

heading is: "Saskatchewan Liberal chieftain advocates nation defray costs of shipping goods over barren western Ontario." He says that is the Liberal policy in connection with freight rates. Am I permitted to read this item, Mr. Speaker?

Mr. KNOWLES: He is a member of the house.

Mr. KNIGHT: The hon. member for Rosthern is a member of the House of Commons, but here he is expounding Liberal policy, and I think it has a distinct bearing on what we are talking about:

Mr. Tucker contended it therefore followed that it was a national responsibility and not the responsibility of the west to defray the high costs of shipping across this barren territory.

Then listen to this:

Mr. Tucker declared absorption by the federal government of the costs of maintaining railway service across the barren western Ontario area would provide the railways with sufficient revenue to lower freight rates in the west to the level prevailing in the east . . .

That is the Liberal freight policy, says the hon. member for Rosthern. I should like to ask the minister if that is dominion Liberal freight policy, and if he intends to do anything about it. Talk about serving two masters: the hon. member for Rosthern appears to have the unfortunate facility of being in the wrong place at the right time. When matters of tremendous importance in the province were going to take place in the provincial legislature in Saskatchewan, he was offered a seat there, but he could not consider it, being needed in Ottawa.

Mr. DEPUTY SPEAKER: I do not think the hon. member is now discussing the freight rates question; he is discussing the hon. member for Rosthern (Mr. Tucker).

Mr. KNIGHT: It is freight rates I am coming to. I am saying what he would do about freight rates; what he said he would do about it.

Mr. DEPUTY SPEAKER: I did not interrupt the hon. member when he was referring to what the hon. member for Rosthern had said about freight rates. But when he is discussing the hon. member for Rosthern, then I must call him out of order.

Mr. KNIGHT: The hon. member for Rosthern said out in Saskatchewan what he would do about freight rates if he were here. Where is he? When matters vital to my province are happening here in Ottawa, the hon. member for Rosthern is not in Ottawa; he is out electioneering in Saskatchewan.

Mr. DEPUTY SPEAKER: Order. I must ask the hon. member for Saskatoon City not to discuss the hon. member for Rosthern.

Mr. KNIGHT: We will leave the hon. member for Rosthern alone, and turn to more important matters.

Mr. GARDINER: He will take care of them, anyway.

An hon. MEMBER: Who is coming in now?

Mr. KNIGHT: I believe I have made my position clear in the matter of freight rates. This is an important question for the city of Saskatoon, not only to the businessmen who are operating in a wholesale capacity. It is also important to every man, woman and child in that particular part of the country. I sincerely hope the government will see fit to see to it that the railroads from now on are run in a more equitable and just manner.

Mr. RONALD MOORE (Churchill): Mr. Speaker, the recommendation of the board of transport commissioners was received with some misgiving by those sections of the country in which freight rates are already considered to be too high. For a great many years the maritime provinces, the prairie provinces and British Columbia have felt that freight rates in those areas were out of line, when compared with those of the central provinces of Ontario and Quebec.

I do not at this time intend to cover any of the ground already covered respecting the difference in freight rates in the areas mentioned. What I should like to do is to go over a little bit of railroad history in Canada, and then try to indicate the policy which should be followed at this time.

For many years it has been a known fact that the capitalization of the Canadian National Railways has been out of line, when compared with the actual assets of the company. For instance, the Grand Trunk Pacific, which was one of the privately owned railroads which, with its branch lines was taken under the national system, cost a total of \$197,139,391. The public subscribed nearly \$128 million, or 65 per cent of the entire cost. Of the total capitalization, 88 per cent was in bonds and only 12 per cent in stock. This, of course, meant that there was a heavy load of fixed charges, amounting annually to more than \$8,500,000, or \$2,855 per mile. This is more than three times the fixed charges of the Canadian Pacific.

The Canadian Northern, another line taken over by the Canadian National, received large grants from the federal government and from provincial governments when it operated as