

bill, an impossible situation in my judgment for adequate conciliation and bargaining in the years ahead.

What the Prime Minister told us was that the whole position is just being postponed. On May 15, after the royal commission report has been made, the railways will be in a different position; they will be in a better position. They can go to the board of transport commissioners and ask for an increase in freight rates based on any increase in wages which may have been given.

**Mr. Diefenbaker:** May I ask the hon. gentleman a question? Does he agree with the Canadian Federation of Agriculture that there should be some form of compulsory arbitration of disputes of this magnitude and seriousness to the nation in the movement of grain and other agricultural products? Does he agree with that stand of the Canadian Federation of Agriculture?

**Mr. Argue:** I should like to know if the Prime Minister agrees with that stand. This is what I should like to know.

**An hon. Member:** Answer the question.

**Mr. Argue:** My hon. friend is the Prime Minister. He has said that he is against compulsory arbitration, and like the Prime Minister I am against compulsory arbitration. Of course, the purpose of the Prime Minister's question is very obvious. He wants to create a division between farmer and labour; he wants to drive a wedge between the position of agriculture and labour. So far as I am concerned, there does not have to be this division that the Prime Minister is trying to make. So far as I am concerned, the basic interests of the people who work on farms and the basic interests of the people who work in industry are the same.

**An hon. Member:** Tell the farmers.

**Mr. Argue:** I do tell the farmers, and I shall continue to do so. I think I shall have much greater success than the efforts of my hon. friend who seeks to stir up class trouble by trying to make it appear that the farmers and the workers are at each others' throats. I think much more can be achieved by co-operation, by understanding and by good will than by these efforts of the Prime Minister to create a division, to try to slough off on labour the responsibility for the failure of this government in this and other instances.

Now, Mr. Speaker, when I was interrupted I had been saying that the attitude of the government is to wait until next spring and then the railways will be in a position to go to the board of transport commissioners to apply for an increase in freight rates to

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take care of any increase in wages that may have been given or that they may be about to give. The government, in this attitude, is saying to the freight users of this country, you are going to have to pay the wage bill and you are going to have to pay all the wage bill through freight rate increases.

The Prime Minister says that before this is done the report of the royal commission will be in his hands and he will bring before parliament its recommendations to equalize freight rates across this country. After these freight rates have been equalized, then this process of asking for increases in freight rates can take place. I have great faith in Mr. M. A. MacPherson, the chairman of the royal commission. I think he is a man of great experience in this field, and that his report will be an eminently useful one. However, I know enough about freight rates to be convinced that even with the report, and even making the wildest assumption that this government will fully act upon it, there will not be complete equalization of freight rates in that for every commodity the rate per mile will be equal to that for other comparable commodities. I do not believe it for one minute. I believe that the best that can happen is to bring about a greater measure of equalization than exists today.

If that is the case, then when the railway companies go before the board of transport commissioners for their increases in freight rates it means further discrimination in freight rates in this country; it means that the burden of increased wages and increased rail costs, in the main, will be put in an unfair manner on the freight users on the prairies and in the maritime provinces. It is for this reason, Mr. Speaker, we in this group suggested that the best possible means of dealing with this situation from the standpoint of labour, from the standpoint of the freight users of this country, from the standpoint of the Canadian public, in the event the railway companies were unwilling to make a payment at this time to the workers for increased wages, was that the national treasury should give a subsidy, at least until May 15 to take care of the cost involved in implementing the majority report.

I suggest that a subsidy, as in a small measure in the past, in the future will have to be a much larger part of our transportation policy. I suggest that instead of saving the country money, instead of saving the taxpayers money, instead of helping the farmers on the prairies or the workers in eastern Canada, the government will increase that burden by their action and will increase it far beyond the cost of a subsidy today. The government's action will bring about a far greater unfairness than exists at this moment