

last offer made by the railway management, workers would benefit by a reduction of the work week to 44 hours with no loss in take-home pay. The railways' offer had also included recognition in principle of a 40-hour week. Application of this shorter week, however, would be dependent on conditions generally prevailing in heavy industry in the future.

After giving careful consideration to all the factors involved, it seemed likely that the problem could not be satisfactorily solved, either before or after strike action, unless the railway workers concerned were granted something more than had been offered to date by the railway management. It was further to be expected that the negotiations currently being carried on by both parties could not be brought to a satisfactory conclusion without some form of mediation. If this were so, everything seemed to indicate that the unions would, in fact, go on strike at 6.00 a.m. on August 22nd. From the strictly legal point of view, neither the National Resources Mobilization Act, the War Measures Act, nor the Criminal Code seemed to confer any power on the Government to intervene directly in the dispute. In any event, it would seem inadvisable to abandon the principle of collective bargaining in favour of compulsory arbitration on the part of the state if this could be avoided in any way.

In the circumstances, it was suggested that the wisest course would be to appoint a mediator immediately in the hope that he could assist both parties to arrive at a satisfactory compromise before the strike deadline.

4. The Cabinet, after considerable further discussion, agreed that the Minister of Labour under Section 56 of the Industrial Relations and Disputes Investigation Act, appoint W.A. Mackintosh, Esquire, a Commissioner to act as mediator in the current railway dispute.

Railway dispute; disruption of P.E.I. ferry service

5. The Minister of Transport reported that he had received a letter from the Attorney General of Prince Edward Island pointing out that there was a constitutional obligation on the Federal Government to maintain a ferry service between Prince Edward Island and the mainland. If the railway strike went into effect on August 22nd, his Province would look to the Federal Government to take whatever steps were necessary to maintain an uninterrupted ferry service.

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