

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Thirteenth Legislature
21st Day

Thursday, March 10, 1960

The House met at 2:30 o'clock p.m.
On the Orders of the Day:

NEWSPAPER CORRECTION

Hon. J.T. Douglas (Minister of Highways): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to draw the attention of the House to an article which appeared on the third page of March 9th issue of 'The Leader-Post', stating that three bus routes had been discontinued during the year under review. I can well understand why the press may have made this statement. Trying to think back on the question that was asked, I believe it was something like this: 'How many bus routes have been discontinued by the S.T.C.'. Of course, we have discontinued three over the years, but there were none discontinued in the year under review. I wanted to make that plain.

Also while on my feet, I wish to draw your attention to an article on the editorial page this morning, which states 'Strange Discrepancy', and goes on to state that the price paid for the present bus depot property was only \$51,000. That has been answered in this Legislature a number of times, and I find that in Return No. 40 of last year's Session, it was pointed out that the property which we bought from the St. Mary's School cost a total of \$51,000. The property we bought from the McAra property cost us \$37,000, which makes a total of \$88,000 and for reconversion and renovation, it cost \$32,235 which makes a total of \$120,635 — the answer which I gave in Crown Corporations the other day.

WELCOME TO STUDENTS

Mr. A.T. Stone (Saskatoon City): — Before the Orders of the Day are proceeded with, I would like to draw your attention to a group of public school children from the Westmount School in Saskatoon, with their teachers, Miss Lang and Miss Irwin. I am sure all members will join with me in saying how happy we are to have them here, and hope their trip will be a worthwhile one, and also an enjoyable one.

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MOTION RE CROW'S NEST PASS FREIGHT RATES AGREEMENT

Moved by Mr. Thurston (Lumsden), seconded by Mr. Dewhurst (Wadena):

“That this Assembly is unalterably opposed to any change in the Crow’s Nest Pass Freight Rates Agreement, and urges the Saskatchewan Government to continue its efforts to obtain a complete revision of the freight rate structure with a view to removing the existing discrimination which adversely affects the prairie provinces.”

Mr. Cliff Thurston (Lumsden): —Mr. Speaker, the resolution which I propose to introduce today can be considered equal in importance to any resolution that has been moved in this House. Many resolutions have dealt in the past, with particular phases of our society, but I feel the matter of freight rates, the subject matter of this resolution, deals with the whole economy. Any increase in freight rates affects all our people, farmers, business men, rich and poor, people on fixed incomes. In other words, anyone who purchases goods from cars to tractors, to a can of beans or a spool of thread is affected by transportation costs. The resolution recognizes that freight rates have had an impact on our economy, not only in the province, but in Canada as a whole.

I would like at this time to commend our Provincial Government for its efforts to limit the rise that has taken place in freight rates, every time the railways have asked for an increase. It is true, freight rates have increased since 1946 by some 157.4 per cent, but I feel that the increase would have been greater had it not been for the efforts of our Provincial Government, along with other western governments, and the Maritimes governments in their efforts to keep these down. Proof of this was the last increase granted by the Board on December 1, 1958 of 17 per cent, by the presentation by these provincial governments just mentioned to the Board, and while the increase was in effect, Board Order No. 98424, dated July 10, 1959, substituted a 10 per cent increase for the 17 per cent, bringing the accumulative increase down from 157.4 per cent which I just mentioned, to 142 per cent. This reduction was made effective on August 1, 1959, for a period of one year, and was made possible by the payment to the railways by the Government of Canada of a subsidy of \$20 million as was provided for, in Bill C-38.

You will see, Mr. Speaker, that the resolution deals with two main points, firstly, the Crow’s Nest Pass Rate Agreement, and secondly, it urges the Provincial Government to continue its efforts to obtain a complete revision of the freight rate structure, with a view to removing discriminatory factors which affect the prairie region. I feel that all members, and I know the western farmers, view with alarm that the Crow’s Nest Pass Grain Rates have been raised by the Royal Commission on Transportation, which is presently sitting. It is viewed with alarm, in particular, after the statement of the Prime Minister.

The Prime Minister, speaking in the House of commons, when announcing the personnel of the Royal Commission, had this to say on Wednesday, May 13, 1959, page 3607 of Hansard:

“When the Minister of Public works, as Acting Prime Minister, announced the Government’s intention to arrange for this review, he assured the western farmers that such review would not mean they would pay more for shipment of grain for export. I wish to take this occasion to confirm this, in regard particularly to the action that may be taken as a result of the work of the royal Commission, to make it clear beyond question that the Crow’s Nest Pass Rates are part of a bargain that was made between the railways and the Government on the one hand, and the settlers who went west, on the other hand.

“We intend, insofar as this Government is concerned, to see to it that the contract shall not be broken.”

Mr. Speaker, the statement of the Prime Minister was taken by the farmers to mean that the issue of the Crow’s Nest Pass Freight Rates would not be raised by the hearings, but the terms of reference on the setting up of this commission, in spite of what the Prime Minister said, were large enough to scope to allow the railways to bring this forward. I would like to say under what section, and it was clause B of the Terms of Reference, which had this to say:

“The obligations and limitations imposed upon the railways by law by reasons of public policy, and what can and should be done to ensure a more equitable distribution of any burden which may be found to result therefrom.”

Mr. Speaker, I think this is a term under which the Commission has no alternative but to hear the Crow’s Nest Pass Rates discussed, and I want to state clearly that if the Crow’s Nest Pass Rates are tampered with to any degree, the blame will not be on the Royal Commission, but squarely on the shoulders of the Federal Government.

Government Members: — Hear! Hear!

Mr. Thurston: — I want to state clearly that if the Crow’s Nest Pass Rates are tampered with in any degree, the blame will not be on the Commission, and I am not going to take the time of the House now, Mr. Speaker, to go into the history of the Crow’s Nest Pass Rates agreement. I feel all members pretty well know the history of it, only to say that this was a mutual agreement by the C.P.R. on the one hand, and the Federal Government

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on the other, on the direct assistance of the Federal Government of some \$11,000 grant per mile in the building of the Crow's Nest Pass Road, and by the C.P.R.'s own statement, this constituted about 50 per cent of the cost of construction of this road. In return for this, the C.P.R. agreed to statutory rates for moving of grain from west to east, and for certain stable goods from east to west. I think this was a sound national policy. It aided the C.P.R. who found they could not compete with other means of transportation, particularly the American railroads, in the hauling of the rich minerals from the interior of B.C. It benefited the eastern manufacturer, to get his product out to the western market, and it aided the western settlers both in the purchase of needed supplies and in the shipment of their grain to export markets.

The Crow's Nest Pass Grain Rates became fully effective by September 1, 1899, and has remained stationery with the exception of an increase in the years 1920-22. Following World War I, the railways were able to convince the Parliament of Canada that an increase was necessary, but after July, 1922, the grain rates were placed back on the original rate. The major change in this Agreement came about in 1925 when the Federal Government removed the rate reduction of goods from east to west, but the rate of the movement of grain has remained at a statutory rate and can only be changed by the Parliament of Canada. I suggest if this was a sound policy 60 years ago, and I believe it was, it is every bit as sound a policy today.

The western farmer has cherished this Agreement down through the years, and our Premier, in his statement to the Royal Commission recently in this city, put it so ably, when he said the Crow's Nest Pass Rates have been described as the 'Magna Carta' of the western farmer – his Bill of Rights. So it is no wonder that the farmer views with alarm any suggestion of tampering of this Agreement. In normal years, Saskatchewan farmers have about 200 million bushels of wheat for export market. This wheat must be shipped some 950 miles by rail to the lakeheads, and then transported by water to the markets of the world, and it takes about 50 cents per bushel to get our wheat from a country elevator to the port at Liverpool. If the Crow's Nest Pass rate is broken or tampered with, it could cost the farmers of Saskatchewan millions of dollars, and this could be the death blow to the sagging agricultural economy which is on the brink of bankruptcy. As I said a moment ago, the blame will be placed where it should be, squarely on the shoulders of the Federal Government, for first allowing the terms of reference to be large enough to include the hearings on the Crow's Nest Pass Rates, and secondly, if any action is taken from the Commission.

The farmers are opposed, as I have said, to any tampering of this grain rate structure. They agree with the principle that these rates shall continue to be under the control of the Parliament of Canada. I feel that all members of the House hope that the Commission will make a report which will, once and for all, put a stop to the controversy on the Crow's Nest Pass Rate, and will give the farmer the assurance that this Bill of Rights will not be raised as an issue every time the railways feel they need more money.

The second part of the Resolution deals the freight rates in general, and I would like to take a few minutes to deal with the freight rate increases, and to show that they add to the farmers' cost-price squeeze that he is caught in. the 142 per cent increase in rates which I mentioned at the start, has been one of the main factors in pushing farm costs upwards. Machinery and repairs are just one example. It costs over \$100 to move a medium-sized farm tractor from Brantford to Regina, and over \$200 for moving combines. It is true, farmers are not buying tractors and combines every year, but we are buying repairs, and I think it is noticeable. I know on various occasions I have gone in for repairs and the freight rates have increased so many times that it is not listed in their list books; they take the price of the repairs first, and then add up afterwards the amount of freight. I can say it is a considerable burden which is placed on the backs of the farmers, the freight rates on repairs and machinery, and other commodities which the farmer must have.

Another thing that puzzles me in the freight rate structure is the inconsistency in their billings. I was told recently by a local dealer, that a billing from Brantford to Regina cost more than if it was first billed to Winnipeg, and from Winnipeg to Regina. To me it is inconsistent and ridiculous, and shows up another place where I think something should be done to straighten out our whole freight-rate structure.

Not only is the farmer of Saskatchewan affected by the increase in freight rates on things he purchases, but also on the products which he markets. I have dealt with wheat under the Crow's Nest Rate Agreement, but what about his other products? Over 80 per cent of cattle marketed, 60 per cent of the hogs, and 50 per cent of turkey meat is shipped by rail to the major cities of Toronto and Montreal, a distance of some 2,000 miles. The increase in the rate of hogs from Saskatoon to Toronto has risen from \$1.36 per hundred in 1948, to \$2.27 at the present time. The spread in prices between Saskatoon and Toronto has widened from an average of \$2.17 in 1948, to \$4.24 in 1958. When hogs were worth \$25 per 100 in Toronto, the Saskatchewan producer gets \$20.50, but if they drop to \$20 on the Toronto market, it means the Saskatchewan farmer gets about \$15.50. This holds true for all our meat products, and for that matter, any of the farmers' produce that is shipped any distance. To me, the whole freight structure needs overhauling, Mr. Speaker, if we are to keep the national economy sound. For example, if a Saskatchewan rancher suffers a freight rate increase of \$1 and the farmer near Toronto, only a few cents, it will not be too long until the Saskatchewan farmer is squeezed out of the Toronto market. the same thing holds true, on the other hand, if the Saskatchewan consumer has to pay a few dollars more for his consumer goods than the eastern consumer. I fear the standard of living of the western people will decline. Fewer goods will be purchased; then eastern manufacturers will lose some of their markets, and when they lose their markets, goods pile up; there is lay-off and unemployment, and we are back into the old vicious circle again. They cannot buy our goods; we cannot buy theirs, and the railway is caught between them, by not having the goods to haul either way.

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I want to say at this point that farmers, particularly, resent the claims of the railways that we are their 'poor relations', and I want to state that statistics show that on an individual basis, the farmers contribute more to the income of the railways freight-wise than any other individual group. We are caught both ways. A carload of wheat from Regina, using a 20-cent freight rate costs the farmer about \$240 to ship to the head of the lakes, and as I said, to bring a combine back, costs in the neighbourhood of some \$220. This goes for every product that the farmer has to ship; we have to pay the freight; we have to pay the freight back on the goods we use, and I think it is a very unfair statement of the railways to keep saying that the farmers are not paying their share, and that something should be done about the freight rates.

Mr. Speaker, there are other aspects of our economy that I could deal with which are vitally affected by the increase in our freight rates. The development of our natural mineral resources are certainly affected by increased freight rates. Manufacturing and industry which we all want so much in this province, are certainly adversely affected by freight rates, but I feel there are other speakers, and I will leave that for them to deal with.

In closing, I hope this resolution receives the unanimous support, which it deserves from the members of this House, and for the reasons I have given, along with the reasons that other speakers will give, I am pleased to move the above resolution, seconded by Mr. Dewhurst.

Mr. F.A. Dewhurst (Wadena): — Mr. Speaker, it gives me a great deal of pleasure to be able to have the privilege and opportunity of seconding this resolution. This is a resolution which is of very vital importance to every man, woman and child of this province; not only of the province of Saskatchewan, but of the whole of the three prairie provinces. We are vitally involved in the freight rate structure of Canada. It is true the Provincial Legislature, as such, has no jurisdiction over freight rates; therefore we cannot do anything about the freight rates. All we can do in this Legislature is to make recommendations to our senior government at Ottawa, and have them try to bring into their freight rate structure, the things which we in this House believe should be taken into consideration when arriving at a freight structure for Canada.

Many years ago, when Canada was being settled, it was felt the transportation of our nation was in the interest of all the people of Canada. When B.C. became a province, and became part of Canada, it joined Canada on the understanding that a railroad would be built from eastern Canada to British Columbia, and in order to make it possible for a railroad company in those days to build a road across the expanse of these broad plains, which were in those days unsettled areas, huge financial cash grants, and also large grants of land were given the railroad companies, so that they could put a railroad across this country, so that B.C. could be kept a part of the Dominion of Canada.

Those things were done. Across the expanse of prairie land here, it wasn't as costly to build a line as it was from western Alberta through to British Columbia, but nevertheless, this was the portion of Canada where they got all their land, and the farmers of this province since, in either leasing this land from the railroad companies, or buying it, have paid considerable sums of money which should be taken into consideration, when arriving at the revenues which the railroads have received.

When settlement came to the prairie provinces, and the Crow's Nest Pass Freight Rate Agreement came into being, as has been mentioned by the mover, it was agreed that due to the distance we are here from the seaboard, that there should be some recognition given of agriculture in the western part of Canada, and that it was in the interests of Canada, as a whole, that agriculture on the prairie provinces should be protected, and that certain commodities coming into the prairie provinces which would assist agriculture, should be protected. Since that time, the products which were coming in have been removed from the protected list, and all that we have at the present time which remains protected is the movement of our grain under the Crow's Nest Agreement. At the present time, there is some considerable battle going on to try and get rapeseed to be considered as a grain. I note in yesterday evening's edition of 'The Leader-Post' there was a headline saying, "Rapeseed Was Now Considered a Grain". One, in just reading the headline, would assume that, if it were now considered a grain, would come under the Crow's Nest Agreement, but when you read all the small print as reported in 'the Leader-Post', it points out that the decision as to whether rape will be considered a grain or not is not finalized yet, and there is no assurance at the present time that rape will come under the same classification as our other grains. I hope everything possible will be done to force on to the authorities the necessity of recognizing rapeseed as a grain, and to get the same protection as other grains of western Canada. Because, after all, we have many hundreds of thousands of acres seeded to grain in this province, and when land is seeded to rape, it takes that land out of production from other grains; therefore relieving the glut on the market of our coarse grains or wheat, which in turn should give the farmer the same protection because he is growing rape and not have to pay two or three times the freight he does on grain.

As I have said, every settler of this province has been affected; not only the farmers. Our urban people, whether they be just workers, or whether they be merchants, or what have you, are still affected, because all the commodities they have to sell are much higher than comparable goods in Ontario or Quebec, which is closer to the factories where they are produced. If Canada is going to be a nation, and continue as a nation, when we only have the one seaport on the prairie provinces, which is the Hudson's Bay, and it is only operated part of the year, then we must have other means of getting our produce to market or for getting the manufacturers' produce to the consumers here. Every freight rate increase which has been applied for, every province in Canada, with the exception of Ontario and Quebec, has presented briefs to the Board of Transport Commissioners, opposing the increase in freight rates.

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Ontario and Quebec did not deem it necessary to oppose the increase, because they realized that, regardless of what the Board's decision was, they had had other means of transportation which the competition itself would compel the freight rates to stay down. They had some large river waterways as a competitor to the railroads; also truck routes, which had become competition with the railroads, and of later years we have the St. Lawrence Seaways, where now ocean-going vessels can come right to the head of the lake to Port Arthur or Fort William, so the two central provinces, Quebec and Ontario, are not caught in the squeeze of the increased freight rate as we are in Saskatchewan here.

When this province was settled, our agricultural land in the southern part was predominantly grain-producing land, but in the park belt of this province, farmers couldn't improve their farms as cheaply or as quickly as could be done on the plains. Consequently, it was necessary for the farmers of the northern part of this province to work on the farm in the summertime, produce cordwood, pulpwood and lumber products in the wintertime. So when the freight rates on these commodities go up, it brings a hardship to the settlers of the northern part of this province. We have many hundreds of homesteaders who kept their families living through cutting cordwood and pulpwood in the winter time. But now at the present time with the freight rates being as they are, it is costing more for the freight on these products than what the producer gets for going into the bush, cutting all these products, cordwood or pulpwood, hauling to the railroad siding, and loading it on the freight car. All the costs on the work that he has to do is less than the freight rate.

There is an example, right in my hometown of Archerwill. Archerwill has been a town which throughout its history has been a very large shipper of wood products. In 1947, to send a cord of green, rough spruce pulpwood from Archerwill to Dryden, Ontario – a distance of some 599.7 miles, it was \$5.85, but today, due to the increase in freight rate, the same cord of wood would cost \$13.05. So that is, roughly, almost two and a half times the freight that it was some 12 or 13 years ago, and the \$13.05 is more than the producer of pulpwood at Archerwill is getting.

The same holds true with livestock producers. The stock they are shipping today is costing them two and one half times as much as it did 12 or 14 years ago.

I have here in my hand a copy of the brief which was submitted to the Royal Commission on Transportation, which was headed by Mr. M.A. MacPherson, Q.C., and was submitted to them recently by Mr. M. Kalmakoff, who is in charge of the Timber Board. In this brief he has given the Royal Commission considerable statistics on the cost of moving wood products from Saskatchewan to the markets of Canada, and to the markets of the eastern States. I won't take up the time of the House to go into them all, but I would like to give one or two examples to show what it is costing now to get these products to market.

As an example, from Nipawin to ship a cord of wood to the Wisconsin Rapids area, rough, green wood, it costs \$24.75; from Prince Albert, a little bit more, \$25.25, and if you go as far as Big river it is then almost \$28 a cord to ship a cord of green cord wood, unpeeled, to Wisconsin. On the other hand, you can ship it a further distance into the States from Lander, Wyoming, which is 1,345 miles; 150 miles more to Wisconsin, it is only \$15.50. As you can see, Mr. Speaker, it is \$12 less to ship a cord 150 miles further in the States than it is from Canada. I cannot see how those circumstances are justified, to charge the Saskatchewan producer, and the same would apply to Manitoba and Alberta in perhaps lesser proportion. The freight rates here are definitely curtailing our industrial activity, and the progress and prosperity of our northern settlers. If it wasn't for some of these freight rate set-ups on our products, it might have been possible that before now we could have had greater industry in this province.

On different occasions, companies that are interested in the manufacture of pulp have been investigating the possibilities of setting up a pulp mill in this province. All necessary arrangements with the Provincial Government have been made, but they cannot as yet get the arrangements with the railroad companies, whereby they can put the finished product on the market to compete with other pulp mills of Canada and the United States.

So I say, Mr. Speaker, that this resolution affects every one of us, and it is a resolution which I hope every member of this House will see fit to support because in supporting a resolution like this, it is giving aid and assistance to those who are presenting briefs to the Royal Commission and is of benefit to all the people.

Now, Mr. Speaker, like the mover of this resolution, there are many more things I could say on it; there have been many books written on the freight rate structures of Canada, but I am sure that the speakers who follow will touch on some of the aspects which the Mover or myself haven't touched on, and I assure you that it gives me a great deal of pleasure in having the privilege of seconding this Motion.

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, I desire to associate myself with the members preceding me in this debate in supporting the motion. I recognize, as I think we all do, that the difference between areas which are progressive and which develop, and those which are backward and do not develop, is a matter of probably two or three things. One of them is natural resources and the other, of course, is transportation which can bring these resources to the respective markets.

In the case of our prairie provinces, I consider, as I think do many of the people who live in the west, that we have an unjust freight rate structure as compared to other regions of Canada, particularly to the central provinces of Ontario and Quebec. As a result of this freight discrimination,

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the vast resources that are contained in this province of ours cannot be developed in competition with the resources of the central provinces I have mentioned, and of British Columbia.

In addition to this, the industries of western Canada, as has been pointed out by the Mover, suffer, and as a result, we do not have the industrial development in the province of Saskatchewan that we would like to have. I could say, I think quite fairly, that the farmers suffer because of the increased cost of implements that they need on the farm and the machinery they need to develop their particular industry.

I would like to indicate here at this time just what I mean. Take the case of a farmer who is interested in buying a combine, say a 438 Cockshutt combine, which is a combine of 7,637 pounds. Let's take a look and see what has happened over the last 10 to 12 years as to the freight costs to the farmer, because in the final analysis, the farmer has to pay the freight cost of the implements that are brought to this province from Ontario. On April 8, 1948, I find that such a combine weighing 7,640 pounds was assessed at the rate of \$1.28 a hundred. In other words, to bring it to Regina, not to Prince Albert but to Regina only, the cost would be \$97.79. Later on we find that the rate was increased to \$1.55, making the freight cost \$118.42. In June, 1950 the freight rate was increased to \$1.86, and the cost to the farmer was \$142.10. You go along through the years, practically every year, 1950 to 1953, 1955 to 1957 the freight rates were on the upward trend, up and up and up until March 1, 1958, we find the rate is increased to \$2.72 and instead of the farmer paying \$97.79 as in 1948, he is now required to pay, to Regina, \$243.72 or \$208.81 net at December 1, 1958 because of subsidy. I repeat, the rate is now \$3.19 a hundred, and the freight the farmer has to pay is \$243.72. It's true that it has been mentioned by the Mover of this Motion that there has been a subsidy of some \$20 million to the companies, and most of this, of course, was applicable to the western provinces. In any event, if there had been no subsidy that is what the rate would be. We hope the subsidy will remain. but with the subsidy, it still is costing us \$220.80 on this combine, and in addition, another \$100 or so from Regina to Meath Park. There one can see how much it is costing the farmer today, and this is one of the reasons why the farmers are unable to carry on.

Because of the nature of this land of ours in the west where we produce a lot of bulk commodities, I think it has always been recognized that this movement at reasonable rates is important to our economy. I cannot help but think of the days when I taught school when I explained that during the time the first railway was built in this country, that over 55 million acres of land were given free to the railway companies, and to other companies. The C.P.R., for example, obtained 25 million acres of land as a gift to encourage them to build a railway. Twenty million dollars in cash was paid to the C.P.R. by the Government of Canada, and another \$37 million's worth of railway that was already constructed. In other words, a total of \$82 million which, I would say at a rough guess at present day values, would be half a billion dollars of assets turned over in one way or another to the one railway company.

We ask ourselves why did the Government of the day do that? I don't think anyone would say that the Government of the day did wrong. I think the Government at that time had a good and necessary national policy. It had vision. It wanted to see the west developed; it wanted to see immigrants come out and settle this country, and make out of the wilderness a good land. This is a good land, but what do we find? We find that although we are protected under the Crow's Nest Agreement, in some other respects we are not, and I think the companies who are carrying our freight today should be obliged to carry much products as rape and other goods to the east on comparable terms with that of grain, but we find they are not doing that. I should have said they should do so morally, but legally they are not doing it. They can get away with it by saying that rape is not a grain, and so if you want to ship a carload of say rape out of my community of Meath Park, it would probably cost about \$1,600 to ship from there to Vancouver. That is what we are complaining about. We are fighting for our rights, particularly those farmers mentioned by the last speaker who have small holdings in sub-marginal areas, and who have in the past, depended on such products as pulpwood and lumber.

I can recall, as the last speaker recalls, when only a few years ago in my community we saw trains passing by, east and west, just a bout every day and some of the members who live in the north have had the same experience. Today the railways can scarcely carry a passenger service. In fact, today there is no passenger service and there is very little freight carried, and I think that the whole blame can be put on the freight rate structure. I think what has happened is that the railway companies have tried to make a lot of fast money and have sacrificed the future of the railway companies and the future of the people of Canada by doing just that.

As I say, I think the present difficulties of the railways can be blamed on themselves because I often think how strange it is that trucks, for example, can haul bulk freight in competition with the railways though trucks are not in the same position as the railways. As we know, our rolling stock and maintenance-of-way lines are pretty well depreciated and certainly the tonnage cost that railways haul should be competitive with that by trucks, yet trucks have come into the picture and have been able to take over quite a bit of the business. It seems to me that when you look at the record as to what has happened in Canada today, and because there are no controls by the Government to counteract what is happening, you will find that a ton of freight (where the differential on the shorter haul in eastern Canada used to be, say, five or six dollars as compared to the west) has gone up to seven or eight dollars on that particular ton over the years, but to us in the west it increased by \$30 or \$40, and as a result we are suffering. It seems to me that if the railway companies wanted to improve their position, what they could do is carry a lower freight structure. Then with the development which I believe would come to this province, I think we could ship more pulpwood and develop some of our other resources. I am thinking particularly of the iron resources in my area in the constituency of Nipawin; if we had a freight rate which would allow us to compete with the freight in the east, certainly we could have mining and other developments in the natural resources field.

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As I said on a former occasion, I can't possibly see how we can expand our pulp production because high freight rates are one of the things that hurt us. For example, I have the Saskatchewan Forest Products Annual Report, 1958-59, just to show this House what has happened in connection with the forest products which we ship out of this province of Saskatchewan. Here is what I find in a matter of two years, and I think the reason for it is the freight rate structure: in 1957-58, for example, we shipped out 46,544 cords of pulp which dropped to 16,000 in 1958-59, and I wouldn't be surprised if it drops further. We just can't compete in pulpwood any more.

As has been pointed out, the difference in the freight rate on pulpwood to eastern Canada, or to the United States, I think is double to that in Canada. The result: in 1957-58 we produced 105,615 railway ties, and in 1958-59 we produced 66,859 ties. There again is a product from the forest that is in the main, shipped out of this province, and what has happened? It is going down. Our friends opposite sometimes like to blame the C.C.F. and say that we don't encourage industry, but industry isn't that stupid. It goes where money can be made. I remember a few years ago when the Anglo-Canadian Pulp Company was interested here. I remember quite well that our Government, the C.C.F. Government at that time, was willing and made an agreement to let the company have pulp at 50 cents a cord, yet later the same company went down to Ontario, and is paying over \$3 a cord in Ontario, and when you analyze the situation, you find out why the development was there and not here – the trust is that the company could still, after paying much more for the wood in Ontario, make a handsome profit over and above what they could have made here, because of freight differential.

All these things are very, very important to us, and I think that unless something is done, our economy will not only suffer but be completely strangled. We can talk about what provincial governments can do, and what they can't do, but until you get a national policy in Canada that is going to bring about some equalization in this freight rate structure, I think that the west is going to be completely strangled. I am sure neither the Dominion Government nor the people of Canada want this. I know, as a farmer, if there is a reasonable freight rate, I can save hundreds of dollars a year, not just on machinery, but on all the things I have to buy. I think this may be the major factor with the farmers in my area deciding if they will be able to remain on their farms, or go bankrupt. Of course, there are other factors which might be discussed at a different time, and which have plenty to do with the farmer's price-cost squeeze, but freight rates are immediate, and we must take them into consideration.

I think today, as in 1875, we need a national policy, as I have said. It is the prerogative of the Federal authorities to take steps which will relieve the present distress and injustice and to adopt a policy which will safeguard the future of western Canada as well as that of the developed regions, such as Ontario, Quebec and British Columbia. Therefore, I feel, as others do, on the subject. I am quite sure that every member of this House will support this Motion. I think it is a step in the right direction, Mr. Speaker.

Mr. Eiling Kramer (The Battlefords): — Mr. Speaker, I shall say very little about this, as I notice that the air time is going on. The previous three speakers in support of this motion have stated their case very well. I would like to add just a few words to what the previous speaker, the hon. member for Cumberland (Mr. Berezowsky) has said about a national policy. You can go back to the early days of the Crow's Nest Agreement, and we know that the Federal Government at that time made a direct donation of some \$25 million as a direct gift to the C.P.R. to build their line and they also donated some 25 million acres as an extra gift in order to encourage this company to come in. The other companies that came in and built lines, certainly knew what type of competition they were facing when they built these lines, and I say today that they made a business error. There is no reason why the people of western Canada should subsidize their business errors. One of the most glaring mistakes, as the hon. member for Wilkie (Mr. Horsman) pointed out, no doubt knows is the line between Saskatoon and Unity, with the C.P.R. and C.N.R. running side by side, sometimes only a mile apart and at no place more than six miles apart. This is a duplication of service that was totally unnecessary and certainly from a business point of view totally unwise.

Of course, if that had been done by one of the Saskatchewan Crown Corporations today, we would certainly hear a great deal about it. We hear very little of some of the mistakes of the Federal Crown Corporations.

However, Mr. Speaker, in order to do something about it, I suggest that rather than trying to mullet more money out of an already depressed industry, that the Board of Transport Commissioners for Canada should go abroad, make studies in other countries where railroad lines are either completely integrated or completely under national supervision, and see what economies they have wrought so that we, too, in Canada, may have a railway service that is efficient and in the best interests of the economy. Therefore, Mr. Speaker, without anything further, although there is a great deal more to be said, I want to say that I am wholly in support of this Motion and I hope that the whole House will be in accord.

Mr. A.H. McDonald (Leader of the Opposition): — Mr. Speaker, at the outset I want to make it abundantly clear that as far as I am concerned, and I am sure the members on this side of the House, are in sympathy with the resolution. We are certainly in sympathy with all of those people in Canada who feel that the Crow's Nest Pass Agreements must be maintained if we, as a western people, are going to survive. I think it is true to say that all members on this side of the House are also concerned with the problem that confronts Canada's transportation system as a whole throughout our national today, and we, too, believe that we should have, as the resolution states, a revision of the freight rate structure, with a view to removing existing discrimination which adversely affects the prairie provincials.

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I can agree with, I think, most of the statements, if not all of them, that have been made by those speakers who have so far taken part in this debate. but I believe that the problem is a little greater than those people who have already spoken in the debate have indicated, and with your permission, Mr. Speaker, I will enlarge somewhat on this particular problem.

When the railroads were first contemplated and built in the Dominion of Canada, they were a monopoly as far as the transportation system was concerned. In eastern Canada we know that there was some competition from waterways, but in western Canada there was no competition at all. It is quite true that the Canada Pacific Railroad were given a sum of money, I think the member for Cumberland (Mr. Berezowsky) mentioned \$25 million, together with 25 million acres of land between Winnipeg and some point in British Columbia, and they were given the choice of land that existed between those two points. In addition, they were given some railroads that had already been constructed and they had a monopoly in the transportation system.

However, that is no longer the case, Mr. Speaker. This country has grown, and with the growth of our country, our transportation system has grown and today we have more competition from water in parts of Canada; we have competition throughout the whole of Canada from the trucking industry, from airlines and from pipelines. So the situation has changed considerably from the beginning of the century to the present day. Some people claim that in order to get a better service, and a more equitable freight rate, that perhaps we should have more control with respect to our transportation industry as a whole. Other people have said we need less control. Well, I don't want to hold myself out as an expert on transportation problems. I'm not. I'm only a layman as most people, I think, would consider themselves to be, in this House, when it comes to transportation problems, but I am convinced that even as laymen, we can see some things that have been happening that are detrimental to Canada as a whole and to western Canada.

For instance, it seems strange to me that in some instances when the railroads have lost considerable amounts of traffic to other forms of transportation, they have done little or nothing about trying to reduce their rates or to hold that traffic. I have been one of those people who has been most vociferous in condemning the railroads for not using more modern methods and techniques in order to compete with other forms of transportation. I have learned of late that the railroads would be quite prepared to make a greater effort to retain part of the traffic they have lost over the years to other forms of transportation, but they inform me that they are prohibited from doing so by the Board of Transport Commissioners. I am informed, for instance, that when – we'll use the trucking industry as an example – the trucking industry is drawing automobiles or cattle or some other type of freight, that the railroads are not in a position to bargain with the company that wants this product moved in competition with the trucking industry. They have to work through the Board of Transport Commissioners, and in many instances it takes months to set a new freight rate, whereas in the trucking industry they can pick up the 'phone and give a new rate to the customer over the telephone. So I am not in a position at the moment to take a stand either for more control or for less control. I don't know, Mr. Speaker, what the

answer is, but I do know this: unless this country is prepared not only to retain the Crow's Nest agreements, but also to overhaul our whole freight structure, then we are in for trouble.

One of the great problems confronting this nation as a whole today is the fact that we are pricing ourselves out of world markets. We are one of the greatest trading nations in the world, and unless we make every move that is within our power and within our ability to decrease the cost of goods and services in this country, then we can be in serious financial difficulty in the not too distant future. I am one of those who sincerely hopes that a national policy for transportation can be devised so that those people who are best qualified to carry certain commodities are the people who carry them. Those companies which are better qualified to carry other products should be the ones to carry those other products.

I am also informed that the average cost of moving goods by the railroad is about 1 1/2 cents per ton mile. The average cost for moving commodities by truck is about five cents per ton mile. Well, with this information in hand, and then taking a look at some of the rates that exist, one becomes even more confused. I can use the rate from my home town of Fleming for shipping cattle to one of the larger markets in western Canada, to Winnipeg; the freight rate on cattle from Fleming to Winnipeg by rail is \$1.20 a hundred. Keep in mind that their costs are 1 1/2 cents per ton mile, but you can ship cattle from Fleming to Winnipeg by cattle liner in small lots for 62 cents a hundred. If you ship a complete load of cattle, you can ship them for 50 cents a hundred, but the cost by truck, on the average, is 5 cents per ton mile. Well, I for the life of me, cannot figure out why, if railroad costs are 1 1/2 cents per ton mile, truck costs are 5 cents per ton mile, how on earth can the truckers carry for 50 cents a hundred and the railroads have to have \$1.20. There is something drastically wrong.

The railroads tell us that the reason they are in trouble is that they have to apply to the Board of Transport Commissioners and it takes months to have these arguments heard, and a new rate established. Their only 'out' as I understand it, has been through the agreed charges which they have been able to bring into effect for some product in western Canada that has been most beneficial to both producer and to the consumer.

I was rather taken aback a while ago by the attitude of one of our railroad unions, Mr. Frank Hall, when he was endeavouring to get an increase in pay for some of his union members employed by the railroad. He stated at that time that if the railroads didn't have the money that was necessary to meet this increase in pay, then they could do away with such rates as the Crow's Nest Pass rates.

Now, on the other side of the House we have a political party and a Government who is going to have this 'shotgun wedding' with labour

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and are attempting to tell us daily that labour and farmers' interests are identical. Well, here's an example, Mr. Speaker, where labour is prepared to do away, apparently, with the Crow's Nest Pass rate in order to increase the salaries of railroad employees.

I am one of those who believes that railroads employees are entitled to as high a wage as the employees of any other industry, but I am not one of those who believes that you can further depress a depressed economy, namely the agricultural economy, in order to pay higher wages to any labour union or the employees of a labour union. I believe that we must not only look at this problem of transportation that confronts us, but we must look at our whole cost, because it seems to me that the only wealth we have are the goods and services that we produce, and if we cannot produce those goods and services at competitive price not only to people down across the line in that country to the south of us, but to people who produce in other nations, then we are in serious trouble and I suggest to you that we, as a nation, are in serious trouble today.

One need only look back to the period when the Crow's Nest Pass agreement was set aside during the First World War, I think it was 1919. What happened to the price of wheat in western Canada when that happened? The day the agreements were set aside the price of wheat went down five cents a bushel. That meant, at that time, about \$100 per carload of wheat. That is the effect it had on the price of wheat. The day the agreements came back into effect, the price of wheat went up five cents a bushel. At that time this meant an increase of \$100 per carload of grain. Today if that were to happen, it would mean at least \$200 per carload of grain.

Now, we are all familiar with the fact that our railroads, over the past several years, especially since the war, have made great strides in improving the equipment and the facilities that they use to move freight and passengers throughout the length and breadth of Canada. First there is the new diesel locomotive which has been of tremendous benefit, not only to the railroads but to the people who use those railroads, but it seems to me, Mr. Speaker, that in many instances the railroad has failed to keep pace. As I indicated a moment ago, when some other form of transportation comes in and takes a portion of their traffic, it seems that the next move they make is to ask for an increase on the freight that they continue to haul. I don't think that's good enough.

To me it seems utterly absurd to have trucks running from Regina to Calgary, Edmonton and every place else in western Canada, down to eastern Canada to pick up a load of automobiles. The truck goes, we'll say, from Regina down to Toronto empty, picks up five automobiles, delivers them out to Regina or elsewhere in western Canada, and makes a profit out of it or else they wouldn't be in the business. At the same time the railroads claim they cannot draw them for that same rate.

Nobody can convince me that it is more economical to move a passenger car, an automobile, by road transport from eastern to western Canada than it is by railroad. Nobody can convince me of that, but it seems to me, Mr. Speaker, and again I want to repeat I am speaking as a layman, that the methods adopted by our railroads for moving automobiles as cattle, are almost identical to what they were using 20 years ago. Surely to goodness the railroads ought to be prepared to devise some sort of a carrier that could operate on rails, that could move not five automobiles at a time, but probably 15 automobiles. Is there any reason that an automobile should be placed in a boxcar? Why couldn't we have three tiers of them on an aluminum constructed automobile carrier, that would move probably 15 automobiles at a time. I think it can be done, and I think it must be done.

I also believe that if you are going to move automobiles, and we'll continue using them as an example, as cheaply as possible into our western markets, that perhaps there should be a pool arrangement, someplace here in western Canada where automobiles could be brought in here from the manufacturer by the trainload, dropped off at the pool and then they can be distributed to the local consumer by truck from there. Those are the things that I think we must do, Mr. Speaker, if we are not going to hold freight rates where they are today, but bring them down in order to bring down the cost of production to our farmers and bring down the general cost of living to all of our people.

I want to return for just a moment to the period 1919 to 1924, when the Crow's Nest Pass rates were done away with. You will recall some of the arguments that were put forward by the railroads in 1924, before the Government of the day brought back into effect the Crow's Nest agreements. The railroads at that time said it was going to cost them \$50 million, but you will recall, Mr. Speaker, that the first year, 1924, when the rates came back into effect, the railroads had an increase in their profits. We had a good crop in western Canada; we had markets for it and the railroads were kept busy moving it, but despite the fact they claimed they were going to lose \$50 million, they had an increase in their profits. Railroads were built in this country to serve Canada from one end to the other, and I do not believe that Canada would ever have existed as a nation, would ever have come into being as a nation, without the railroads. I do not believe we could continue to exist today without our railroads, but I do believe that the railroads must be used to carry those products that they are best fit to carry, especially over long-distances and other products that are better carried by water or air or pipeline should be carried by those facilities. At the moment we have a hodgepodge of arrangements. One good example was referred to, I believe, by the member for Cumberland when he was talking about rates over different lengths of our railroad and comparing those rates with what goes on in the United States.

I have an article here that appeared in 'Maclean's' Magazine of which I want to read a small portion, and it is headed, 'Go Farther, Pay Less', and this seems to be about what happens. The further you move freight, the less it costs you to move it and I want to read if I may, Mr. Speaker, from this article;

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“In the case of pioneer Canadian railroads there was another reason for approving of low freight rates on basic commodities. The Canadian Government had needed railways to promote settlement and to stick together the scattered provincials of the new dominion. The only way they could get them was to offer grants of land and cash to railroad builders, because to begin with the railroad builders, because to begin with the railroads couldn't pay for them themselves.”

I think we agree with that, and I am sure I can agree with the member for Cumberland when he said that this was a good national policy at that time, and so do I. It was necessary to give the railroad companies this help in order for them to develop the great western prairies.

The article goes on to say:

“... so several Canadian railways, notably the C.P.R. began life as owners of vast tracts of land. The C.P.R. received 25 million acres. These lands grants were virtually valueless until the region around them became settled, so the railways willingly offered low freight rates on primary products as a means of making their land holdings valuable.

“Out of the policy of using freight rates as an instrument for nation building there was evolved a freight rate structure in which the rate charge had little relationship to the cost of services provided. Thus, the railroads charged about \$12.50 to haul a ton of wheat from Saskatchewan to Halifax although it cost them \$37.50 to do so. It cost them approximately the same \$37.50 to haul a ton of silk from Halifax back to Saskatchewan, but for that job they are charged not \$37.50, but \$500.”

Now, Mr. Speaker, as citizens of Saskatchewan, we must remember that we have been getting fair treatment and the benefit of the deal when we are only having to pay \$37.50 to have a ton of wheat moved from Saskatchewan to Halifax, but we are the people who have to pay the exorbitant sum of \$500 when you bring a ton of silk from Halifax back into Saskatchewan.

The article goes on, Mr. Speaker:

“To meet competition with ships using the Panama Canal, the railways are permitted to charge a comparatively lower rate on through freights moving from eastern Canada to the Pacific Coast. As a result, certain shipments going from Montreal to Edmonton with a freight charge of say \$200, would go 800 miles further to Vancouver, for \$50 less money.”

That's what has happened to the whole freight structure, Mr. Speaker. It costs \$50 less money to move a certain commodity from Montreal to Vancouver than from Montreal to Edmonton, and Vancouver is 800 miles further than Edmonton, and over the mountains. But because of the competition through shipment by water through the Panama Canal, this is the policy that has been adopted by our railroads.

I want to read one other article, or paragraph, from this same particular article, to substantiate the statement I made a moment ago, that in my private opinion I do not believe that the railroads have kept pace with modern technology in order to retain that portion of the total transportation, or movement of freight, in the Dominion of Canada. The gentleman who makes this statement is an authority on transportation, Mr. J.L. McDougall, Queen's University professor, and he holds himself out, and I presume he is, an expert on transportation. This is what he has to say, Mr. Speaker:

“We are trying to maintain a government-regulated system of paying for railway services that have become obsolete.”

I am one of those who agree with him. I think the system is obsolete, I think the whole freight rate structure in Canada is obsolete, and I believe that the attitudes of some people with regard to costs are obsolete. I don't want to be accused of only condemning railroads; I condemn some of the people who work for those railroads. You will recall, a few short years ago when there was a move by the railroads to dispense with some firemen on freights and yard engines, the unions put up a tremendous battle to retain the services of these people. However, the railroads had a commission which felt that the railroads could be operated without the use of firemen on freight and yard engines. I believe, Mr. Speaker, if it can be proven, and apparently it was, it is no longer necessary to have firemen on freight and yard engines, then they should be dispensed with, because we've got to cut our costs down at all costs, providing good service and safety can be maintained. I think it has proven that we have been able to maintain a safety record and still give good service.

However, Mr. Speaker, I don't want to take any more time of the House, but I do feel that this particular resolution is worthy of the support of all the members of this Legislature and worthy of the support of all the people, especially the prairie provincials, and it seems to me that our provincial and our Provincial Government have, on several occasions, made representations in eastern Canada and elsewhere on our behalf. I sincerely hope that they will continue to do so, and I sincerely hope that they will be successful in bringing about a change in our transportation system, not only for our railroads to change, but for all types of transportation to change, so that we may be able to move our goods and services from one area to another at the lowest possible rate, so that we can decrease, I hope, the cost of living in this country, and so that we can decrease the price of our products which must be sold on the export markets of the world. In that way, and in that way only, are we going to be able to maintain ourselves, not only as a great province, Mr. Speaker, but as a great trading nation and maintain our position

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in the trading channels of the world.

I have great pleasure in supporting the Resolution.

Mr. Franklin E. Foley (Turtleford): — Mr. Speaker, I just want to add a few words to what has already been said in support of this very timely motion. I think the matter of freight rates, and the problem which it has created here in Saskatchewan, was brought home to us very forcibly the other morning during our Public Accounts inquiry into the operation of some of our public institutions when we found that the Saskatchewan Hospital at Weyburn shipped in some \$30,000 worth of coal during the year under review, which was the year 1958-59, and for which freight charges for coal, according to the information given to me by the hon. Minister of Health (Mr. Erb) were some \$17,592. That is \$17,592 in freight to bring in \$30,000 worth of coal from the field at Estevan to Weyburn, a distance of some 40 miles. In other words, then, we were paying at the Saskatchewan Hospital at Weyburn something more than a dollar in freight for every \$2 worth of coal that was obtained.

So certainly the matter of freight rates, not only the Crow's Nest Pass freight rates, but the freight rates here in the province, are a matter of considerable concern.

In listening to the other hon. members speak, it reminded me that the city of Saskatoon presented a brief to the freight rate hearings during the February hearings here in Regina. I just wanted to say a word on behalf of the northern cities, Saskatoon, Prince Albert and North Battleford, where I feel that the unequal freight rate structure in the northern part of our province has been a major factor in hampering what otherwise might have been considerable industrial development. It seems to me, now, with the development taking place at Squaw Rapids and the necessity for the movement of a great deal of heavy machinery, that this matter of freight rate structure and its equalization here in our own province, has become one of increasing concern and importance.

I just want to quote briefly from the brief which the city presented at that time, when they stated that while mileage was the basis for lower freight rates in Winnipeg, than for any other of the western cities of Regina, Saskatoon, Calgary and Edmonton, nevertheless they felt that mileage was only one of several factors which, up until the present time have been taken into consideration in the freight rate structure throughout western Canada.

They go on to make this statement in their brief, and I feel it is an important one:

“The hopes for the future of the cities of Regina and Saskatoon, with the difficulties facing the wheat industry are largely dependent on the diversification of the economy with an equalization in the freight rates structure.”

It is apparent then that the feeling of Saskatoon and other northern cities has been that they have not shared in the economic expansion and in the industrial development which they might have done had freight rate structures been equalized in the province.

I have had occasion in the past to say words in support of an all-out effort to try and place our northern cities in a more favourable position to be able to compete with the southern parts of the province in the matter of industrial expansion, and for this reason, Mr. Speaker, I am very, very happy to support the motion with regard to opposing any change in the Crow's Nest Pass agreement. From the point of view of Saskatchewan, and particularly northern Saskatchewan, I would urge an all-out effort by all members of this Legislature to exert influence to remove the discrimination which adversely affects the industrial development of the northern part of our province.

I will support the motion.

Mr. L.P. Coderre (Gravelbourg): — I didn't intend to take part in this debate, Mr. Speaker, but now I would like to take the opportunity to say a few words in this respect. I noticed that the discussions are going in a direction that I feel I should bring up what is actually taking place on the railroad lines in my particular community.

I notice that according to the Resolution we are urging the Government of Saskatchewan to continue its efforts to obtain a complete revision of freight rates. I believe that the Government of Saskatchewan, in so doing, should also make in itself a complete inquiry amongst the various communities to bring to light the failure of administration, insofar as the railroad is concerned. You know, these giant monopolies – whether owned by Crown or others, certainly end up costing the users and the consumers a greater amount of money than it normally would.

As I was mentioning, I would like to bring to light some of the things that are happening, which I believe cause the increase of the freight rates, and are also probably one of the reasons why the railroads are making an effort to try to increase, or do away with the Crow's Nest rates. In a neighbouring town of mine, every fall, in July and August,

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the railroads bring in what is termed a substitute agent. This fall, particularly, I had the occasion to talk to this young fellow and he was very perturbed because he figured his services in that particular hamlet as a substitute agent were a waste of good money and a waste of good money and a waste of effort. This young lad I mention is 28 years old, and moved into this neighbouring town to handle wheat. He is brought in usually the latter part of July or the first week in August, and is usually relieved of his duties sometime before Christmas. The only purpose for which he is brought in there is to handle the grain that goes out of this said community. As you know, under the quota system that we have, there is not a great amount of outgoing grain from the communities at that time of the year. The four months that he was there this fall, this young lad actually billed out of that community only eight carloads of grain, and the billing of the freight was all handled by the agent in my home community. This lad felt, and I am sure, he was an ambitious young fellow, that it was an actual waste of money for him to be put in a community to bill out only eight carloads of wheat. He felt that he was not doing the satisfactory type of work that he would like to do. He felt guilty in some respects of actually drawing his pay-check; to stay there for five months, earning approximately \$280 a month and only billing eight carloads of grain. These young fellows are very, very concerned, and this lad told me that there are several cases throughout the province, in fact throughout the prairie west, that this is going on.

Now, I believe that before we ever allow any change in these freight rates, we should have the railroads take a darned good look at their own operations and once they have proven to us that there is no waste such as this, then we could look at it differently.

Another thing that has taken place of which many of us are quite aware in this House, is the changing of the railroad schedules throughout the province. Where they had a fairly good amount of freight before, they have changed their schedule and the changes do not coincide with the activities of the larger centres. Consequently, they are losing the traffic they had to individuals who are doing their own freighting at an additional cost to themselves, and the railroads are losing the service and revenues. I feel, Mr. Speaker, that this motion is certainly opportune and we should press with the greatest urgency that this Crow's Nest freight rate remain. It was established years ago for a purpose, to assist the budding agricultural economy, and it should remain there.

Mr. Speaker, I certainly support this resolution.

Mr. W.G. Davies (Moose Jaw City): — Mr. Speaker, I am only going to add a few words to what has already been said. I want to say that I certainly do support the proposition that there should be no change in the Crow's Nest Pass Freight Rates Agreement, at a time particularly when the agricultural industry is in such a depressed state, and Mr. Speaker, at a time when there are so many obvious inequities within the general freight rate structure in Canada. I think that the removal of the Crow's Nest Pass Freight Rates Agreement would simply add to an already inequitable situation for everyone in the province of Saskatchewan, let alone the farming community.

I would like to say one or two words, however, with reference to some of the statements of the hon. Leader of the Opposition about the railway worker. First of all, it should be pointed out that while the railways are, of course, primarily responsible for correcting the conditions that have arisen, partly as a result, I think, of their own ineptitude, that many changes have taken place of direct disadvantage to the railway worker.

I come from a community where there are men today with 18, 20 years, yes, Mr. Speaker, up to 35 years' seniority, who are confronted with layoffs. The situation the railroads find themselves in is being passed on to the shoulders of the railway worker. I would like to point out that from 1956 to the year 1958, there has been a drop of some 23,000 workmen on the railways in Canada. People are losing jobs as a result of the technological changes on the railroad, and will probably continue to do so.

If I were to go into all the reasons I would take much longer than any of us would care to devote to the subject today. But I give one simple example of what has happened in the field of transportation in the last few years. Not so long ago, we had six local trains between the cities of Moose Jaw and Regina — six locals a day. There is not one of those locals now operating. As a matter of fact, it is said that there will be further changes and further reductions.

I want to point out, too, that as far as the railroad firemen are concerned, when they had their dispute a couple of years ago, the number of firemen on the Canadian railroads had dwindled from some 4,800 in 1946 if my recollection is true, to some 2,800. As time goes by this number of 2,800 odd workmen will be reduced still more.

I want to say, too, that considering the wage levels of the Canadian railroad worker, they are not nearly as high as sometimes pictured. In 1958 it was agreed that the standard for the railroad industry in respect of wage levels should be the average of the durable goods industry. This was stated by the Federal Conciliation Board as well as by two prominent judges who were associated with a wages dispute in the railroad at that time. As a matter of fact, Mr. Speaker, this standard had originally been suggested by the railroad managements themselves as a counter proposal to the unions at that time that the United States railroad wages should be the base. They later retreated from this position so that this was no longer, so far as they were

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concerned, used as a legitimate comparison.

But in any event, in 1958 the average of weekly wages and salaries in the Canadian railway industry was \$75.66 while in the same year the average of weekly wages and salaries in the durable goods industry was \$77.95. So you see that the railway workman has been attempting to come up to this average that was suggested by the management themselves to be a fair average only a few years before they rejected the position.

Now, I'm not going to presume to try and advise on what specifically needs to be done in regard to an equitable system of freight rates in Canada. Certainly it would require a great deal of study. But if the principle of equity was recognized, I think that it could be, like everything else, worked out on a fair basis. I think this is generally speaking what the railway workers themselves have been saying. I don't know if Mr. Frank Hall, whose statement is quoted by the hon. Leader of the Opposition, made any qualifying remarks to the paragraph he quoted or not, but I do know that many other railroad union leaders have certainly expressed concern about the plight that the farmers find themselves in respecting freight rates and respecting, also, generally, the inequity of freight rates applying in this and other parts of Canada.

I would like, briefly, Mr. Speaker, to quote from the April, 1959, issue of "Canadian Transport" which is the magazine of the Canadian Brotherhood of Railway and Transport Workers. This paragraph said:

"That it would be a backward step to attempt to hinder automation. What is needed are retraining programs responsible joint planning for reallocation of workmen."

The real difficulty that the railway workers are complaining about is that they have had a situation thrust upon them very quickly, and have been asked to pay for a situation that is not really one of their making. What they would like to see is a retraining program with all the resources of the industry and of government placed behind it, a program that would be accompanied by assistance that would, if necessary, have workmen from one part of the Dominion to another, and all other kinds of measures that would be feasible to cope with a state of unemployment after many years of service to an industry. I would like to quote again from the same issue of Canadian Transport where the editor says:

"No trade union enjoys negotiating an agreement to compensate redundant workers, but they regard it as essential that they should receive the best terms possible for workers becoming jobless through no fault of their own.

Industrial change brings with it schemes for modernization and nationalization to increase the returns of the companies whose money is invested. Out of these benefits which accrue to the industry from the changes should be set aside provision for men whose lives are invested in the industry.”

Finally, a paragraph from the same organ on this question of feather-bedding:

“Feather-bedding is the term misused by employers to cover up their refusal to take a fair share of the responsibility for the results of mechanization, to suggest that men want to be paid for work they are not doing is to dodge the real issue which is that management must take responsibility for those changes designed to increase return on financial investment which eliminates skilled men whose lives are invested. Some of the advantages to the industry should be used to facilitate the transition to new employment for the displaced workmen.”

Now, I wanted to add those few remarks, Mr. Speaker, and also to say this with respect to the shop-worn phrase of “pricing ourselves out of the world market” and to repeat what I have said elsewhere and in this House, that all the evidence shows that far from pricing ourselves out of world markets in this country, we are in a pretty fair position if we’re talking about the wage and salary earners of this country.

We have an average income scale in Canada of 30 per cent less than that of the United States. Competitively spending also, in Canada, the labour cost per unit of production is lower than it is in Japan, Germany, the United Kingdom or the United States. I don’t think that any justification can be advanced for the phrase that workmen are contributing to the condition of “pricing ourselves out of world markets”.

I think my attitude on freight rates, apropos of this resolution in particular, is contained in the quotation of Mr. M.J. Coldwell, who wrote in the ‘Canadian Transport’ of March, 1958, when asked to give the attitude of the C.C.F. party on freight rates, said in part, that:

“Neither the railway worker nor the user of railway services should be subjected to discriminatory treatment because of Canada’s national transportation costs. The railroads initially were built to make Canada one nation, and the burden of the disadvantages as well as the advantages of that policy should be a national responsibility.”

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Hon. L.F. McIntosh (Minister of Municipal Affairs): — Thank you, Mr. Speaker. You will notice that I kept to my seat until after we got off the radio.

Just a few remarks largely relative to the history. I think if we go back prior to the turn of the present century there were two major problems that were facing the Dominion of Canada: one was the unity of Canada from the Atlantic to the Pacific, and the other was the settling of the prairies of what is now known as western Canada. Those responsible for the policies of Canada of that day evidently came to the conclusion, and I believe rightly so, that a ribbon of steel from the Atlantic to the Pacific would be a uniting factor in keeping Canada together. They also came to the conclusion that some assistance would be necessary for those who settled the prairies of western Canada and went into the agriculture industry. So the steel was laid from coast to coast with a considerable amount of public assistance. In turn, the railways entered into an agreement with the Government of Canada whereby they agreed that they would give consideration to assisting the settlement of the prairies of western Canada, but having due regard, in time they would reap the benefit of the assistance that was granted, commonly known as the Crow's Nest Pass Freight Agreement.

I think if we go back prior to the turn of the present century we will appreciate that there was practically only one means of transportation and that was by rail. Today, however, we're facing an entirely different situation. Not only have we the rail transportation, but we have water; we have the air and we have the pipeline, and a tremendous amount of traffic over the years has moved off the rails onto the road. An increasing quantity of traffic is now moved by water and there is some evidence as the result of the St. Lawrence Seaway there will be an increasing quantity of traffic moving by water from the Atlantic to the head of the Great Lakes. So, in looking at the problem with which we are faced today, we find it to be not a problem of rail transportation alone, but it seems to me it is a national problem associated with the various means that we now have of transportation.

The railway companies are taking an increasing number of passenger trains off their liens, but the railway companies are also extremely interested in making substantial investments in air transportation. Both the Canadian National and the Canadian Pacific Railways are increasing at a very rapid rate their air service. Both of these companies are also increasing at a substantial rate their transportation service on road, and then we have other groups that are interested in transporting by pipelines. Over the years, since the first application following World War II was made for a freight rate increase, and the eleven applications that followed the first one that was granted in march of 1958, there seemed to be an effort made to deal with the transportation system within the framework of policy laid down by the railways many, many years ago. We have had very substantial increases in freight rates granted by the Board of Transport Commissioners to the railways, but notwithstanding by the Board of Transport Commissioners to the railways, but notwithstanding the past 12 years of hearings, notwithstanding two Royal Commissions, I am

firmly of the opinion as expressed by the Leader of the Opposition that we have not come to grips with the transportation problem. We are hopeful that the Royal Commission that is now sitting with the terms of reference as broad as they are, will be prepared to give consideration to some ways and means of bringing together, co-ordinating the various means of transportation in the national interest of Canada. If we can get that far, Mr. Speaker, then I am satisfied that, insofar as the western provinces are concerned, and the Maritime provinces, we will be able to enjoy the movement of goods and services at a lesser cost than what we are moving these goods and services at the present time. If we could reach that position, then the prairies of western Canada would be in a much better position to develop the various resources that we have here at our disposal.

The province of Saskatchewan says that the Crow's Nest Pass Freight is a national policy designed and developed for the purpose of assisting in the uniting of the Dominion of Canada, and also in the development of the prairies of western Canada. Insofar as the economy of agriculture is concerned, Mr. Speaker, lying as we do approximately a thousand miles further from water transportation than our competitors in the field of agricultural commodities, we are suffering under a severe handicap in the movement of agricultural commodities into inter-provincial and into export trade channels, consequently our argument before the Royal Commission is that the Crow's Nest Pass Freight must of necessity remain as it is, arguing from the point of view of a national policy, remaining as it is, and we are also extremely interested in the unification of all of the means of transportation thinking, and hoping that as a result of that, we in the provinces of western Canada and in the Maritimes will be able to reap a considerable amount of benefit. I think it is a rather timely resolution and there is substantial evidence what the resolution itself will be supported unanimously by the Members of the Legislature. I am awfully happy that this resolution has been presented for the consideration of this Assembly at this time.

The question being put, it was agreed to unanimously.

SECOND READINGS

Bill No. 45 – An Act to assist Organization and Operation of Non-Profit Committee-operative Associations to meet the Economic and Social Needs of their Members on a Self-Help Basis.

Hon. T.C. Douglas (Weyburn): — Mr. Speaker, this Act, using the short title 'The Co-operative Association Act', is a very large Act and over the years it has been amended frequently with the result that you have to carry around a small brief case of amendments when you are following the Act. The Department has been hoping for some time to get it consolidated all into one volume for the convenience of boards of directors of Co-operative Associations and Co-operative Managers, etc.

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This Act is a consolidation of all the amendments that have accumulated over the years. There are no changes in principle. There may be some changes in wording and minor matters regarding standard bylaws, etc., but since there is no change in principle whatsoever, I would think the other changes could best be discussed in Committee of the Whole. I would therefore like to move that Bill No. 45 be now read a second time.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 46 – An Act to amend The Trade Services Act

Hon. T.C. Douglas (Weyburn): — Mr. Speaker, this is simply an amendment in line with the statement I made sometime ago to the effect that it was intended that the Trade Services Branchy, which is now in the Department of Co-operation and Co-operative Development, be transferred into the proposed new Department of Industry and Information. This simply makes that transfer.

With that explanation, I would like to move that Bill No. 46 – an Act to amend The Trade Services Act, be now read a second time.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 47 – An Act to further the Economic Development of Cities and Towns by Facilitating the Providing of Accommodation and Financial Assistance to Industries.

Hon. T.C. Douglas (Weyburn): — Mr. Speaker, this is a new piece of legislation. I will not take the time of the House in going over the details, I will merely annunciate the general principle which is usually discussed on Second Reading.

As hon. members know, we have had for some years an Industrial Development Office in the province, whose primary function has been to assist in the attraction and the promotion of industrial development in Saskatchewan. A good deal of work has been done by the Industrial Development Office in working with Chambers of Commerce in the various urban centres, and also with Industrial Development Committees which have been set up by some of the City Councils, and even some of the Town Councils. I think a good deal of useful work has been done if in nothing else but arousing the interest of local communities in seeing what they can do in promoting industrial development in their own area. For instance, some of them have become interested in purchasing land and in setting aside industrial sites. This would enable

them to go to prospective companies and say: "Here, we have a good site set aside beside a railroad. It is very convenient and is a site that you can get for a reasonable price, because it won't be held up by some land speculator." This often has been very useful. But the difficulty is that in many cases, the Chamber of Commerce has no funds to procure land, or to make a building site available.

Industrial Development Committees of City Councils are very limited in what they can do, and particularly if the industrial site happens to be located outside the city. After a great many discussions with Industrial Development committees in the various cities and towns, and with the Chambers of Commerce in urban centres who are interested in promoting industrial development, they have come up with the idea of setting up municipal industrial development corporations. This would allow a group of private citizens with the approval of the municipal council or jointly with the municipal council, or the municipal council itself (anyone of those three alternatives) to set up and establish an industrial development corporation. These industrial development corporations would then be able to receive sums of money from individuals who wanted to lend or invest their money in this corporation, which in turn would buy industrial sites, or give assistance to an industry coming into the province. They could also get assistance from the Industrial Development Office of Saskatchewan, because they would be a legal entity with which we could deal.

We think that this proposal will be used by quite a number of urban communities. Some of them have already indicated their interest in such a technique, and we feel that these industrial development corporations set up on a municipal basis will be of considerable help to some of the municipalities in promoting industrial development. Therefore, Mr. Speaker, I would move that Bill No. 47 be now read a second time.

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, we feel that this is certainly a step in the right direction. I think most larger communities such as the cities of Regina and Saskatoon, and some of the other smaller cities have facilities now for endeavouring to attract industry and to make provision for industry to move into their communities. It seems to me that there is a great lack of facilities in many of our larger towns, and I would hope, and I am sure the Government hopes as well, that industry will not only locate in our larger centres, but will diversify and settle in some of our smaller communities.

It seems that if a lot of our smaller communities are going to survive as thriving communities, then it is going to be necessary for some small industries to locate in the smaller communities, and it seems to me that this is a step in the right direction in helping those communities to help themselves in attracting some of the smaller industries to the smaller towns, so I am sure we can give full support to this particular Bill.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

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Bill No. 48 – An Act to amend The Forest Act, 1959

Hon. Mr. Kuziak (Minister of Natural Resources): — Mr. Speaker, this is only a small amendment which is concerned with the scheduled portion of The Forest Act, which is in connection with the change of boundaries, and therefore, this could be taken up in detail in Third Reading. I would therefore move, Mr. Speaker, that the Bill be read a second time.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 49 – An Act to Amend The Deserted Wives' and Children's Maintenance Act

Hon. T.J. Bentley (Minister of Social Welfare): — Mr. Speaker, there are several changes, but no great change in the principle, but some improvements in this Act. For instance, the secretary of The Law Society reported that he felt it may not be as clear as it should be in the schedules 'A' and 'D', and that the court can declare children as well as the wife deserted, and also include them in a Court Order. Provision will be made to correct that. Also, provision is made to arrange that where the court orders maintenance payments on behalf of children to be paid to a friend of the court, and that the friend of the court that is going to be named, must have given consent. Also provision is made to vary any court orders which have been made under this or past Acts of this kind, where there is a necessity to have the change in the person who is to receive the payment on behalf of the applicant, and also to provide that a counsel fee be paid when a wife is taking enforcement action, as well as in the first instance.

With that explanation, I would move second reading.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 50 – An Act to amend The Social Aid Act, 1959

Hon. Mr. Bentley: — The principal changes in this Mr. Speaker, are: provision will be made that one municipality which has perhaps a social aid case which is cumbersome, may not be permitted to encourage or transport that case to another municipality without the consent of the of the municipality; provision is made for the Department and the Director of Public Assistance to bring in from another province people whom it is socially desirable to have in this province; to make clear in the case of an appeal in a social aid case, that a member of a municipal council may sit on the Appeal Committee. The municipal council has felt there was some doubt about their authority to do this, and will make it abundantly clear that they can.

Another principle will be to provide that permissive legislation be brought in, where a council wishes to make payment on a per diem basis to a counsellor for this purpose, that it may do so. With than explanation, Mr. Speaker, I move second reading.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 51 – An Act to amend The Housing Act

Hon. Mr. Bentley: — The amendment to the Housing Act, Mr. Speaker, is simply to add The Farm Security Act to those other Acts that are exempted, or rather make it possible for N.H.A. to make Housing loans. There has been a feeling that farmers were unable to obtain Housing loans because of the Federal Government's order to its lending institutions in the province, and in order to meet that desire of the farmers to avail themselves of the opportunity to borrow under the National Housing Act, this Bill will provide the Farm Security Act as exempt. I move second reading, Mr. Speaker.

Mr. McDonald: — Mr. Speaker, this is another Bill that I am sure the members on this side of the House are most pleased to see in this amendment. I only wish the Government had seen fit to bring in the amendment at a time when loans under N.H.A. could have been obtained by our farmers at 4 1/2 per cent, rather than 6 3/4 per cent, as the case may be now. I am wondering if it isn't another instance when we in Saskatchewan have missed the boat, because of the tardiness of the Government that sits opposite. However, I think the action now is better than if it had never happened at all, but I only wish it had taken place at a time when farmers could have taken advantage of low interest money, rather than now when the rates are so terribly high that I doubt if any farmer would see fit to take advantage of National Housing when they have to face 6 3/4 per cent interest on their money.

Mr. Danielson: — Mr. Speaker, I think this Bill should be called the 'death repentance' of the C.C.F. Government. On several occasions in this House, Mr. Speaker, it has been drawn to the Government's attention that the rural people of Saskatchewan have been denied the privileges of operating and getting credit for housing in the rural parts of Saskatchewan. Not until 1944 was the prohibition removed from the urban sections of the province of Saskatchewan. It was held there by this Government for reasons I don't know – some people say it was because of socialistic ideology, or something, but at the same time, that is what happened. My friend over here spoke about the Metis the other day in this connection, and I appreciate that he did, but this Government has made or classified the whole rural population of this province as Metis – that's what they have done, and of course they have denied it.

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Yesterday I think the Minister of Municipal Affairs spoke on the budget. He told us that the millions and millions of dollars in the urban centres of this province were for new construction. It is a very nice thing to be able to say, Mr. Speaker. I venture to say that 85 per cent of all that new construction was done under the National Housing Act, or you can call it The National Housing Mortgage Corporation, or whatever you would like to call it. It was done by the Federal Government loaning agencies, but why in the name of common sense did not the rural people of this province, under the socialist benevolent Government, have that opportunity for the last 10 or 15 years? They have been denied this, and just a year ago, Mr. Speaker, the Minister of Social Services, (Hon. Mr. Bentley) said he had discussed (this was on the budget debate last year in February) by letter with the Federal Government, the possibility of housing loans to help Saskatchewan farmers build. He said he had learned that the Canadian Housing and Mortgage Corporation will not make loans for rural housing in Saskatchewan. Mr. Speaker, it is extremely hard for me, knowing the intelligence and the informative mind of the Minister of Social Service, to see why he didn't know better than that. He admits that he didn't know that there was a prohibition by this Government in this province of Saskatchewan, under The Farm Security Act, Bill No. 51. I think it is. It is there. On page 67 of 'The Country Guide', March 19, 1955, there is a long article dealing with this very topic in the different provinces in the Dominion of Canada, and the operation of The Housing Act. I am not going to read you all of it, but I want to read you the statement which pertains to us here in the province of Saskatchewan.

First of all, I want to mention some of the conditions and some of the benefits which this Federal legislation brings about:

“Under The National Housing Act, farmers may get a loan up to \$10,000 for a new farm home construction, and take up to 30 years to repay the loan, with interest at 6 per cent per annum, calculated semi-annually and not in advance, raising this loan in annual, quarterly and monthly instalments, of principal and interest. Apply to any of the lending agencies authorized to make a National Housing loan, or apply direct to The Central Mortgage & Housing Corporation for this loan, where it is not available from authorized lenders. Receivers alone of building will receive the loan if building proceeds, or in a lump sum when construction is completed.”

This comes from Mr. Hunt, Chief Information Officer for Central Mortgage & Housing Corporation in Ottawa.

“Provision of the Saskatchewan Farm Security Act precludes the making a farm house loan in that province. This is an Act for the protection of

certain mortgagors or purchasers and farm leases or farm loans – farm lands. This situation does not arise in Saskatchewan in the urban areas, since loans in these areas are protected from the provision of The Farm Security Act by the Housing Act.

“Chapter 246, Revised Statutes of Saskatchewan, is amended by the Statutes of Saskatchewan, Chapter 63, Section 12, Session 1954.”

Didn't this Government know, Mr. Speaker, when they amended the Act to admit the urban areas to the provisions of this Act that they were excluding the farmers from this Act? It's a crime against the rural people of this province, that now in the dying days of this last Session, they come along and bring this thing forward. It is something like when they took the expropriation clause out of the Crown Corporations Act, only this is far, far more important to the people of the province of Saskatchewan – the poor people for whom they plead and cry and pray. They pretend to be their friends, but there has never been such a dastardly thing put over the people of this province by any Government, and I say so, absolutely knowing the injustice done to the rural people of Saskatchewan.

No, the Government talk about sewer and water, Mr. Speaker. The people of this province have to have the amended law to take advantage of Dominion legislation – now what are these fellows here going to spend their money on? They didn't need to. All they had to do was to exempt the Housing Act from the provision of The Farm Security Act in this province, and the people in this province for the last 12 years could have had access to sewer and water for the farmer. You would have seen many farmers today, probably living on their farms instead of some rented apartment in some apartment building in the city of Regina. But that is being prevented; that is being held back; that is being denied to the people of this province.

Mr. Lopton: — For 16 years.

Mr. Danielson: — For nearly 16 years. I haven't got the details, but I can imagine it would be about 16 years. Now, what is the condition? This Government is going to assist to put in sewer and water systems. That is all very well. But not until now in the dying hours of this Legislature. After 16 years in office, and after having obstructed the operation of the Housing Act in Saskatchewan, the rural areas, they are at last amending The Farm Security Act to permit the rural people to take advantage of this beneficial Federal legislation.

I would say to them to come out and tell the truth to the rural people of the province now, and don't try to hide under any distortion or make-believe or fairy-tales. You have denied the people that right, and it is a crime against the people of the province of Saskatchewan who live in the rural areas. Then they pretend they don't know,. The Minister of Social Services last year said he understood that this Act wasn't operating in the rural part of the province of Saskatchewan. In 1954 – only six years ago

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they amended the Act to admit the urban areas of the province of Saskatchewan, to be covered, and then he understood that it wasn't operating in the rural areas! This is the second or third time that I have brought this condition up on the floor of this House to the attention of the Government, but they just laughed at me. Now they are coming along and want to capitalize on it, so that they will have something to tell the people at the next election.

Mr. Speaker, if there was ever a despicable action taken by any Government, that's it.

Mr. Alex Cameron (Maple Creek): — Mr. Speaker, I want to add my voice to this, too, and say that at long last we have legislation brought in that we have been advocating in this House, and I have been for at least the past 12 years, and it is an amazing thing. When it comes to an election and the closer they are to the wire, how much closer they come to the Liberal way of thinking when they go to the people. For so many years, we have been pointing out to them that under this vicious legislation, and that is what it was, that the farm people of Saskatchewan have had no opportunity to qualify for assistance under the national Housing Act, and that farmers in Alberta and farmers in Manitoba and every other province of Canada, have had equal rights with every other citizen in applying for assistance to build farm homes. Here in the province of Saskatchewan is the lonely place in which that curtain was put up, and you said to the National Housing people, "You can operate in any other province, but you cannot operate in Saskatchewan", and you have denied for 16 years the rights of the Saskatchewan farmers who were able to come in during those years, when labour was cheaper, when materials were cheaper, when they could have put these homes on to the farms, and today they would have been paid for.

The member for Cumberland (Mr. Berezowsky) the other day said in his particular area was what they needed most was houses, instead of sewer and water, because they first had to have the houses to put the sewer and water in. There are many instances all across Saskatchewan, where they have to build a house first before they can put in sewer and water, and if it had not been for that restricted legislation, those houses would have been there.

Another think that has been one of the greatest detriments to the young people being able to establish themselves in farming in this province, because everybody who went to sell out the farm was unable to take his young neighbour and permit him to buy this land under the instalment plan, because he said, "Under this particular Act, I want to cash", and those young people did not have the cash to buy. You put the farmer into a position where he either has to sell for cash, or he can't sell at all, and you put the other farmer – the young man who had his quarter-section or his half-section, or was trying to get some assistance to build his home, he couldn't apply for it. He was able to go under the Act to get

machinery, to operate his farm under the Federal Loan Act; he was able to buy a truck on which the banks were guaranteed against a loss, but when it came to establishing a home for his family, the farmer in Saskatchewan is the only one in all of Canada who couldn't take advantage of this legislation which was placed on the Statute Books – millions of dollars, in order to assist him to do so. Then today, after all those years, they came in timidly with this amendment.

Mr. Danielson: — Coming through the back door.

Mr. Cameron: — Coming through the back door, and saying to the people, “Now you can do it”, when prices are the highest in history; when materials have never been so high, not only that; during the years when we have had bumper crops, during the years when the prices of grain was higher than it is today, during the years when the farmer had money in his pocket, with which he could have established himself, the legislation wasn't there. Today, when the farmer has no money in his pocket, and the bins are almost empty, then you come along and say, “We're very generous to you. Now we're going to give you that rights to have access to something which you should have had 16 years ago. It is just unfortunate that you are not in a position to take advantage of it.”

I say that has been one of the blots on the record of this Government, that for 16 years they have denied the farm population the right to qualify under National Housing Act; there has been discrimination in favour of the urban dweller and against the farm population. We have pointed out discrimination in that, together with discrimination in many other things, and it's funny when you come under the wires at an election, then, in order to induce the farmers to take a look at what you are doing, and to put him in a more favourable frame of mind until the election is over, you say, “Well boys, we're sorry if we have inconvenienced you for 16 years; but we're about to correct it now, if you are in a position to help yourself to do so.” It's a grand time to bring it in. We welcome it, but at the same time while we welcome the Bill, we cannot but express our feelings on the actions of this Government all during those years, towards the farm population of this province, in denying them the right under The Housing Act.

That's not going down easy with the farm population, and I am sure they won't forget all of that ill-will within the next few months. There will be very few houses built before the next election, when they turn around and see the costs today, and the costs of interest, and the amount of money in the pocket, compared to what they could have done 12 or 15 years ago. They will know at whom to point their finger, and where the cause was, and who was the cause of the discrimination against the rural areas while, at the same time, favouring the rural areas.

Mr. A.L.S. Brown (Bengough): — Mr. Speaker, I would like to ask if, in the provinces of Alberta and Manitoba

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where there is no protection for the farmers in this respect, were there any loans made to the farmers in those provinces?

Mr. Cameron: — Can you clarify your question?

Mr. A.L.S. Brown: — Under the National Housing Act, in the province of Alberta and Manitoba, where there is no protection for the farmers, were any loans made?

Mr. Cameron: — Were there loans made? Certainly there were loans made to Alberta and Manitoba farmers, and the farmers have the freedom of choice to go to the National Housing Act and arrange for their loans. I don't see what question there is there. They at least had the freedom of choice; they were not restricted by that discriminatory legislation.

Mr. Danielson: — This article, Mr. Speaker, surely exposes somewhat...

Mr. Speaker: — Order! Order! It is my duty to inform you that the hon. Minister is about to close the debate, and those wishing to speak may do so now.

Hon. Mr. Bentley (Closing): — Mr. Speaker, when I moved second reading of this Bill after introducing it, and outlining the principles, I didn't expect to raise a political row about it. I thought it would be something that might be reasonably well known in the House, and welcomed. However, now that a political storm has been raised, it will have to be answered, and it will be answered very definitely and effectively, when I move the adjournment of the debate.

Mr. Cameron: — Mr. Speaker, he can't move the adjournment of the debate. It's completely out of order.

Mr. Speaker: — Order! Order!

Hon. Mr. Brockelbank: — Just on a point of order, Mr. Speaker, if the hon. member, if this were Wednesday, for example, and the hon. member spoke to 5:30 o'clock and had not finished his speech, he would then adjourn the debate.

Mr. Cameron: — No, he wouldn't.

Hon. Mr. Brockelbank: — Oh yes.

Mr. Speaker: — One person at a time, please!

Hon. Mr. Brockelbank: — I'm only trying to help. I don't think there is any question that he can adjourn the debate, if the Speaker so rules, and if the House votes that he cannot adjourn the debate. . .

Mr. Cameron: — On a point of order, Mr. Speaker, I had pointed out that you had announced that the Speaker is about to close the debate, and therefore whoever wishes to speak should do so now. He is up closing the debate, and if he is going to adjourn the debate, going to bring in further subject matter into what he has already said, then of course it must open the debate up wide-open again. He can't use those tactics both ways — you can't have it both ways, Mr. Speaker.

Mr. Speaker: — The hon. member does not have the privilege of introducing new material in closing the debate. Is leave granted that the hon. Minister adjourn the debate.

Some Hon. Members: —No!

The question being put on the proposed adjournment of the Debate, it was agreed to on the recorded division 31 to 15.

Bill No. 53 – An Act to amend The Town Act

Hon. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, the proposed amendments to The Town Act do not consist of many new principles, but I think I would just like to mention one or two: in the first place, the S.U.M.A. felt that the remuneration for councillors in towns, villages and cities was too low. Provisions are made for a slight increase there. Provisions are also made in the way of amendments to The Town Act to have the mayors' term of office expire — in the same year. An amendment was necessary in cases where a mayor might resign in between the election seasons and these provisions are made that he may carry on for the balance of the term of the former mayor and his term of office would expire at the same time as the mayors' offices expire throughout the province. Then, there is a temporary piece of legislation to make possible for the mayors' term of office of the towns of Kyle and Langenburg, to expire at the end of a two-year period. That is when the other mayors' term of office also expires.

These are provisions made in The town Act, for the town council to enter into an agreement with the developer of a piece of land whereby the developer can, if the agreement is entered into, take over the laying of the sewer and water, and of course charge it against the land. Provisions are also made in The Town Act, as well as the City Act, for the town council to enter into an agreement with the Saskatchewan Power Corporation in connection with the inside gas incinerators, and the council would enter into an agreement with the Power corporation, and be in a position to charge back against the person or persons who installed gas incinerators the cost of operating those incinerators. I think the principal amendments are (1) the borrowing powers are raised from 15 to 20 per cent of the taxable assessment, and (2) debentures issued for such things as sewer and water are excluded from the general borrowing

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powers. Debentures can be issued under this amendment based on the security of the returns from the use of sewer and water without interfering with the general borrowing powers of the town.

There has been brought to our attention one or two examples where some abuses have crept in where a town might have within its boundaries a certain amount of agricultural land that is used exclusively for agricultural purposes, and the owners entered into an agreement with the Town Council whereby they fix a tax rate over the period of four or five years, depending upon the term of the agreement. There have been some instances where the owner of the property. . .

Mr. Speaker: — Order! Order! Does the hon. Minister care to go on? It is now past 5:30 o'clock.

Hon. Mr. McIntosh: — Yes, Mr. Speaker, I will just finish this and that will be it, if you don't mind. There have been instances where the owner of the property has put up an additional building and has rented that building, and has gathered taxes on it. Those abuses have crept in and this amendment is for the purpose of trying to eliminate abuses. The other amendments can be dealt with in Committee, Mr. Speaker. I move second reading of an Act to amend The Town Act.

The question being put, it was agreed to and the Bill referred to a Committee of the Whole at the next sitting.

Premier Douglas: — It is the general agreement on both sides of the House that the Members wanted to have this evening free because so many of them have councillors and reeves from their own constituencies in the city and, therefore, if it is generally agreeable to all parts of the House, I would like to move that the House do now adjourn.

The Assembly then adjourned at 5:35 o'clock p.m.