

parliament had to act in the national interest it was not compulsory arbitration in any sense of the word. We have provided that the processes of conciliation shall continue. The right to strike is not taken away. The right to strike is suspended at this time.

**Some hon. Members:** Oh, oh.

**Mr. Diefenbaker:** The right to strike is suspended until the royal commission makes its report. The hon. member for Port Arthur said that the royal commission is not dealing with wages and he is absolutely correct. The royal commission is dealing with one of the major problems facing Canada, namely the equalization of opportunity all across the nation. Freight rates, discriminatory in effect, deny that equal opportunity in the maritimes in part, in western Canada and elsewhere in northern Ontario. All through the years that has been a problem. The reason we froze freight rate increases was that if we allowed them while the royal commission was sitting horizontal increases would simply magnify and increase the degree of discrimination.

Freight rates have increased by 157 per cent since the war. It has been alleged that the discrimination in western Canada was some 15 per cent in 1945 and that rate has been materially increased as a result of horizontal increases in freight rates.

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.

**Mr. Chevrier:** Mr. Speaker, may I ask the Prime Minister a question. Does the right hon. gentleman realize that applications of the railway associations for increases in freight rates sometimes have taken as long as one year?

**Mr. Diefenbaker:** I realize that very well but we are in a position where once the application to the board of transport commissioners is made the board will have before it the evidence taken before the board of conciliation, which evidence the Leader of the Opposition said was so complete. The transport board, without taking the evidence that ordinarily would be taken, will be in a position to know the situation and possibly act accordingly on any application made.

#### *Maintenance of Railway Operation Act*

**Mr. Chevrier:** 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 associations?

**Mr. Diefenbaker:** Mr. Speaker, do you see the position into which the hon. members of the official opposition have got themselves?

**Mr. Chevrier:** Does the hon. gentleman see the position into which he has got himself?

**Mr. Diefenbaker:** They say, "Give a subsidy".

**Mr. Chevrier:** We did not say that.

**Mr. Pearson:** Mr. Speaker, on a question of privilege, the Prime Minister has made another statement which is inaccurate.

**Mr. Diefenbaker:** 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. Did the hon. gentleman not ask the other day whether we were considering a subsidy?

**Mr. Chevrier:** On a question of privilege, Mr. Speaker, neither the member for Laurier nor anyone else on this side of the house has at any time during the course of this debate, either directly or by way of inference in a question, suggested that there should be a subsidy.

**Mr. Diefenbaker:** Mr. Speaker, *Hansard* will tell the story. My recollection was that the hon. member in question did ask what action was being taken in this regard. If the hon. gentleman says he did not ask a question of that nature I will accept his denial of his having asked such a question.

In no way is labour being denied its rights. There is a postponement because of 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. After the commission has reported consideration can be given to any agreement arrived at as between the employers and employees. If there is an agreement to raise wages it shall go back to January 1, 1960. In other words, there is no prejudice to the unions in any way whatever or to the workers. There is simply in the national interest the need of action to preserve and maintain the economy of Canada against the disastrous effects of a strike at this time.

Mr. Speaker, may I call it six o'clock.