

Freight Rates Reduction Act

commissioners should bring in recommendations on equalization, and this very thing which the Prime Minister was asking the board of transport commissioners to do will not be done if the recommendations of the royal commission on transportation are brought into effect; because the freight rate structure which is recommended in the report will do away with the equalization that the board of transport commissioners has entered upon over a number of years.

Now I should like to put on the record one or two statements made by the Prime Minister during the course of debate in this house on an earlier occasion. On Wednesday, November 30, 1960, when there was under discussion in the house a matter affecting a wage dispute between the railway and its employees, the Prime Minister made this statement, as reported in *Hansard* at page 359:

The reason we say we are waiting for the report of the royal commission is this. It will make its report as to the means whereby these discriminatory rates may be avoided. Legislation will then be introduced in order to equalize opportunity across Canada. The freeze will then be taken off and the railway companies may then make an application to the board of transport commissioners to raise the freight rates and to take into consideration the agreements now in existence between the employers and the unions back to January 1, 1960.

At that time the Prime Minister had in mind that the report could be brought in immediately and immediate action taken thereon, but such has not been the case. Later on I intervened in the debate to ask the Prime Minister this question:

Would the Prime Minister permit another question. Does the hon. gentleman think the provinces will sit by and not object to applications for increases by the railway association?

The Prime Minister replied:

Inferentially, as a result of a question asked the other day by the hon. member for Laurier (Mr. Chevrier), I concluded that that was the view of hon. gentlemen opposite then—

—namely, that subsidies should be paid in lieu of these wages. Then a little further on, on page 359, the Prime Minister said:

There is a postponement because the action of the government to preserve the equality of all parts of Canada until equalization has been provided for as a result of the recommendations of the royal commission.

I repeat, in the light of that statement, that because of the recommendations of the royal commission it will not be possible to equalize the freight rates across this country, in the light of the work that had already been started by the board of transport commissioners at the time. Then on page 358 of *Hansard* the Prime Minister said:

We have taken the stand that we shall not subsidize in this connection because to do so would

simply mean that any time there is a dispute across this country with a national company involved which affected the public interest so greatly that a stoppage would paralyse Canada it would be known in advance that we would give a subsidy in order to prevent the Canadian economy being paralysed. We do not intend to follow that course.

I say that is exactly what is being done here. The Minister of Labour, on November 30, 1960, as reported on page 347 of *Hansard*, said:

Some of those who have suggested implementation of the majority report have also suggested subsidies to the railways. The Prime Minister has clearly expressed the basic weakness of such action. Once such a course was embarked upon this might again provide an undesirable precedent. The dangers inherent in such a solution must surely be obvious. Such a course might well be an easy way out, but in time it would be the hard way of settling such disputes.

In the case of the Canadian National Railways the taxpayers of this country are already being called upon to make up huge deficits. To require the Canadian taxpayer to subsidize the operating costs of the Canadian Pacific Railway Company would be setting a most dangerous and costly precedent.

This government, as the committee knows, compelled the men on the railways to go back to work without any settlement of this dispute, and notwithstanding the statement made by the Minister of Labour we find ourselves in a contradictory position so far as he and the Prime Minister, on the one hand, and this legislation on the other, are concerned.

The Minister of Transport himself is reported at page 5630 of *Hansard* on May 30, 1961, as follows:

When the government brings forward legislation based on the MacPherson report it will then consider whether or not it will carry on with this program. The provision is for one year which actually ends on April 30, 1962.

This is the fourth extension to the present act, and it was clearly stated all along that there would be no subsidization for wages in this case. As I said earlier, in the passage which I have put on the record the Minister of Transport indicated what his views were. The first volume of the report has been in the hands of the government since March 1, 1961, and the second volume since December, 1961. The third volume has been released only fairly recently, but it contains a study of matters that are extraneous to those under discussion. I therefore repeat that notwithstanding the fact that this report has been in the hands of the government all this time, no legislation whatever has been brought before parliament to end the burden to the taxpayer. The taxpayer must continue paying this \$20 million per year until such time as the government sees fit to implement the MacPherson report by legislation. This question is particularly pertinent as the royal commission on transportation recommends the