

*Transportation*

quotation a little earlier. As recorded at page 11601 of *Hansard* the minister said:

The difference between myself and the present government and everyone else is that we did discuss this problem with the Canadian Pacific Railway Company.

That is very clear. The minister did discuss this problem with the C.P.R. There were two parties involved and they were discussing municipal taxes, which is the subject of the amendment.

We did make representations to them that this kind of immunity, which had been given in perpetuity, was not really the kind of thing that was very desirable in the twentieth century.

So the minister hopes that in the twentieth century the C.P.R. would not try to maintain its exemption in perpetuity from paying municipal taxes. That is the proposition he was making to the C.P.R. Then he went on to say:

The company did say that if they were allowed the kind of scope the government had said they were going to propose to parliament to enable the company to increase railway revenues, then the company would be glad to give up this immunity.

This is the agreement to which I was referring. The minister made a proposition to the railways, offering them the right to raise rates any way they liked, and if the railways accepted that they would give up their exemption from municipal taxes. This is why the amendment is so important. In this bill we are giving the railways one part of the bargain, and in an earlier speech I suggested another part of the bargain was a thorough investigation of the Crowsnest pass rates.

That part of the bargain was voted out last Wednesday. Proudly we westerners stood together because we realized that that provision in the bill was the thin edge of the wedge with regard to those rates which have been the Magna Carta of western Canada.

That must have been part of the bargain because since then the minister has desperately tried to have the provision re-entered in the bill. We in western Canada know how far the government is prepared to go in driving the thin edge of the wedge into the Crowsnest pass rates. It is going to push the wedge right in to the hilt.

After an examination of *Hansard* and the number of times that the minister presented this question to the committee, I have no doubt with respect to the letter written to the minister by the president of the C.P.R., and which he tabled on September 8, that the minister directed the president of the C.P.R.

[Mr. Horner (Acadia).]

to include the words "January 1, 1967" in that letter. The minister wanted those words in that letter so that he would have a club over the parliamentary committee, and over this house. But he failed to use that club on his cabinet ministers.

Members of the cabinet are all great at using clubs. The Minister of National Health and Welfare used a resignation club on the Prime Minister, stating he would resign unless his medicare bill was proceeded with, even though it would not become effective until July 1, 1968, a year and a half after the legislation was passed. But the Minister of Transport was too good a Liberal to resort to using such a heavy club on his leader, and so he lost in the argument.

● (5:40 p.m.)

There is no doubt in my mind that there was an agreement and that the minister did agree with the president of the C.P.R. that he should include the date January 1, 1967 in that letter. This does bring up the subject of municipal taxes on C.P.R. land, because this bill is giving the railways permission to set whatever rates they like. There is no question in my mind but that this amendment is in order. The minister well may have to vote against it because of an agreement he made with the railways. He may be bound to do so because of the shady dealings which have gone on. I use the word "shady", because those of us who are westerners know what it means. We have been dealt with, in shady deals, by Liberal governments for years. We now know the meaning of it and we see another one being perpetrated across Canada this very day.

Amendment (Mr. Ballard) negated on division: Yeas 77; nays 87.

**Mr. McCleave:** Mr. Chairman, I should like to offer a postscript to my encounter with the Minister of Transport yesterday. Also I should like to make another suggestion before leaving this particular debate. Yesterday I was making the point that Bill C-231 really offered no protection to the ports of this country. In my enthusiasm, and despite a good deal of elbow grease, I failed to note that section 14(2) of the Canadian National-Canadian Pacific Act, chapter 39, Revised Statutes of Canada, 1952, was still in effect. I thought that this current legislation we are dealing with had done away with it. However, it is still there, as the minister pointed out and as the railway lawyers pointed out to me