

*Maintenance of Railway Operation Act*

of Mr. Crump that the employees should accept a wage standard or have their wage level related to the vagaries of the financial position of the railways, as that goes up or down, it seems to me you break wide open the whole industry which has had a reputation for being an excellent one and one of the basic ones in Canada. It does not seem to me we can accept the position Mr. Crump wants, that is that wages on the railways be related directly to the upcurrents and downcurrents of the Canadian economy.

The Leader of the Opposition made the point that he feels the Canadian Pacific Railway is in a position to afford the pay increases. The leader of the C.C.F. made that point the other day in the house. We feel that the Prime Minister, in his refusal to consider a subsidy, in his refusal to consider a direction that these payments be delayed at least until May 15, is being much less than fair to the workers.

The whole question of a subsidy and the position that the Minister of Labour took is something ironical. This parliament, ever since I arrived here three years ago, has done nothing but hand out subsidies in various directions. I believe I have voted for every one of them. I am not going to pinpoint any of them, but anyone from the maritimes, anyone from the west or any other part of Canada is aware of the fact that there are subsidies which are in the public interest. Here are railway employees whose situation is affected by the freezing of freight rates in the public interest. What is so terrible, what is so awful about a subsidy in this particular case? It certainly seems to me that right within the railway structure at the present time we have a whole host of subsidies.

As the Prime Minister is aware, we have the bridge subsidy in my area which subsidizes the railways for the high cost of the particular bridge section around lake Superior. There was a subsidy put through during the last session and the session before as a result of the last crisis in order to keep the lid on freight rate increases granted by the board of transport commissioners. These are all subsidies. They are subsidies that are going to the Canadian Pacific Railway. Where is the great precedent? Does not the bridge subsidy go to the Canadian Pacific Railway?

This argument in particular, historically, it seems to me is a nonsensical one. Ever since the Canadian Pacific Railway got under way it has been subsidized. There was a subsidy of \$45 million and 25 million acres of the best western land granted to the Canadian Pacific on its inception. It has been getting subsidies ever since. It got a magnificent one early in the depression when

it last got into trouble. To argue that if you subsidize now it sets a precedent in connection with private enterprise is to miss the point that the Canadian Pacific, in that sense, is not a private enterprise.

I was interested in the submissions put forward by the unions before the board of conciliation. They quoted from a number of authorities who have looked closely into the question, and one of them is Mr. Justice Sloan who, in 1954, arbitrated the fringe benefit dispute. He gave much attention, according to this submission, to that question. He was quoted in this way:

The railways, including the Canadian Pacific, are thus not a truly private enterprise in any realistic sense. They have, and will continue to play, a most vital part in the development of our national economy. They are integrated with every form of our national life. The freight rate structure, as I have said, is in a state of distortion.

And he goes on. Here is a man who looked into the matter closely. He has a wide and sound reputation. His recommendations were considered and, I understand, implemented. He makes the point that the railways, including the Canadian Pacific Railway, are not truly private enterprises in any realistic sense. The employees of the Canadian Pacific Railway and of the Canadian National Railways are not employees in any truly private enterprise sense, whatever you may say about the standard process of industrial relations.

These are employees who are severely limited by regulations and by the carrying out of a national policy. We can only conclude that they are going to pay the subsidy; the workers are going to pay the subsidy at least for another six months. Because of that point we feel it is our responsibility as the parliament and the government of Canada that over the years has developed this national policy, not the responsibility of the workers, to subsidize an indecisive government.

**Right Hon. J. G. Diefenbaker (Prime Minister):** On this occasion, Mr. Speaker, I intend merely to deal with one or more generalities that have arisen. In particular I intend to contend, although for the moment not raising the point finally, that the amendment proposed by the Leader of the Opposition (Mr. Pearson) is in effect not an amendment but is simply an enlarged negative.

**Mr. Pickersgill:** Mr. Speaker, I rise on a point of order.

**Mr. Diefenbaker:** If the hon. gentleman will just allow me—

**Mr. Pickersgill:** I have risen on a point of order.