July 1, 1967, or a total increase during the two year period, beginning January 1, 1966, of 18 per cent.

Mr. Douglas: At the end of the two years.

Mr. Pearson: A total of 18 per cent at the end of 1967—18 per cent reached over two years. He also, of course, made recommendations for other benefits.

The nominee of the railways on the board rejected this increase as being too high for the railways to carry, and he recommended increases effective January 1, 1966 of 3.5 per cent, effective July 1, 1966 of 3 per cent, effective January 1, 1967, of 3 per cent, and effective July 1, 1967, of 3 per cent, or a total over that two year period, beginning January 1, 1966, of 12.5 per cent.

The nominee of the unions rejected the chairman's recommendations as being too low and he recommended, effective January 1, 1966, 6½ per cent plus 13 cents an hour, and effective January 1, 1967, 6 per cent plus 14 cents an hour, which would have averaged about 25 per cent, with provision for additional increases for certain skilled categories.

In board number 3, under Mr. Cameron, roughly, the same recommendations were made—in fact the same recommendations for wage increases were made as were made by Mr. Justice Munroe, and they proved also to be unacceptable to the unions and to the railroads.

It has been said, and I have to deal with this, Mr. Speaker, because of the charges that have been made, that the failure of these negotiations is largely due to the fact that the government had invited excessive wage demands by allegedly establishing a 30 per cent formula for the whole country in the settlement of the disputes with the longshoremen in Montreal, Trois-Rivières and Quebec, and with the seaway employees.

There is of course, no such general formula, as Mr. Justice Munroe has pointed out; and to give the impression throughout the country that this has been established as a general formula by the government is, I think, both irresponsible and mischievous.

Mr. Horner (Acadia): Established by the Prime Minister.

Mr. Pearson: In the first months of 1966 there have been lower wage settlements than the two I have mentioned, and there have also been higher ones with which the government had nothing to do.

Mr. Diefenbaker: Which ones?

Mr. Pearson: I am thinking of the construction workers in Montreal in the spring of 1966, and the plumbing workers in the spring of 1966, who got increases, by negotiations between the employers and the employees, considerably higher than those granted in the two cases I have mentioned with which the government was concerned.

Let us look at the longshoremen's settlement in Montreal, which seemed to receive unanimous approval in the house the night it was introduced, but which has had nothing but criticism from members opposite since that time. The longshoremen were seasonal workers only, and in one area of Canada. There were about 4,200 workers involved and their employment averaged between eight and nine months a year. Further, a considerable proportion of them were part-time workers. Their wages were well below the construction workers in Montreal, and also well below those of longshoremen at Pacific ports. The average work period of these longshoremen was 28 hours a week in Montreal during the period of the year when they were working.

This wage settlement was accepted by the ship owners after a government commitment to introduce legislation setting up a commission which would make proposals for increased productivity in waterfront operations, and an experienced negotiator, Judge Lippe, recommended the settlement that was made. Also, that strike had lasted 38 days and the demand, both inside the house and outside, to end it was insistent.

The seaway employees' settlement—and I admit this was a direct government responsibility—concerned an international operation with Canadian employees. There were only 1,200 involved in that situation, with United States and Canadian employees working alongside each other in the same conditions of living and employment. The demand on this occasion was that in these circumstances the differential was unfair and should be removed—completely eliminated. In the settlement that was reached it was not eliminated; it was reduced.

I recall—and I am not saying this in a critical sense at all—that as recorded at page 6476 of *Hansard* for June 16 last, the hon. member for Burnaby-Coquitlam (Mr. Douglas) asked this question:

> Has the government made it clear to the seaway authority that there can be no possible objection to the workers on the Canadian side of the seaway being paid the same rates as those paid on the United States side?