

there is no advantage being taken of them at all. What has really happened, of course, is that the Government has deceived them.

The Prime Minister has been at great pains in the last day or two to say that there is no 30 per cent guideline. As a matter of fact, I agree, because the Prime Minister is not capable of announcing any guideline.

The fact is that on June 14, I think it was, the Prime Minister approved a settlement in which one of the unions represented in the railway dispute received 30 per cent. The Prime Minister is now blaming my friend Senator MacKenzie for that; he says, "The Government did not do it, the mediator did it." I never heard a more unfair statement, because of the Prime Minister did not have to accept the result.

Curiously enough, whether the Prime Minister set a 30 per cent guideline or not, that was the night when the railway unions hardened and when they walked out and said, "We do not need to stay here any more, we know what the Government is going to give us now." That is why we are here tonight. The Prime Minister, who suddenly became bold on August 23 and went on television, says the railways claim that they are in no position to increase wages so long as they are restricted by law from adjusting the charges they make for their services, thereby increasing their earnings. That was not news; most people in this country with any knowledge have known that for some years.

Then he goes on to say:

Necessary increases in wages for railway workers since 1960 have, on three separate occasions, been met by government subsidies to the railways. Such subsidies are now costing the taxpayers of Canada \$100 million a year. The government cannot continue to provide subsidies to pay railway workers without imposing higher taxes. This we are not prepared to ask Parliament to do.

This is the Prime Minister! Well, I do not think that he reached that decision that afternoon. Maybe he did—sometimes he reaches decisions very quickly. And then he goes on:

We do, however, intend to ask Parliament immediately to pass transportation legislation based broadly—

—that is a nice word. I love adjectives!

Hon. Mr. Hayden: That is an adverb.

Hon. Mr. McCutcheon: Is it?

Hon. Mr. Hayden: Yes.

Hon. Mr. McCutcheon: Well, I like them too.

—based broadly on recommendations of the Royal Commission on Transportation. This legislation will give the railways greater freedom to adjust their charges to meet competition and increase their earnings. Therefore, it should enable the railways themselves to bear the burden of a legitimate increase in wages.

Now, there is the Prime Minister. He says that the subsidies are \$100 million a year.

Now we come to Mr. Pickersgill. Somebody very rudely described Bill C-231, which is the National Transportation Bill, as being "a handy document." I have heard about a handy document in other places.

Hon. Mr. Croll: Soft-covered.

Hon. Mr. McCutcheon: In this handy document Mr. Pickersgill, contrary to what Mr. Justice Spence did, summarized. What he says about the bill is this:

In place of the three special subsidy funds, it provides for a transitional subsidy to the railways which will start at approximately the present level of railway subsidy payments, namely, one hundred and ten million dollars per year—

Now, Mr. Pearson said it is \$100 million and Mr. Pickersgill said it is \$110 million. The *Ottawa Citizen* the night before last said it was \$125 million.

—and commencing in 1968 will decline at the rate of twelve and one-half per cent of the present subsidy each year.

I tried to ask a question of the Leader of the Government (Hon. Mr. Connolly, Ottawa West), and it was quite proper for him not to accept my question, and when he finished, and having regard to the high note on which he finished, I felt to ask a vulgar question about money would be highly inappropriate.

Hon. Mr. Connolly (Ottawa West): That will be the day!

Hon. Mr. McCutcheon: But this bill we are considering will cost the railways \$48 million this year. My friend Senator Croll, when I asked him the question, said, "Of course we have been paying these deficits all along." All right. And when the full 18 per