

The Address—Mr. Diefenbaker

made recommendations, but with the exception of one small change, as I recollect it, the \$7 million subsidy in respect of the bridge in the lake Superior area, no action was taken thereon.

Mr. Chevrier: On a question of privilege, Mr. Speaker, that statement is entirely wrong.

Mr. Diefenbaker: That is not a question of privilege.

Mr. Chevrier: The statement the Prime Minister has made is absolutely inaccurate.

Mr. Speaker: The hon. member will have an opportunity to make an explanation.

Mr. Diefenbaker: My hon. friend will be able to establish that, if he can.

Mr. Chevrier: I will, very easily.

Mr. Diefenbaker: It is not a question of privilege. I am saying they did not do anything effective during those years. They did one thing. They talked about inflation. They cried over it. During the period between 1945 and 1957, freight rates increased by 120 per cent.

An hon. Member: Better check that.

Mr. Diefenbaker: In any event, I am low enough at 120 per cent. They talked about inflation, but they took no action. They allowed freight rates to be raised. Last spring, when we met this problem—

Mr. Caron: Before the election.

Mr. Diefenbaker: Who made that observation?

Mr. Caron: I did.

Mr. Diefenbaker: It is apparent the hon. member for Hull does not know the facts. Let me tell you it was not before the election.

Mr. McIlraith: It was during the campaign.

Mr. Diefenbaker: No, not during the election; freight rates were raised and Bell telephone rates were raised. We postponed any action thereon until—

Mr. Robichaud: Until after the election.

Mr. Diefenbaker:—until after the election, and then we acted.

Mr. Robichaud: It is even worse; playing politics.

Mr. Diefenbaker: There are none so blind as those who will not see. We disallowed that increase because we said it was based on a wrong principle. It was based on a principle regarding depreciation into which I am not going to go now, but on that basis we said the increase was not permissible.

[Mr. Diefenbaker.]

In so far as the last application is concerned, there was no other course open to the government on the hearing of the appeal than to do as it did. A report had been made by a conciliation board. It was a majority report. That majority report indicated that there must be a major increase in the wage level which would have meant an increase in freight rates, if entirely allowed, of 19 per cent.

There are inequities in the freight rate structure. They have been aggravated through the years. We find ourselves in western Canada and in the maritimes subject to two pieces of legislation, namely the Crowsnest pass agreement and also the Maritime Freight Rates Act. We find ourselves, by horizontal increases, placed in an ever more difficult position. The Leader of the Opposition says "Why do they not act?" For 12 years the increases went on and the government of which he was a member did nothing. They simply gave instructions. We find ourselves in a position in which action had to be taken. As far as the Borden commission report is concerned, it refused to consider additional subsidies. Although it was contended before the commission that the Crowsnest pass rates were non-compensatory, no decisions were made in that regard. I am not in any way accepting the view that they are non-compensatory. However, the position which we took was this. We could do nothing else than take the action which we took. According to the statement made by the acting prime minister at that time in the month of November, we undertook to act as we are now intending to act as set out in the speech from the throne.

There is only one thing I want to make clear at this time so that there will be no misunderstanding in this regard as to the action we are taking. As far as the Crowsnest pass rates are concerned, from the time that I was a boy in western Canada in 1903 and all through the years those rates have been regarded as the Magna Carta of western rights. Those rights shall not be interfered with to the detriment in any way of western agriculture or western people in general.

We now come to the amendment. Last year's amendment was much more massive and contained many more terms. This one is much more simple. The hon. gentleman says that we have lost the confidence of the people. He smiled when he said that. He always does so when he makes statements like that. As far as we are concerned, the action that we are taking is based not on contradictory or confused policy. Those words would be descriptive of the government of another day. We have with decisiveness met the problems