

Transportation

shall not be subject to municipal taxes. But the minister already unilaterally has abrogated the provisions of that agreement—perhaps I should say, he proposes unilaterally to abrogate the provisions of the 1881 agreement. That is the effect of the other amendment being considered by the committee. The minister's words in connection with this amendment were that "no consequences can flow from these words". If the words in this amendment are innocuous, why can they not pass? Why can the amendment not pass? In the minister's words the amendment has no effect on the bill. We could pass it, I suggest, without doing any damage to the bill and without changing the status quo.

One provision and stated intention of the bill, in the minister's words again, is to put the railways on a basis to charge compensatory rates. If this bill passes, the expenses of the Canadian National by way of taxes will be greater than those of the Canadian Pacific, because the Canadian Pacific is exempt. This means we automatically give the Canadian Pacific an unearned profit or subsidy, and no comparable subsidy is paid to the Canadian National.

Taking all this into consideration, I think the committee ought to adopt this amendment without a twinge of conscience.

Mr. Churchill: Listening to the minister's words a few minutes ago I understood him to say—and I do not want to misquote him—that this amendment was innocuous, that there would be no difficulty if it were written into the bill, and so far as he was concerned we might as well get on with it.

Does the minister intend to accept the amendment? Or was he, in his roundabout way, saying, "Let us have a vote, because we have sufficient Liberals in the committee now, as we did not have last week, to settle the matter". The minister talks this way, pretending that everything is all right, that he has no objection, and that we had better deal with it. I think he means that he wants to vote the amendment down. Why does he not say so? Why does he not say he is unalterably opposed to the amendment? He keeps talking until the poor Whip can assemble the Liberal sheep, that they may vote as the dictator states. Instead of admitting that, he told the committee, and I heard him say this, that it is innocuous, and that we might as well get on with the business. All he meant, in the double meaning so frequently found in his remarks, was that he would not pass it, and he was waiting for his members to come in.

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• (5:20 p.m.)

I think we should take a good look at this. If the minister thinks it is innocuous and might be accepted, why cannot he say so? He does not mind repeating himself; he has been doing it now for two weeks. I want to know whether he has answered the question which the hon. member for Calgary South asked last night. Consider that phrase in a letter quoted from the president of the C.P.R.—this is on page 12209 of *Hansard*. The president is talking about the taxes the company is prepared to pay—

—one third for the year commencing January 1 after legislation is enacted modernizing and rationalizing existing legislation and taking into account, among other things, the effective changed conditions of freight rates otherwise fixed.

A very interesting sentence indeed, and one which is carefully worded so that if the legislation did not pass the house in 1966, payment of taxes would be deferred until 1968.

In the fall of last year it was obvious to everybody in the country that the railway bill would not be through the house before Christmas, although the Minister of Transport talked to us and said: Look, the committee has settled all this; why cannot we pass it in about two days and then the C.P.R. will be obliged to start paying municipal taxes. This was the carrot held out to the house. I recall the minister saying this to us, though he knew, and we knew, that it was impossible to get the bill through before Christmas. No doubt this was because the minister had been superseded in the hierarchy of the cabinet by the minister of health and welfare—

An hon. Member: And by the minister of defence.

Mr. Churchill:—particularly by the minister of health and welfare, who had to get his bill through the house. The Minister of Transport is downgraded and pushed to one side. I am not so sure, now, that it was not all arranged. I do not like to be suspicious and cast innuendos, but was this all arranged so that there would be a postponement of the transport bill to the end that the C.P.R. would not have to pay taxes until 1968?

Mr. Pickersgill: Mr. Chairman—

Mr. Churchill: If the minister will sit down, I will do the talking. Nothing will prevent his getting up to speak as soon as I have sat down, and the committee will suffer accordingly. I know that, because he has been on his feet every hour on the hour; he has had