

Hon. Mr. McCutcheon: Would the Leader of the Government tell us what the amount is that will be imposed on the railways this year by that settlement, and next year and in 1968 when the whole thing becomes effective, and then would he tell us where they are going to get the money?

Hon. Mr. Connolly (Ottawa West): I can give an estimate for the year 1966; I think it will be somewhere in the neighbourhood of \$35 million to \$40 million. I think probably an amount slightly in excess of that, because of the additional 6 per cent factor, will be involved in 1967.

Hon. Mr. McCutcheon: If I said to the leader it will be \$48 million, would he contradict me?

Hon. Mr. Connolly (Ottawa West): No. I think the honourable senator has reasons for saying that. However, I made some inquiries about this some time ago, and I do not think he is in a position to contradict me any more than I am in a position to contradict him.

Hon. Mr. McCutcheon: I repeat my figure of \$48 million is far more realistic than his.

Hon. Mr. Connolly (Ottawa West): That is the honourable senator's view, and I think he is entitled to his view.

Mr. Justice Munroe also dealt with questions of bereavement leave, annual vacations, statutory holidays, and at page 12 he had something to say about wage stabilization which I think I should read at this point.

I am of the further opinion that, as stated before the board by the unions, "the railway companies must continue to accept a responsibility for minimizing the adverse effects of changed working conditions upon their employees. In turn, the unions must not try to imprison the railways within a system of obsolete or uneconomic methods and procedures."

And I quote further from Mr. Justice Munroe on page 13:

The request of the unions that the recommendations contained in the report of the Industrial Enquiry Commission presided over by the Honourable Mr. Justice Samuel Freedman should be included in the new collective agreements has been considered by me. That report is now under study by the Government of Canada. There is nothing in the evidence before the board to indicate that

the railway companies are contemplating major changes that will materially affect the job security of the employees represented before this board. In those circumstances and pending completion of such study, it would, I think, be premature to accede at this time to the request of the unions. However, I would expect that good sense will prompt the railway companies not to introduce such changes without first engaging in meaningful discussions with the unions and employees concerned.

I will have something more to say in reference to the Freedman Report at a later point.

Having mentioned Mr. Justice Munroe's recommendations with reference to wage levels and increases, I think it appropriate to put on the record, too, that the nominee of the railways on this same board rejected the increase as being too high for the railways to carry.

His recommendation was as follows: effective January 1, 1966: 3.5 per cent; effective July 1, 1966: an additional 3 per cent; effective January 1, 1967: another 3 per cent; effective July 1, 1967: a further 3 per cent. In other words, it is a total, during the two-year period beginning January 1, 1966, of 12.5 per cent.

I think, too, I should put upon the record what the nominee of the unions, who rejected the chairman's recommendations as being too low, had to say about wage levels. His recommendation was this:

Effective January 1, 1966: 6.5 per cent increase, plus 13 cents an hour; effective January 1, 1967: 6 per cent increase, plus 14 cents per hour.

I am advised that this would average out at about 25 per cent, with provisions for additional increases for certain skilled categories, to which I will refer later.

I have in my hand the report of Mr. Justice J. C. A. Cameron, a retired judge of the Exchequer Court who is chairman of Board No. 2 which heard the dispute between the railway companies and the Canadian Brotherhood of Railway, Transport and General Workers, numbering some 20,000.

Mr. Justice Cameron on the question of wage rates, at page 25 of this report says this:

My recommendation therefore, after weighing all factors is the same as that made by Mr. Justice Munroe in the two 1966 Conciliation Board Reports. . .