

the bill by saying that it applies only in the present case; I think it creates a bad precedent. In my opinion the situation could have been saved through the appointment by the government of an administrator to keep the railways in operation, so as to give labour and management a further chance to try to come to an agreement. The conditions under which they were negotiating made it difficult to reach any conclusion. The conciliation board's recommendations were not acceptable to the union.

Hon. Mr. Farris: May I ask my honourable friend a question? What power has the President of the United States to ensure that the railway men will continue working even though they may not agree with the report of a committee?

Hon. Mr. Hayden: None.

Hon. Mr. Haig: But they are under the control of the army.

Hon. Mr. Farris: That control is a great deal more potent than anything provided for in this bill.

Hon. Mr. Haig: That may be, but the unions over there have asked for it.

Hon. Mr. Farris: Why?

Hon. Mr. Haig: My honourable friend from Edmonton (Hon. Mr. MacKinnon) will bear me out in that statement. And if they are not afraid of it, I do not think I should be afraid of it for them.

Hon. Mr. Roebuck: But the unions over here have not asked for that.

Hon. Mr. Haig: I pass on to another point. As soon as increased rates are approved by the arbitrator, if he does that, there will be an application by the railways for more money. Now, who is going to pay the increased freight charges to provide that money?

Hon. Mr. Hardy: The people will pay.

Hon. Mr. Haig: The people of Manitoba, Saskatchewan and the other western provinces and of the Maritime Provinces will pay most, and my honourable friend's province will pay the least of all.

Hon. Mr. Hardy: It will pay more than any of the others.

Hon. Mr. Haig: No, sir.

Hon. Mr. Hardy: In our province we have more than four million people, in yours there are about half a million.

Hon. Mr. Haig: Ontario sells goods to us, and if it did not do so it would not have four million people. Unless the railway services

are cut down and men thrown out of employment, the additional money will have to be got somewhere, and it can only come from increased rates.

Hon. Mr. Hardy: It will come from Ontario and Quebec.

Hon. Mr. Haig: That is where I suggest it should come from. Those provinces have most of the money in Canada, so why should they not take care of these extra charges? My honourable friend will have to pay more income tax.

Hon. Mr. Hardy: He cannot pay any more.

Hon. Mr. Haig: Oh, yes, he can. We can take his shirt off his back.

I want to say that the shippers in seven of the provinces cannot pay any higher freight rates than they are now paying, and the only way in which additional money can be raised for the railways is through general taxation on all the people. We are paying a tremendous sum now for one of the railways, and that sum will be increased.

Hon. Mr. MacLennan: Does my honourable friend suggest that if an administrator were appointed there would be no application for increased freight rates?

Hon. Mr. Haig: No, I did not say that.

Hon. Mr. MacLennan: Then, if we still would be subject to demands for higher freight rates, what would be the advantage in appointing an administrator?

Hon. Mr. Haig: My point is that I do not believe an arbitrator should be empowered to decide upon the rates of pay for the employees. That should be a matter of negotiation between the unions and the companies.

Hon. Mr. MacLennan: That is a fine system so long as it will work, but in this case it did not work.

Hon. Mr. Haig: I do not know whether it had a chance to work or not. This application by seventeen unions has the backing of all the unions in the country, and they say they do not believe in compulsory arbitration. If an administrator were appointed, and after a reasonable period of negotiation under collective bargaining it was found impossible to reach an agreement, it might then be necessary to take further action; but at this stage the men and the companies should have a further chance to negotiate.

Hon. Mr. MacLennan: They have had a chance.

Hon. Mr. Haig: About two years ago I heard the Minister of Finance say that he believed