

Transportation

The situation is that these areas contiguous to the railway property now are the areas of the city which are subject to blight. In many of these cities these are the areas where the land value is at a minimum in comparison to the other districts. They also are the areas which will be subject to urban renewal. They are the areas in respect of which there will be demands made upon the government for tremendous amounts of money for the financing of urban renewal programs.

I realize the Minister of Transport received a letter from the president of the C.P.R. in which the president agreed that possibly the C.P.R. had some responsibility to the municipalities through which the railway passed. He accepted the suggestion that possibly the C.P.R. should try to be a good citizen in these municipalities. He agreed that if the government, through this transportation bill, should rationalize the freight rates they would condescend to make some sort of deal whereby they would pay taxes.

I should like to quote part of the letter from Ian D. Sinclair, president of the Canadian Pacific Railway. This letter is dated August 29, 1966. It was tabled in the House of Commons, appears at page 8210 of *Hansard* for Thursday, September 8, 1966, and reads in part as follows:

The company is prepared to forgo voluntarily perpetual exemption from taxation by the local authorities on our main line in the prairie provinces in three equal stages: one third for the year commencing January 1 after legislation is enacted modernizing and rationalizing existing legislation and taking into account, among other things, the effective changed conditions on freight rates otherwise fixed; a further one third in the succeeding year; the balance in the third year from the commencement of the period as stated.

There are two or three things wrong with this offer which is being made by the president of the C.P.R. There are conditions even in this offer which he has made. He says that the offer stands, provided the legislation is enacted to modernize and rationalize the existing legislation. In no place in his letter does he say what he means by "modernizing and rationalizing existing legislation". If some portion of this legislation should not convey the meaning which the president of the C.P.R. had in mind when he made this offer, I wonder whether his offer would be withdrawn. He mentions also "the effective changed conditions on freight rates otherwise fixed".

When he mentions fixed freight rates does he include the Crownsnest pass rates, for example? In other words, since August 29, 1966 have we changed the transportation bill to

such an extent that this offer no longer stands? This is the reason I believe it is essential that if we are to have an act that is fully rational this amendment must be considered by the Minister of Transport and must be accepted by the house.

I might say that ample provision has been made in the bill to take care of any increase in taxes that the C.P.R. must pay. According to this letter the C.P.R. would not have to pay taxes for the year 1967. It would not have to start paying taxes until January 1, 1968. In my humble opinion this means that if this legislation is not passed it is quite possible that we will be giving the C.P.R. a free ride for another year so far as taxes are concerned. When we speak of rationalization I understand this to mean that the modes of transportation shall be given a fair enough schedule of freight rates that they will be in a position to make a reasonable profit, but also that they will have to shoulder the responsibility of paying their way. Surely municipal taxes are something the railways must pay in order to pay their way. I should like to move therefore, that clause 1 be amended by renumbering subclause (b) of clause 1 as clause 1(b)(i) and inserting a new subclause (ii) as follows:

each mode of transport, so far as practicable and without prejudice to any single mode, bears a fair proportion of the costs of local government services in those municipalities in which the mode of transport operates; and—

Mr. Pickersgill: Mr. Chairman, I should like to say a few words in respect of this amendment. I hope you will not put the question this evening because I should like to reserve the right to present an argument concerning whether or not it is in order. I have been taken somewhat by surprise and I should like an opportunity to examine this suggested amendment. I suspect it is out of order. I think also that it is ultra vires. I am not sure, however, about these things, because this is in respect of a declaratory part of the bill which may have no real consequence, except to declare a broad general principle. I should like to reserve the right to argue this matter when we next come back to the bill.

I understand there has been consultation among hon. members on both sides and that there is general agreement that we would make more progress if I were to move that we rise, report progress, and ask leave to sit again at the next sitting of the house, so that we might get on with some other business pending the decision of the Chair which has