

*Department of Transport Act*

For many years the farmers struggled to establish the wheat board and in conjunction with that farm organizations, co-operative organizations, under which they would own their own pool organization, the wheat pool, and deliver their grain to their own organization, and have their own organizations sell that grain on the Winnipeg grain exchange to start with, while it was still there. Then later they fought for the establishment of a wheat board.

Gradually, through the years, that fight has been successful and the producers on the prairies thought they had solved their problems pretty well. At any rate, the sale of their products was made through an orderly marketing setup at whatever price the commodities sold at in the markets of the world, and that price was returned to the producers less the costs of handling. That is exactly what the farmer wanted.

The establishment of the wheat board was a blow to the grain exchange; it was a blow to the line elevator companies which operated in that country. The farmer thought it was only right and just that he should have the returns of his labour sent back to him after his grain was sold. Everything seemed to be moving pretty well in the direction of the establishment of something fair and equitable. Then, along with the extra production and the difficulties of markets, a further complication arose which has again taken the cup of success away from his lips which he thought he had won. That complication was the person who was put in control of and arranged for the box cars to reach his elevator. For many years his wheat pool elevator gained and gained business and finally got a little over 50 per cent. Then appeared this new complication, namely, the matter of box car allocation. He found that in spite of the fact he had his own elevator, in spite of the fact it was the wheat board that was handling his grain, in spite of the fact that he had his own terminal elevator and, in many cases, terminal milling companies where he could sell his grain to his own organization, the business that he was able to do through his wheat pools was being cut severely because he could not get box cars. He was thus denied, and in recent years had been denied, a basic right which he had previously almost taken for granted, namely, the right to deliver grain to the elevator of his own choice, the right to deliver his grain to his own elevator because, in the operation of an elevator business, there is not only the job of doing away with the exploitation of the grain exchange and of the line elevator companies but there are the returns which naturally come from the profits of handling his own grain through his

[Mr. Castleden.]

own organization, namely, the wheat pool. Any profits which accrue out of the business of handling grain are returned to the producers in the form of dividends. Surely, then, it is only right and just that the producer should be permitted to deliver the grain to his own elevator.

To the extent to which he was permitted to do that we find there has been a gradual decline in line elevator companies. Some of them were very severely hit and some of them are struggling to exist against the people's movement, the co-operative movement, which has risen to establish some rights for the farmers, to establish the co-operative business as a means of combatting the competitive system which had a monopoly in the handling of grain and which for years had exploited and manipulated the price of grain in Winnipeg. They made it low in the fall when the farmer had to sell, and then when they sold it on the world market they cleaned up for themselves and took the benefits of the farmers' toil back into their hands and made many millionaires in the city of Winnipeg and on the Winnipeg grain exchange.

Naturally, the grain exchange and the grain companies organized to compete with the farmers, and their fight against the pools has been continuous, strenuous and steady. It has never been given up. They still, I believe, carry some hope in their hearts that some day they might be able to beat down the people's co-operative movement which includes, I would say, a large percentage of the producers in western Canada. The transport controller enters the picture at this point and becomes the key person to the whole situation.

It seemed very unfortunate to many prairie producers that the man who was selected transport controller and who exercises control over the allocation of box cars is the man who was at one time president of the Winnipeg grain exchange and who for many years was the president of one of the largest grain companies in the business. Naturally the co-operative producer looks upon such a man as a person having motives of his own in the handling and allocation of box cars and in business which affects the operation of the wheat pools and their co-operative associations.

I am giving this background to the minister in order that he may understand why there is a great deal of mistrust towards the transport controller and why the farmers look upon the transport controller as the person responsible for box car shortages when they hear there are insufficient box cars in their region to handle the grain in the fall of the year when they are loaded down with grain and when their bins are full.