

who cannot reduce the length of their own working week. Take the farmer on the prairies, for instance. He works hard for perhaps 70 hours a week, and the price of his product may be controlled by an export market. Even if he has a good crop, how will he feel when he comes to think that the men hauling his crop to seaboard or to a local market are being paid two or three times as much per hour as the net amount he will receive? He will not feel very happy about that, and his discontent will not be good for this country.

Then, again, who is to say what industry pays the best wages? In the old days when wages were governed by the law of supply and demand, the more remunerative or pleasant a type of labour was, the more workers it attracted. In time, of course, competition among workers for employment in any such field would become keen and rates of wages would fall much below those paid in fields where conditions were relatively poor. Out on the West Coast thirty-five years ago some industries were paying very high wages, higher even than those of today, because working conditions of that time were far from good and it was difficult to get men for the jobs. The law of supply and demand controlled the rates of pay. But now demands for wage scales are based not so much on the type of work as on the strength of the union to which the workers belong. Of course, everybody knows that when wages go up it is the final consumer who pays the shot; so when a union is strong enough to get higher rates of pay for its members than are received by members of weaker unions, one result is that the members of the weaker unions have to pay a larger share of their earnings for goods or services produced by the workers belonging to the stronger union. I hope, therefore, that in time unions as well as companies will in some way be restrained from making exorbitant demands.

Here is another point. Many unions operating in Canada are international unions. I have not gone into the subject far enough to be able to state whether or not it would be better for Canada if we had nothing but Canadian unions, but anyone can see that although the Canadian members of an international union may be doing the same kind of work as its American members, business conditions in Canada are not the same as in the United States. A plant operating in that country is producing for a market of 150 million people, whereas the same kind of plant in Canada has a total market of only 14 million, and it is not possible for the two plants to pay the same wages and produce

on a competitive basis. Take the automobile industry, for instance. It has to make heavy expenditures for dies and other tools before a new design of car can be turned out, but for every 3,000 cars that can be sold in Canada there will be more than 300,000 sold in the United States. It is clear that if the rate of wages is the same in both countries, the Canadian workers who buy automobiles must pay much more for them than American workers pay. If the Canadian prices of goods in general are higher than American prices, the cost of living here will be higher than that in the United States.

Canadian railroads also are seriously handicapped by this country's small population, as they are obliged to haul trains through hundreds of miles of territory in which there is no possibility of obtaining traffic, a condition with which American lines as a rule do not have to contend. Representatives of international unions seem inclined to overlook these facts when demanding comparable wage scales in both countries. Labour unions in Britain do not insist upon their members being paid at rates current in the United States or Switzerland or Italy or any other outside country; they base their demands on conditions in Britain alone.

A great deal has been said against compulsory arbitration. I think it is absolutely necessary in the fields of public utilities and essential public services that, if collective bargaining and voluntary arbitration do not produce agreement, there should be some method of compulsory arbitration, if you wish to call it that, or arbitration of some kind that must be accepted by both sides. It may interest honourable senators to know that for many years some unions have insisted upon having a compulsory arbitration clause written into their contracts with employers. Two such unions are the International Ladies' Garment Workers and the Amalgamated Clothing Workers. Their arbitrator is, I think, a professor of international law at McGill University, and when their negotiations with employers fail, he makes a decision which is binding upon all concerned. He has a permanent appointment, and the unions and employers together pay his salary. That arrangement has produced very satisfactory labour relations, so there is no doubt that it will work. Of course, the garment industry is not a public utility. In certain quarters it might not be classed as even an essential industry, for in British Columbia some citizens have occasionally discarded their clothes and probably would not worry if they had none at all. However, most of us in this chamber undoubtedly consider garments to be essential.