

*Maintenance of Railway Operation Act*

the conciliation board report or, as he called it, the philosophy behind the conciliation board report. At page 5 in the report the question of a standard of measurement arose. Yesterday the hon. member for Port Arthur referred to this question of a standard of measurement. The report states as follows:

Both the railways and the unions placed emphasis on the need for a standard of comparison between the wages of the non-operating railway force of employees and some appropriate outside group. The railways, for example, put it that the wages paid to their employees "should be adequate when tested by a reasonable standard of comparison".

May I say here and now that I believe that to be the basic principle.

The unions insisted that the earnings of durable goods employees are the proper standard and that non-operating railway employees should have exact parity with durable goods earnings.

Then at page 10 in the course of the recommendations the board reported as follows:

It was noted earlier that the significant fact which emerges when the earnings of durable goods employees are compared with those of non-operating railway employees during the past two years is that the two sets of earnings were in the same relative position one to the other at the termination of the previous agreement as they had been at its commencement. There was a gap between the two sets of earnings, but the gap was the same at the end of 1959 as it had been at the end of 1957.

That gap since has widened.

At a time when the financial situations of the railways are not improving and freight rates are frozen, it may be not be wise to seek to close the gap but it is surely fair and reasonable to prevent its becoming greater.

**Mr. Chevrier:** Hear, hear.

**Mr. Pearson:** Hear, hear.

**Mr. Diefenbaker:** I am glad to see that hon. gentlemen opposite agree with that principle, for that principle was agreed to by Mr. Gordon. I have to say that as far as Mr. Crump was concerned, he went no further than to say he was sympathetic, that he would give consideration—and I took it, sympathetic consideration—to this suggestion.

Mr. Gordon said, "There has been a widening in that spread in the year 1960, and I am prepared right here and now to agree that we will pay whatever that widening gap is in wages as soon as that amount is determined in a proper way; and we will make that effective on the first day of January, 1960".

In other words, what Mr. Gordon said was this; "We are not going to allow"—

**Mr. Pearson:** Have you got that in the bill?

**Mr. Diefenbaker:**—"the gap to widen in 1960. We will pay that difference as soon as it is determined. We will carry that on into 1961, to the end of the present agreement". This was the first break.

[Mr. Diefenbaker.]

Over the years I have dealt with plaintiffs and defendants as we got together and tried to arrive at settlements. Sometimes it takes a long while to arrive at a break, for each takes his own stand and places his foot on the rock and says, "Here I stand, and I will not depart from my position".

That had been the attitude all the way through until November 29, when Mr. Gordon gave this undertaking. I put this to Mr. Hall when I came in—after it had been reported to me, and there had been no suggestion that what had been stated was not correct—and he said, "It will not be considered". Then I again asked him, as I stated earlier, if this could not be accepted, would he agree to delay a strike until May 15, at which time the full union demands would be in effect, without prejudice, including the right to go back to January 1, 1960. The reply was that he would not.

I am informed that earlier he said to my colleagues, when this was brought to his attention, "This does not appeal to us"; and he said, and I quote, that further discussions were "a waste of time". The Minister of Labour observed that discussions can lead to understanding and a solution of the problem, as to which Mr. Hall refused to give any indication other than that of unwavering adherence to the recommendations of the conciliation board.

On another occasion the Minister of Labour—and I was not present at this time—asked whether the unions might consider a portion of the increase now, with the balance left in abeyance, because he was trying to bring the parties together. Mr. Hall said this would not be fair to the employees. The Postmaster General—and again I have this only from what I have been told by my colleagues—asked if there was any room for a change in Mr. Hall's stand, and the answer was in the negative. Mr. Hall said, "There is no agreement that we will accept, short of total implementation of the Milvain report."

**Mr. Chevrier:** Mr. Speaker, may I ask the Prime Minister a question?

**Mr. Diefenbaker:** Yes.

**Mr. Chevrier:** May I ask if these remarks to which the Prime Minister is referring and is placing in *Hansard* were made at a public meeting, and whether, if the Prime Minister is quoting Mr. Hall, he is quoting him with Mr. Hall's consent?

**Mr. Diefenbaker:** I am simply quoting what took place, and I have not consulted either party. These were the discussions that took place, and I am simply pointing out that on the basis of those discussions there was no