

that will settle the dispute. Here, as stated by an officer of the C.N.R., is the weakness in the whole matter and the government has made no provision either before this legislation or in this bill to meet that position. This means, then, the complete collapse of direct negotiation and conciliation procedure in the railway dispute.

I could go a step further in dealing with this matter by quoting another portion of the Prime Minister's remarks yesterday which may be found at page 359 of *Hansard*. Referring to the measure now before us the Prime Minister said:

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.

Does the government really believe that the royal commission is going to suggest a formula which will provide for the equalization of freight rates across Canada?

What about the Turgeon commission of 1950 which the Prime Minister praised at that time? It made a series of recommendations with reference to the equalization of freight rates. They are contained in a separate chapter and each and every one of those recommendations was implemented by the former government. I have here the three reports made by the board of transport commissioners equalizing freight rates. One of these reports shows that one group of rates, namely class rates, have been equalized from one part of Canada to the other. Another report states that in so far as rates in the east are concerned they have been increased by 10 per cent and those in the west have been decreased by 5 per cent in order to bring about equalization in another class of freight rates. The third report which I have in my possession indicates that the board has gone as far as it can go with reference to the equalization of freight rates.

Mr. Justice Turgeon, than whom there was no more competent royal commissioner, stated clearly in his report on several occasions that the equalization of freight rates was not a matter to be brought about by the board of transport commissioners. The best way to bring about equalization of freight rates is for the railways to do it themselves. It is true, the report says, that amendments may be brought about to the Railway Act and certain sections of the act having to do with a national freight rate policy can be implemented such as was done by this parliament following the recommendations of the Turgeon report. But, said the royal commissioner, that is not enough. Freight rates should be equalized by the railways themselves.

#### *Maintenance of Railway Operation Act*

That, coupled with the statement made by an officer of the C.N.R. to the effect that they have obtained about as much as can be obtained from increases in freight rates, constitute a complete answer to the contention of the government and the implication contained in this bill that when the royal commission brings down its report we will have the formula to settle this dispute. The two things I mentioned put together form a complete answer to that contention. The view of the government with respect to the bringing down of this report leading to a formula to dispose of this dispute is a fallacy.

That is why I said at the outset of my remarks and that is why we on this side of the house say this is not the way to dispose of this dispute. The method that has been proposed is one which is not only unequitable and unfair but totally inadequate. The proof of that lies in the two statements I have put on the record, the statement of the Prime Minister to the railway employees and on this bill—"Wait until May 15 and then we will have the solution which will come from the report of the royal commission"—and of the acting prime minister in 1958 when a strike was about to take place when he stated the direct opposite, "Oh, no, that is not the way to deal with it," and went on to indicate quite clearly what the position was at that time. Without repeating it I should like to say that the view of the government then was that a definite agreement must be reached between the employees on the one hand and the railways on the other before the board of transport commissioners could take that into account.

I think the Prime Minister really let the cat out of the bag yesterday when he put on the record those four points which I have tried to analyse. I desire to sum up by saying that we shall oppose this bill because of the reasons given by the Leader of the Opposition, the hon. member for Essex East and the hon. member for Bonaville-Twillington (Mr. Pickersgill). We oppose this bill, too, because it is against common sense. We oppose it also because it is not in the general interests of the railway workers of Canada. If regard had been taken for the position in which both parties found themselves, not a year ago but only six months ago, a solution to this difficulty I am sure could have been found. Under the circumstances a solution has not been found, and the responsibility for that lies nowhere else than at the feet of the government of this country.

**Mr. Frank Howard (Skeena):** Mr. Speaker, I suppose we are all in a sort of reluctant mood with respect to engaging in a debate of this nature at this time. I think all of us