

*Supply—Transport*

equipment and a modern icebreaker I am confident that port could be kept open longer than it is now.

I discussed this matter with the wheat pool and asked them why they were not using the port to a greater extent. They said they could not ship grain from Canada until the consignment had been sold in England. I asked them what they did in winter in respect of consignments going abroad, and whether they could not build in England or Scotland a terminal elevator to which they could ship during the summer months and in which they could hold the wheat for delivery, just as they ship to Portland or Halifax or Saint John for winter delivery now. That would save us a considerable amount in freight rates, and we have to look for every avenue of saving on freight rates if we are going to compete in the markets of Europe. Eastern Canada has profited greatly from this handling of grain. We do not complain about this, but what is our position when we come to buy? Our natural market lies to the south in Minneapolis and St. Paul and in the large implement houses in the midwest. Freight rates from there are much lower and we could obtain our farm implements at much lower prices. But, no. Although we are forced to sell on the open market, we must buy in a closed market and pay for the high protection that is necessary to develop industries in Canada as well as the long freight haul from eastern to western Canada. We did not complain about this until the rates became discriminatory, but the recent rate increases have resulted in a difference of 15 per cent between the eastern and western rates. The real issue here is that of discrimination, not just freight rates.

I should like to refer to a suggestion made by Mr. Tucker, the leader of the opposition in Saskatchewan. He suggests that payment be made to the railroads from the federal treasury, by all the people of Canada, of an amount sufficient to take care of the cost of bridging the gap between the different settled areas of Canada, and then when that is done equalized freight rates should be established right across the country. Of course, close account would have to be kept of the railway operations and accounting systems.

We in western Canada feel that we have some protection in the Crowsnest pass agreement. We paid for it and it never should be abrogated. We almost lost it when the union government was in power, but Senator Watson picked it up in the Senate; otherwise we would not have any agreement today. When I hear someone talking about the reform of the Senate I am inclined to think that at that time it was probably a little

[Mr. McCusker.]

brighter than the House of Commons. All the railway acts, all royal commissions, the board of railway commissioners now the board of transport commissioners, were brought into being or set up by Liberal governments. I fail to see any basis for the opposition amendment. As one representing a western constituency I call upon the government to exercise its authority and see that injustices are not permitted.

Before closing I should like to comment upon a few of the things said by a most inconsistent gentleman, the hon. member for Rosetown-Biggar. I am sorry he is not in his seat, but I am sure the hon. member for Cape Breton South will report what I am saying to him. Normally the hon. gentleman advocates state control, but this morning he was advocating keen competition among the railways. He protests that the freight rate increases are too great and should not be granted. I should like to quote an editorial that appeared in the *Ottawa Journal* of February 1, 1950, as follows:

Payment by somebody else

Three western grain organizations appeared before the royal commission on transportation this week to attack railway wage scales. They said the railways' payrolls were too heavy, that rail wages and salaries should be re-examined before attempt was made to increase rates on grain.

Too bad these western grain organizations (Manitoba pool elevators, Saskatchewan co-operative producers and the Alberta wheat pool) did not think of that before. For had they thought of it a year or so ago, when the railways, faced with higher wage demands, were saying that higher wages must mean higher freight rates, their thought might have meant something.

As it was, the railways were left to fight their own battle. The western grain organizations were silent. The provinces were silent. The politicians were silent.

As a consequence, this happened: That when a conciliation board decided the railway employees should get so much and the railway employees insisted on more, the dominion government, not hearing any protests from the western grain organizations nor from the provinces nor from anybody else, stepped in and said the employees must have more.

The railways agreed; they had no alternative. As Mr. Justice Rand put it in the supreme court some weeks ago, they (the railways) "paid what they had to pay." And when they paid, and the stage was necessarily set for higher freight rates (for how else were the railways to get the money to pay the new wage costs?) not a word came from the west. The government wasn't told that by compelling the railways to pay higher wages (higher even than a conciliation board held to be fair) it was incurring the danger of higher grain rates. If the thing was thought about at all, it apparently was thought of with the idea—so common these days—that payment would be by somebody else.

It will be remembered that this morning the hon. member for Rosetown-Biggar protested against any increase in rail rates. However, the railways have shown distinctly that