Since the announcement of the strike vote a number of meetings have taken place between members of the government—between my colleagues and myself and the railways and the unions and between the Prime Minister along with my colleagues—and both parties to the dispute. The Prime Minister has reported to the house on these discussions. In his final report yesterday the Prime Minister said that the discussions had ended in stalemate and that every avenue of approach to bring about a settlement had failed. That situation left it up to the government and to this parliament.

A suggestion was made by the hon. member for Laurier (Mr. Chevrier), I believe, that the government should simply have implemented the recommendations of the majority report of the conciliation board. This procedure, of course, would have amounted to nothing more or less than compulsory arbitration.

Some hon. Members: Oh, oh.

Mr. Starr: It would have amounted to nothing more or less than compulsory arbitration, and I repeat that statement.

Mr. Chevrier: Your repeating it will not strengthen the argument.

Mr. Starr: On this occasion the majority recommendations were acceptable to the unions. On other occasions, and in particular in 1950, they were not acceptable to the unions. They are not subject to acceptance by imposition. They are simply recommendations and they are not binding. As a matter of interest may I say that having regard to the disputes from 1955 to 1960, out of 43 majority reports made by conciliation boards there were 23 rejections by unions and 20 rejections by companies. A recommendation by the conciliation board is not binding on any party, even if it is a majority report; and the only way in which you can make it binding is by compulsory arbitration. On any possible future occasion when there might be a question of a majority report being unacceptable to labour or to management, if we had implemented the majority report at this time there would have been that principle confronting parliament.

In 1958 this parliament passed without division a bill requiring the return of work of striking crews of the Canadian Pacific Steamships in British Columbia. The bill also vested in the governor in council the power to appoint an arbitrator if all other means of achieving settlement failed. This power was never used.

It should be emphasized that the provision left the discretion completely with the government as to whether an arbitrator was to be appointed. This was not the case in 1950 when the principle of compulsory arbitration was written into the legislation with no discretionary power being vested in the government as to whether or not an arbitrator should be appointed. The then prime minister said at that time as reported at page 14 of *Hansard* of August 29, 1950:

> It is directed by the legislation that the companies and the employees shall themselves attempt to iron out these difficulties and to bridge the gap between the demands and the offers. If they are not able to do so themselves within a period of 15 days it is provided that they select an arbitrator to do it and that they agree to be bound by the decisions of that arbitrator.

He goes on to say this:

> If they cannot agree . . the governor in council will appoint an arbitrator . . . and his decisions will constitute the basis upon which the services will continue for the period for which the decisions are made.

Thus was the principle of compulsory arbitration imbedded in that bill. It was to avoid such a determination on this occasion—as well as to avoid the disruption of essential services—that the present course was decided upon.

Some of those who have suggested implementation of the majority report have also suggested subsidies to the railways. The Prime Minister has clearly expressed the basic weakness of such action. Once such a course was embarked upon this might again provide an undesirable precedent. The dangers inherent in such a solution must surely be obvious. Such a course might well be an easy way out, but in time it would be the hard way of settling such disputes.

In the case of the Canadian National Railways the taxpayers of this country are already being called upon to make up huge deficits. To require the Canadian taxpayer to subsidize the operating costs of the Canadian Pacific Railway Company would be setting a most dangerous and costly precedent. Further to that, Mr. Speaker, the settlement of this dispute by government subsidy would again mean implementing the majority report, and this could only be done by compulsory action by this parliament. So that both these solutions resolve themselves into the application by this government and this parliament of compulsory arbitration.

However, this government has preferred not to proceed in this manner. We have preferred not to follow that path. We have preferred, rather, to leave the door open to a negotiated settlement by both parties at a time when conditions will be favourable to such a settlement.

The present bill contains the following provisions: First, continuation of the collective agreements that were involved in