

Transportation

they argue, there is some contractual exemption. But that, as has been pointed out, is a matter of opinion, this requirement is not beyond our power.

By his attitude the minister has shown that he will not press very hard the point as to whether it is ultra vires. Whether or not anyone feels that this should be done, it is certainly within our power to do it. I thought that this point should be made, Mr. Chairman, because I would hate to be casting my vote for any amendment which I felt might be ultra vires.

Mr. Schreyer: Mr. Chairman, I want to ask the minister for an opinion; I gather that sometimes he does not mind giving one. Even if the amendment carries it is merely a declaration. To give effect to it, it would be necessary to bring in some consequential or ensuing amendment to other statute law. Is that not the case?

Mr. Pickersgill: Mr. Chairman, if the house saw fit to adopt the proposed amendment of the hon. member for Calgary South, then while not imposing a legal obligation it would impose, I think, a moral obligation on the government to do what it has announced it intends to do anyway, and that is to require the Canadian National Railways—it may, of course, do this itself through the treasury, which in the end might amount to the same thing as a result of the present state of the books of the railways—to contribute the equivalent taxes paid by the crown railways, which are now immune from taxation.

● (5:10 p.m.)

I think if parliament expressed this view and the government did not tell the Canadian National to do that, we should be acting in contempt of parliament, whether or not it would have any legal effect. I do not think any government therefore would be required to legislate to force trucking companies, pipe lines or other bodies to pay municipal taxes. We might decide to do that, but I think it would be better if this part said "pay the current rate of municipal taxation" rather than "a fair proportion of the costs". I do not know how you would determine a fair proportion without intruding into matters where we have no capacity to intrude into. That is about the best answer I can give, and perhaps I have gone further than it is wise to go.

Mr. Alkenbrack: Briefly I want to ask the minister a question. I am in favour of railways paying taxes to municipalities, or grants

[Mr. Fulton.]

in lieu of taxes, in the same way as the federal government reimburses municipalities for its presence in a municipality. From my brief municipal experience I have learned that the railways pay a limited form of municipal tax on buildings in a municipality, and possibly on their switching and yard arrangements. Out on the lines of communication, the track through the rural sections of the country, I do not think the railways pay taxes. I ask the minister to tell us on what the railways do pay taxes.

Mr. Pickersgill: I will get that information for the hon. gentleman. I could not give it to him now.

Mr. Ballard: I shall be brief, having in mind that I moved the amendment. I know the minister considers the clause we are discussing innocuous. That is why he is so even tempered this afternoon. He is not exercised about this clause being in the bill. In my opinion this amendment secures the objectives of clause 1. After all, clause 1 is the statement of objectives in the bill, to rationalize transportation in Canada. Clause 1 says that the railways should receive a fair return for services performed, and paragraph (b) says that each mode of transport will pay for those service it receives. The amendment expands this a little. It says that the railways shall pay for services received at the municipal level.

Arguing that this is not fair is defeated by the minister's saying that he will issue instructions to the Canadian National, the government-owned railway, that it shall pay full municipal taxes with passage of this bill. All we are asking, by including this objective in clause 1, is that the Canadian Pacific shall act as a good corporate citizen and follow the lead, laid down by the Minister of Transport, of the Canadian National.

I can say, speaking as a western Canadian member, that the Canadian Pacific has received for 85 years a bonus or subsidy from municipalities of western Canada. At the present time this subsidy runs between \$2.5 to \$3 million a year, and it is time it ended. It is all right for the federal government to give a subsidy—it intends to do that—but as the municipalities of western Canada have paid to the Canadian Pacific a subsidy for the last 85 years, it is high time that subsidy were ended.

One can argue that we shall change the agreement made with the Canadian Pacific in 1881, which said that the Canadian Pacific