

give or take on the part of either party, with the exception of that diminished offer on the part of Mr. Gordon.

**Mr. Chevrier:** Will the Prime Minister say whether these were public or private meetings?

**Mr. Diefenbaker:** I did not say they were public or private. I am glad the hon. gentleman has asked that, because I have found since then there have been observations made outside the house. That is the reason I am referring to what took place there, to indicate—

**Some hon. Members:** Hear, hear.

**Mr. Pearson:** Mr. Speaker, may I ask the Prime Minister whether he is citing Mr. Hall with Mr. Hall's knowledge and approval in respect of statements made at a secret meeting?

**An hon. Member:** There was no secret meeting.

**Mr. Diefenbaker:** The meeting was with Mr. Hall for the purpose of bringing the parties together—

**An hon. Member:** A smoke screen.

**Mr. Diefenbaker:**—and there has never been any suggestion that the decisions made there or the attitudes expressed shall not be available, particularly when there has been a partial revelation outside of this house.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** I am just pointing out—

**Mr. Benidickson:** Mr. Speaker, for clarification I would—

**Mr. Diefenbaker:** I am simply pointing this out, as the Leader of the Opposition said there had been nothing done on our part to bring about an agreement—

**Mr. Pearson:** When did I say that?

**An hon. Member:** Yesterday.

**Mr. Diefenbaker:**—and to try everything conceivable to that end. There is no power that can do more than bring the parties together and when brought together, if both of them take the stand in question, then, sir, give this answer to the Leader of the Opposition when he suggested yesterday that in view of the fact that there was no agreement we should be a party to bringing to parliament an order directing the railway companies to pay the recommendation of a conciliation board.

Now, sir, if we arrived at that point, then we would be in a position where the purpose of industrial conciliation would be ended unless both parties would agree to accept

### *Maintenance of Railway Operation Act*

the majority opinion of a board of conciliation. If we had that situation, we would actually be bringing about what is being asked for across the country today by farm organizations, and I would like to hear the hon. member for Assiniboia on that point.

**Some hon. Members:** Hear, hear.

**Mr. Diefenbaker:** I am waiting to hear, because I am going to refer in a moment—

**Mr. Argue:** Do you agree with their requests?

**Mr. Diefenbaker:** Mr. Speaker, I leave it to the hon. member whose position is the head of a new C.C.F. party. I am waiting to hear how he will bring into alignment the situation that prevails in this regard across this country.

**Some hon. Members:** Hear, hear.

**Mr. Argue:** It will not be compulsory arbitration.

**Mr. Diefenbaker:** If the hon. member needs anything to help him, I suggest that an editorial of December 1 in a magazine that he often quotes, the *Western Producer*, would be of tremendous interest to him. I did not want to go into that field at all, but I thought it might be of some interest to the hon. member. If he wants a copy of the paper I will be glad to furnish it to him.

Now, sir, returning once more to the subject matter, we asked that there be a postponement until May 15. I am not going to cover the ground again that I covered yesterday, excepting to point out this, that this question of being able to remove that measure of injustice which through the years various provinces and areas have contended has resulted from discriminatory freight rates will, we hope, have been resolved, if not in whole at least in part.

The principal problem facing the railways in their endeavour to earn sufficient revenues to meet their costs of operation is, naturally, that of pricing. Historically the pricing of railway transportation services has been based on a value theory, whereby high value traffic could afford to pay higher freight rates than could lower value traffic. It thus followed that in their efforts to develop traffic the railways carried low value commodities at rates which were little, if any, more than the direct cost of carrying them. This traffic, therefore, contributed little toward the overhead costs of the railways. To meet the overhead costs and provide an element of profit the railways looked to high value traffic which could afford to pay more, and often much more, than the mere cost of moving it.

Today the situation is different. The railways no longer hold a monopolistic position