

Freight Rates Reduction Act

repeal of this act. Why this act is being continued is difficult for one on this side of the chamber to understand.

The other day the Prime Minister rose in his place to speak with reference to the Glassco commission report, and he did not hesitate to state that certain parts of that report would be put into effect at once. Although he himself, in the debate in 1958, stated that immediately the report of the MacPherson royal commission on transportation was brought down this government would act upon it, that is almost five years ago and the government has not moved. The only answer he could give the other day when the question was put to him was well, the royal commission report has to be implemented by way of legislation and that procedure takes some time. Of course it takes a longer time to implement a report by way of legislation than otherwise. However, my point is that the government has had this recommendation in its hands for almost two years, in one case, and that it has taken no action whatsoever.

The minister shook his head a while ago when I indicated that this was subsidization of wages. I put this question to him. Is this payment of \$20 million not a subsidization of wages? After all, these subsidies mean that the taxpayer is paying the shot. He is being taxed for the shipper. The C.N.R. president stated that there was an agreement among the government and himself and the president of the other railway to this effect. However, in my opinion the government has no right to commit parliament to this amount. The government has not the slightest right, either legally or constitutionally, to commit parliament to an amount like this or a similar amount. What is the sense of perpetuating this legislation when the royal commission recommends the repeal of this whole act?

I come now to the question of direct subsidization when I refer to vote 590 of the further supplementary estimates, which were passed last year, and schedule C of interim supply which was passed this year, both of which were for the same amount and in the same language. I quote this language. The title is "Board of transport commissioners". The item is 213a of interim supply and 590 of the further supplementary estimates, and the language is as follows:

Interim payments, related to the recommendations of the royal commission on railway problems, to companies as defined in the Freight Rates Reduction Act of an aggregate amount in respect of the calendar year 1962 of \$50 million, to be paid in instalments at such times and in accordance with such method of allocation as may be determined by the Board of Transport Commissioners for Canada, as compensation to such

[Mr. Chevrier.]

companies for the maintenance of their rates on freight traffic at the reduced levels provided for pursuant to the provisions of the said act.

There is no doubt that as to this \$50 million which was voted last year, and as to this two twelfths of \$50 million voted the other day and another two twelfths which will be voted next week or the week after, which will amount to nearly \$100 million, a substantial proportion of which money is going in settlement of the conciliation board award which was made earlier. The minister shakes his head and says no.

Mr. Balcer: You have been saying that for three years.

Mr. Pickersgill: It is just as true now as it was the first time.

Mr. Chevrier: If I have been saying it for three years, let me say that I am going to continue saying it until the minister proves the contrary. The minister has not established, certainly to my satisfaction, that it is not for that purpose, as it is clearly set out here that it is for that purpose. I ask the minister these questions.

Mr. Balcer: May I ask the hon. member a question?

Mr. Chevrier: Yes. I hope this interruption is being taken into account in the time allotted to me, as I am entitled to only 30 minutes.

Mr. Balcer: Is it not a fact that Mr. Justice Munro has settled the labour dispute between the railways and the railway workers with an increase, which means a further expense to the railway; and there is absolutely nothing in the present act indicating any increase in the amount that we are asking. If any wage increases that the railways are giving to their employees were reflected in this Freight Rates Reduction Act, there would be an increase over the \$20 million. However, there is no increase whatsoever.

Mr. Chevrier: Let me point two things out to the minister. In the first place, by giving the railways \$20 million to keep the reduction at 8 per cent—

Mr. Pickersgill: You mean to keep the increase at 8 per cent.

Mr. Chevrier: Yes, to keep the increase at 8 per cent, thereby preventing the railways from making an application to the board of railway commissioners for higher rates with which to satisfy the conciliation board report, I submit with deference that is the answer to the question put to me by the minister.

Then the next point is this. There has been another settlement since this one of 1960 which has cost the railways \$30 million. Where is the money coming from in that