

*Freight Rates Reduction Act*

case? I think the minister owes it to this House of Commons to tell us that it is either coming from the \$50 million, as I have suggested, or that it is contained in the deficit of the Canadian National Railways which this year amounts to some \$67 million.

**Mr. Balcer:** It comes from the general revenues of the railways.

**Mr. Chevrier:** The president of the Canadian National Railways did not indicate that in the committee the other day when the question was put to him. Hence my contention is that the \$50 million which is tied up with the Freight Rates Reduction Act raises a number of questions. The questions are the following. Is this \$100 million, roughly speaking, when March 31, 1963 will have been passed, over and above the \$20 million? Does this mean that the railways are going to obtain this \$100 million plus the \$20 million they get for a reduction in freight rates?

That is one question. Another question having to do with this \$50 million is this. Is not some of it to reduce freight rates? Is not some of it to pay the cost of the conciliation board report which was made in 1961 but was also made retroactive to January 1, 1960? Is not a part of it to remove branch lines as to which the board of transport commissioners have been receiving applications from the railways already? Is not a part of it to carry on passenger services until such time as the railways can get approval of the board to reduce their passenger services?

I put this question to the minister. How are the railways going to be enabled to pay their employees the last settlement, which I am informed amounts to about \$30 million? Where are they going to get the funds if they do not get them either from the \$50 million which is in the further supplementaries or from this provision? Part of the C.N.R. deficit covers wages and part is to pay for the reduction in freight rates, that is the reduction in revenue due to reduced freight rates.

I think the minister has got to make his position clear on this matter once and for all. He has got to tell us whether or not there is a duplication between the \$20 million provided under this legislation and the \$50 million voted on a previous occasion in further supplementary estimates and the two twelfths of \$50 million that was provided by way of interim supply. That is the first thing I think the minister should clear up in this debate.

The next thing is that he should tell us clearly what the position of the government is with reference to this legislation. Is it going to be repealed? Is the recommendation of the royal commission on retransportation with regard to repeal of this legislation going to be implemented? When are we going to get these

things? What is the government going to do with reference to the freight rate structure? For years members of this government attacked the previous government on account of the injustices, inequalities and discrimination caused by horizontal freight rate increases. They were going to do something about them. The Prime Minister said, "Did we act?" Of course he said "We acted at once". Five years ago he made the statement during the campaign, as well as four and a half years ago in the house, that as soon as the report was brought in legislation would follow immediately. No action has been taken by the minister or by the government or by parliament because of the fact that the government has not seen fit to act upon the recommendations of the royal commission.

There is a recommendation by the royal commission that the whole freight rate structure be scrapped. Is that the way in which the government is going to do away with discrimination? If it is, I think the house is entitled to know whether or not the whole freight rate structure is going to be scrapped and a new formula providing for a minimum rate plus a 150 per cent increase and a maximum rate is going to be brought into effect.

Those are some of the things which I believe the minister should clear up before this resolution is passed. On the principle of the resolution we take exactly the same position as we took on the earlier resolutions and bills, namely that we will support the legislation. But since this is the fourth time this legislation has been extended we on this side of the house were of the opinion that we could not support this measure without criticizing the government for its failure to do the things it promised to do four years ago, and which have not been put into effect thus far.

**Mr. Leboe:** Mr. Chairman, I only rise to say that it seems from the words of the hon. member for Laurier that the government has two speeds in connection with the MacPherson report, slow and stop. We are not going to take any time now because I understand that the bill is to be sent to the standing committee, and that will give us an opportunity to deal with it there. We just wish to say now that we are in favour of the principle of the legislation, but we would like to discuss the matter further when the bill goes to the standing committee.

**Mr. Fisher:** Mr. Chairman, a business concern that goes bankrupt is not necessarily disgraced, because there are always factors that tend to explain why someone is not able to make a go of things in a business way. But bankruptcy is the only word I can use to describe the situation revealed by the bringing forward of this legislation. It sticks