

found that this second privileged class of manufacturing workers earned an average of \$1,093.

Then I was curious to learn whether the cost of living in 1938 was high or low. The index figure, which in 1913 had been at 100, had increased in the hey-day of 1929 to 157.8, but by 1938 it had fallen 25 points, to 132, which I calculated was a decrease of more than 17, but less than 20 per cent.

When the demand was made for the increase in wages, did the Government say to the Canadian National employees, "In order to give you your present pay, which is on the average one-third higher than the average paid to the second privileged class of workers in Canada, the public treasury has to put up \$35,000,000 a year"? Did the Government point out that that contribution was only \$4,000,000 less than the amount paid by the public treasury to all the unemployed in the country, except those in the drought areas of the West? Whatever the Government said, the railway workers insisted upon their pound of flesh—upon the 11 per cent increase. And what did the Government do? They yielded to the workers' demand. And of course the Canadian Pacific Railway had to follow suit. One railway cannot stand alone. Why did the Government yield? When Mr. Ruel, at that time a Vice-President of the Canadian National Railways, appeared before the royal commission, the following exchanges occurred:

Commissioner Loree: When you get through with your five-year effort and everything, you save about \$30,000,000?

Mr. Ruel: Per annum.

Commissioner Loree: Yes. Why don't you reduce wages 15 per cent and save \$36,000,000 overnight?

Mr. Ruel: I wish we could.

Commissioner Loree: Why not?

Mr. Ruel: As far as the Government railways are concerned, we would be ordered to cancel that in twenty-four hours. . . . The C.P.R. might do it; we could not. We would not receive any support at all, we would be blackguarded all over Ottawa. We would not dare to go on the streets, we would be chased out.

Honourable members will understand why the Canadian National employees do not want to change their masters. Where could they find such subservient masters?

Hon. Mr. DANDURAND: I thought the Canadian Pacific employees were in the same boat.

Hon. Mr. BEAUBIEN: Certainly, they are in the same boat, and for similar reasons. They were represented by the same clever men. I saw them. They are very intelligent leaders of an admirably organized association,

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powerfully buttressed with American capital. They know how to use the gun with great effect.

If the employees were not determined to remain with their masters, why did they not accept unification? Let us not forget the unification offered them such favourable conditions as were absolutely unknown to Canadian workmen. Not one man would be disturbed or demoted without full compensation. The scheme contemplated attrition by natural causes, such as superannuation, resignation and death. Why did the men refuse that offer? They are, I repeat, intelligent and clever, and are well aware that conditions such as those offered could not be duplicated anywhere else. They know how necessary it is that the railways be solvent. It was an attractive proposal for the juniors. Always the seniors kick off the under-dogs, the poor juniors. It is a case of the devil take the hindmost. One might have expected any junior to say, "My goodness, my job is safe; I have no further cause for anxiety." The seniors, too, might have been expected to appreciate the advantage of such conditions. Many of them have nothing to look forward to except their pensions, and they must realize that these will cease if the Canadian Pacific becomes bankrupt and the Canadian National is in a still more distressed condition. And what will happen if the Canadian National continue to go into the red? The electors may say: "Why do you give the trainmen such fat pensions? Why don't you tell them to have recourse to old age pensions?" It has been demonstrated that we could do with 25,000 fewer employees and save \$40,000,000. Yet the leaders of the railway brotherhood are strongly opposed to any reduction of personnel. They know how invidious it is for them to play that part, and they must realize there is grave danger that pressure of public opinion may force the Government to undertake an investigation of railway wages and railway regulations. It is conceivable that in that case the people of Canada would not tolerate the payment to railway employees of one-third more wages for one-third less work. It is not generally known that trainmen work two days and rest one day. Do honourable members think for a moment that if the public were aware of this state of affairs it would be allowed to continue?

As I have said, the employees of the Canadian National Railways do not want to change their masters. And no wonder: they possess their masters! It may be asked, Why do their masters not shake them off? The answer is obvious: the masters—the Government—require them as their shock troops for election