

Transportation

it does not add up properly and I would not like it to be thought that I cannot add.

Some hon. Members: Oh, oh.

Mr. Churchill: You know, sir, that escaped me. That was not what I had in mind. But I am glad to help the minister correct *Hansard*.

Mr. Pickersgill: I have already done that.

Mr. Churchill: I continue to quote:

So we are now paying out of the treasury \$100 million a year.

What I think is wrong—and I appeal to the better nature of the Minister of Transport which, from time to time, I recognize—is this: I think it is wrong to suggest that the greater part of the increased wage bill of the Canadian railways has been passed on directly to the taxpayers. The suggestion here is that a subsidy of \$100 million a year is solely related to wages from 1959 to 1966.

Mr. Pickersgill: So it was.

Mr. Churchill: Why is it not related to other operating costs? Surely in that period from 1959 to 1966 the men working for our railways were entitled to increases in their wages, just as many others in Canada have received increases in their wages. Why do we say this is paying the wage bill? Are we sure it is not paying the cost of extra locomotives or freight cars, or the repair of trackage or something like that? I do not think it is fair to the men who operate our railways to saddle them with the statement that this amount of money paid out of the treasury over the period of seven years has all gone towards their wage increases.

Mr. Pickersgill: It just happens to be a historical fact. The first \$20 million was paid as a result of the wage increase of 1959. The second payment in 1961, was disguised by the hon. gentleman's friends who said they were awaiting the MacPherson report and that they would pay the extra wage bill in the meantime. In the case of the 1964 increase we did not disguise it. That is a historical fact, whether it is fair or unfair. All I am saying is that we really must try to enable railways to earn enough to pay their men so that we do not have to saddle the taxpayers with these costs.

Mr. Churchill: The minister is now smuggling words into my speech which I did not put there. My point is this: The minister could rightly draw attention to the fact that

[Mr. Pickersgill.]

in 1959, 1961 and 1966 additional moneys were paid the railways in order that they might remain in operation. But it is not necessary to say that these additional moneys are directly attributable to increased wages. That is my point.

Of course, it was in that area that there was trouble, and when the issue finally came before the government it centred on a wage dispute. So it is natural to say: Oh, well, this money is for wages. I have sympathy with management but I also have some understanding of those who operate the railways. Why are not wages regarded as an initial charge on revenue, and why cannot any deficit incurred be attributed to something else? Cannot the C.N.R. come here and say—as they do, from time to time: Our operating costs are so much, and they include everything, wages as well; we cannot maintain our trackage, and we need additional funds. That is all I am saying. I do not think we should continue to suggest that the sums of money which have gone to the railways from the treasury over this long period should be linked solely with wages.

Mr. Pickersgill: May I ask the hon. gentleman a question? He was a responsible minister when \$70 million of that \$100 million was paid to the railways. About 40 per cent of it was paid to the C.P.R. This is now a matter of history and I do not think the hon. gentleman would be breaking any cabinet confidences. Would he tell us why the government of which he was a member gave this huge handout to the C.P.R.? Would it be to buy locomotives?

Mr. Churchill: We have come back to the minister's definition of politics. He is indulging in a type of politics which he defined in the second part of his phraseology. He says partisanship. I was rising above that. I hope, on the minister's transmission to the other place, that he will rise above this petty partisanship he is talking about.

● (9:10 p.m.)

I fully realize what happened in those years when we were in government, and the troubles over railway matters. I was mixed up in them to a very considerable extent. I took a great interest in the problems of railways and the problems of freight rates.

I do not know whether I should quote any more of the minister's speech, although I think it pleases him. He went on to deal with rates and the abandonment of lines and