

Transportation

member for Acadia. I am sure that in subsequent deliberations in respect of this legislation there will be an opportunity for us to reinforce the western point of view and western concern with regard to branch line abandonments.

I might say that the three prairie provinces have waged a tireless campaign for justice and satisfaction in respect of branch line abandonments and in respect of many of the other points to which reference has been made in these past few moments. So far, there still is the anxiety, concern and fear in the west to which I already have made reference. There still is anxiety, concern and fear that the new legislation frees the railways to an extent which will redound to the disadvantage of western shippers and western consumers.

When these new maximum rates are imposed, the question arises as to how they will be borne. When new freight rates are imposed at any time at any point, the question arises as to how they will be borne and who will bear them. One concern we have is that the anticipated rate increases will be buried in the economy of western Canada; that if certain shippers in the west are classified as captive shippers, either through their own appeal or through a classification being imposed upon them from without, they will pay rates which they cannot afford, and the effect of these rates will be buried in our economy. It is feared that this exercise will militate to the disadvantage of western Canada. The fear is that the rates will be buried in higher prices charged by the manufacturers and shippers themselves, and that they will also be reflected in lower wages on the prairies.

We feel that these economic problems are acute and very important ones at the present time in western Canada where a whole region of the country is attempting to win for itself an equal share in terms of national development in this nation. The result of higher freight rates will certainly be higher living costs for all. In this connection, in the few minutes remaining to me, I would also mention the importance of the new railway wage settlement which recently has been announced, and the effect it will have on the western consumer and the western freight rate payers.

● (4:40 p.m.)

As I understand it, the new agreement in respect of the 70,000 member brotherhood of railroad trainmen and the 55,000 residual non-operating group is to provide wage boosts of

[Mr. Sherman.]

24 per cent for unskilled workers and 28 per cent for skilled workers over a three year period. Similar settlements for wages and fringe benefits were reached earlier this month by federal mediator Carl Goldenberg with the 25,000 member shop craft union group. An agreement in respect of the 20,000 member Canadian Brotherhood of Railway Transport and General Workers is still to be settled.

The non-operating groups, totalling 100,000, were averaging \$2.22 per hour before this increase went through. The 20,000 trainmen were averaging \$3 per hour over a three year period. By simple arithmetic, it can be determined that under these new wage contracts the railways are faced with meeting a payroll over the next three years which will amount to tens of millions of dollars more than anticipated. Simple experience tells us where they are going to go to find that extra revenue, to meet that additional expense. They will go to the freight shipper, as a result of which freight rates will go up.

Western Canada, because of its long-haul position and its dependence on the railroads, is going to suffer most. The long-haul shipper must suffer because of his fundamental dependence on the railways of this country for shipping the bulk of his produce. He is the one who will really bear the burden of this wage increase. This is a classic position of discrimination against western shippers and consumers. The MacPherson commission was intended, among other things, to remedy this historical imbalance. The intention was to eliminate this discrimination which caused an increase in prices to consumers.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has now expired.

Mr. Pickersgill: Mr. Chairman, I have the opinion the hon. member has almost completed his remarks. Perhaps the committee would allow him to conclude.

The Deputy Chairman: Is it agreed that the hon. member be allowed to continue?

Some hon. Members: Agreed.

Mr. Sherman: I thank the minister and members of the committee for their indulgence, and I should like to say that I have reached the final moments of my remarks.

The MacPherson commission was set up in large part to do away with this element of discrimination against shippers in certain