

*Freight Rates Reduction Act*

Perhaps it might be a good thing to consider having the lower St. Lawrence area benefit from the preferential tariffs enjoyed by the maritime provinces.

One way of achieving that objective perhaps would be to decentralize the C.N.R. administration in establishing at Mont Joli a sub-office which might serve the whole eastern Quebec area, which is now managed by the Moncton or Campbellton office, that is to say all that part of the railway extending from Levis to the eastern tip of the Gaspé peninsula, as well as a railway line linking Rivière du Loup and Edmundston, and all that part of the C.N.R. which crosses the south of the province of Quebec.

The C.N.R. would thus be at the door of two new areas which might perhaps bring them an interesting business in the near future, if ever the C.N.R. decided to build a line from Matane to Ste. Anne des Monts. All that business ends up at Mont Joli. Furthermore, since there is a water transport service between Pointe au Pere and Baie Comeau, the whole north shore area—an immensely rich area—would be open to the C.N.R. railway line.

You would have there a whole category of patrons who might add their numbers to the usual C.N.R. patrons.

I consider Mont Joli as a railway centre which, for quite a long time—I cannot remember for how many years—has been administered by the neighbouring province. With a sub-office in the lower St. Lawrence area, and more precisely at Mont Joli, perhaps the patrons in a position to use that service might do business with employees speaking the language of the majority of them.

Regrettable instances often occur. I do not wish to mention them all but, not long ago, four company officers who were sent to Mont Joli in order to give instructions to a group of personnel and who did not speak French, had to communicate through an interpreter with the employees in that district of the province of Quebec, extending from Gaspé to Levis.

There are other similar instances that I could quote by the dozen. But I will simply insist, once again, that the Canadian National Railways decentralize their administration eventually and set up a sub-office in the lower St. Lawrence district, which would serve over 400 miles of railroad.

(Text):

**Mr. Howard:** Mr. Chairman, my remarks with respect to this matter will be in somewhat the same vein as those expressed by the hon. member for Port Arthur. This particular problem involving the Freight Rates Reduction Act and what it has sought to accomplish is only one of many problems concerning railways which have been with us for a long time. It has been before us now for some three and a half or four years. In seeking to express his feelings about the government with respect to this matter, my hon. friend from Port Arthur was somewhat at a loss for words. Perhaps the phrase he was looking for was "lack of visceral content on the part of the government." They have been dilly-dallying with this matter year after year, hoping, like an ostrich, that the problem will go away if they wait long enough. We have already authorized \$50 million, I understand, to be paid to the railway companies under the Freight Rates Reduction Act and the resolution before us asks that this amount be increased to \$75 million which is, I think, a fair amount of the taxpayer's money to be tossed around.

This act was introduced originally, as I understand it, to subsidize a wage increase which took place in 1958 or 1959, and it was meant to reduce the increase in freight rates which was then authorized from 17 per cent to, it was hoped, 10 per cent, though subsequently it was lowered to 8 per cent. We were offered at that time the possibility of a long term study of the whole question of transportation. In 1960 or 1961 the act was further amended and extended. The reasons given then were that a royal commission was considering this question and the government wanted time for the commission to complete its studies. Presumably, this further request for an extension comes because the government wants time to consider the reports of the royal commission, perhaps attaching its desire for further delay to the fact that volume 3 of the report of the MacPherson royal commission was not made public until the summer of this year—I think it was July or August. In fact, however, the substance of the recommendations of that royal commission is contained in volumes 1 and 2. Volume 3 is merely a compilation of the studies upon which the recommendations in volume 2 were based. I do not have volume 3 before me, but the frontispiece says that the commission takes no responsibility for the material contained within it and hinges its entire case on volumes 1 and 2.

As has been pointed out, the government has had volume 1 of the recommendations in its hands for some 21 months, since March, 1961, and it has had volume 2 in its posses-