

Supply—Privy Council

earlier that it was not going to deal with this specific matter. I think we should ask the minister whether the royal commission since that time has been requested to deal with this matter in such a way that it might be able to produce recommendations or proposals which will have a bearing on the solution of this situation which will confront us again, I believe, on May 15th.

That is one question. The other is that in this interim report, the first report which has been promised for early in April—and the Prime Minister referred to this in his statement the other day—might be nothing more than a progress report. We do not know. It would be very useful indeed to get some assurance that this first report is not merely to be a formal progress report but is to include in it provisions, recommendations or proposals which will have a bearing on this group and which can be used in a way which will avoid the possibility of a crippling strike on May 15 when the legislation passed last December for preventing such a strike comes to an end.

Mr. Fleming (Eglinton): Mr. Chairman, the committee is well acquainted with the terms of reference of this royal commission. It was a royal commission appointed to investigate the inequities in the freight rate structure. There were also other matters referred to the commission, such as the possibilities of achieving more economical and efficient railway transportation, whether and to what extent the Railway Act should specify that the assets and earnings of railway companies in businesses and investments other than railways should be taken into account in establishing freight rates, and related questions.

Without going back over the ground that was thoroughly traversed in a debate on a government bill in this house several months ago during the present session, I remind hon. members that it was because of the fact that the royal commission is dealing with something that is of the utmost importance to the whole question of railway revenues that it has such a direct relationship to the ability of the railways to meet the demands of employees for increased earnings. That was the relationship.

It is not necessary, if I may say so, to belabour the commission for not entering into this labour dispute. That was not a subject referred to the royal commission and they could not properly have considered it. The subject referred to them is related to railway freight revenues; it was the companies that took the position that they required additional revenues, that they simply could not meet the demands.

[Mr. Pearson.]

In the face of this situation it pleased parliament to pass certain legislation in expectation that the report, when received, would have a direct bearing on this question of the revenue position of the railways.

I think the whole matter is fully understood. I believe we are in very grave danger at the moment of going back and trespassing on the debate which took place at an earlier stage of the present session, after which debate the house passed certain legislation.

Mr. Fisher: Mr. Chairman, would the minister then agree that the title "royal commission on railway problems" is a bit of a misnomer and that this might have been called a royal commission on railway revenues or a royal commission on freight rates, but hardly a royal commission on railway problems in the general sense?

I say this because surely the toughest problem facing the railways and their employees today is the question of some kind of a standard for the employees' wages.

I remember the reason, excuse or apology given for the royal commission not going into labour problems. It was that negotiations were taking place between the managements and the union. One of the reasons given was that the royal commission would be entering into something that was being negotiated.

I should like to point out to the minister that the last royal commission on transportation did try to come up with some idea of a yardstick that could be used for railway employees. In so far as the Milvain hearings and report are concerned, I imagine the C.N.R. and C.P.R. spent pretty close to \$200,000 trying to introduce, through a study made by Woods Gordon, a comparability of wage rates and job classifications between railway workers and comparable workers in other industries.

As it happened, their whole approach was dynamited. The Woods Gordon report was in effect practically laughed out of the hearings. In his report, Mr. Justice Milvain dismisses it very curtly in a few sentences. It is intriguing to me that so much money was paid to this great consulting firm in order to produce this report.

I insist that this is the key to railway problems at the present time. It is not the question of freight rates, and it is really not the over-all question of revenue. It is, what kind of yardstick are we going to apply for railway labour? It is apparent that unless we change our whole conception of railways in Canada, very many jobs performed by the railways are not going to be remunerative, in the normal revenue sense, in comparison with any kind of private enterprise on a competitive basis. I wish to underline