

Western Grain Transportation Act

the Crow rate because I believe it is necessary to address this matter from the viewpoint of the farmer and his family farm.

• (1440)

Mr. Baker (Nepean-Carleton): Are you talking about Ontario or about western farmers?

Mr. Ferguson: I am talking about Canadian farmers, true Canadian farmers.

Many people believe that the Crow rate agreement signed back in 1897 was good for Canada, for western Canada in particular. I agree with them because it helped to settle western Canada and led to the development of that part of this great nation. In fact, many of my relatives went to western Canada at the time of the building of the railroads and settled in all three prairie Provinces; some even went on to British Columbia. It is good for Canada because it enables us to compete in world markets. While it is true that establishing a fixed rate on grain and flour for export to Thunder Bay in 1897 assisted in the development of the West, the Royal Commission on Dominion-Provincial Relations in 1913 indicated that a development of probably more far-reaching significance was the phenomenal decline in ocean freight rates.

In 1896 ocean rates were only one-half of what they had been during the 1870 to 1875 period. They continued to fall until 1908, while wholesale prices were rising. The prices of iron and steel, which largely determined the costs of the railways and the implements of production, were falling steadily in relation to the value of the products of farms, and interest rates were the lowest in recorded history. The British investor was willing to lend overseas in unprecedented volumes. At last Canada's hour had struck. Between 1896 and the advent of the First World War, the prairie Provinces attracted a million new settlers and the production of wheat expanded from 20 million bushels to about 200 million bushels.

By 1930 the rail system of the Prairies reached its peak in size with about 19,250 miles, and there were about 300,000 farms in operation. In Canada today we have approximately 318,000 census farms in all of Canada. Of course these farms were labour-intensive. They required harvest crews of perhaps 15 men to 20 men to operate thrashing equipment and steam engines. Many horses were involved, approximately a million horses, to haul grain to the elevators in wagons.

The Port of Churchill opened in 1931 and the statutory rate on export grain was applied to that port, which meant that the Crow rate of 1897 then applied to CN, CP and all four western ports. It was in the 1930s that significant changes began to appear on the family farm with the introduction of the tractor and the truck. Farmers became more efficient and productive, and many of the changing services required for effective agricultural production were best provided in various urban centres. This was a migration from the farm sector to the town and cities. As a result, the rural component in Saskatchewan in particular declined from 84 per cent to the total population in 1901, to 54 per cent in 1966 and to about 20 per cent today.

In fact, a review of the social and economic trends and developments in Saskatchewan since 1897 show that the Crow rate has not been a significant factor in maintaining the rural-oriented lifestyle advocated by some. The existence of the fixed rail rate on grain for 86 years has not prevented a significant shift of the population from rural to urban, where only about 20 per cent reside on farms today compared with 84 per cent in 1901. The same trend became evident in other Canadian Provinces, not only in the western Provinces. It did not prevent the consolidation of farms either in size or absolute numbers. The rate on grain did not prevent the consolidation of elevators and delivery points by about 50 per cent since 1930 or the demise of small communities. This has happened in other parts of the country as well. County elevators in Ontario, for example, had elevator legs which would elevate approximately 1,000 bushels per hour. Now there are many, many elevators which handle up to 5,000 or even 10,000 bushels per hour. This led to the demise of smaller elevators and smaller companies. Factors such as the growth of the road system and electrification have also had a more significant impact on small communities than has the Crow rate. The consolidation of school units, medical centres, newspapers, post offices, bulk oil and machinery dealerships has been on the same scale in all other parts of Canada as it has in the West.

It would be wrong to conclude that as a result of these trends the growth and development of the Prairies have been stunted. This is not the case at all. In fact, the development of the Prairies, particularly their move toward diversification into such areas as minerals and oil resource development, has put them in an enviable position vis-à-vis most other Canadian Provinces. In the words of the Prairie Rail Action Committee, "Whatever else these trends show, they demonstrate that the Prairies are dynamic, served by pleasant, sophisticated moderately large and growing urban areas."

Let us take a closer look at what is happening on prairie farms. There has been a steady increase in the number of acres in each farming operation. For example, the average Saskatchewan farm increased from 686 acres in 1961 to 939 acres in 1976. Today the average farm size is about 1,000 acres. The same thing has happened in Ontario and in eastern Canada in general.

In 1941 there were 138,713 farms in Saskatchewan. By 1951, the total had increased to 112,018. In 1981 the total was 67,318, or a reduction of 40 per cent in 30 years. The number of farms larger than 1,600 acres increased to 9,055 in 1981 compared with 2,931 in 1951, or an increase of about 300 per cent. There are approximately 145,000 Canadian Wheat Board permit holders in the Prairies. In 1930 there were approximately 300,000. Only one-fifth of the 145,000 currently produce about 50 per cent of total grain receipts.

The prairie farm of 1983 has changed dramatically since 1930. This is not only the case with prairie farmers. It also applies to farms in the rest of Canada. The farm today is capital intensive rather than labour intensive. It is almost possible for a husband working on the combine and his wife driving the truck to bring in the harvest themselves compared