

*Canadian Wheat Board Act*

the Port Arthur-Fort William price less the freight from the point of delivery. After that amendment to the wheat board act those people whose freight rate to Vancouver was less than the freight rate to Port Arthur or Fort William were paid for their wheat on the basis of the Vancouver freight rate.

During the war, the wheat board took delivery of that wheat and, although little wheat was shipped through the port of Vancouver and most of it was taken to Port Arthur and Fort William, the difference between the freight rate to Vancouver and the freight rate to Port Arthur-Fort William was paid out of the general funds of the board. It was an equalization measure and, so far as the remainder of the growers were concerned, the freight rate was equalized. The people who live in northern Saskatchewan and northern Manitoba find the freight rate to the port of Churchill is lower than the rate to Port Arthur-Fort William. It is my belief that those people should receive the benefit of that lower rate structure, and that is the reason for the introduction of this bill.

There is not as great a differential in the freight rate to Churchill as there is in the freight rate to Vancouver. As a matter of fact, if we take Hudson Bay junction as being the point at which wheat from northern Saskatchewan will go either to Port Arthur or Churchill, we find the freight rate from Hudson Bay junction to Port Arthur is 21 cents per hundred. The freight rate to Churchill is 18 cents per hundred. This leaves a difference of 3 cents that those people would receive in the form of an increased price for wheat because of that lower rate to Churchill. If the freight rate were equalized, however, on the basis of miles, the differential would be greater.

The mileage from Hudson Bay junction to Churchill is 598.6 miles and to Fort William and Port Arthur it is 816.5 miles. Worked out on an equalized mileage rate this would mean that the freight rate from Hudson Bay junction to Port Arthur or Fort William should be 15.6 cents per hundred rather than the 18 cents. Again, if the railroad construction program which should be carried out in northern Saskatchewan were completed, and if those roads which were started towards the port of Churchill or towards The Pas in Manitoba to connect up with the Hudson Bay railway were completed—that is, from Nipawin north, from Carrot River and Arborfield north to The Pas—that would reduce the mileage again so that there would be a reasonable advantage in the freight rate to Churchill as compared with the freight rate to Port Arthur and Fort William. We in that part of Saskatchewan feel that, if the people in

western Saskatchewan and Alberta are to receive the benefit of the lower freight rate to Vancouver, we should be entitled to the lower freight rate to Churchill.

The minister may say that that 3 cents that is there at the present time does not amount to anything, and that the diversion charge that is made by the grain company eats up the advantage that there is in the freight rate. That argument is right at the present time. Personally I think it is time that we did something about these diversion charges. For instance, I see no reason why companies handling the farmers' grain, especially where they are shipping it to a point where they have no terminal elevators of their own, should charge 1½ cents a bushel for diverting that grain to that particular point. That is what happens at the present time. Whatever justice there may be in the elevator companies making this diversion charge where the wheat is going to Port Arthur and Fort William where they have a terminal of their own, in which this wheat could be placed, when the wheat is placed in a terminal elevator other than their own and a diversion charge of 1½ cents a bushel is made, I certainly cannot see any justice in that. As a matter of fact, I do not think they should make that charge at all. I do not think it is justified. At the present time that diversion charge is there.

But even though that diversion charge is there, if this bill were to pass it would mean—as it has been interpreted to me, at least—that the favourable freight rate would be paid on all grain grown in that area even though it did not go to Churchill, and that we would get paid for our wheat on the basis of the more favourable freight rate to Churchill even though that grain went to Port Arthur or Fort William. That is what is happening in western Saskatchewan, and that is what is happening in Alberta where they are paid on the basis of the Vancouver freight rate structure there.

There is just one point which I hope the minister will clear up, and it is this. If it is the government's intention to make a different price on wheat out of Churchill in respect of the world wheat agreement, this bill might mean that the advantage which might be gained through that price could not be passed back to the farmers living in the favourable freight rate area adjacent to the port of Churchill. I do not want the bill to have that effect. That is not the intention of the bill. The intention of the bill is simply to provide that those people in the freight areas favourable to Churchill should have the same privileges as are enjoyed by those people in western Saskatchewan and Alberta with respect to the port of Vancouver.

[Mr. Wright.]