

largest group of complaints I received about recent strikes related to the Saturday night hockey game.

To take another example, we thought the air traffic controllers supplied an essential service, yet Canadians were able to cope with a fairly lengthy strike. For short hauls there were other modes of transportation. For longer hauls there were usually international routes available. I am not saying this is convenient, but it makes the dubious benefit of making strikes illegal a little less compelling. In the final analysis, when a strike proceeds too long and damages the public interest there is always the recourse of special action by Parliament to end the strike. And this special action may well attract compliance from striking workers more easily than a more routine procedure for ordering them back to work.

Mr. Crouse: Would the hon. member permit a question? I was listening carefully to his remarks. Was he implying by his statement that the air traffic controllers were unimportant to the transportation industry of this country? If they had not voluntarily gone back to work, the strike would have continued costing Canadians something like \$15 million a day. To my way of thinking this is a very large amount of money. Therefore, does the hon. member not agree these people are very important to the transportation industry in Canada?

Mr. Kaplan: Mr. Speaker, much of what I intend to say applies to that question. The \$15 million was the daily cost of continuing the strike. But what would the cost have been to award the 60 per cent increase for which they were asking? What would that have cost the Canadian economy? What would the signal effect be on other negotiations, of having that increase as one of the increases federal public servants were awarded? I will come back to that question at the end of my remarks.

About a year ago I spoke on this subject and stated, as a disadvantage of changing the system, that I believe if strikes were made illegal and compulsory arbitration were substituted in their place, society would have to pay an economic price for it by giving workers higher settlements than they would have obtained by collective bargaining with the strike option. In the interval I have searched for a way of testing this theory. I have some labour statistics from Statistics Canada which tend to support what I said at that time. In 1969, for all provincial employees, contracts settled by arbitration averaged increases of 13.4 per cent. For those settled without arbitration, the increases were only 7.9 per cent. For 1970, the figures are 10.1 per cent and 8.7 per cent. For 1971, the figures are 8.5 per cent and 8.3 per cent. In every case the public got a better deal without the arbitration route and in the absence of arbitration.

For all contracts of government employees at all levels, the comparisons for 1969 were 12.4 per cent under arbitration, and without arbitration only 7.9 per cent. For 1970, the figures were 9.3 per cent and 8.3 per cent. For 1971, there was a slight and explainable shift; the figures were 7.3 per cent and 7.9 per cent. Although these figures apply only to public employees, there were a lot of contracts involved. They prove that a system of compulsory arbitration is more expensive and more inflationary than negotiation with the strike option.

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There are other implications of compulsory arbitration of which proponents of that regime may not be aware. Most businessmen who recommend it do not recommend it for themselves but for other industries, usually the big ones. These industries for which they recommend it are in fact the very ones which have enough market power to pass any increases awarded on to their customers. How would these businessmen like to have compulsory arbitration in their own plants, to have some, hopefully and at best, disinterested third party tell them in a binding way what their labour bill will be for production for the next, say, three years? I believe most businessmen would want to reserve the right to hear any award, to take it or leave it but not to be bound by it.

One of the other themes that presents problems is that labour in a sector where there are productivity increases should not be entitled to the whole of that increase but only to the portion that represents the national average productivity gain. The justification for this is obvious. A secretary or line-assembler in an industry which is making productivity gains, computer production for example, is usually no more productive personally than his or her counterpart in a more stagnant industry, a municipal government, for example. To allow the former to receive the whole of the gain is inequitable and will signal less productive sectors to claim equal increases, often through the same union. On the other hand, there is no mechanism for transferring unclaimed gains of the productive industries to other industrial workers across the board, with the result that if the workers in the productive industry do not share the gain, the owners of the industry get what might be seen as a bonanza. I do not see how this dilemma can be resolved. It is usually the activities of the entrepreneurs which have achieved the gain in the first place. The only way I know to settle this is by market forces and this, of course, brings us back to strikes.

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Another issue of industrial relations which is over-simplified is the tendency to seek solutions to industrial problems in terms of money. Management believes that an unsatisfactory work situation can be made palatable by offering an increase in pay. Often, labour agrees. But having watched a few years of industrial settlements go by, I observe that industrial peace cannot be bought by means of a money settlement for any reasonable period; the issue inevitably is raised again either during the con-term or later negotiations. Occasionally it involves a particular industrial condition. More often, it is a question of job security. I believe it is unrealistic for either side to try to buy its way out of a difficulty which is, in essence, non-monetary.

Those who criticize the government on the grounds that the bill before us is inadequate, or that it goes too far, would find themselves on more solid ground if there were a country somewhere in the world, or theorists somewhere in the world who had produced a better answer, one which the government was failing to copy either out of ignorance or because of political pressure. But there is no structure elsewhere which is substantially different from ours and which produces better results. Sweden, which seemed to be doing better than us, with a system of