

*Freight Rates Reduction Act*

can deal with, as the Minister of Labour attempted to suggest to a delegation of mayors and reeves who put this point before him several days ago. Unfortunately, it has been discovered, as my colleague the hon. member for Essex East has pointed out, that the board of transport commissioners does not have the jurisdiction at the present time to make the adjustments to which I have referred. These adjustments can come only through laws passed in this parliament of Canada. Therefore, I urge most strongly that the bill which will come out of this resolution should contain specific measures to remove the inequity to which I have referred, so that southwestern Ontario and Windsor can once again begin to contribute in a constructive and positive way to the development of Canada.

**Mr. Balcer:** Mr. Chairman, I just want to say that on listening to the hon. member for Port Arthur I certainly agreed with what he said. He said that at the present time the railways in Canada are in a very difficult position, that they are in a sort of strait-jacket and that we have to do something for them. He said that we have to come out with a national transportation policy and a national railway policy. I agree with him on this point. We have shown also that we are very conscious of this problem.

When we took office the railways were experiencing some very difficult times. Since then we have tried to help the railways. We have tried to come out with something that would not only be a stopgap; we want to come out with something which will settle railway questions for many years to come. That is why we have appointed the MacPherson commission. Of course, I am just as disappointed as are other hon. members that it took that length of time to make this exhaustive study, but I am quite sure that the results of this extensive study will prove that all this work and time it took was well worth it, and the matter will be settled for a long time.

As hon. members know, at the present time the government is very actively engaged in preparing this legislation as a result of the recommendations of this MacPherson commission. We have it so stated in the MacPherson report. As Minister of Transport I have the opportunity to repeat this pledge of the government to bring in legislation on this matter of the MacPherson report at this session. My hon. friend from Laurier and even the hon. member for Port Arthur, every time we bring in any legislation about transportation, always accuse us of dealing in a piecemeal fashion with transportation. Especially with regard to railway matters, we wish to bring forward all-embracing

legislation that will settle this question for a long time. When the MacPherson reports came out, both of them were praised by the experts, by the railways themselves and by the railroaders in other countries. I am quite sure that we shall have something that will stand for a long time. However, I can assure the committee that this is no easy matter. It is one on which a great deal of expert advice is needed in order to prepare this legislation. However, I can assure the committee that it will be ready for this session in accordance with our pledge.

The present bill, of course, is simply an interim bill. It is a bill that was first moved as something in the nature of a stopgap measure or a roll back measure, as we called it at the time, in order to make sure that one part of the country or one group of shippers would not be hurt to the advantage of other shippers. At that time we had the system which was permitted to grow under the old regime, our predecessor, under which every once in a while there were new increases in freight rates, with the resulting anomaly that the real core of the problem was never touched. The freight rates were always growing and growing. When this government took office it decided to really go after the problem. That is why we called on the best brains in the country on this matter to get together and to come out with an all embracing policy.

The MacPherson commission report is an extremely interesting document. At the present time I am not in a position to say what our legislation will be. However, I can assure my hon. friends that it will be brought forward at this session of parliament. My hon. friend from Laurier asked a few questions which he has asked in other years on similar bills. As we all know, this \$20 million was a roll back subsidy to make sure that the increase of 17 per cent allowed by the board of transport commissioners would not come into force. We compensated the railways with \$20 million a year. This is the same thing as we have had in other years. He still comes forward with the same argument, that this is a wage subsidy. I still say in the name of the government that it is not a wage subsidy. Whatever wage increases have been given by the railways, since the first Freight Rates Reduction Act, were paid out of the general revenues of the railway. On the other hand, this subsidy was absorbed by the railways themselves. I think we can argue for years on the matter and never settle it. However, I can assure them that this was a subsidy that was well planned. It was to look after this increase of 17 per cent in freight rates and roll it back to 8 per cent so that it would not