

*Transportation*

figures produced by the western provinces and finally the figures which were obtained by the royal commission from its own statistical studies—these were the people who obtained the very best expert assistance—it is to be noted that there is a very considerable difference between the figures I mentioned and the final figures.

Surely under those conditions—I am trying to approach this on a national basis—it would be very difficult to ask the western members and the people of western Canada to accept the fact that the government may act solely on the figures which the commission obtained and which are subsequently furnished to the government. My view is that when this matter is being considered, as probably has already been done by the government, thought should be given to replacing this phrase by the simple alternative sentence: "The governor in council shall refer the matter to parliament".

**Mr. Pickersgill:** May I ask the hon. gentleman a question? Is the phrase he has suggested not implicit? The governor in council cannot appropriate moneys. Therefore it seems to me that all the governor in council can do in these circumstances is to suggest an appropriation in the estimates to give the railways this relief. I can assure the hon. gentleman that this was intended by the draftsmen, and if there is any doubt about its meaning this is something we would certainly want to resolve in committee. I want to make it very clear, if the hon. gentleman will be good enough to permit me to do it, that there is no thought whatever that this would empower the governor in council to recommend any change in the Crowsnest rates. All it would do would be to authorize the governor in council to recommend to parliament that some financial relief be granted to the railways if that seemed desirable to the governor in council after receiving the report.

In the case of the branch lines that are retained and of the passenger services, we have made it mandatory that the railways should be compensated for any losses, in one case for the full amount and in the other case for 80 per cent. All that is said here is that the governor in council may consider what should be done and that parliament might then be asked to take action. If the language is not sufficient to make that clear I can

assure the hon. gentleman that we will entertain any reasonable amendment to make doubly sure that no other meaning will be read into that clause.

**Mr. Baldwin:** I thank the minister for his explanation. I think it probably makes this clause a little more palatable. However, I must say that the words contained in the phrase, "and the governor in council shall take such action as he deems necessary or desirable on the basis of that report to provide assistance," lead to more than one interpretation.

I was glad to hear the minister say that only parliament can take action in this matter. Of course I have seen attempts at doing otherwise made in the past. However, I think the usual legislative approach might be better than appropriating moneys in the estimates which are of course debatable. Each estimate constitutes a parliamentary resolution. It must be studied, debated and passed by this house and by the Senate before it is enacted into law. However, in some cases difficulties arise. I hate to make accusations against this government but sometimes a large number of supplementary estimates are brought before the house in the dying days of the session. I think this is a fault common to most governments under our democratic system. The possibility arises that toward the end of a session the government may bring down estimates which include an item for \$15 million or \$20 million expressed in the form of a subsidy to the railways to compensate for the losses they are alleged to have sustained in hauling the grain of the western farmers under so-called statutory rates. I do not think that would be the right way to do it. I think the minister has indicated that he will consider this matter further and I believe it is very important that he should do so.

Then there is the question of a maximum rate control. Obviously this is one of the very detailed and complex aspects of the legislation. The hon. member for Qu'Appelle and other hon. members have referred to the question of costing. This is a tremendously important part of the issue and goes right to the heart of the problem. It was the subject of a great deal of discussion before the MacPherson royal commission and I am sure the officials in the minister's department have considered this matter and made their calculations. I will only say at this time that I am very doubtful whether the formula as it is expressed in the proposed new section 334 of