

just referred. Likewise I believe there should have been some mention made in the bill, although it is not our responsibility to work out or implement the details, of the government's intention to deal with the problems of inflation. No one can deny that Canada is heading into a critical inflationary period much faster than is the case in the United States. I think the unions will agree with management and with all of us that we cannot continue as we are.

Let us stop for a few minutes and look at the air lines settlement in the United States which was on a 4.9 per cent basis. There was a great hue and cry in the United States because this was higher than the general increase in the productivity of that country, which is taking place at the rate of about 3.2 per cent, not too different from what it is in Canada. But then it was explained that the airlines has gone ahead at a faster rate of expansion, something on the average of 6 per cent, and that 4.9 per cent as a wage increase was a reasonable, intermediate figure.

With reference to wage increases in this dispute I would point out that it is not the profits of the C.N.R. and the C.P.R. which are going to pay for them. They will come out of the pocketbooks of the taxpayers and consumers, and that includes the union workers as well. We must deal with this thing in a rational way.

● (6:40 p.m.)

Management has a responsibility, one which it has not lived up to, so far as the union workers and the general economy are concerned. But again it is not just the wages of labourers nor is it just the profits of management with which we are concerned; it is the cost of living which involves the persons in every household and every taxpayer in the country. I believe it is a basic rule of modern economics that the general scale of wage increases must not exceed the growth of the rate of productivity. The rate of productivity in Canada this past year has averaged nearly 5 per cent. In the United States the projected long-term trend average has been calculated at about 3.2 per cent.

If the cost of living is going up it is reasonable and fair that wages and pensions for those on fixed incomes should go up. This is one of the problems we face in adjusting a forward movement with some kind of harmony so far as the economy and living standards are concerned. Again it is a lesson to us, so far as this strike is concerned, to look at the basis of the strike settlement in the

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United States in terms of the long-range projected trend with relation to the expansion of productivity.

So long as the cost of living goes up and the purchasing power of the dollar goes down it is inevitable that wages will increase correspondingly. If they do not, then living standards must decline. However, in this instance it is imperative that this wage increase not proceed in any one area or in the general area at a more rapid rate than the productivity of the economy. This morning we read in the press that according to the present trend in Canada wage increases are moving ahead at about double the rate of the productivity growth in the country. This is something to consider when we look at the overall picture.

Again I mention these things because they apply to the over-all picture and the secondary legislation more particularly. In the first legislation which is before us at the present time we are charged with the responsibility of dealing with the national crisis which centres around the strike. I would suggest to members of this house that it is our responsibility to deal first with the crisis and then discuss these other things. It is imperative that the government present its policies to deal effectively with the inflationary trend and the increasing cost of living. It is imperative that the government take the initiative in bringing labour and management together in a new era of industrial labour relationships. Without this we cannot face the problems which undoubtedly are ahead of us and which we can see across the threshold.

I come back to the point that at this particular moment we are dealing with strike legislation. We have it before us in Bill C-230. I think it is our responsibility to face up to the fact that this emergency demands a cessation of the strike—it cannot continue—and a full opportunity for future negotiation for the benefit of the workers involved in the light of their needs and the ability of the economy. It should not be considered the responsibility of parliament to act as arbitrators except to see that in respect of working groups in other areas there is a settlement similar to that arrived at in respect of the working members of the railroad industry.

I suggest, Mr. Speaker, that compulsory arbitration as mentioned in the last part of this bill is something which is only a last resort. It is not a club; it is an assurance which must be given to the Canadian people that if necessary this matter will be dealt with by arbitration if the negotiations which