



Business Council of
British Columbia



February 26, 2007

Email and Fax – Original in Mail

RE: Bill C-257 – An Act to Amend *The Canada Labour Code*

The Business Council of British Columbia and the BC Chamber of Commerce are writing to you to express our deep concerns with Bill C-257, a Private Member Bill to amend the *Canada Labour Code* (the *Code*). This Bill will soon be put to a vote at Third Reading in the House of Commons.

Between our two organizations, we represent large, medium and small enterprises in our Province. We are concerned that if this Bill is passed, it will have a profound negative effect on our national economy, as well as upset the balance presently found in the *Canada Labour Code*.

There is no greater area of controversy in labour relations law between the employer and labour communities than replacement worker legislation. While it is true that the British Columbia *Labour Relations Code* has a ban on the use of replacement workers, this change was brought about by a political decision of a former NDP government in the early 1990's. The employer community has never accepted this legislation and has fought for years to have it removed from the provincial *Code*.

In the mid-1990's, the Chrétien Liberal government commissioned a three member committee (the Sims Task Force) to review Part I of the *Canada Labour Code* (Labour Relations). During this review, chaired by leading arbitrator Andrew Sims, it quickly became evident that the issue of replacement workers would be the most controversial part of their review. In the end, the Sims Task Force recommended a compromise. The Liberal Government accepted that compromise and enshrined it in the present *Canada Labour Code*. While not happy with the compromise, both the employer and labour communities accepted it as a fair trade-off.

Since that time, a Bloc Québécois member has introduced a private member's bill which would ban the use of replacement workers in the federal jurisdiction. Each time it has been introduced, the vast majority of Liberal MPs have voted against this bill. Until now. When the Bloc member introduced Bill C-257 in this Parliament, most Liberal MPs voted to send it to Committee.

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If this legislation were to pass Third Reading, it would upset the balance found in the *Code*. The labour community would be given a powerful tool that would have a dramatic effect on negotiations in the national arena. Some would argue that the union's right to strike is balanced by the employer's right to lockout. This is incorrect. As the Woods Task Force of 1968 concluded, the union's right to strike is balanced by the employer's right to continue to operate. There are no restrictions on what a striking worker may do. In many cases, they obtain alternate employment while the strike is in effect, yet the employer cannot even attempt to operate his business.

The economic ramifications of this for Canada are negative. A study released in the Fall of 2006 by Human Resources and Skills Development Canada concluded that in Canada, jurisdictions that have a ban on the use of replacement workers in their provincial labour codes (BC and Quebec), the strikes that do occur are of a longer duration. Translate this to the enterprises in the federal sector. These enterprises are under the *Canada Labour Code* because they operate nationally. If there is a work disruption, the national economy will feel the effects. If there is a strike at the Post Office, a railway, a port or an airline, the whole country will feel the effects. Strikes will take longer to settle, with the prospect that Parliament will have to intervene in labour disputes.

As well, a strike at a local grocery store (under a provincial labour code) affects the immediate community and not the country as a whole. In contrast, a strike at a federally regulated enterprise, such as a railway, will have an impact in communities across the country.

We are aware that the labour movement has lobbied hard for this change to the *Canada Labour Code*. However, aggressive lobbying is not a substitute for good public policy. Such policy will be reflected in legislation that will benefit all Canadians, not one group.

We would urge you to vote against Bill C-257 at Third Reading. Passing Bill C-257 will have a very negative effect on labour negotiations and on the national economy. The current *Canada Labour Code* is working.

We would be prepared to meet with you to discuss this issue at any time.

Yours sincerely,



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