

rapidly as possible those people who give every indication of being the type of citizens we want for our primary industries.

Before resuming my seat, I should like to make brief reference to a subject which has been mentioned in the house this evening, namely the application of the railroads for a thirty per cent increase in freight rates. I have been asked why the prairie provinces are so much opposed to the request by the railroads for this increase. My answer is that those provinces feel they are being discriminated against.

Someone may ask: Why do they feel that there is this discrimination? It amounts to this, that a thirty per cent general increase in freight rates is not actually what the railroads want. We know that water rates compete with the freight rates structure, and that the railways must meet those rates. Therefore a general increase can be general only with the exception of those places where water rates apply. In a nutshell that is why the prairie provinces are so much opposed to the proposed increase. As I said, water rates do not affect the prairie provinces in any degree. We have no waterways and, therefore, water rates cannot apply. But certainly if an increase is allowed it will be made to apply, regardless of those whom it may not affect.

For instance, inland waterways are waterways just as surely as are those along the sea-coasts. Steel shipped from Hamilton to Vancouver is accorded the waterways rate, and if a railway carries that steel by rail it must meet the water rate. I would ask on what basis the railways association fixes its rates. It is generally known that in the past it has fixed the rates, and any changes which have become statutory or otherwise have been negotiated at a later time.

Once again I shall refer to my constituency to give an example of what I have in mind. Out there we have the Pembina Mountain Clays Company Limited. This was a strategic wartime industry; in fact, it was on that basis that it got its start. It is engaged in the mining of clay, the greater proportion of which is talc. It may be known that talc is a material which is highly heat-resistant. It is found in my constituency, because some 70,000,000 years ago, when most of that area was under water, volcanic ash was deposited on the water, settled in the form of silt and later became rock. It is this material which is mined today and which, after purification, is shipped to Sarnia, at which point the

[Mr. Winkler.]

Imperial Oil Company, the chief customer, uses it in connection with the purification of oil.

There is only one other industry like it on the North American continent, and it is situated near Jackson, Mississippi. In other words, that is the only competing company. The freight rate from Jackson, Mississippi, to Sarnia was, and for many years has been, \$9.46 a ton, on the United States railways. When the Canadian industry started operations during the war the Canadian freight rates association fixed the rate from Morden, Manitoba, to Sarnia at \$16.60 a ton, or almost double that charged by the United States railways for a similar distance. Three years later, in 1944, after this situation had been aired in the House of Commons by an hon. member whose name I shall not mention, when speaking on the budget debate, without being asked to do so the freight rates association reduced the rate to \$12 a ton.

The company still felt, however, that they were being discriminated against and made further representations, with the result that on October 1 of last year the rate was reduced to \$9 a ton. It will be readily seen that, at a time when transportation costs were increasing, in this particular instance the rate was going down, and that, indeed, it came down from \$16.60 in 1941 to \$9 in 1946. If the basis used by the railways is similar on most occasions, one is led to suspect that the basis on which they arrange these rates is that of charging what the traffic will bear. We claim, therefore, that their basis is open to question.

I believe, Mr. Speaker, that I have said all I wish to say at this time.

(Translation):

Mr. GEORGES H. HEON (Argenteuil): Mr. Speaker, I rise to a question of privilege. Am I to understand that the hon. member for Drummond-Arthabaska (Mr. Cloutier) will not speak tonight? He is a graduate of the best college in the province of Quebec, Victoriaville College, whose former students include the hon. Postmaster General (Mr. Bertrand), the hon. member for Beauce (Mr. Dionne), the hon. member for Nicolet-Yamaska (Mr. Dubois) and the hon. member for Pontiac (Mr. Caouette).

SOME hon. MEMBERS: Order.

Mr. SPEAKER: I see no privilege in that. I would therefore ask the hon. member to state his question of privilege as briefly as possible.

Mr. HEON: I merely wished to inquire if we should have the pleasure of hearing