes converties, d'assurer une sécurité d'emploi à 131 débardeurs alors que, de l'autre côté du fleuve, le même syndicat a accepté une sécurité d'emploi pour 12 débardeurs et que le volume anticipé pour 1986 est de 135,000 tonnes converties.

Tout au long de mon mandat, en regard de la question de la sécurité d'emploi, aucun compromis qui pouvait être acceptable pour l'autre partie ne m'a été suggéré par l'A.E.M. ou l'A.I.D. 1846. Le compromis traditionnel qui à chaque fois dans le passé a sorti les parties de l'impasse, soit le rachat de la sécurité d'emploi, n'est plus disponible à cause du contexte particulier créé par les activités au port de Bécancour auquel les membres de l'A.E.M. n'ont pas accès. À titre de compromis, j'ai également discuté brièvement avec le syndicat de la possibilité que les débardeurs de Trois-Rivières puissent aller travailler dans d'autres ports comme Québec ou Montréal où l'A.E.M. et d'autres locaux de l'A.I.D. sont liés par des accréditations géographiques. Cette solution n'est pas applicable, chaque local de l'A.I.D. étant indépendant l'un de l'autre et leurs membres, non-interchangeables.

En fait, tant les employeurs (A.E.M.) que le syndicat voient la solution au problème de la sécurité d'emploi dans la détermination d'une unité d'accréditation géographique couvrant les installations portuaires de Trois-Rivières et Bécancour. Cette solution, suivant eux, aurait l'avantage de fournir de l'emploi aux débardeurs en place qui sont déjà en trop grand nombre, même en combinant le volume des deux ports. Ces débardeurs sont déjà formés et compétents et il est illogique de laisser de côté des employés de 25 ans d'ancienneté dont la productivité est supérieure pour donner leurs droits à des jeunes qui sont forcément inexpérimenté.

Toujours suivant les parties, cette solution aurait également l'avantage d'assujettir tous les employeurs utilisant le même bassin de main-d'oeuvre spécialisée à payer la même taxe qui, de toutes façons, sert

justement à financer l'existence même dudit bassin. Par ailleurs, les parties soulignent que cette solution n'enlèverait en rien aux employeurs de continuer d'être compétiteur entre eux ainsi, MBMT aux termes de son contrat d'exclusivité, pourrait continuer d'opérer seul à Bécancour.

Je suis d'opinion que la position des parties sur la sécurité d'emploi n'est pas susceptible de changer tant que le climat d'incertitude qui prévaut actuellement au plan judiciaire (Cour fédérale d'appel) et quasi-judiciaire (CCRT, requête visant les ports de Trois-Rivières et Bécancour) ne sera pas éclairci.

Il n'est pas de mon rôle ni de ma juridiction de me prononcer sur ces questions. Je tenais cependant à vous peindre la toile de fond du présent différend et la position des parties afin de bien vous situer. Pour ma part, compte tenu de ce qui précède, c'est à regret que je ne puis vous suggérer ainsi qu'aux parties, des solutions de compromis qui, suivant mon opinion, leur seraient à ce stade-ci, acceptables ou, tout au moins, pourraient former la base de propositions amenant un règlement. Dans les circonstances, je n'ai pas de recommandation spécifique à vous faire.

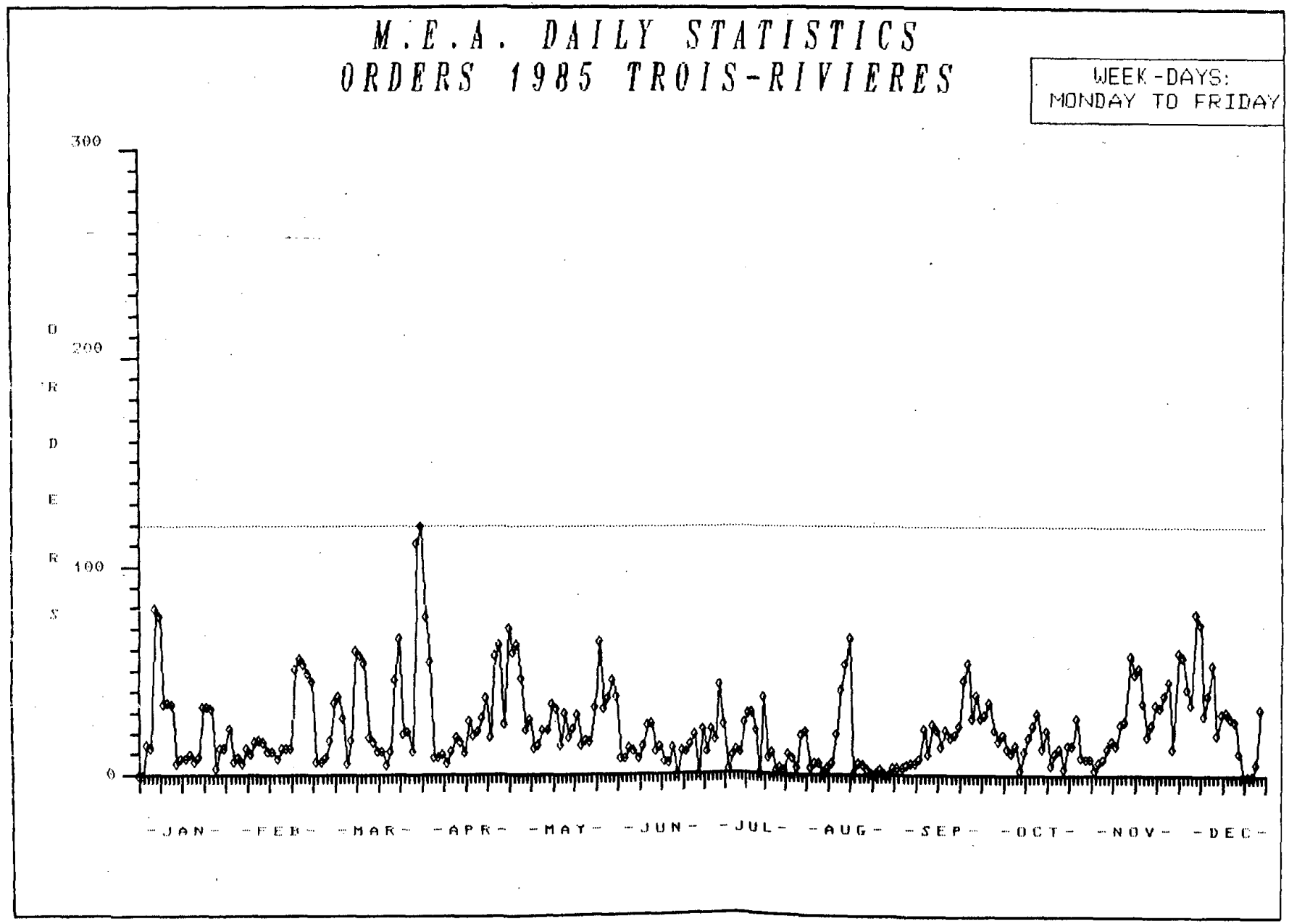
Mont-Royal, le 31 mars 1986

Claude H. Foisy, c.r.
Commissaire-conciliateur

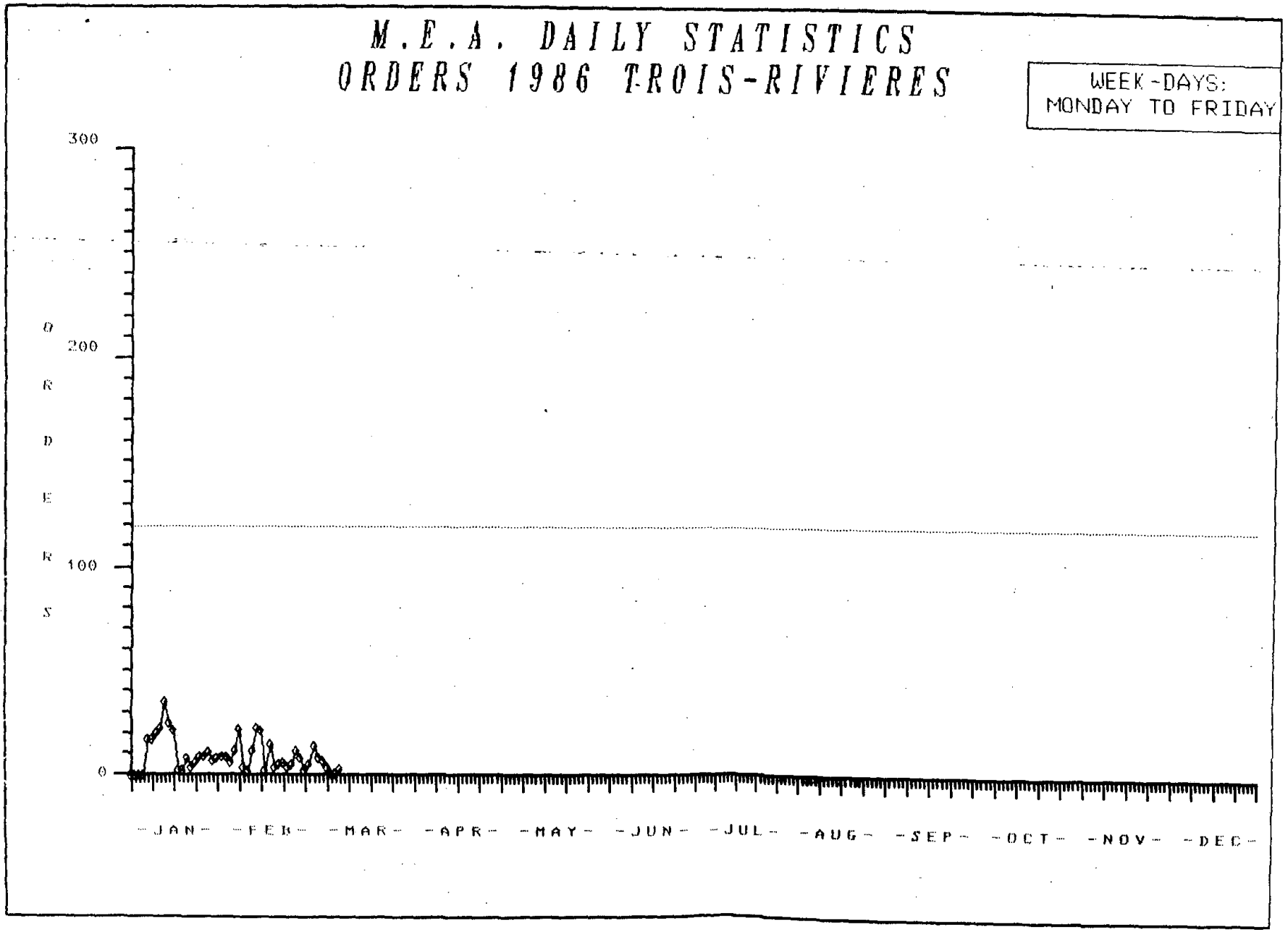
Annexe A

BLEU (B) BLUE
ROUGE (R) RED
VERT (V) GREEN

Annexe B



Annexe C



Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

Miss McQueen's copy

BEST AVAILABLE COPY

TO / À: Honourable Bill McKnight

(Sgd.) W. P. Kelly

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: December 11, 1985

SUBJECT / OBJET: Dispute Between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union - Canadian Area

The collective agreement covering some 4,000 longshoremen employed by the member companies of the BCMEA and represented by the ILWU expires December 31, 1985. Despite 15 meetings in direct negotiations between the parties, they have been unable to arrive at a mutually satisfactory settlement to their dispute and the union has filed with us a notice of dispute under Section 163 of the Code.

The union has followed its standard practice of asking that all formal conciliation procedures be waived. The effect of such a waiver would be to place the parties in an immediate legal strike/lockout position as the right to take such action would be acquired after the expiry of seven days from our notification to them of such a waiver.

The parties' record of settling disputes on their own is dismal to say the least and the purpose of this memorandum is to simply alert you to the history of their bargaining relationship in the unlikely event that you receive representations from the union that conciliation procedures be waived.

With the exception of two one-year collective agreements signed during the period of the Anti-Inflation Program in the mid-seventies and the last round of bargaining which saw wage re-opener negotiations for 1984 result in an extension to the contract through 1985, the union has engaged in strike action in every round of collective bargaining since 1970. On three

.../2

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
DEC 11 1985
Référé: Referred:

occasions, legislation was required to end work stoppages. Clearly, the parties have a volatile bargaining relationship and to accede to the union's wishes would invite a disruption of West Coast longshoring, particularly at a time when serious negotiations have scarcely begun.

It should be noted that in 1975, the then Minister of Labour, the Honourable John Munro, did concede to the union's plea to waive conciliation proceedings. A 25-day strike ensued; a mediated settlement, endorsed by the union executive, was rejected by the union membership; and Parliament passed legislation to end the strike and provide for a settlement through binding arbitration.

It is my intention, on your behalf, to appoint a Conciliation Officer to determine exactly what issues are involved in this dispute. I am aware that the BCMEA is pressing a revision of the container clause to eliminate stuffing and destuffing by longshoremen. This is a hot political issue for the union and has been the cause of strikes in the past. I am also aware that the union inserted a last minute demand into the negotiations calling for total job security to which the BCMEA will never agree.

It is extremely doubtful that this dispute will be settled at the Conciliation Officer stage. However, it is my intention to proceed with this stage and if no settlement is reached we will assess the situation at the time the officer reports and place an appropriate recommendation before you for approval.

Labour Canada / Travail Canada

44-1-300

BEST AVAILABLE COPY

Information

Communications Directorate (819) 994-2238
Direction des communications (819) 994-2238

For Release:
November 5, 1985

32/85

LABOUR MINISTER BILL MCKNIGHT
APPOINTS MEDIATOR TO FURTHER
ASSIST IN CONTRACT RENEWAL
NEGOTIATIONS BETWEEN C.N. MARINE INC.,
NORTH SYDNEY, N.S. AND INTERNATIONAL
LONGSHOREMEN'S ASSOCIATION LOCAL 1259

OTTAWA...Labour Minister Bill McKnight today appointed R.L. Kervin as Mediator, pursuant to Section 195 of the Canada Labour Code, Part V, in the labour dispute between C.N. Marine Inc., North Sydney, Nova Scotia, and the International Longshoremen's Association, Local 1259.

Full conciliation procedures under the Code were applied earlier and Judge Charles O'Connell's report as Conciliation Commissioner was released on October 28, 1985. The parties have now acquired legal strike and lockout rights.

The parties are negotiating renewal of their collective agreement which expired on December 31, 1984. The agreement covers longshoring operations at C.N. Marine's ferry terminal at North Sydney.

Mr. Kervin is Regional Director, Atlantic Region, in Labour Canada's Federal Mediation and Conciliation Service.

- 30 -

Canada

Labour Canada / Travail Canada

fwd. Oct. 28/85

To-À : Miss Jennifer R. McQueen

Remarks - Remarques :

For your information

W. P. Kelly

28/10/85
Date

Lab/Trav 028 (04/76) 7530-21-036-3714

HH-7-300

Oct. 25/85

October 25, 1985 Our File: 326-3-2881

MEMORANDUM TO: W. P. Kelly

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting C.N. Marine Inc., North Sydney, N.S. and the International Longshoremen's Association, Local 1259

Attached is the report of Judge Charles O'Connell, the Conciliation Commissioner who dealt with the above-cited dispute affecting 250 longshoremen engaged in the loading and unloading of ferries operating between North Sydney and Port-aux-Basques, Newfoundland. This ferry service, which is operational year-round, provides for the transportation of people and goods between the mainland and Newfoundland.

All issues have been resolved with the exception of gang sizes which has job security implications for longshoremen. During commissioner proceedings the parties explored alternatives to settle this issue. While their discussions centered on the elimination of gang sizes, the parties did indicate to the commissioner that the dispute could be resolved if a compromise could be worked out on gang size for the M.V. Caribou, a new ferry soon to be put into service.

Since the alternatives explored by the parties are mutually exclusive, the Conciliation Commissioner, in his report, has provided recommendations to cover both of them in the event one or other is decided upon by the parties. The parties' respective positions on each alternative and the Commissioner's related recommendation, are outlined under subheadings as follows:

.../ 2

Elimination of Gang Sizes

In exchange for union agreement on the elimination of gang sizes, the company proposed guaranteed employment to the first 150 individuals appearing on the 1985 seniority list who were employed as of September 30, 1985. Agreement came close but the union responded saying that there should be, added to the group of 150 men, a spare board of 50 men from which the company would draw, based on seniority, to replace any of the 150 men separated from their employment. The company opposed the idea of a spare board fearing that this would not allow them to take advantage of attrition for 10 years.

Judge O'Connell has recommended the company proposal with the qualification that there be a spare board of 30 men.

Gang Size for the M.V. Caribou

The dispute over gang size for the M.V. Caribou results from the following positions of the parties: - The union wants to maintain past practice on gang sizes involving vessel replacement which means no change in gang size. The company wants a reduced gang size on the new vessel, claiming that the M.V. Caribou contains the latest technology justifying a reduction.

Judge O'Connell recommends no change in gang size for the M.V. Caribou for a period of one year following which the parties are to review the matter and agree on what the gang size is to be. If they fail to agree, the matter is to be resolved through binding arbitration pursuant to the grievance procedure in the collective agreement. Judge O'Connell has made acceptance of this specific recommendation relating to the M.V. Caribou conditional on the company providing guaranteed employment to 150 men in the bargaining unit.

.../ 3

Finally, Judge O'Connell's report contains a recommended provision for inclusion in the collective agreement to handle future gang size determination where a new vessel is introduced. The M.V. Caribou is excluded from the application of the said provision.

Accordingly, I would recommend, for your approval, that Judge O'Connell's report be released to the parties pursuant to Section 170(a) of the Code.

Michael McDermott

Approved:

Associate Deputy Minister

c.c.: The Honourable Bill McKnight
Miss Jennifer R. McQueen

REPORT OF CONCILIATION COMMISSIONER

The current collective agrement, known as Agreement 17.1, in dispute between C. N. Marine Inc. and International Longshoremens Association, Local 1259 expired on December 31, 1984. Since November 6, 1984 there were many meetings between the company and the union in attempts to settle the issues in contention.

My appointment as commissioner followed an attempt at conciliation by Mr. R. L. Kervin of Labour Canada, which was unsuccessful.

The negotiations with the parties were difficult because of their mutual distrust and self-protectiveness. This was particularly true of the union, who repeatedly brought up ancient grievances which had not been resolved to their satisfaction. Another reason for the breakdown in communications was the clash in personalities between Mr. Vince Garnier, President of the union and Mr. Hubert Sorhaitz, Manager, Financial Planning for the company, who mutually distrusted and disliked one another. Against this background, effective collective bargaining was difficult.

The union, mindful of the fact that its' membership had decreased by three hundred and fifty-five (355) in the past ten (10) years, stressed guaranteed employment and job security. Management submitted that the federal government now insists that all Crown Corporations trim their costs and operate efficiently. The company said they were heavily audited and had to meet rigid engineering standards. To accomodate the union demands there would have to be increased productivity and many current practices would have to be curtailed or eliminated.

Two (2) proposals were submitted to the parties in an effort to reach a settlement. One proposal involved the elimination of gang sizes and the other its retention. No agreement was reached on either proposal.

The parties were in agreement that the current collective agreement, 17.1, be amended to include the following articles. These articles would be in any collective agreement irregardless of whether gang sizes are eliminated or not. The amended articles to Agreement 17.1, read as follows:

1. Rates of Pay

   a) Amend Article 5.4 to provide for the following:

      (i) Effective 1 January 1985, a wage increase of 4% on all basic hourly rates of pay in effect on 31 December 1984.

      (ii) Effective 1 January 1986, a wage increase of 4% on all basic hourly rates of pay in effect on 31 December 1985.

   b) Amend Article 5.5 by substituting "30 cents" for "25 cents" and "35 cents" for "30 cents".

2. Employee Benefit Plan, Dental Plan and Extended Health Care Plan

   The parties to this settlement will apply jointly for continuance of admitted status to these plans as amended by negotiations between Canadian National Railway Company and the Associated Non-operating Railway Unions until 31 December 1985.

   Effective 1 January 1986, the Company will establish separate plans providing similar benefits, which will cover the employees represented by the organization signatory hereto.

3. General Holidays

   a) Delete from Article 8.1:

      "except when New Year's Day falls on a Friday this holiday will be observed on the following Monday."

      and

      "When any of the above holidays fall on Sunday or Saturday,"

3. General Holidays (cont'd)

"the day observed by the Federal Government in respect of its employees as the holiday shall be recognized."

b) Amend Article 8.2 (c) by adding the following note:

"NOTE: Provided that an employee is available for work on the general holiday, absences from scheduled shifts or tours of duty because of bona fide injury, hospitalization, illness for which the employee qualifies for weekly sickness benefits and authorized maternity leave will be included in determining the twelve shifts or tours of duty referred to in this Clause (c)."

4. Annual Vacations

Effective 1 January 1985, amend Article 9 as follows:

A) "9.1 An employee who is not qualified for vacation under Article 9.2 hereof shall be allowed one working day's vacation with pay for each twenty-five days cumulative compensated service, or major portion thereof, during the prceding calendar year, with a maximum of ten working days until qualified for further vacation under Article 9.2. Vacation pay shall be allowed in the amount of 4% of the employees wages in the preceding calendar year.

"9.2 An employee who will have maintained a continuous employment relationship for at least five years and will have accumulated 1250 days of cumulative compensated service by his service anniversary date shall have his vacation scheduled for the calendar year on the basis of one working day's vacation with pay for each 16-2/3 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of of 15 working days until qualified for further vacation under Article 9.3. Vacation pay shall be allowed in the amount of 6% of the employee's wages in the preceding calendar year.

"9.3 An employee who will have maintained a continuous employment relationship for at least eleven years and will have accumulated 2750 days of cumulative compensated service by his service anniversary date shall have his vacation scheduled for the calendar year on the basis of one working day's vacation with pay for each 12-1/2 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of 20 working days until qualified for further vacation under Article 9.4. Vacation pay shall be allowed in the amount of 8% of the employee's wages in the preceding calendar year.

4. Annual Vacations (cont'd)

"9.4 (a) An employee who will have maintained a continuous employment relationship for at least twenty-one years and will have accumulated 5250 days of cumulative compensated service by his service anniversary date shall have his vacation scheduled for the calendar year on the basis of one working day's vacation with pay for each ten days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of twenty-five working days until qualified for further vacation under Article 9.5. Vacation pay shall be allowed in the amount of 10% of the employee's wages in the preceding calendar year.

(b) Effective 1 January 1986, an employee who will have maintained a continuous employment relationship for at least twenty years and will have accumulated 5000 days of cumulative compensated service by his service anniversary date shall have his vacation scheduled for the calendar year on the basis of one working day's vacation with pay for each ten days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of twenty-five working days until qualified for further vacation under Article 9.5. Vacation pay shall be allowed in the amount of 10% of the employee's wages in the preceding calendar year.

"9.5 An employee who will have maintained a continuous employment relationship for at least twenty-nine years and will have accumulated 7250 days of cumulative compensated service by his service anniversary date shall have his vacation scheduled for the calendar year on the basis of one working day's vacation with pay for each 8-1/3 days of cumulative compensated service, or major portion thereof, during the preceding calendar year, with a maximum of thirty working days. Vacation pay shall be allowed in the amount of 12% of the employee's wages in the preceding calendar year.

"9.6 Any vacation granted in accordance with Articles 9.2, 9.3, 9.4 or 9.5 for which the employee does not subsequently qualify will be deducted from the employee's vacation entitlement in the next calendar year. If such employee leaves the service for any reason prior to his next vacation, the adjustment will be made at time of leaving."

4. Annual Vacations (cont'd)

B) Amend Article 9.15 to read:

"Employees, as an alternate to the percentage provided in Articles 9.1, 9.2, 9.3, 9.4 and 9.5 may elect, in writing , in January of each year to be paid for vacation as follows:

(a) A regularly assigned employee may be paid at the rate of the position which he would have been filling during such vacation period

(b) An unassigned employee may be paid at the rate of the last position worked."

5. Amend Article 10.7 by adding after the word "pay" in the last sentence ", change in hours of work or rest days".

6. Bereavement Leave

Amend Article 17.4 to read as follows:

"Upon the death of an employee's spouse (including common-law spouse), child, parent, brother, sister, step-parent, father-in-law or mother-in-law, or relative permanently residing in the employee's household or with whom the employee resides, the employee shall be entitled to 3 days bereavement leave without loss of pay provided he has not less than 3 months cumulative compensated service. It is the intent of this article to provide for the granting of leave from work on the occasion of a death as aforesaid, and for the payment of his regular wages for that period to the employee to whom leave is granted."

7. Amend Article 17.5 to read as follows:

"An employee who retires from the service of the Company subsequent to (first of month following ratification), will, provided he is fifty-five years of age or over and has not less than ten years' cumulative compensated service, be entitled, upon retirement, to a $3,500.00 life insurance policy, fully paid up by the Company."

8. Paid Maternity Leave Plan

The plan will provide maternity leave payments of an amount that, when added to Unemployment Insurance Maternity Benefits, will result in the employee receiving 66-2/3% of her weekly base pay up to a maximum of $345 for those weeks during which she received Unemployment Insurance Maternity Benefits, i.e. for a maximum of fifteen weeks.

Effective 1 January 1986 for claims which originate on or after that date, an employee will have her Unemployment Insurance Maternity Benefits supplemented to equal 70% of her weekly base pay up to a maximum benefit of $370 for those weeks during which she received Unemployment Insurance Maternity Benefits, i.e. for a maximum of fifteen weeks.

9. Amend Article 21 to read as follows:

"

ARTICLE 21

WEEKLY AND SEVERANCE BENEFITS

"21.1 Benefits

The following benefits shall be available to an employee who qualifies in accordance with Article 21.4:

Weekly Benefit

A payment equal to 80% of the employee's average weekly earnings in the calendar year preceding the date the employee last became eligible for weekly benefit with a maximum benefit of $35.00 per calendar week for employees with 10 years cumulative compensated service and less, and $40.00 per week for employees with more than 10 years cumulative compensated service, provided however that such benefit shall be reduced by 20% for any day called for under Agreement 17.1 or employed elsewhere with the Company during the claim week. Such benefits when added to Unemployment Insurance benefits and/or outside earnings, in excess of those allowed under Unemployment Insurance for such work, will result in a maximum of no more than 95% of the employee's gross weekly earnings.

Severance Benefit

A payment equal to the number of points remaining to the employee's credit, as determined in accordance with Article 21.3, multiplied by $20.00 for employees with 10 years cumulative compensated service and less, and by $25.00 for employees with more than 10 years cumulative compensated service, provided however that such benefit shall not exceed the equivalent of 78 weeks or, in the case of employees older than 63-1/2 years the number of weeks remaining to age 65, multiplied by the average weekly rate established in the calendar year preceding the date the employee last became eligible.

"21.2 Calculation of Average Weekly Earnings

Average weekly earnings shall be determined by dividing gross earnings in the preceding calendar year by 52, unless the employee was absent from duty account bona fide illness or injury for one or more complete calendar weeks, in which case the 52 figure shall be reduced by the number of complete weeks absent.

"21.3 Accumulation of Credit Points

Employees shall accumulate one credit point for each twenty-four days cumulative compensated service, with a maximum of ten in any twelve consecutive calendar months,

"21.3 Accumulation of Credit Points (cont'd)

in the first fourteen years of cumulative compensated service; one credit point for each twenty days cumulative compensated service with a maximum of twelve in any twelve consecutive calendar months. In the fifteenth to the nineteenth year inclusive; and one credit point for each sixteen days cumulative compensated service, with a maximum of fifteen in any twelve consecutive calendar months, thereafter.

One point shall be deducted from the points accumulated to the employee's credit for each $30 paid in benefits under this or previous similar agreement.

For purposes of this agreement 240 days cumulative compensated service shall constitute one year's cumulative compensated service, except that not more than one year's cumulative compensated service shall be credited in any twelve consecutive calendar month period.

"21.4 Qualification

An employee who has completed two years' employment relationship, and has applied for Unemployment Insurance benefits, and is not disqualified from such benefit, shall become eligible for weekly benefit, on application therefore, when no work has been available to him under Agreement 17.1 for a period of twelve consecutive days. When eligibility commences on other than Sunday, the maximum benefit in the intial week shall be reduced proportionately.

An employee qualified for weekly benefit shall be eligible, upon formal resignation from the Company's service to elect severance payment at the end of any 30 calendar day period in which less than five days' work has been available to him under Agreement 17.1.

An employee shall not become eligible for benefit under this Article when the interruption of his work arises from disciplinary action, retirement, resignation, strike, act of God, or temporary closure of the port due to ice conditions.

"21.5 Termination of Weekly Benefits

Weekly benefits shall cease when:

(a) the points to the employee's credit have been exhausted, or

(b) the employee has been eligible for work under Agreement 17.1, or has received vacation or other wages from the Company, for five days in the claim week, or

"21.5 Termination of Weekly Benefits (cont'd)

(c) the employee is granted leave of absence for a period in excess of one calendar week, or

(d) the employee's eligibility for work is affected by resignation, retirement, death, disciplinary action, strike or act of God, or

(e) the employee becomes disqualified from Unemployment Insurance benefits.

In the event of termination as in (b), benefits will be reinstituted without waiting period upon the employee's reapplication, unless the employee has been ineligible for benefit for thirteen or more consecutive weeks.

NOTE: An employee who is entitled to weekly benefits under this plan but not eligible for Unemployment Insurance benefits account serving U.I. waiting period; U.I. benefits exhausted or insufficient ensured weeks to qualifiy for U.I. benefit is not disqualified from weekly benefit payments.

"21.6 Method of Financing

The plan is financed from the Company's general revenues. Weekly benefit payments will be kept separate from payroll records.

"21.7 Modifications

The Company will inform the Canada Employment and Immigration Commission of any changes in the plan within thirty days of the effective date of the change.

"21.8 Vested Interest

Employees do not have a right to weekly benefit payments except for supplementation of Unemployment Insurance benefits during the unemployment period as specified in the plan.

"21.0 Article 21 shall not apply to employees who have had benefit or are entitled to benefit under the Job Security - Technological, Operational, Organizational Changes Agreement effective 26 April 1982 or similar subsequent plan."

10. Add a new Article 17.9 to read:

"An employee prevented from completing a shift due to a bona fide injury sustained while on duty will be paid for his full shift at straight time rates of pay, unless the employee received Worker's Compensation benefits for the day of the injury in which case the employee will be paid the difference between such compensation and payment for their full shift."

11. Job Security

The "Income Security Agreement" attached as Appendix "B" shall apply to employees covered by this Memorandum of Settlement.

(I will forward copy of same if requested.)

12. Delete Article 7.

13. Amend Article 13.6, Step 3, by adding:

"The appeal shall include a written statement of the grievance and where it concerns the interpretation or alleged violation of the agreement, the statement shall identify the Article and the paragraph of the Article involved."

16. The foregoing changes are in full settlement of all requests served by and upon the Company and the Union on or subsequent to 1 October 1984.

17. The Agreement shall remain in effect until 31 December 1986 and thereafter, subject to 90 days' notice in writing from either party of the Agreement, of its desire to revise, amend or terminate it. Such notice may be served at any time subsequent to 30 September 1986.

18. Employees who are in the service on the date of signing of this settlement shall be entitled to any amount of compensation that may be due them for time worked subsequent to 31 December 1984.

19. Except as otherwise indicated herein, the terms of this Memorandum of Settlement shall be effective on the first day of the calendar month following the date Notice of Ratification is received by the Company.

The proposal to delete gang sizes from the agreement was proposed by the company. If the union would agree to the elimination of gang sizes the company would guarantee employement as set out in the following letter to Mr. V. J. Garnier from Mr. G. J. James:

See Page 10

Mr. V. J. Garnier
President
ILA - Local 1259
Box 302
North Sydney, N.S.
B2A 3M4

Dear Mr. Garnier:

This has reference to discussions during current contract negotiations with respect to the Union's proposal re employment security.

This will confirm that, on ratification of the Memorandum of Settlement, the Company will provide an opportunity for five 8 hour shifts per week of ongoing employment to the first 150 individuals appearing on the 1985 seniority list who were in the service of the Company as of 30 September 1985. The above will exclude Messrs. S. Scott, G. Collins, K.A. Maxwell, P.G. Pardy and K. Phalen. Should any of these five employees return to active service, they will displace junior men from the protected group.

It is understood that the Company will have complete flexibility in assigning the work force where and when required observing the hours of work, seniority and classification rules provided for in the collective agreement.

The Company will be relieved of its commitment for causes over which it has no control, including strike, lockout, temporary port closure due to ice conditions, disasters and acts of God. In such cases the Company's commitment will be reduced by 8 hours for each day, up to a maximum of forty hours in any calendar week.

It is further understood, barring unforeseen circumstances, that the parties will not make the matter of gang sizes or the commitments contained in this letter an issue in future negotiations.

Yours very truly,

G. J. James
Director Human Resources

ACKNOWLEDGED:

V. J. Garnier
President ILA
Local 1259

The union made a counter-offer to the company that in addition to the one hundred and fifty (150) men guaranteed employment as set out above, there should be a spare board of fifty (50) men. If any

of the one hundred and fifty (150) men separated from their employment, their place would be taken by the senior men on the spare board. The reason the company rejected the union's counter-offer was because they felt they could not take advantage of attrition for ten (10) years.

My primary and most important recommendation is that gang sizes be eliminated in exchange for guaranteed employment for one hundred and fifty (150) men, as set out in the letter from Mr. James to Mr. Garnier, above, plus a spare board of thirty (30) men. This would guarantee a degree of stability to the work force in that it would provide work for people not now getting it or at least their prospects of obtaining employment in the immediate future are not bright. From the company's point of view it would mean a stable work force , elimination of overtime, scheduling of vacations by the company and, most importantly of all, the elimination of gang sizes, a measure long sought by the company. The fears of the company that they would not be able to take advantage of attrition for a long period of time are at the most speculative.

If accepted some consideration should be given to incorporating this recommendation into a separate agreement. This is because the commitment by the company would extend beyond the life of the proposed new agreement, whose expiry date is December 31, 1986. The commitment would be in effect until all one hundred and eighty (180) men had separated from the company. If this recommendation is embodied in an article in the new collective agreement, the expiry date in Agreement 17.1 and its successors would not apply to this article until the last man on the spare board had separated from his employment. In other words, the article

embracing the recommendation would automatically be renewed in subsequent agreements until the last man covered by the article had retired.

The above recommendation is the most important I am making as it is obviously beneficial to both parties. The union should be sensitive to the needs of its membership and the company should be sensitive to the needs of its employees and the citizens of the Northside area in general. A cessation of work, for any prolonged period would serve no useful purpose and would have severe financial consequences for members of the union and severe social implications for the Northside community.

If the parties reject my primary recommendation which envisions the elimnation of gang sizes and guaranteed employment for one hundred and eight (180) men, they indicated they could sign a collective agreement if they could agree on a gang size for the new MV Caribou.

In the past the practice was that if a new vessel was introduced to the service, the gang size for the new vessel would be the same as specified for the vessel replaced. The Caribou will replace the Nautica. The gang size for the Nautica was twenty-six (26) men for a full tie down and twenty-two (22) men for a limited tie down. The union contends that this practice should be continued with the MV Caribou. The company counters by saying that the Caribou is a new vessel with the latest technology and will require a smaller gang size than the Nautica.

The new MV Caribou is fitted with Denny Brown Fin Stabilizers similar to the stabilizers of luxury liners such as the Queen Elizabeth II and the MV Norway, to name a few. The effect of the Denny Brown Stabilizers will be to eliminate rolling but not pitching.

The Caribou has an upper and lower deck for loading purposes. There are three and one-half (3½) acres of deck space. Because of the new pier, built with the MV Caribou in mind, cars and trucks can be loaded simultaneously on the upper and lower decks. The parking area on the pier for the new Caribou will have the same markings as on the deck area and this will result in the vessel being loaded in a relatively short period of time. The company submits that because of the improvment in the loading process that for a limited tie down there should be two (2) gangs of five (5) per deck and for a full tie down, two (2) gangs of eleven (11) per deck. The union, as we have indicated, stated that the gang size should be the same as were employed on the Nautica, that is twenty-six (26) men for a full tie down and twenty-two (22) men for a limited tie down.

The Caribou is not in service at the present time. The gang sizes proposed by the company and the union are in some measure speculative.

It is my secondary recommendation that the gang sizes on the MV Caribou be the same as the MV Nautica for a period of one (1) year. After a year it should be crystal clear to the parties what the gang size for the MV Caribou should be. If the parties cannot agree as to the gang size within a further period of thirty (30) days, then the matter is to be referred to binding arbitration pursuant to the grievance procedure of the collective agreement.

If the parties agree to this recommendation, the company would guarantee employment as set out in the letter from Mr. James to Mr. Garnier which reads:

Mr. V. J. Garnier
President
ILA - Local 1259
Box 302
North Sydney, N.S.
B2A 3M4

Dear Mr. Garnier:

This has reference to discussions during current contract negotiations with respect to the Union's proposal re employment security.

This will confirm that, on ratification of the Memorandum of Settlement, the Company will undertake to provide an opportunity to receive a minimum of 1600 hours of work annually, excluding annual vacations and banked days, to the first 150 individuals appearing on the 1985 seniority list down to and including Mr. G. A. Burt.

This opportunity will extend to the individuals outlined above, up to the age of 65 or date of earlier separation from the Company, until 31 December 1986.

General holidays, jury duty, bereavement leave and all other days paid but not worked, excluding annual vacation and banked days, will count toward fulfilling the Company's commitment.

Subject to the provisions of Article 10.19 except in situations over which the Company has no control, any call refused or call for which an employee is unavailable for any reason, including inability to contact an employee, will reduce the 1600 hour entitlement by 8 hours, provided that only one such deduction will apply per calendar day. In situations over which the Company has no control, notice will be given as soon as possible and employees will be allowed 2 hours to report for work on the understanding that work will commence on time in the present fashion. The above conditions relating to calls refused or calls for which an employee is unavailable for any reason will also apply in these situations.

The Company will be relieved of its commitment for causes over which it has no control, including strike, lockout, temporary port closure due to ice conditions, disasters and acts of God. In such cases the Company's commitment will be reduced by 8 hours for each day, up to a maximum of 40 hours in any calendar week.

Yours very truly,
G. J. James
Director Human Resources

ACKNOWLEDGED:
V. J. Garnier
President ILA
Local 1259

A corollary to and forming part of my recommendation is that the following article, to be known as Article 15.20, will be incorporated into the new collective agreement. This article will have no application to the MV Caribou.

Article 15.20 will read:

" In the event a new vessel is introduced, the parties shall endeavour to negotiate appropriate gang sizes. If agreement is not reached, the operation will commence using the gang sizes(s) specified for the vessel it replaces, but such gang(s) shall be recognized as tenative. In this situation the parties will again meet after a period of 60 calendar days. If no agreement is reached within a further period of 30 calendar days, the matter will be referred to a Committee of Review who will fix the final gang sizes(s). The Committee will be composed of one member appointed by the Union, one member appointed by the Company and an impartial Chairman. The Chairman shall be selected by the Union and Company appointees. If they are unable to agree on a Chairman, the Minister of Labour shall be requested to select a Chairman and his selection shall be final. The majority decision of the Committee of Review shall be final and binding. The decision shall be rendered within 28 calendar days from the date of the intial meeting of the Committee. The Company and the Union shall respectively bear any expenses each has incurred in the presentation of the case to the Committee, including those of their appointees. Any general or common expenses, including the renumeration of the Chairman shall be divided equally. "

All of which is respectfully submitted,

Charles O'Connell
Conciliation Commissioner

Government of Canada / Gouvernement du Canada

MEMORANDUM — NOTE DE SERVICE

BEST AVAILABLE COPY

447-300

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	October 15, 1985

TO / À: Honourable Bill McKnight

FROM / DE: W.P. Kelly

SUBJECT / OBJET: ST. LAWRENCE SEAWAY AUTHORITY AND CANADIAN BROTHERHOOD OF RAILWAY TRANSPORT AND GENERAL WORKERS

Following my telephone call to you in Costa Rica on October 6th we issued a press release in your name summoning the parties to Ottawa to meet with me in a final effort to avoid disruption of shipping in the St. Lawrence Seaway. Copy of the Press Release is attached. Also, as instructed, I telephoned the Honourable Don Mazankowski to advise him as to how we were proceeding.

I met with the full committees of both sides including the President of the Seaway Authority and the President of the Brotherhood, at 10:00 a.m., Thursday morning in Ottawa accompanied by Mac Carson and by 6:00 p.m., all issues were resolved and a Memorandum of Settlement, subject to ratification, duly executed. Attached for your ready reference is a copy of the Memorandum of Settlement.

I might add, the next day, Don Mazankowski phoned to express appreciation for our effort which was very considerate of him.

Regrettably, shipping is now disrupted as a result of a large section of a collapsed concrete wall in Lock Seven at Thorold blocking a Liberian freighter. Unfortunately the block of concrete would not subject itself to mediation nor, indeed, would it respond to the legislative authority of Parliament.

Att.(2)

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
OCT 15 1985
Référé: _____
Referred: _____

Labour Canada Travail Canada

Information

Communications Directorate (819) 994-2238
Direction des communications (819) 994-2238

IMMEDIATE RELEASE
30/85 OCTOBER 8, 1985

ATTEMPT TO SETTLE
SEAWAY DISPUTE

OTTAWA....The Honourable Bill McKnight, Minister of Labour, has summoned the negotiating committees for the St. Lawrence Seaway Authority and the Canadian Brotherhood of Railway, Transport and General Workers to Ottawa to meet with Associate Deputy Minister of Labour Bill Kelly, in a final effort to avoid disruption of shipping in the St. Lawrence Seaway.

The parties have been negotiating since January 1985 in an effort to renew the collective agreements covering 950 operational and maintenance employees and 90 office workers. Both agreements expired on December 31, 1984. The parties have been in a legal strike or lockout position since September 5, 1985.

Mr. McKnight said "A work stoppage during the peak traffic period prior to freeze-up could have serious financial implications for the seaway as well as an adverse effect on the general economy." He further stated "I am confident, that with Mr. Kelly's assistance, the parties will be able to resolve their differences and avoid a disruption of shipping in a very important international waterway."

- 30 -

MEDIA INFORMATION: Michel Cléroux (819) 994-2238.

Canada

MEMORANDUM OF SETTLEMENT
between

THE ST. LAWRENCE SEAWAY AUTHORITY
and
THE CANADIAN BROTHERHOOD OF RAILWAY TRANSPORT
AND GENERAL WORKERS

The parties listed above hereby agree to the following terms of settlement of all matters in dispute:

1. all matters previously agreed to and as listed in the attached will be incorporated in a revised collective agreement;

2. wages shall be increased as follows: effective January 1, 1985, an increase of 4% on rates of pay in effect on December 31, 1984,

   effective January 1, 1986, an increase of 4% on rates of pay in effect on December 31, 1985;

3. "Medical Rebate" shall, effective January 1, 1986, be increased for single employees by six dollars ($6.00) and by a further seven dollars ($7.00) on September 1, 1986. Family rates shall be increased by fifteen dollars ($15.00) January 1, 1986 and by a further sixteen dollars ($16.00) on September 1, 1986.

Signed at Hull, Quebec, this 10th day of October, 1985 in the presence of:

FOR LABOUR CANADA:

W.P. Kelly

M.K. Carson

FOR THE ST. LAWRENCE SEAWAY

C. Trepanier

FOR THE C.B.R.T.&G.W.

A.J. Callaghan

Terms of Agreement Between The SLSA and the C.B.P.T. & C.H.
Operational and Maintenance, and Cornwall Headquarters Groups
(Agreement Term – 2 Years; January 1, 1985 – December 31, 1986)

Compensation Item	Present Provision	New Provision		Effective Date
		Year I (1985)	Year II (1986)	
COLA	Article 7.7	Same language but current factors and triggered at 8% inflation.	same	
Reclassifications				
– "Skilled" Trades Foreman		25¢/hr. fold-in	–	January 1, 1985 prior to application of 1st year general increase
– "Quasi-Skilled" Trades Foreman		22¢/hr. fold-in	–	
– Painter Foreman		20¢/hr. fold-in	–	
– Traffic Controller (Canal)		20¢/hr. fold-in	–	(Note: T.C. (Canal) reclassification covers any TCIP changes to December 31, 1986)
– Labour Foreman		10¢/hr. fold-in	–	
– Labour Foreman				
– Beauharnois		10¢/hr. fold-in	–	
– Brossard		10¢/hr. fold-in	–	
– Port Colborne		10¢/hr. fold-in	–	
– Iroquois		10¢/hr. fold-in	–	
"Medical Rebate"		If the total cost of the items covered exceeds the agreed upon Authority contributions, the balance will be deducted from pay. If any item is not applicable or if the total cost does not exhaust the agreed Authority contributions then the balance will be added to pay to a maximum of $11.00 (single) and $15.00 (family) per month.		

Terms of Agreement Between The SLSA and The C.B.R.T. & G.W.
Operational and Maintenance, and Cornwall Headquarters Groups
(Agreement Term - 2 Years; January 1, 1985 - December 31, 1986)

Compensation Item	Present Provision	New Provision		Effective Date
		Year I (1985)	Year II (1986)	
Dependent Life Insurance	$2,000	$4,000	same	Date of signing of contract
Dental Plan Rate Schedule	1980 ODA	1984 ODA	1986 ODA	1st Year; within 30 days of sign 2nd Year; within 30 days follow schedule publication
Safety Footwear (subsidy)	65% to max. of $50	75% to max. of $50	same	Date of signing of contract
Shift Premium 1st Shift: 3rd Shift:	 45¢/hr. 30¢/hr.	 50¢/hr. 35¢/hr.	 52¢/hr. 37¢/hr.	Date of signing of contract
Meal Allowance	$8.00 and $3.00	$8.00 and $4.00	$8.50 and $4.00	Date of signing of contract
Kilometrage Allowance	24¢/km.	Authority policy as per semi-annual reviews	same	
Bilingual Bonus	Select positions; 5% of salary	Select positions; amounts to be struck at Dec. 31, 1984 levels - no indexation; $200 lump-sum, one-shot payment to permanent incumbents. Language of work statement remains in collective agreement.	same (excluding lump-sum)	Date of signature of memorandum (Bonus payment)
Special Leave (Adoption)	-	One (1) day for adoption of child on day child comes into employee's care.	same	Date of signing of contract

Terms of Agreement Between The SLSA and the C.B.R.T. & G.W.
Operational and Maintenance, and Cornwall Headquarters Groups
(Agreement Term - 2 Years; January 1, 1985 - December 31, 1986)

Language Item		New Provision
Art. 1.5 (O & M) Art. 1.4 (HQ)	Employees covered by this agreement.	Clarifies through reference to CLRB certificates.
Art. 4.3 (HQ)	UMCC's	Specifies training and employee development as UMCC subject.
Art. 5.1 (both)	Grievance Procedure	- Time for Section Head to respond to 1st Step grievance extended from 3 days to 5 days. - At Step 2 (O & M) "in his absence" changed to "if unavailable".
Art. 8.3 (both)	Safety and Health	Leave not to be unreasonably withheld.
Art. 10/12 (O & M)	Seniority Grouping/ Bulletining and Filling Positions	10.1 - language to clarify French language text. 10.5 a) b) and 12.15 - language clarifies procedure for treatment of employee returning from other employee group.
Art. 11 (O & M) Art. 10 (HQ)	Probation	Amends article in view of Labour Code and outlines possible process in the event of release.
Art. 11.9 (HQ)	Bulletining and Filling Positions	Authority time period for decision on whether to abolish or fill vacant position reduced from 60 days to 30 days.
Art. 20.7 (O & M)	Call-Out, Stand-by and Premiums	Language on Compensatory Leave for meal interruptions amended to include classification of Linesman/Boarding Vehicle Operator; also generic term Lockmotormen used in lieu of various Lockmotorman classifications.

Terms of Agreement Between The SLSA and The C.B.R.T. & G.W.
Operational and Maintenance, and Cornwall Headquarters Groups
(Agreement Term - 2 Years; January 1, 1985 - December 31, 1986)

Language Item		New Provision
Art. 21.1 (O & M) 20.1 (HQ)	Paid Holidays	Language amended to reflect memorandum on subject (application of Holidays and "in lieu of" days).
Art. 22.3 (O & M) 21.2 (HQ)	Annual Leave	Amends qualifiers for acting pay on Annual Leave by addition of bereavement in accordance with 24.2 (c)- O & M, 23.2(c) - HQ
Art. 24.2 (b) (O & M) 23.2 (b) (HQ)	Special Leave	"Pregnancy complications" language clarified.
Art. 26.3 (O & M) 25.3 (HQ)	Discipline and Discharge	Language amended to emphasize entitlement to Union representation.
Art. 27.3 (O & M) 26.3 (HQ)	Retirement and Separation Gratuity	Article to be deleted. Provision now redundant.
Appendix A, (O & M) Appendix A, (HQ)	Classifications and Salaries	Items added and deleted based on reclassifications, job abolitions and creations.
VDT's	-	Letter outlining Authority policy to be appended to Collective Agreement.
Shift Tag Board	-	Letter on access to accompany W.R. Collective Agreements.
Maintenance Shifts (E.R.)		Agreement reached on establishment of same in South Shore and Beauharnois during difficult closings.

In witness hereof, the following have signed this _____ day of _____

FOR:

THE ST. LAWRENCE SEAWAY AUTHORITY

C.G. Trépanier
Director of Personnel and Administration

K. Baird
Coordinator, Industrial Relations and Compensation

M. Gagnon
Industrial Relations Officer

J.J. Greenberg
Compensation Officer

A. Mageau
Personnel Administrator
Eastern Region

J.N. Taylor
Personnel Administrator
Western Region

THE CANADIAN BROTHERHOOD OF RAILWAY, TRANSPORT AND GENERAL WORKERS

J.A. Callaghan
National Vice-President

G. Côté
Regional Vice-President

L.G. Barrette - Membre
Comité de négociations

R. Greaves - Member
Negotiating Committee

V. Hearn - Member
Negotiating Committee

A. Leduc - Member
Negotiating Committee

D. Malone - Member
Negotiating Committee

R. Ravary - Membre
Comité de négociations

J.-P. Roy - Membre
Comité de négociations

C. Frappier - Member
Negotiating Committee

M. Roy - Member
Negotiating Committee

The aforementioned terms and conditions are subject to ratification by the applicable membership.

Les termes et conditions de cette Entente sont sujets à leur ratification par les Membres concernés.

Termes de l'entente entre
l'AVMSL et la F.C.C.E.T. et A.O.
Groupe des effectifs de l'exploitation et de l'entretien
et Groupe des effectifs de Cornwall

Item monétaire	Disposition actuelle	Nouvelle disposition		Date d'entrée en vigueur
		Année I (1985)	Année II (1986)	
ICV (COLA)	Voir article 7.7	Même formulation, mais facteurs mis à jour et déclenchement à 8% d'inflation.	Même chose	
Reclassifications	Voir annexe A			
- Contremaître de métiers "spécialisés"		25¢/hre intégré au salaire	-	1er janvier 1985 avant l'application de la hausse salariale de l'Année I
- Contremaître de métiers "semi-spécialisés"		22¢/hre intégré	-	
- Contremaître-peintre		20¢/hre intégré	-	
- Contrôleur de la circulation (canal)		20¢/hre intégré	-	(Note: Contrôleur circulation (canal), la reclassification couvre tous les changements (reliés au T.C.I.P.) au 31 décembre 1986.)
- Contremaître-manoeuvre		10¢/hre intégré	-	
- Contremaître-manoeuvre				
- Beauharnois		10¢/hre intégré	-	
- Brossard		10¢/hre intégré	-	
- Port Colborne		10¢/hre intégré	-	
- Iroquois		10¢/hre intégré	-	
"Rabais médical":		Si le coût total des items couverts excède la contribution convenue de l'Administration, le solde sera déduit du salaire. Si le coût d'un des items ne s'appliquait plus ou si le coût total est inférieur à la contribution convenue de l'Administration, alors la différence sera ajoutée au salaire jusqu'à un maximum de $11.00 (couverture de célibataire) et		

Termes de l'entente entre
l' AVMSL et la F.C.C.E.T. et A.O.
Groupe des effectifs de l'exploitation et de l'entretien
et Groupe des effectifs de Cornwall

Item monétaire	Disposition actuelle	Nouvelle disposition		Date d'entrée en vigueur
		Année I (1985)	Année II (1986)	
Assurance-vie - personne à charge	$2,000.	$4,000.	Même chose	Date de signature du contra
Plan dentaire - cédule des taux	1980 ODA	1984 ODA	1986 ODA	1re année: dans les 30 jours de la signature. 2e année: dans les 30 jours suivant publicatio de la cédule.
Chaussures de sécurité (allocation)	65% à un maximum de $50.	75% à un maximum de $50.	Même chose	Date de signature du contr
Primes de rabais:				
- 1er relais	45¢/hre	50¢/hre	52¢/hre	Date de signature du contra
- 3e relais	30¢/hre	35¢/hre	37¢/hre	
Allocation de repas	$8.00 et $3.00	$8.00 et $4.00	$8.50 et $4.00	Date de signature du contra
Indemnité de parcours	24¢/Km	Politique de l'Administration selon des examens semi-annuels	Même chose	
Prime de bilinguisme	Postes identifiés: 5% du salaire	Postes identifiés: montant fixé à celui du 31 décembre 1984 - pas d'indexation; paiement forfaitaire une seule fois aux titulaires permanents. Paragraphe sur la langue de travail demeure dans la convention collective.	Même chose (sauf le paiement forfaitaire)	Date de signature du mémoire d'entente (Paiement forfaitaire)

Termes de l'entente entre
l'AVMSL et la F.C.C.E.T. et A.O.
Groupe des effectifs de l'exploitation et de l'entretien
et Groupe des effectifs de Cornwall

Item monétaire	Disposition actuelle	Nouvelle disposition		Date d'entrée en vigueur
		Année I (1985)	Année II (1986)	
Congé spécial (adoption)	-	Une journée à l'employé pour adoption d'un enfant le jour où l'enfant lui est confié.	Même chose	Date de signature du contrat

Termes de l'entente entre
l'AVMSL et la F.C.C.E.T. et A.O.
Groupe des effectifs de l'exploitation et de l'entretien
et Groupe des effectifs de Cornwall

Item normatif		Nouvelle disposition
Article 1.5 (E et E) Article 1.4 (Cornwall)	Employés visé par la présente convention	Clarifie en référant aux certificats d'accréditation du Conseil canadien des relations du travail.
Article 4.3 (Cornwall)	Comité consultatif patronal-syndical	Spécifie la formation et le développement de l'employé comme sujet pour le Comité.
Article 5.1 (E et E) (Cornwall)	Procédure de règlement des griefs	La période pour répondre au grief à la première étape pour le Chef de service est étendue de 3 jours à 5 jours.
Article 8.3 (E et E) (Cornwall)	Prévention des accidents et hygiène	L'approbation du congé ne doit pas être refusée sans raison valable.
Article 10/12 (E et E)	Groupes d'ancienneté/affichage et attribution des postes	10.1 - Clarification du texte en langue française. 10.5 a), b) 12.15 - Le langage clarifie la procédure pour les employés revenant de l'autre unité de négociation.
Article 11 (E et E) Article 10 (Cornwall)	Période de probation	Modifie l'article selon le Code du travail et souligne la procédure possible dans le cas d'un employé libéré.
Article 11.9 (Cornwall)	Affichage et attribution des postes	La période de temps dont l'Administration bénéficie pour décider d'abolir ou de remplir un poste vacant est réduite de 60 jours à 30 jours.
Article 20.7 (E et E)	Rappels, disponibilité et primes	Le langage sur le congé compensatoire pour les interruptions de repas est amendé pour inclure le préposé aux amarres/ opérateur de transbordeur; de plus, le terme général préposé aux moteurs d'écluse est utilisé au lieu des différentes classifications de ce même poste.

Termes de l'entente entre
l'AVMSL et la F.C.C.E.T. et A.O.
Groupe des effectifs de l'exploitation et de l'entretien
et Groupe des effectifs de Cornwall

Item normatif		Nouvelle disposition
Article 21.1 (E et E) Article 20.1 (Cornwall)	Congés fériés payés	Langage modifié pour refléter le mémoire d'entente sur le sujet (jour applicable du congé férié versus jour "tenant lieu" du congé)
Article 22.3 (E et E) Article 21.1 (Cornwall)	Congé annuel	Modifie les qualifications pour le taux de suppléance en congé annuel par l'addition de congés spéciaux-décès selon l'article 24.2 c) pour E et E et 23.2 c) pour Cornwall.
Article 24.2 b) (E et E) Article 23.2 b) (Cornwall)	Congés spéciaux	Clarification du langage sur les complications lors de grossesse.
Article 26.3 (E et E) Article 25.3 (Cornwall)	Discipline et renvoi	Langage amendé pour souligner le droit à la représentation syndicale.
Article 27.3 (E et E) Article 26.3 (Cornwall)	Retraite et indemnité de fin de service (option)	Enlever article 27.3; il n'est plus applicable.
Annexe "A", cédule I (E et E) Annexe "A", cédule II (E et E) Annexe "A", cédule III (E et E) Annexe "A", (Cornwall)	Classifications et salaires	Items ajoutés et enlevés, basés sur des créations, abolitions et reclassifications de postes.
Écrans cathodiques		Lettre exprimant la politique de l'Administration sera annexée à la convention collective.
Tableau d'affectation sur les relais		Lettre sur l'accès à ce tableau accompagnera la convention collective dans la Région de l'Ouest.
Relais d'entretien (Région Est)		Entente conclue sur l'établissment de relais à la Rive Sud et à Beauharnois durant des fermetures difficiles.

In witness hereof, the following have signed this _____ day of _____

FOR:

THE ST. LAWRENCE SEAWAY AUTHORITY

C.G. Trépanier
Director of Personnel and Administration

K. Baird
Coordinator, Industrial Relations and Compensation

M. Gagnon
Industrial Relations Officer

J.J. Greenberg
Compensation Officer

A. Mageau
Personnel Administrator
Eastern Region

J.N. Taylor
Personnel Administrator
Western Region

THE CANADIAN BROTHERHOOD OF RAILWAY, TRANSPORT AND GENERAL WORKERS

J.A. Callaghan
National Vice-President

G. Côté
Regional Vice-President

L.G. Barrette - Membre
Comité de négociations

R. Greaves - Member
Negotiating Committee

V. Hearn - Member
Negotiating Committee

A. Leduc - Member
Negotiating Committee

D. Malone - Member
Negotiating Committee

R. Ravary - Membre
Comité de négociations

J.-P. Roy - Membre
Comité de négociations

C. Frappier - Member
Negotiating Committee

M. Roy - Member
Negotiating Committee

Les termes et conditions de cette Entente sont sujets à leur ratification par les Membres concernés.

The aforementioned terms and conditions are subject to ratification by the applicable membership.

Labour Canada | Travail Canada

ociate uty Minister | Sous-ministre associé

Oct 8/85

Miss Jennefer M^c Queen

Events have moved rapidly in the dispute and by bringing the parties to Ottawa I got agreement to postpone the strike scheduled for Thursday on the western section of the Seaway.

I cleared everything, including the press release by phone with the Minister and at his request briefed Don Mazankowski.

Canada

Labour Canada Travail Canada

Information

Communications Directorate (819) 994-2238
Direction des communications (819) 994-2238

IMMEDIATE RELEASE
30/85 OCTOBER 8, 1985

ATTEMPT TO SETTLE
SEAWAY DISPUTE

OTTAWA....The Honourable Bill McKnight, Minister of Labour, has summoned the negotiating committees for the St. Lawrence Seaway Authority and the Canadian Brotherhood of Railway, Transport and General Workers to Ottawa to meet with Associate Deputy Minister of Labour Bill Kelly, in a final effort to avoid disruption of shipping in the St. Lawrence Seaway.

The parties have been negotiating since January 1985 in an effort to renew the collective agreements covering 950 operational and maintenance employees and 90 office workers. Both agreements expired on December 31, 1984. The parties have been in a legal strike or lockout position since September 5, 1985.

Mr. McKnight said "A work stoppage during the peak traffic period prior to freeze-up could have serious financial implications for the seaway as well as an adverse effect on the general economy." He further stated "I am confident, that with Mr. Kelly's assistance, the parties will be able to resolve their differences and avoid a disruption of shipping in a very important international waterway."

- 30 -

MEDIA INFORMATION: Michel Cléroux (819) 994-2238.

Canada

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

44-7-300

SECURITY - CLASSIFICATION - DE SÉCURITÉ
CONFIDENTIAL
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE
September 25, 1985

TO / À: The Honourable Bill McKnight

FROM / DE: W.P. Kelly

SUBJECT / OBJET: Dispute - St. Lawrence Seaway Authority & Canadian Brotherhood of Rail Transport & General Workers

As you know, Conciliation Officer Mac Carson was assigned to this dispute and was able to resolve all issues except wages. When he submitted his report in mid August, I met with the President of the St. Lawrence Seaway to make him aware of the firmness of the position of the union on wages and suggesting he should examine his position. I also indicated it would be doubtful if you would appoint a Commissioner in this case. At the same time I had Mac Carson give a signal to the union that it would be unlikely that a Commissioner would be appointed, as they were seeking the same.

Following our recommendation you "no actioned" this dispute and the parties were so notified on August 28th and acquired the right to strike/lockout on September 5th. The union completed a strike vote indicating 72% in favour.

I was assured by the President of the CBRT and Dick Greaves, the Business Agent for the Cornwall local, that there would be no precipitous action taken, and they would like to "back burner" this dispute until they got through their National Convention scheduled for the week of September 16, 1985. I contacted the President of the St. Lawrence Seaway conveying this information.

Following conclusion of the Convention, Jim Hunter, who was re-elected as President without opposition, phoned me asking if I could personally intervene to arrange an informal meeting with him and Bill O'Neil, President of the Seaway Authority, at which I would try to find a solution to the problem. I asked him if this arrangement met with the approval of Dick Greaves the Business Agent. He assured me that it was Greave's idea. I asked this question as Dick Greaves, whom I have known for 20 years, calls the shots insofar as the union is concerned on the St. Lawrence Seaway.

Bill O'Neil is more than willing to attend such a meeting and I have scheduled same for tomorrow afternoon. For the time being this meeting will be kept confidential from the negotiating committees of both parties, somewhat similar to certain meetings I had with Canada Post and the President of the Letter Carriers Union of Canada. I will keep you aware of developments.

Henry 465-10

Office of the Minister of Labour / Cabinet du ministre du Travail

CANADA

Aug. 22/85

AUG AOUT 2 2 1985

Mr. Andrew C. Boyle
Executive Vice-President
Seafarers' International Union of Canada
634 St. Jacques Street
Montreal, Quebec
H3C 1E7

Dear Mr. Boyle:

On behalf of the Minister, the Honourable Bill McKnight, I wish to acknowledge receipt of your letter dated August 15, 1985, requesting the appointment of a conciliation officer in the dispute between Sedpex Inc., and Seafarers' International Union of Canada.

Your correspondence will be brought to the Minister's attention and you will receive a further response on this matter in the near future.

Sincerely,

Johanne Godon
Special Assistant

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
AUG 23 1985
Référé: 4710
Referred:

500046
C0126

04424
(JU 1138)

House of Commons Chambre des communes
Ottawa, Canada K1A 0A6

Miss McQueen's copy

Labour Canada | Travail Canada

Associate Deputy Minister | Sous-ministre associé

Ottawa, Ontario K1A 0J2 | Ottawa (Ontario) K1A 0J2

CONFIDENTIAL

447-3000

August 20, 1985

Our Files: 326-3-2834
326-3-2835

MEMORANDUM TO: The Honourable Bill McKnight

Re: Dispute between the St. Lawrence Seaway Authority and the Canadian Brotherhood of Railway, Transport and General Workers

Mac Carson who is the appointed Conciliation Officer in this dispute submitted his final report on August 13. In spite of his tireless efforts, the parties have been unable to reach an agreement.

The parties are negotiating the renewal of two collective agreements. One agreement covers 950 operational and maintenance employees and the other covers a headquarters group of 90 employees located at Cornwall, Ontario. Both collective agreements expired December 31, 1984.

As a result of his tenacity, Carson was able to bring the parties together in resolving all outstanding issues in dispute, except for wages. The official position of the parties on wages is as follows. The union is seeking an increase of 4.9% in each year of a two-year agreement. The employer is offering a 3.1% in each year of a two-year agreement.

In reality, the union is seeking 4% in each year and they are very firm in their position. This is natural as the Seaway workers are a large component of the C.B.R.T. & G.W. and 4% per year was the railway settlement negotiated by that union.

The union would like to see a Conciliation Commissioner appointed if, for no other reason, to run the clock out to be in a position to strike in the fall when there is a rush of shipping through the Seaway prior to closing. The St. Lawrence Seaway Authority are not anxious to have a Commissioner appointed as they feel, along with the ship owners, they could take a strike now.

.../2

Canada

I have personally met with Mr. W.A. O'Neil, President of the Seaway Authority, to discuss all aspects of the dispute. I pointed out to him that regardless of when either side acquires the right to strike or lockout, the union can control the timing of a strike. I also took the opportunity to explore some areas whereby the union could achieve their 4% settlement or close to it.

I am convinced that a Commissioner would add nothing to the eventual resolution of this dispute and in fact possibly might make recommendations which could polarize the situation. If the dispute was "no-actioned", the union would not take any hasty strike action. This would give us the opportunity to convene meetings, which the St. Lawrence Seaway Authority would anticipate, and try and work out a settlement.

If necessary, I would personally intervene to head off a strike as I have had a longstanding relationship for 20 years with the chief union negotiator. The President of the St. Lawrence Seaway Authority is aware that I have mediated settlements in the past (not the thirty percent increase) and is receptive to this strategy and I believe will be discussing same with the Minister of Transport.

I would, therefore, recommend for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code and that the parties be so notified.

Recommended:

Associate Deputy Minister

Approved:

Minister of Labour

4/65-10

SEAFARERS' INTERNATIONAL UNION OF CANADA
SYNDICAT INTERNATIONAL DES MARINS CANADIENS
634, RUE ST-JACQUES, MONTRÉAL, QUÉBEC H3C 1E7 • (514) 842-8161 • CÂBLE: SEACAN • TÉLEX: 05-25473

REGISTERED

August 15, 1985

1) ACK-JG for
2) Dept'l action

The Honourable William McKnight
Minister of Labour
Minister's Office
Labour Canada
House of Commons
Parliament Building
Ottawa, Ontario
K1A 0A6

RE: Notice of Dispute and Request for Conciliation Assistance under Section 163 and of the Act

Dear Mr. Minister:

In accordance with the provisions outlined in the Canada Labour Code (Part V - Industrial Relations), we hereby request your assistance as set out under Section 163 of the Act and submit the following information:

a) Seafarers' International Union of Canada
634 St. Jacques Street
Montreal, Quebec
H3C 1E7

aug. to Kelly
21-8-85

b) Sedpex Inc.
Bally-Rou Place
280 Torbay Place
St. John's, Nfld.
A1A 3W8

c) Notice to commence collective bargaining was given on August 6, 1985

The date the Union suggested to begin negotiations was August 19th, 1985. The Company responded to this letter by their letter dated August 13th, 1985, which requests that the Union agree to an extension of the time for commencement of negotiations.

04424
(2000038)

Due to the fact that we have received certification for this Company as of July 19th, 1985, we do not agree that an extension of the time for commencement of negotiations be granted and we respectfully request the appointment of a conciliation officer to deal with this dispute.

Respectfully yours,

Andrew C. Boyle,
Executive Vice-President

ACB/sc
encls. copy of opening letter dated August 6th, 1985
copy of the Company's reply dated August 13th, 1985
copy of our reply to the Company dated August 15th, 1985

August 6, 1985

Mr. Joe Bryant
Operations Manager
SEDPEX INC.
Bally Rou Place
280 Torbay Road
St. John's, Nfld.
A1A 3W8

Dear Sir:

Having received certification from the Canada Labour Relations Board for the unlicensed employees aboard the Sedco 710 and in accordance with the Labour Code, this is to advise you that as the Seafarers' International Union of Canada representative responsible for negotiations, I would like to set a date to begin contract talks as soon as possible.

I propose August 19th as the date to begin negotiations in Halifax, Nova Scotia.

Your earliest attention to this matter would be greatly appreciated.

Yours truly,

Andrew C.Boyle,
Executive Vice-President

ACB/sc
cc: Hedley Harnum

SEDPEX, INC.
Bally [illegible] Place
280 Te[illegible]ay Road
St. John's, Newfoundland A1A 3W8
Tel. (709) 726-5644 - Telex 016-3362
Fax. (709) 726-6581

710/Hfx./009
JB/001-85
August 13, 1985

Mr. Andrew C. Boyle
Executive Vice-President
Seafarer's International
Union of Canada
Montreal, PQ
H3C 1E7

Dear Mr. Boyle:

This is to acknowledge receipt of your letter of August 6th, 1985, requesting a date for the commencement of collective agreement negotiations.

As you are aware, SEDPEX Inc. has filed an Application for Reconsideration pursuant to Section 119 of THE CANADA LABOUR CODE. We are requesting that the CANADA LABOUR REGULATIONS BOARD revoke the Certification Order dated July 19, 1985, and order a representation vote.

Because the Board has yet to rule on this matter, SEDPEX Inc. is of the view it is not appropriate to engage in negotiations at this time.

We would request that you agree to an extension of the time for commencement of negotiations under the provisions of Section 148(a) until the review process has been concluded.

Yours truly,

Joe Bryant

JB/ale
cc: Mr. G. Legault
Mr. Gregory North

SEAFARERS' INTERNATIONAL UNION OF CANADA
SYNDICAT INTERNATIONAL DES MARINS CANADIENS
634, RUE ST-JACQUES, MONTRÉAL, QUÉBEC H3C 1E7 • (514) 842-8161 • CÂBLE: SEACAN • TÉLEX: 05-2

REGISTERED

August 15, 1985

Mr. Joe Bryant
SEDPEX INC.
Bally-Rou Place
280 Torbay Road
St. John's, Nfld.
A1A 3W8

Dear Mr. Bryant:

Further to your letter dated August 13th, 1985, this is to advise you that the Seafarers' International Union of Canada does not agree to an extension of the time for commencement of negotiations.

According to the certification issued at Ottawa on July 19th, 1985, we are hereby certified to be the bargaining agent for a unit comprising:

> "all employees of Sedpex Inc., working on the drilling rig vessel "SEDCO 710", classified as roustabout, roustabout maintenance, floorman, derrickman, maintenance foreman, crane operator, thruster tender, motorman, mechanic assistant and welder".

Therefore, we hereby inform you that we are applying for conciliation as of the above date.

Yours truly,

Andrew C. Boyle,
Executive Vice-President

ACB/sc

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

The Minister

FROM DE W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: August 6, 1984

SUBJECT / OBJET: Port of Montreal Dispute affecting the Maritime Employers Association and the International Longshoremen's Association, Local 375

Following lengthy mediation sessions on August 2 and 3 at our office in Montreal, Mediators Doucet and Drouin developed a proposal for settlement which was acceptable to both negotiating parties. The Union Committee recommended the package to its membership at a meeting today. It was accepted by 289 votes to 274 votes. More than 300 members of the Local did not participate.

The settlement package involves a three year collective agreement with most major aspects being in line with the recommendations of Conciliation Commissioner Foisy. There is apparently no change to the job security plan although some mechanics, hitherto excluded, will now be able to participate in the plan.

The wage package means that hourly base rates will be $15.00 in 1984, and will move to $16.00 in 1985 and $17.00 in 1986. These rates reflect those achieved by the International Longshoremen's Association in negotiations with U.S. East Coast ports. They compare favourably with similar rates for jobs in the Montreal area. For example, the Motor Transport Bureau agreement provides for $12.26 an hour effective November 1, 1984, and the Labbats Brewery agreement set an hourly labourer's rate of $14.82 effective January 1, 1984.

c.c. Mark R. Daniels ✓

Michael McDermott/dea
7-3290

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
AUG - 6 1984
AOUT
Référé:
Referred:

Labour Canada Travail Canada

To-À: Mr. Mark R. Daniels

Remarks - Remarques: For your information

July 31/84
Date

W. P. Kelly

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

465-10

July 31/84

July 31, 1984

Our Files: 326-3-2593
326-3-2594
326-3-2595

MEMORANDUM TO: Mr. W. P. Kelly

Disputes affecting the Canadian Lake Carriers Association (representing member shipping companies) and three unions; namely, Canadian Marine Officers Union (CMOU); Seafarers' International Union of Canada (SIU); and Canadian Merchant Service Guild (CMSG).

→ See in Pocket behind File

Attached is a copy of the report of Conciliation Commissioner, Stanley H. Hartt of Montreal, who dealt with the above-cited disputes.

The parties have been negotiating jointly in this round of bargaining with a view to revising their respective collective agreements which expired May 31, 1984. Some 750 marine engineer officers are represented by the CMOU; 2,210 unlicensed personnel are represented by the SIU; and 427 deck officers are represented by the CMSG.

Mr. Hartt has made recommendations on all outstanding issues which include, wages, term of agreement and fringe benefits, among others. The Commissioner has recommended a three-year agreement for all three groups (June 1/84 - May 31/87) with essentially the same across-the-board wage increases, except for the inclusion of meal allowances and proficiency pay in respect to only the SIU and CMSG, respectively. The specific wage recommendations are 3½% in the first year; 4% in the second and 4½% in the third or a percentage based on the increase in the CPI for the 12-month period ending May 31, 1986, whichever is greater, but not exceeding 6%.

.../ 2

Canada

For convenience or reference, the Commissioner's report is structured into the following parts:

- Mr. Hartt's three-page narrative report in letter format;
- Commissioner's proposals applicable to CMOU;
- Commissioner's proposals applicable to SIU;
- Commissioner's proposals applicable to CMSG;
- Text of clauses initialled and agreed to by Lake Carriers Association and CMOU;
- Text of clauses initialled and agreed to by the Lake Carriers Association and SIU;
- Text of clauses initialled and agreed to by Lake Carriers Association and CMSG;
- Text of clauses agreed to but unsigned (non-monetary) - SIU;
- Text of clauses initialled and agreed to by Lake Carriers Association, CMOU, SIU and CMSG.

I would recommend, for your approval, that Mr. Hartt's report be released to the parties pursuant to Section 170(a) of the Code.

Original Signed by
Original signé par
M. McDERMOTT
Michael McDermott

Approved:

Senior Assistant Deputy Minister
Federal Mediation and Conciliation Service

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

TO / À: The Honourable André Ouellet

FROM / DE: W. P. Kelly
W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 26, 1984

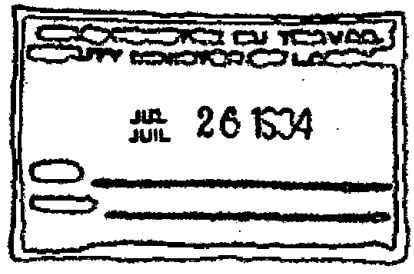
SUBJECT / OBJET: Port of Montreal Longshore Dispute affecting Maritime Employers Association and International Longshoremen's Association, Local 375.

As anticipated in Mr. Pigeon's memorandum to you of July 25, I was in touch yesterday by telephone from Halifax, with Arnold Masters, President, Maritime Employers Association.

He confirmed his meeting with union representatives to discuss the ratification vote. The union outlined a number of issues which they felt have to be re-negotiated. On the other hand, Mr. Masters expressed his dissatisfaction with the poor turnout for the vote on the basis that the 317 "no votes" out of the total of 567 who participated was unrepresentative of the total longshoremen's bargaining unit comprising approximately 1,000 members.

The union has now decided to conduct a second ratification vote on Monday, July 30, 1984 and it could be that a further vote, more representative of the total membership, might well result in acceptance of the tentative settlement. Should there be a rejection, it will at least be representative of the will of the membership.

c.c. Mr. Mark R. Daniels



Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

BEST AVAILABLE COPY

TO / À: The Honourable André Ouellet

FROM / DE: E. O. Pigeon

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: July 25, 1984

SUBJECT / OBJET: Port of Montreal Longshore Dispute affecting Maritime Employers Association and International Longshoremen's Association, Local 375

While Louise Beaulieu may by now have mentioned to you, following my call to her this morning, the union membership rejection of the tentative settlement, I wish to advise you of events in a little more detail and where matters presently stand.

The results of the vote, which were made known late yesterday, favoured a rejection of the recent settlement. Some 317 longshoremen voted "no" and 250 voted "yes". Also of concern is the fact that approximately 350 longshoremen did not show up for the vote despite the fact that the MEA closed down port operations in order that all longshoremen would have a chance to vote.

The President of the Employers Association was to meet with union officials this morning to discuss the reasons for the membership rejection as well as the poor turnout for the vote.

Mr. Kelly and Mr. McDermott are in Halifax attending the CAALL Conference. I talked to Mr. Kelly today and he intends to contact the President of the Employers' Association this afternoon to discuss what further steps might be taken to resolve the dispute.

E.O. Pigeon
A/Director General
Mediation and Conciliation

c.c. Mr. Mark R. Daniels

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: **The Minister**

FROM / DE: **Michael McDermott**

SECURITY - CLASSIFICATION - DE SÉCURITÉ:

OUR FILE/NOTRE RÉFÉRENCE:

YOUR FILE/VOTRE RÉFÉRENCE:

DATE: **July 19, 1984**

SUBJECT / OBJET: **Port of Montreal Labour Dispute**

We have just learned of two developments in the Port of Montreal labour dispute. First is that a general meeting of the local membership was held this morning which rejected Conciliation Commissioner Claude Foisy's report and recommendations as a basis for settlement. However, much more encouraging is the news that negotiations, which began yesterday afternoon between the union negotiating committee and the Maritime Employers Association, continued through the night and led to the conclusion of memorandum of settlement subject to a few minor drafting points that need to be finalized.

The union has set a further membership meeting for next Tuesday morning, July 24, 1984, in Montreal and will be recommending acceptance of the memorandum of settlement.

c.c. Mark R. Daniels

Michael McDermott/dea
7-3290

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL JUIL 19 1984
Référé: Referred:

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

The Minister

FROM DE Michael McDermott

SECURITY - CLASSIFICATION - DE SÉCURITÉ

OUR FILE/NOTRE RÉFÉRENCE

YOUR FILE/VOTRE RÉFÉRENCE

DATE July 16, 1984

SUBJECT OBJET Port of Montreal Labour Dispute

As anticipated in my memorandum of July 12, 1984, Claude Foisy has provided certain written clarifications of aspects of the report which he prepared as Conciliation Commissioner in the Port of Montreal longshore dispute. His letter containing the clarifications was received by us this morning and has been sent by Priority Post to the parties. A copy was also telexed to our Montreal office and the parties have been informed that they may obtain a copy from that office in advance if they so desire.

The next step will most likely be for the union to convene a further meeting of its membership to consider the Conciliation Commissioner's report in the light of the clarifications provided by Mr. Foisy. The employer has already rejected the Conciliation Commissioner's report on the grounds that Mr. Foisy's recommendations pertaining to hours of work and recall periods are not acceptable. Therefore, whether the union membership accepts or rejects the Commissioner's recommendation, there will still be a need for further negotiations. We are prepared to offer mediation assistance for further negotiations and to make a formal appointment of a Mediator pursuant to Section 195 of the Code.

c.c. Mark R. Daniels

Michael McDermott/dea
7-3290

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL JUIL 17 1984
Référé: Referred:

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

BEST AVAILABLE COPY

The Minister

FROM DE: Michael McDermott

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 12, 1984

SUBJECT / OBJET: Port of Montreal Labour Dispute

As arranged yesterday, the Conciliation Commissioner who acted in the above-mentioned labour dispute met with the parties in Montreal today following the union's request for clarification of two aspects of his report concerning rest and meal breaks and rates of pay applicable for recalls to work.

Mr. Foisy reported to me by telephone. Although in some respects he felt that the union was endeavouring to reopen negotiations rather than seeking clarification, he is preparing a report which will discuss the issues and should clarify them to some extent. The report should be finished today and Mr. Foisy will endeavour to get it to me as soon as possible, hopefully by tomorrow morning. Once it is received, assuming it presents no further problems, we will get it to the parties as rapidly as feasible.

c.c. Mark R. Daniels

Michael McDermott/dea
7-3290

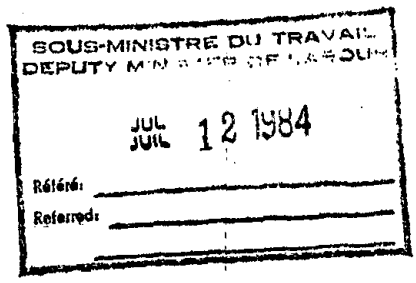
SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL JUIL 13 1984
Référé: 3565
Referred:

Copy for Mr. Daniels' Office

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

BEST AVAILABLE COPY



July 11, 1984

Our File: 326-3-2609

MEMORANDUM TO: The Honourable André Ouellet

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting Maritime Employers Association, Port of Montreal, Montreal, Québec, and International Longshoremen's Association, Local 1657 (representing a unit of checkers and coopers)

Conciliation Officer, André Drouin, who was earlier assigned to deal with the above-cited dispute, reports that the parties have been unable to reach a settlement and he recommends against the appointment of a Conciliation Commissioner.

The parties are attempting to negotiate revisions to their existing collective agreement which expired on December 31, 1983, covering a unit of 150 Port of Montreal checkers and coopers.

These negotiations are closely linked to the main Port of Montreal longshore dispute. The latter, as you are aware, was handled by Conciliation Commissioner Claude Foisy whose report containing settlement recommendations, was recently released to the parties for their consideration. Local 1657 of the International Longshoremen's Association and the Maritime Employers Association, while recognizing that a monetary settlement will be determined, in the first instance, by the main longshore negotiations involving Local 375, have been unable to reach a compromise in three key areas. Two of the three items originate with the union. Local 1657 wants to negotiate manning provisions into the collective agreement similar to those which existed 20 years ago. In addition, the union wants to separate its work along craft lines. The employers are strongly opposed to both demands.

As for the employers' Association, they are proposing contract language, strongly opposed by the union, which would give management the right to make significant adjustments to job classifications without prior consultation with the union.

.../2

Canada

Neither party favours the appointment of a Conciliation Commissioner and, in our view, such an appointment would serve no useful purpose. As you are aware, the employers' Association, in the main longshore dispute, has rejected the Commissioner's report and has requested mediation assistance. Local 375's position on the Commissioner's report will be conveyed to us, we expect, in a few days following clarification, at the request of the union, of a couple of the Commissioner's recommendations. Following this, a decision will be made on the mediation request. Local 375 and the employers' Association acquired the right to strike/lockout as of midnight last night but no such action has been taken nor do we envisage that a work stoppage will occur prior to further negotiations.

In the meantime, we will be watching the instant dispute quite closely and are prepared, if necessary, to appoint a mediator at the appropriate time.

Accordingly, we recommend, for your approval, that no further formal conciliation proceedings be initiated pursuant to Section 166(c) of the Code.

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
E. O. PIGEON

for Michael McDermott

Recommended:

Original Signed by
Original signé par
for M. McDERMOTT

Senior Assistant Deputy Minister
Federal Mediation and Conciliation Service

Approved:

Minister of Labour

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable André Ouellet

FROM / DE: Michael McDermott,
A/Senior Assistant Deputy Minister,
FMCS.

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 6, 1984

SUBJECT / OBJET: Longshore Negotiations - Port of Montreal

Word has been received from Arnold Masters, President, Maritime Employers Association, that the MEA Board of Directors met this afternoon in Montreal and have decided to reject the recommendations contained in the report of Conciliation Commissioner Claude H. Foisy, Q.C., in the dispute between the MEA and the International Longshoremen's Association, Local 375, Port of Montreal. Instead, the Maritime Employers Association Board of Directors have decided to seek mediation assistance from the Federal Mediation and Conciliation Service of Labour Canada. A telegram to this effect is being sent directly to you from the Maritime Employers Association.

In particular, Mr. Foisy's recommendations pertaining to hours of calls and work periods are not acceptable to the employer and according to Mr. Masters, the monetary award made by the Commissioner and attributed to the employer does not take into account the full working benefits package that the MEA tied into the offer.

It is our understanding that the union will not be meeting before Wednesday July 11th to consider the report of the Conciliation Commissioner and it would not be our intention to reply to the Maritime Employers Association before hearing from the union.

I agree

c.c.: Mark R. Daniels

G. Clark/sp
7-1904

MINISTRE DU TRAVAIL
MINISTER OF LABOUR
JUL 09 1984

4468

Labour Canada Travail Canada
Media Clipping Service
Média - Coupures de presse
GLOBE & MAIL
JUL 12 1984

Dock workers want clause made clearer

MONTREAL (CP) — The union representing Montreal longshoremen has asked Ottawa to clarify a clause in a conciliation report before the 1,100 workers, without a contract since January, decide their next move.

They could strike legally as of yesterday, but the union has not threatened to call a walkout.

Their employers, represented by the Maritime Employers Association, have rejected conciliation commissioner Claude Foisy's report and asked the federal Government to appoint a mediator to reopen talks.

A spokesman for the federal Labor Department said the Government has not taken any action in the dispute this week, "but we do anticipate something."

Theodore Beaudin, president of Local 375 of the International Longshoremen's Association, said the union expects to get the clarification it sought by tomorrow. He said there are problems interpreting Mr. Foisy's recommendation on a contentious hours-of-work clause.

When it gets the clarification, the union will hold another membership meeting, probably next week, at which the conciliation report will be put to a vote, Mr. Beaudin said.

Mr. Foisy recommended a 22.5 per cent wage increase over three years as proposed by management.

But Arnold Masters, president of the employers' association, said his group could not accept the report because of the way it deals with management's need for a revised hours-of-work clause for handling conventional cargo and a related union proposal to shorten the maximum work day.

Because a federal election is set for Sept. 4, Cabinet could issue an order based on Article 181.1 of the Labor Code banning a strike or lockout until after the vote.

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Minister

FROM / DE: Michael McDermott

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 11, 1984

SUBJECT / OBJET: Port of Montreal Labour Dispute

You were sent late yesterday a telegram from the President of Local 375 of the International Longshoremen's Association, the longshoremen's local in the Port of Montreal. Mr. Beaudin is seeking clarification of two aspects of Conciliation Commissioner Claude Foisy's report which was released to the parties on July 4. He requested you to seek such clarification pursuant to Section 169 of the Canada Labour Code which permits the Minister to direct a Conciliation Commissioner to reconsider and clarify or amplify any part of his report.

The two aspects of the report for which the union is seeking clarification concern:

(1) the rest and meal breaks applicable to the continuous shifts recommended by Commissioner Foisy for conventional (i.e. non-container) cargo operations; and,

(2) the rates of pay applicable to certain work performed by employees recalled to work after a regular shift.

Strictly speaking, there could be problems in acting under Section 169 after a report has been released. However, in the present case the employer, to whom I have spoken, is agreeable to clarification being given. The Commissioner, Mr. Foisy, is also prepared to meet the parties in order to discuss the intent of the recommendations in question and to give specific clarification where appropriate. I have informed the parties of Mr. Foisy's willingness to act in this way and they are expected to meet with him tomorrow. Mr. Foisy will be in touch with me following the meeting to report on the outcome.

While I have made the necessary arrangements with Mr. Foisy and the parties by telephone, I will confirm them by telegram tomorrow morning.

c.c. Mark R. Daniels ✓

Michael McDermott/dea
7-3290

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

BEST AVAILABLE COPY

The Honourable André Ouellet

Michael McDermott,
A/Senior Assistant Deputy Minister,
FMCS.

SECURITY - CLASSIFICATION - DE SÉCURITÉ	
OUR FILE/NOTRE RÉFÉRENCE	
YOUR FILE/VOTRE RÉFÉRENCE	
DATE	July 6, 1984

SUBJECT / OBJET

Longshore Negotiations - Port of Montreal

Word has been received from Arnold Masters, President, Maritime Employers Association, that the MEA Board of Directors met this afternoon in Montreal and have decided to reject the recommendations contained in the report of Conciliation Commissioner Claude H. Foisy, Q.C., in the dispute between the MEA and the International Longshoremen's Association, Local 375, Port of Montreal. Instead, the Maritime Employers Association Board of Directors have decided to seek mediation assistance from the Federal Mediation and Conciliation Service of Labour Canada. A telegram to this effect is being sent directly to you from the Maritime Employers Association.

In particular, Mr. Foisy's recommendations pertaining to hours of calls and work periods are not acceptable to the employer and according to Mr. Masters, the monetary award made by the Commissioner and attributed to the employer does not take into account the full working benefits package that the MEA tied into the offer.

It is our understanding that the union will not be meeting before Wednesday July 11th to consider the report of the Conciliation Commissioner and it would not be our intention to reply to the Maritime Employers Association before hearing from the union.

c.c.: Mark R. Daniels

G. Clark/sp
7-1904

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
JUL 6 JUIL 1984
Référé: 3521 PAD
Referred:

00030
1

Canada Canada

To-À : Mr. Mark R. Daniels
Deputy Minister

FROM: W. P. Kelly

Remarks - Remarques:

July 4/84.

For your information.

July 4/84
Date

Lab/Trav 028 (04/76) 7530-21-036-3714

Labour Canada
Ottawa, Ontario
K1A 0J2

Travail Canada
Ottawa (Ontario)
K1A 0J2

July 4, 1984 Our File: 326-3-2564

MEMORANDUM TO: W. P. Kelly

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting Maritime Employers Association (Port of Montreal) and International Longshoremen's Association, Local 375

filed in wallet behind file

Attached is a copy of the report of Conciliation Commissioner, Claude Foisy, who was earlier appointed to deal with the above-cited dispute affecting some 1,000 Port of Montreal longshoremen. Their existing collective agreement expired December 31, 1983.

While Commissioner proceedings did facilitate agreement between the parties on certain issues, there remain a number of unresolved monetary and non-monetary items on which Mr. Foisy has made recommendations. They include such issues as wages, term of agreement, pension and welfare, sub-contracting of work, and hours of work, among others.

With respect to wages and term of agreement, he recommends a total increase of $2.94 per hour over a three-year agreement running from January 1, 1984 to December 31, 1986. The staging of the hourly increases is as follows: 94¢ for the first year; $1.00 for the second and $1.00 for the third. When applied to the longshoremen's existing base wage rate, the new hourly rates are $15.00, $16.00 and $17.00, respectively, for 1984, 1985 and 1986. This represents an increase of 20.9 percent in total for the three years or an average annual compound increase of 6.5 percent.

.../ 2

Canada

In addition to the proposed wage increases, the Commissioner recommends an increase in the employer contribution to the Social Security Plan, which provides pension and welfare benefits, of 25¢ per man-hour worked for each of the three years, bringing the hourly contribution figure to $2.71 in 1986.

It is recommended for your approval, that the Commissioner's report be released to the parties today and further that it be released to the news media after the parties have received their copy.

Michael McDermott

Approved:

Michael McDermott

Senior Assistant Deputy Minister
Federal Mediation and Conciliation Service

Att.

c.c.: The Honourable André Ouellet
Mr. Mark R. Daniels

Government of Canada / Gouvernement du Canada

MEMORANDUM NOTE DE SERVICE

Mr. Mark Daniels
44-7-30

BEST AVAILABLE COPY

The Honourable André Ouellet

W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
CONFIDENTIAL
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE
June 13, 1984

SUBJECT
OBJET

Disputes affecting Canadian Lake Carriers Association and (a) Seafarers' International Union of Canada, (b) Canadian Marine Officers Union, and (c) Canadian Merchant Service Guild

This is further to our discussion of this morning concerning the current Great Lakes Shipping dispute involving the three unions mentioned above and the representation you received for the appointment of a Conciliation Board.

As I mentioned, there have only been two Conciliation Boards appointed since the Canada Labour Code was amended in 1972 providing for the appointment of Conciliation Commissioners with all the powers of a Conciliation Board. It was suggested to you that a Conciliation Board was successful in resolving the last round of negotiations involving Great Lakes Shipping. This is not correct and I will briefly review the last two rounds of negotiations. In 1978, the SIU settled their dispute with the Lake Carriers Association without a work stoppage. The Canadian Merchant Service Guild and the Canadian Marine Officers Union called a strike. You were Acting Minister of Labour at that time and appointed me as a Mediator and I settled the Canadian Merchant Service Guild strike on the basis of a three-year agreement. This would have set the pattern for the CMOU but you will recall the Lake Carriers Association put considerable pressure on the Minister of Transport to legislate an end to the CMOU strike which resulted in you introducing a Bill to accomplish that end.

In 1981, the last round of bargaining, the Canadian Lake Carriers Association made early representations to the then Minister of Labour, the Honourable Gerald Regan, emphasizing difficulties anticipated and seeking an assurance of legislation. The Association representatives were told, rather bluntly, that it would be a serious mistake to anticipate ad hoc legislation if a strike were to take

.../2

place. In that round of negotiations the three unions were negotiating separately and Conciliation Commissioners were appointed in the CMOU and SIU disputes and settlements were reached. The CMSG dispute was settled without recourse to a Conciliation Commissioner. There was no Conciliation Board appointed.

I have been in close contact with the parties to this dispute which, I believe, is capable of being resolved without a work stoppage. The SIU, for its own reasons, is talking strike which makes it difficult, at this time, for the other two unions to reach a settlement.

Conciliation Officer Rolland Doucet will be submitting his report by the end of the week and I will be recommending the appointment of a single Conciliation Commissioner to the three disputes as the unions and the Lake Carriers Association have agreed at the outset to "common front" bargaining. Regardless of the noise being made by the SIU, I do not see this dispute reaching critical stage before early August.

I appreciate the concern you expressed over the possibility of a strike on the Great Lakes during the summer recess of Parliament. As I mentioned, if a Conciliation Commissioner should fail to settle this dispute and a strike occurred, I would personally intervene as a Mediator and make every effort to limit the duration of such a strike and bring about a settlement. For obvious reasons the Lake Carriers Association and the unions should have no prior knowledge of what dispute resolution strategies you might utilize.

Mr. Daniels - for information

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable André Ouellet

FROM / DE: W.P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: March 15, 1984

SUBJECT / OBJET

I understand from Luc Harvey that The Honourable Serge Joyal has asked you to meet with Mr. Théo Beaudin, Head of the International Longshoremen's Association in Montreal.

As you know, negotiations are taking place between the ILA and the Maritime Employers Association over renewal of collective agreement in the Port of Montreal. This case has proceeded to conciliation and meetings are taking place at the present time under the auspices of Rolland Doucet and André Drouin. I would strongly urged that you avoid meeting with any representatives of the ILA at this sensitive time when conciliation is in progress. Such a meeting could be misinterpreted and could detract from efforts being made at the negotiating table to resolve this dispute.

I might add that it is not unusual for representatives of the ILA, to seek some kind of comfort of sustenance from Members of Parliament during contract negotiations. Experiences has dictated it is more constructive to keep their attention focussed on the negotiating table.

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
MAR 15 1984
Référé: _____
Referred: _____

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: Honourable André Ouellet

FROM / DE: W. P. Kelly

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE/NOTRE RÉFÉRENCE
YOUR FILE/VOTRE RÉFÉRENCE
DATE: March 2, 1984

SUBJECT / OBJET: Dispute between the British Columbia Maritime Employers' Association and the International Longshoremen's and Warehousemen's Union - Canadian Area

This is an update on the West Coast longshore dispute following notification to the parties on February 22, 1984, that a Conciliation Commissioner would not be appointed.

Upon being advised of no Commissioner appointment, the union contacted the Employers' Association and a meeting has been arranged for Wednesday, March 7, 1984.

An important factor in this dispute is the ILWU - Canadian Area's Convention to be held from March 12 to 16, 1984. Following nominations at the Convention, an election of officers will take place over the subsequent 60-day period.

(Sgd.) W.P. Kelly

W. P. Kelly

c.c. Mr. Mark R. Daniels

SOUS-MINISTRE DU TRAVAIL
DEPUTY MINISTER OF LABOUR
MAR - 2 1984
Référé: / Referred:

COPY FOR DEPUTY MINISTER

44-7-300

Labour Canada / Travail Canada
Senior Assistant Deputy Minister / Sous-ministre adjoint principal
Federal Mediation and Conciliation Service / Service fédéral de médiation et de conciliation
Ottawa, Ontario K1A 0J2 / Ottawa (Ontario) K1A 0J2

CONFIDENTIAL

Feb. 20/84.

February 20, 1984

MEMORANDUM TO: The Honourable André Ouellet

In the matter of the Canada Labour Code (Part V - Industrial Relations) and a dispute affecting British Columbia Maritime Employers Association, Vancouver, B.C., and International Longshoremen's and Warehousemen's Union - Canadian Area (Wage re-opener in accordance with Article 16.01 of the existing Collective Agreement)

Conciliation Officer M. Collins of our Vancouver office, advises that the parties have been unable to reach a settlement and he recommends against the appointment of a Conciliation Commissioner.

The collective agreement, covering some 4,000 west coast longshoremen employed by member companies of the B.C.M.E.A., does not expire until December 31, 1984. However, the three-year agreement (January 1, 1982 to December 31, 1984) contains a "wage re-opener" for the third year which is the subject of current negotiations.

When direct bargaining reached an impasse in December 1983, we received a notice of dispute from the union. They followed their standard practice of filing a notice of dispute while asking that all formal conciliation procedures be waived. When the Employers Association became aware of this, they wrote to us urging that conciliation be granted. As you are aware, the parties' record of settling disputes on their own is dismal to say the least. With the exception of two one-year collective agreements signed during the period of the Anti-Inflation Board in the mid-1970's, the union has engaged in slowdowns or full-fledged strike activity in every round of bargaining since 1970. On three occasions, including the last round of bargaining for the current three-year agreement, legislation was introduced to terminate the work stoppages.

../2

Canada

In the current wage dispute, we appointed Mr. Collins as a Conciliation Officer in early January 1984 and he met with the parties. Despite his efforts neither party was prepared to settle this one-issue dispute in conciliation. The union maintained their demand for an increase of $1.10 per hour which is equivalent to an increase of between 5% and 7% depending upon which base wage rate is used given the different rates applicable to the three shifts worked by longshoremen as well as the average hourly rate for all three shifts. The Employers Association, on the other hand, maintained their position of a "zero increase" based upon arguments relating to economic restraint and the fact that in British Columbia most major agreements provide no increase in 1984. Under the terms of the existing agreement, the employer is committed to pay 15¢ per hour in 1984 towards the following: pension - 8¢; welfare - 5¢; and Vancouver Island travel fares - 2¢.

With respect to further dispute settlement measures, the Employers Association is of the view that the appointment of a Conciliation Commissioner would serve no useful purpose. As for the union, they would not cooperate with a Commissioner given their history over the years of stonewalling conciliation procedures. It should also be pointed out that a Conciliation Commissioner in a one-issue dispute such as this, could make recommendations which would create a difficult situation for the parties to accept and would only serve to polarize the parties' positions.

If the dispute is "no-actioned" it is anticipated that the parties will resume talks as they will have no formal conciliation procedures to complain about. Strategically, an early strike by longshoremen could be counter-productive for them given the current B.C. pulp and paper industry work stoppage. While there is uncertainty at this point as to the effect of the pulp and paper work stoppage on west coast port activity (and hence longshore employment) any prolongation of this work stoppage will undoubtedly have an effect on longshoremen given that west coast ports handle a significant amount of forest products for export. Consequently, we do not anticipate an early strike by longshoremen if the dispute is no-actioned although such action is not impossible given the union's past performance. It is also possible, based upon past experience, that the union would eventually conduct a work-to-rule slowdown which would result in a lockout by the Employers Association. The dispute is further complicated by internal union politics. The Canadian Area of the ILWU will be holding its convention in early March following which elections will be held within thirty to sixty days.

.../2

If a strike/lockout were to occur and pressure began to mount on the government, I would be prepared to intervene as a mediator. This strategy has been successful in the past. Timing is all important however and neither party should have any advance knowledge of such a strategy.

Accordingly, I would recommend, for your approval, that no further formal conciliation procedures be initiated pursuant to Section 166(c) of the Code and that the parties be so advised.

W.P. Kelly

Approved:

_____
Minister of Labour

c.c.: Mr. Mark R. Daniels

Government of Canada / Gouvernement du Canada

MEMORANDUM **NOTE DE SERVICE**

TO / À: The Honourable André Ouellet

FROM / DE: W. P. Kelly

SECURITY CLASSIFICATION - DE SÉCURITÉ
DEPUTY MINISTER OF LABOUR / SOUS-MINISTRE DU TRAVAIL

OUR FILE/NOTRE RÉFÉRENCE

JAN 10 1984

Référé:

YOUR FILE/VOTRE RÉFÉRENCE

DATE: January 10, 1984

SUBJECT / OBJET: Dispute between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union - Canadian Area.

The collective agreement covering some 4,000 longshoremen employed by the member companies of the B.C.M.E.A. and represented by the I.L.W.U. does not expire until December 31, 1984. However, the parties' three-year agreement (January 1, 1982 to December 31, 1984) contains a wage re-opener for the third year and following a recent impasse in negotiations the union has filed with us a notice of dispute under Section 163 of the Code.

The union has followed its standard practice of asking that all formal conciliation procedures be waived. The effect of such a waiver would be to place the parties in an immediate legal strike/lockout position as the right to take such action would be acquired after the expiry of seven days from our notification to them of such a waiver.

The parties' record of settling disputes on their own is dismal to say the least and the purpose of this memorandum is to simply alert you to the history of their bargaining relationship in the unlikely event that you receive representations from the union that conciliation procedures be waived.

With the exception of two one-year collective agreements signed during the period of the Anti-Inflation Program in the mid-seventies, the union has engaged in strike action in every round of collective bargaining since 1970. On three occasions, including the last round leading to the current collective agreement, legislation was required to end work stoppages. Clearly, the parties have a volatile bargaining relationship and to accede to the union's wishes would invite a disruption of West Coast longshoring, particularly at a time negotiations have scarcely begun.

.../ 2

It should be noted that in 1975, the then Minister of Labour, the Honourable John Munro, did concede to the union's plea to waive conciliation proceedings. A twenty-five day strike ensued; a mediated settlement, endorsed by the union executive, was rejected by the union membership; and Parliament passed legislation to end the strike and provide for a settlement through binding arbitration.

In summary, our experience has been that this particular bargaining relationship requires the full range of third-party dispute resolution assistance in achieving settlement of their collective bargaining disputes. Normally I approve the appointment of Conciliation Officers on behalf of the Minister and intend to do so in this instance.

If the negotiations are not successfully concluded at the Conciliation Officer stage, we will place a recommendation before you at the appropriate time as to whether the dispute should be referred to a Conciliation Commissioner.

c.c.: Mr. Mark R. Daniels ✓