

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session Fifteenth Legislature
11th day

Tuesday, February 22, 1966

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

INTRODUCTION OF MEMBER FOR BENGOUGH

Hon. W. Ross Thatcher (Premier): — Mr. Speaker, I have the honor to present to you, Mr. Alexander Mitchell, member for the constituency of Bengough, who has taken the oath and signed the roll, and now claims the right to sit in his seat.

Mr. Speaker: — Let the hon. member take his seat.

Hon. Members: — Hear, hear!

MOTION RE DEATH OF LIEUTENANT GOVERNOR OF QUEBEC

Mr. Thatcher: — Mr. Speaker, before the Orders of the Day, I beg leave of the house to introduce a motion respecting the tragic death of the Lieutenant Governor of Quebec. The Honourable Paul Comtois has been an outstanding figure in the political and public life of both his province and our country for thirty-five years. Most members will recall that he first came to wide-spread attention across Canada as a member of the federal cabinet, in the years from 1957 to 1962. His appointment to the exalted post he held as a representative of Her Majesty was greeted widely as a welcome one. His tragic death has removed an outstanding Canadian. I know hon. members will join with me in extending our sympathy to Madam Comtois and the other members of this family. So I move, Mr. Speaker, seconded by the hon. Leader of the Opposition (Mr. Lloyd):

That this assembly direct Mr. Speaker to convey to the widow and family of the late Hon. Paul Comtois, Lieutenant-Governor of Quebec, our condolences and sincere sense of loss at his tragic death at the weekend.

Mr. J.H. Brockelbank (Kelsey): — Mr. Speaker, I was very much shocked to learn of the tragic death of the Hon. Mr. Comtois. I had the privilege of knowing him very well when he was Minister of Mines and Technical Surveys in the federal government. I was Minister of Mines here in the province of Saskatchewan and became acquainted with him at our annual conferences of Ministers of Mines. He was a very charming person, also very knowledgeable and very pleasant to work with. It is a great loss to the province of Quebec and to our country. I join with the Premier on behalf of members on this side of the house in offering our most sincere sympathy to Mrs. Comtois and the other members of the family.

Mr. M. Pederson (Arm River): — I, too, would like to add a few words of sympathy to the family of the Hon. Paul Comtois. The Lieutenant Governor had been a very close friend of mine; I have known him for a

good many years, and although his office in recent years precluded any participation in the political life of this country, I did know him well in the days when he did participate. I would like to add to the record the feelings and expressions of sorrow and regret, and indeed, deep shock that is felt by those people that I represent in this house at this very tragic and untimely death. We would like to extend to his family our deepest sympathy for their very sad loss and bereavement.

Motion agreed to.

QUESTION RE WATER SITUATION — NORTH BATTLEFORD

Mr. E. Kramer (The Battlefords): — Mr. Speaker, before the Orders of the Day, I would like to ask the hon. Minister of Health (Mr. Steuart) what is being done by the Department of Health about the water situation that exists in the North Saskatchewan River, which affects the town of Battleford, a portion of the city of North Battleford, in the everyday use of water, the water we use for everyday use. This not only affects our centres but certainly further down stream, and I would like to have a report as soon as possible as to what is being done about this situation.

Hon. D. Steuart (Minister of Health): — Mr. Speaker, I am sure the hon. member will allow me to take this question as notice, and I will give him a report as soon as possible.

WELCOME TO STUDENTS

Mr. W.A. Robbins (Saskatoon City): — Mr. Speaker, before the Orders of the Day are called, I would like to draw the attention of members to a fine group of students in the east gallery from Albert School in Saskatoon. I am particularly pleased to do this because this happens to be my home school. I know a good number of the students there. I know one particularly well, but I am not permitted to divulge that person's name upon threat of permanent excommunication from my own household. I would also like to greet the principal, Mr. Rostead, and teacher, Mrs. McMillan. I trust that they will have an educational, entertaining time in the legislature, and I am sure all the members of this assembly will join me in wishing them a safe journey home.

Mrs. S. Merchant (Saskatoon City): — Mr. Speaker, I would like to add to the words of the member from Saskatoon. I am under no threat, and I can perhaps not divulge the name of that particular person in that class, but the relationship is that the hon. member's daughter is in the class from Albert School. But I would like the house to recognize other students from the city of Saskatoon. We have a large representation today from various schools in our city and I know that, as well as the group from Albert, you will want to wish them well as the hon. member has already done.

Hon. Members: — Hear, hear!

Mr. W.E. Smishek (Regina East): — Mr. Speaker, before Orders of the Day, I also would like to draw the attention of the members to a group seated in the east gallery. They are a group of grade 7 and 8 students from St. Mark's School in the city of Regina. The students are

accompanied by their teachers, Mr. Frohlich and Mr. Gerasin. I am sure that the members of this house would like their stay to be both pleasant and educational today.

Hon. Members: — Hear, hear!

CORRECTION OF STATEMENT MADE BY MR. BLAKENEY (REGINA WEST)

Hon. D. Boldt (Minister of Welfare): — Mr. Speaker, I rise on a point of privilege, to correct an impression made by the member of Regina West (Mr. Blakeney) which was quoted in the press. I want to quote the press statement where he attributed a statement that the minister had directed SGIO to cease giving effective competition to private insurers to make more money, to bring about a wholesale increase in rates. He goes on to say:

Right now agents are being advised of sharp increases and higher rates in Regina, an increase on dwellings to \$3.50 per thousand from \$3.00 per thousand, an increase of 16 per cent; in towns like Birch Hills, an increase of 30 per cent.

Now, before, proceeding, I would like to place before the house, the correct information for fire rates on dwellings, information which is based on fact, on contrast to the information given this house last Friday night by the hon. member for Regina West (Mr. Blakeney), a former Minister of SGIO. I would suggest that the hon. member in the future be sure that he has all the facts, that he does not mislead the house even if it is unintentional.

Mr. Speaker, the hon. member charged that I directed SGIO to cease giving effective competition. As a former minister, he must know, and if he does not know . . .

Mr. Brockelbank (Kelsey): — Mr. Speaker, on a point of order, the hon. minister is not giving information to the house to correct a statement, he is entering into a debate, and this is entirely out of order.

Mr. Boldt: — I will give you the information right away.

Mr. Brockelbank (Kelsey): — Well, the member asked for it for days, and didn't have it . . .

Mr. Speaker: — On points of privilege members are entitled to comment on press statements that were made, statements in the press they consider are not correct.

Mr. F. Dewhurst (Wadena): — Mr. Speaker, on a point of order. Is the hon. member allowed to speak on something that happened in debate which the house has voted on and closed, when that information was asked at that time?

Mr. Speaker: — Well, if I understand this correctly, he is endeavoring to correct information on the debate, in the press. Every hon. member has the right to do that.

Mr. Boldt: — I am quoting rates other than AAIA rates, and it is

February 22, 1966

rates on dwellings and businesses. The competitive rates have always been set by the Underwriters of Saskatchewan Government Insurance Office. Our Chief Underwriter has been an SGIO employee for over 20 years. These rates are based upon experience. When necessary rates are increased; and when warranted, rates are reduced. In the case of dwellings and businesses in this province, our experience indicates that the rates are in need of an upward revision. The experience in the last few years has been as follows: In 1962, the premiums written were \$631,000 . . .

Mr. W.S. Lloyd (Leader of the Opposition): — On a point of order, surely the hon. member is going far beyond his point of privilege.

An Hon. Member: — Sit down.

Mr. Lloyd: — Mr. Speaker, the hon. member said “Sit down”. I suggest I am perfectly in order rising in my seat and did not have to be advised by persons like him.

Mr. Speaker: — Well, if the member is correcting a statement that he wishes to correct, that appeared in the press, I suggest again that he has the right to correct it. I would suggest that he comes to the point.

Mr. Dewhurst: — On the point of order, Mr. Speaker, when it lists what questioners may do, and I imagine the reply is the same, it says a questioner must not inquire whether statements made in a newspaper are true. I cannot question as to whether statements made in a newspaper are true, so why does the member have the right to come back and by referring to newspaper articles to open the debate which is now closed.

Mr. Speaker: — I don't think he is questioning, as I understand it, he is not questioning whether statements in the press aren't true, he is trying to correct the statement in the newspaper which he says is not true.

Mr. Dewhurst: — There is another debate coming up.

Mr. Boldt: — I would like to lay on the table, Mr. Speaker, rates in the various communities. The industry rate in the town of Yorkton is 40 per cent, the SGIO rate is 35 cents; this is a difference of 5 cents. And in the village of Birch Hills, the industry rate is 55 cents and the SGIO rate is 45 cents, a difference of 10 cents. In the town of North Battleford, the industry rate is 55 cents . . .

Mr. A.M. Nicholson (Saskatoon): — Mr. Speaker, again on a point of order, hon. members have raised points of order that are waiting for you to give a ruling on before any further debate on this subject that was closed last Friday.

Mr. Speaker: — I thought I made it perfectly clear a few moments ago that

if he wished to correct something which has been said in the press that he considered was not correct, according to previous practices of this house, he was entitled to do so, and I would suggest that by now he would have had it done.

Mr. Boldt: — Mr. Speaker, it is quite obvious that the opposition does not want to know the rates. I will table them so they can read them for themselves.

Some Hon. Members: — Hear, hear!

Mr. A. Blakeney (Regina West): — Mr. Speaker, before the hon. minister takes his seat, did I understand him to say that the Regina rate had gone up or hadn't gone up?

WELCOME TO STUDENTS

Hon. D.V. Heald (Attorney General): — Mr. Speaker, before Orders of the Day, I would like to advise you, Sir, and members of the house, that seated in the west gallery this afternoon, are 18 students from the Davin School, grades 7, 8 and 9. The Davin School is in the constituency of Lumsden, the best constituency in the province of Saskatchewan. They are accompanied by Mrs. Irene Fisher, their principal, and by three gentlemen from Davin who have driven them in today, Mr. Ed Weslowski, Mr. Paul Brandt, and Mr. Herman Brandt. Now, these gentlemen advise me that when they left home this morning there was a lot of drifting snow, but due to the fact that they now have a blacktop highway which was built last year, they got here and they hope to get home all right.

Some Hon. Members: — Hear, hear!

Hon. G.J. Trapp (Minister of Education): — Mr. Speaker, before Orders of the Day, I would like to welcome all students here, visiting in the house today. Especially would I like to welcome the outstanding grade 12 class from Kelliher High School from the Touchwood constituency. They are out in the west gallery. They are accompanied by their teacher, Mr. Scalifour, and Charles Creps, their driver. I hope they will find the visit here most interesting and enjoyable. I am very pleased to see you here, may you have a safe trip home.

Hon. Members: — Hear, hear!

REPORT OF NEWSPAPER ITEM

Mr. W. Robbins (Saskatoon City): — Before the Orders of the Day, I would like to draw to the attention of the members of this house, an article that appeared on page 5, the Leader Post, under date of February 22nd; it read as follows:

Grant says 104 not 30.

W.A. Robbins, CCR, Saskatoon City, got more than he asked for Monday when Industry Minister Grant replied to a question Mr. Robbins had placed on the order paper last week.

February 22, 1966

I did not get more than I asked for. I didn't even get what I asked for, and I will have to resubmit the question, Mr. Speaker.

Some Hon. Members: — Hear, hear!

RESOLUTIONS

MOTION: SHORTAGE OF BOXCARS, ETC., AND GUARANTEE OF PRICES FOR FARM PRODUCTS.

Mr. L.M. Larson (Pelly) moved, seconded by Mr. H. Broten (Watrous):

That this assembly, believing the precarious economic condition of agriculture demands immediate action, urges the Federal Government to take immediate steps to: (1) ensure Canadian railways make available immediately enough boxcars, locomotives and other equipment to transport Saskatchewan grain to terminal elevators to meet Canada's export commitments; and (2) guarantee adequate minimum prices for all major farm products now.

He said: First of all, may I welcome the new member from Bengough to this assembly.

Hon. Members: — Hear, hear!

Mr. Larson: — May your stay here, Sir, be a pleasant and fruitful one.

An Hon. Member: — And a short one.

Mr. Larson: — Yes, and a short one. Now, Mr. Speaker, in moving this resolution, I am motivated by the urgency of its contents. That this urgency exists has been known for some time, at least, known by the farmers of the prairie provinces. The extent of this urgency has as yet not been recognized by the federal government at Ottawa. It is, therefore, necessary to again remind them of the urgency. This resolution proposes to do just that.

The matter of grain transportation and boxcar movement has developed into a real sore spot. The full effect of this bottleneck has not been fully realized as yet, but it would be impossible to put an accurate figure on the loss in dollars and cents to the farmer.

It would be equally difficult to put a figure on other related factors. One of the direct losses to the farmers is the cost of demurrage charges paid by the Wheat Board as a result of the tie-up. My estimate is that it may run as high as \$1,000,000. Additional hardships have been imposed on the farmers because of low delivery quotas. Farm marketings at elevators in the three prairie provinces are below the levels of the last two years. In spite of record sales of wheat, deliveries to country elevators are about 26,000,000 bushels below the 1963-64 crop year, and about 17,400,000 below last year's marketings. Although the figures for Saskatchewan are slightly better, they are far from satisfactory. This is an unsatisfactory position. With most of the grain already sold and the Wheat Board anxious to take deliveries to meet commitments, it

is obvious that the matter is serious.

It is expected that total wheat exports this year will reach 600,000,000 bushels. To meet this target, wheat must continue to flow at an increased rate from terminals. To meet requirements the Wheat Board has had to draw on stocks in store and in shipping positions. This has resulted in commercial stocks reaching the lowest level in many years. These stocks now stand at approximately 310,300,000 bushels.

Of particular interest is the small amount of wheat in transit. On January 29th, 1964, there were in cars enroute to Lakeheads and shipping points, 21,400,000 bushels. In 1965, the amount was 13,100,000 bushels and this year it is only 8,900,000. The effect this has on delivery quotas is a great spread between delivery points. The Saskatchewan Wheat Pool gives the following picture. In 970 out of its 1,067 delivery points, compared to 1965, the quotas are as follows: 1966 still two points on one bushel, none in 1965; two bushel points, 59 this year, none last year; three bushel points, 196 this year, only 13 last year; four bushel points, 309 this year compared to 205 last year; five bushel points, 215 this year, 313 last year; and six bushel points only 189 this year compared to 444 last year.

The greatest amount of dissatisfaction has occurred at Vancouver points. Again, it is difficult to pinpoint figures and losses. However, recent figures released by the Minister of Trade and Commerce point up the condition generally. Speaking in the House of Commons, Mr. Sharpe pointed out in answer to a question that as of February 10th, 1966, car spottings at Vancouver for unload were 15,191 cars below the Wheat Board target. To meet its requirement for delivery commitments already made, the Board set a target of 62,690 cars to Vancouver. By February 10th, 47,507 cars of this target had been met. Out of this amount the CNR was 6,700 cars short, while the CPR was some 8,480 cars short of target. As a result of this unsatisfactory, and in my opinion, unnecessary situation, the Wheat Board has had to curtail its offerings of grain for sale, particularly at the west coast. That this is so has been borne out by statements of agricultural officials. Quoting from the February 17th issue of *The Western Producer*, the President of the Saskatchewan Wheat Pool had this to say. Mr. Gibbings said:

That he and other agricultural officials had been told by members of the Canadian Wheat Board that Canada could have sold another 100,000,000 bushels of grain if the country had the means to move it to shipping positions.

Mr. Gibbings states further:

That terminals and shipping companies could have handled this additional amount of grain if it could have been moved from country shipping points.

Now, I happen to agree, Mr. Speaker, with the statement made in this house the other day that it is unlikely that Canada will produce more grain than we can sell, at least in the near future. But, Mr. Speaker, how are we going to keep our commitments to customers, if we cannot even provide boxcars to move the grain to shipping positions.

I want now to mention a few of the other aspects of this whole transport mix-up. It is reported that, in supplying the

wheat and flour that was sent to India recently by the Canadian government, because of our inability to deliver quickly enough to meet the emergency needs, the Canadian Wheat Board had to turn to Argentina to get wheat for the famine relief of India. I am pleased that this was done, and that the food was sent. However, it does point to something being very drastically wrong with our whole transport system.

I want now to turn for a few moments to the other portion of this resolution. The many arguments that have over the years been used and made in support of this request are just as valid today as they ever were. This disparity of farm costs to farm income, commonly known as the cost-price squeeze, are even greater now than one year ago. The cost of the farmer's tools of production are continuing to rise. In spite of good markets the income of farmers has not kept pace with costs. Compared to the per capita income of Canadians, the farm industry is still very low. The farm cash income supplement published by the Economic Advisory and Planning Board of Saskatchewan shows the extent of poor or low income farmers, and where they are located.

Because of the unsatisfactory income, farmers are being squeezed off farms. More young men are finding it impossible to establish in farming. Using the figures of the Economic and Planning Board report, we find some very disturbing facts. In the no. 1 report on farm cash income, of March 19th, 1964, we find just what is happening to farming.

The report shows the continuing drop-out of farmers as well as the unsatisfactory income position of a great many of them. It shows as well that even in 1954, the income problem was with us. It further shows how farmers have reacted to this situation. On page 5 we find that in 1954, there were 106,934 farmers in the province. In 1963, this figure had dropped to 90,178, or a net loss of over 16,000 farmers who dropped out of the business for one reason or the other.

How farmers have reacted to the income dilemma is shown by the size adjustment of farms. In 1961 DBS census figures show that 66.3 per cent of farms in Saskatchewan were 500 to 1,000 acres in size. Those of the 1,000 acres or more had risen to 19 per cent. When the figures for 1966 are available I am sure this trend is continuing and probably even being accelerated.

In this way farmers are reacting in the only way open to them, and that is by adjustment in size as their neighbors are pushed off. That young men are not entering the field of farming is shown by the 1961 census figures. In 1961, 54.8 per cent of farmers in Saskatchewan were 45 years old or older. N.W. Menzies in his report on poverty in Canada, made to the Manitoba Pool Elevators in 1965, gives the average age of Saskatchewan and prairie farmers of that time as 55 years and up. This is a very serious situation, as no industry can survive if young and vigorous people are not attracted into it.

The food needs of the future demand that the agricultural industry be a strong and vital one. Young farmers will not be attracted if we do not provide price and income guarantees, thereby assuring them of some security as well as the ability to survive. The urgent need for price stability and price guarantees is shown in another way by the Economic Review.

Looking at the province by crop districts, starting from the south and going to the north, to the end of the farming area

the disparity of income and income variance is surprising. To use the highest producing district and the lowest one we find this. In district 7A which comprises some 16 municipalities, surrounding the town of Rosetown and west, we find that the per farm gross income from all farm produce averages out to \$9,200, while in crop district 9A, in the northern part of the province, the per farm gross income averages only \$4,046, or less than half the income of district 7A. Now it is very obvious, Mr. Speaker, that conditions of this kind can result only in pockets of prosperity, while at the same time there will be large pockets of poverty and despair. While much more could be said and several sets of figures quoted to prove that there is real urgency, time does not permit them now.

One of the methods of alleviating the hardships of farming is to do as the resolution suggests. The guaranteeing of minimum prices for farm products is a first step in stemming the flow of young potential farm youths off the farms. Guaranteed prices will enable farmers, especially in the low income areas to plan a stable farm operation. This will stop the exodus of farmers off the land.

Very many of the farmers in my constituency live on farms that fall into the \$4,000 income group. These people do not want to be pushed off their land. All they are asking is to be able to live in modest dignity where they are. It is small consolation to these people to know that the price of wheat is now rising. Crop and harvesting conditions last fall have put their income at the lowest level for many years.

It is equally small consolation that the price of cattle has gone up. In order to live last fall when their crops were out in the wet fields they had to sell the cattle and they had to sell them at disastrously low prices. These farmers realize, Mr. Speaker, that without some form of price stability and guarantees they will not be able to stay in the business. These farmers realize that their sons and daughters will be in the same position. Therefore they are urging them not to stay on the farm. Mr. Speaker, for these reasons and many more that time does not allow me to deal with, I now move, seconded by the member from Watrous (Mr. Broten), the resolution.

Some Hon. Members: — Hear, hear!

Mr. H.A. Broten (Watrous): — Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

MOTION: FREIGHT RATES

Mr. G.G. Leith (Elrose) moved, seconded by Mr. MacLennan (Last Mountain):

That this assembly urges the Government of Canada to take whatever action is required, to adjust the discriminatory freight rates, which presently exist against many industries in the Prairie region.

He said: Mr. Speaker, I wish to propose to the assembly for its consideration the foregoing resolution.

Mr. Speaker, this resolution deals with a problem which is

February 22, 1966

of real concern to all the people of Saskatchewan. Transportation has always been and continues to be vital to the economy of this province. We are located in the centre of the prairies. We are far from our markets and our outside sources of supply. We continue to be more dependent on rail transportation than is any other province in Canada.

Since 1905 when this province was formed each succeeding provincial government and all public organizations have been determined to protect the people of Saskatchewan from the penalty of unduly high freight rates. It is the policy of this government to ensure that the national rail transportation system operates for the benefit of the public in all regions of Canada; and in particular, Mr. Speaker, it is the policy of this government that the rail system operates for the promotion and economic growth of the province of Saskatchewan.

We stand at the top of the freight-rate structure in Canada. We are more affected by freight rates than is any other area. Increases in freight rates have a more harmful effect on our people than on any other group in the nation. The major effect is inflicted upon us by reason of geography. Shipping distances from Saskatchewan points to ocean ports or to the lakehead are greater than from any other part of Canada. For instance, it is approximately 860 miles from the western border of this province to Vancouver and almost 630 miles from our eastern border to Fort William. Therefore, distance alone means that we will pay more on outgoing and incoming freight than residents of other provinces.

The second major reason for our extremely high freight-rate structure is the absence of effective competition from cheaper forms of transport such as trucks and water. Mr. Speaker, geography and lack of effective competition together create a natural climate of high transportation charges. The prices of the product that we sell to the world and the prices of the materials that we consume here in Saskatchewan are necessarily influenced by the amount that we have to pay in shipping charges.

Now, certainly nothing much can be done about geography. However, we must be concerned that no extra burden is placed on our industries, on our producers and our consumers or on any person by unduly high freight rates. We believe that we must be on guard against rates which are the result of policies of the federal government or of the railway companies. Especially must we be on guard if we have no choice in the setting of these rates.

We also believe that there has been no real improvement in the rate situation in the last 20 years. We believe that our natural geographic disadvantage has been multiplied by discriminatory and unfair rate increases which our people have had to bear. We believe that these unfair rates have not been applied to our more fortunate cousins in other parts of Canada.

Mr. Speaker, Saskatchewan people have had a much heavier burden to bear in terms of money paid for transportation than the people of other provinces. For example, horizontal freight rate increases between 1948 and 1958 have amounted to 157 per cent. Long-haul shippers like we have in Saskatchewan find this increase particularly difficult. For example, if a long-haul shipper paid a rate of say one dollar in 1948, he was paying \$2.57 in 1958. In contrast a short-haul shipper paying a rate of say 59 cents in 1948 was paying only \$1.77 in 1958. All this

has been bad enough but the effect of these post-war horizontal increases have been far more discriminatory against the people of Saskatchewan because elsewhere railways have strong competition from truck and water transport. The Panama Canal water rates effectively compete with transcontinental rates across Canada on freight shipments. Where this type of competition prevails rail rates have always been at a much lower level than rates for shipments into and out of Saskatchewan. Because of this competition, in the post-war years from 1948 to 1958, these transcontinental rates and ordinary rates and agreed charges have increased very little and certainly not to the extent to which the long-haul rates have increased.

Mr. Speaker, the people of Saskatchewan are paying for the maintenance of the overhead structure of the railway companies. For years the long-haul shippers in the west have borne the burden of high freight rates to subsidize the low rates which have been given by the railways in other parts of the country. We have now reached the point where it is imperative for us and in the national interest that these long-standing problems of transportation policies should be resolved.

The report of the MacPherson Royal Commission was published as long ago as 1961. The government of Saskatchewan has not been satisfied with the recommendations on railway policy made by that Royal Commission. The government of Saskatchewan was not satisfied with the first proposal made by the government of Canada for the amendment of the Railway Act. Our government intends to press forward with its representations and to urge the government of Canada to carefully study Bill C-120 before it is reintroduced in parliament.

I believe that we must look forward to the implementation of the new policies which will make it possible for the railways to operate on a businesslike basis and in the black. These policies, if they are implemented, should take into consideration the varying forms of transportation requirements of all sections of Canada. These policies must be made to assist rather than to impede the economic development of our province. Unless clear and compelling safeguards are written into this new legislation on transportation, our economic growth could be easily stifled.

On this important question of freight rates I personally would not wish to have any shipper's traffic carried at uneconomic or at losing rates. At the same time we must ensure that our people will not have to continue to subsidize the competitive rates enjoyed by more fortunate shippers in other parts of the nation.

In conclusion, Mr. Speaker, I wish the members of this assembly to know that this government is concerned about the transportation problem and is alert and working hard on behalf of the people of the province. If there is an industry or if there is any shipper in Saskatchewan who feels that he is being discriminated against by the present high-rate structure, he is invited to present his problem to this government. It will do everything in its power to assist him. The provincial government must be the watch dog over the rights of the people in this matter. I, therefore, move the resolution, seconded by the member from Last Mountain (Mr. MacLennan).

Mr. D.G. MacLennan (Last Mountain): — Mr. Speaker, the position of the railway in Saskatchewan is one of almost complete monopoly. In central Canada the

railways have stiff competition from truck and water transport. Here in Saskatchewan we do not enjoy the freight rate advantages that result from such competition. This fact along with our geographical handicap places the economy of Saskatchewan in a vulnerable position. Saskatchewan realizes the fact that because of our basic position we must pay somewhat higher freight rates. Mr. Speaker, what we protest is this: first, unduly high and unfair freight rates; second, the discrimination against our industries because of the structure of freight rates in Canada.

The policy of horizontal percentage freight rate increases is one of extreme discrimination against prairie industries. This type of increase falls more heavily on long-haul shippers. A 20 per cent increase is an increase of one dollar on the long-haul rate of five dollars. But it is only 20 cents on a short-haul rate of one dollar. This policy, unfair as it is, has been the type of most freight rate increases since 1948. The people of Saskatchewan want a new discrimination-free policy on freight rates. In formulating this policy it must be remembered what obligations the CPR has to this country and to the west in particular.

This company at the start of its operations received many valuable properties in the form of land, oil and mineral rights. This company has segregated its non-rail assets including oil, mineral and lumbering rights in separate companies. The contention of the railway in fixing just and equitable freight rates based on the revenues derived from their transportation services only, is a wrong one. The company's land holdings in western Canada was a direct gift by the people of Canada to the railways. The view that income derived from these lands or the assets derived from the sale of this land should not be considered when freight rates are being fixed is again wrong and unfair. This company has a great obligation to the public welfare and public convenience because of the many privileges it enjoys as a result of the generosity of the Canadian people.

Since this government took office it has done and is doing everything possible to have industry locate in Saskatchewan. A growing industry in Saskatchewan is our forest industry. Three-fifths of our land area is covered by forests. High freight costs have greatly accentuated the difficulties in marketing our forest products. Great quantities of base and precious metals are known to exist in our north. It is of the utmost importance to our provincial economy that this vast area be developed. This government has worked vigorously to attract prospectors, exploration companies and capital investment into this area. The difficulty this government has faced is the lack of favorable freight rates.

Iron ore deposits have been discovered in northeast Saskatchewan. The development of this industry will mean a great deal to this particular area and to the province as a whole. Reasonable freight rates for this industry will mean much in assuring the development of this great industry.

A thriving industry in Saskatchewan for many years has been the sodium sulphate industry. This is still a growing industry as evidenced by the fact of the recent announcements of three new mines. This product is a bulk product for which there has been no market within the province. To enable this industry to continue to compete in world markets favorable freight rates are essential.

On potash the long hauls that are necessary to enter our potash in the world markets again emphasize the importance of fair freight rates to the economy of this province.

Since World War II the manufacturing industry in Saskatchewan did not have anywhere near the growth it has in other regions of Canada. The general economic boom that is taking place in Saskatchewan now, particularly in the fields of mining and oil, is expected to bring in many related manufacturing industries. To assure the success of these new industries low freight rates are not only desirable but necessary. Saskatchewan's present economy is no longer solely based on the production of grain. The changing circumstances of Saskatchewan's economy warrant a new and effective freight-rate policy. A measure of relief from discriminatory freight rates would enable prairie producers to make a larger and more effective contribution to the economy of Canada.

This government, as I am sure previous governments did, found that the present freight-rate structure discriminates against industry located in Saskatchewan. The railways, over a period of years, have established special rates for the transport of goods from the central provinces to the west coast province of British Columbia. Special rates exist for the transport of goods within the central provinces. It is a fact that because of these rates industries in Saskatchewan several hundred miles closer to British Columbia must pay a higher rate or at least an equal rate compared with their competitors in central Canada shipping to the same market. The natural obstacles that exist against the location of industry on the prairies are difficult enough to overcome. To overcome the artificial obstacles that result from an obsolete and discriminatory freight-rate structure is unfair and not in the best interests of this nation and of the west in particular.

Mr. Speaker, it is with a great deal of pleasure that I second this motion and ask the assembly to support it.

Some Hon. Members: — Hear, hear!

Mr. W.J. Berezowsky (Cumberland): — Mr. Speaker, I was impressed by the fact that the hon. members who moved and seconded the motion have at last realized what the problem has been for the province of Saskatchewan in getting reasonable and equitable freight rates. Listening today I felt that they were really Socialist-minded.

However, there are many other points that should be brought up. I would like to speak at a later time and would beg leave to adjourn this debate.

Debate adjourned.

MOTION: PRIVATE PENSION PLANS

Mr. W.G. Davies (Moose Jaw) moved, seconded by W.A. Robbins (Saskatoon City):

That this assembly urges the government of Saskatchewan to consider as soon as possible the introduction of legislation and the adoption of any other necessary ways and means by which the interests and the welfare of employees affected by private pension plans can be fairly and reasonably protected; and that consideration

be given specifically to changes that would provide that in the event of the termination of the employment of an employee, the amount of money to his credit in a private pension plan or like benefit, be vested in him through a deferred pension, or transferred to his credit in another plan, including one operating in a concern in which he subsequently accepted new employment, to the end that reward for service rendered and the principle of pension portability may be recognized and secured.

He said: Mr. Speaker, the development of many private pension plans during recent years, and the more recent passage of the Canada Pension Plan in the Parliament of Canada have provided additional reasons why we need more protection for the recipients and the contributors of private plans. The resolution before the house today calls for consideration by the government of this province of the introduction of legislation and the adoption of necessary ways and means by which the interests and welfare of employees that are affected by the private pension plans can be fairly and reasonably protected. The resolution asks that particular consideration be given to needed changes that will provide protection for employees in the event of the termination of their employment so far as pension credits are affected.

Now, Mr. Speaker, there are perhaps 10,000 private pension plans in Canada. There are probably something under 1,000 private pension plans in the province of Saskatchewan. I may say that I attempted to get some fair information on this latter fact just before the session. I was at that time told that any information in this respect would have to be elicited by questions in the house, so I am, therefore, not able to speak as specifically as I would have liked to with regard to the number of pension plans and their practice in this province. I think, perhaps, I should add here that the Employees' Pension Plans Registration and Disclosure Act, passed by a CCF government in 1961, has been inoperative insofar as two of its basic sections are concerned, because in March of 1965, the Saskatchewan government, the present Liberal government, by Order in Council, declared that sections 4 and 5 would not apply to any class of employee pension plans for a period of two years, beginning on January 1st, or 1965. The relevant sections, I think, could be quoted. They say:

That every trustee of an employee pension plan shall, on or before the respective date specified for the purpose and the regulations, furnish every employee within the plan, every employer that contributes to the plan, every organization of employees that is a party to an agreement establishing a plan: (a) with a statement in the form prescribed by the registrar setting forth a description of the plan and such information respecting the plan, as may be called for by the regulations and (b) in each year, with a report in the form prescribed by the registrar, setting forth such information respecting the plan as may be called for by the regulations.

and section 5 says:

If required by the regulations, every trustee of an employee pension plan shall in each year, not

later than the date specified . . . in the regulations, furnish the registrar with a report, in the form prescribed by him, setting forth such information respecting the plan and matters relating thereto as may be called for in the regulations.

So then, Mr. Speaker, it would appear that even when I am able to secure information by question in this house, it will be of little use so far as the substance of this resolution is concerned because of the moratorium on such basic information that has been declared by this government.

Now, in any case, I think the perusal of some of the available information in Canada and the United States justifies the contention that is suggested by the resolution. I am going to refer first to a booklet that is issued by the Department of Labour of Canada, entitled "Industrial Pension Plans in Canada". The booklet makes four studies with regard to (a) the contribution of benefit formulas, (b) the types of retirement policy, (c) vesting provisions, and (d) the number of workers that are covered. This covers some 214 typical private pension plans in industry across the country.

Referring, first of all, to vesting provisions for the workmen concerned, the booklet states that there are about one-seventh of the plans with vesting provisions that provided for full vesting by the time the worker had participated in the plan for 10 years. In more than half the plans, however, full vesting occurs only after 20 years' service by the employee. The further information that is revealed says that in the typical pension study by the Department of Labour the employee has the right to 50 per cent of the employer's contributions after 10 years of service, with a 5 per cent increase for each additional year of service, so that the employer's contributions vest in full after 20 years.

Now, significantly, there were 184 out of the 214 plans reviewed that showed that a worker who had put in six years of service with one employer would have acquired no vesting rights whatsoever. In only a very few plans, (I think there are 10 to be precise), out of the 214, would the worker with six years' service have acquired full vesting rights. I think, therefore, that it may be taken that the average, more generous, pension plan in Canada provides for full vesting rights for an employee only after 20 years of service. There is quite a degree of difference, of course, between the contributory and the non-contributory plans. The non-contributory pension plans in this study showed that only a third of the non-contributory variety had any vesting provisions at all. About 90 per cent of the contributory plans had some kind of vesting provisions in the sense that I have intimated to the house.

Mr. Speaker, it will be seen that the advent of the Canada Pension Plan has put the private pension plans in the spotlight. The Canadian Pension Plan after all provides for what might be termed, within its limits, complete portability, that is the employer's contribution is fully vested in the employee when he changes jobs.

I think it is also understood, I hope without any argument in this house, that the Canada Pension Plan by itself doesn't make adequate provision for people after retirement. The benefits received by a worker, say of the \$5,000 annual limit income, are calculated on 25 per cent of that income. A

February 22, 1966

twenty five per cent pension is inadequate. This could be contrasted with the philosophy of our own government, of our own civil service pension plan, which aims at a 70 per cent benefit based on previous salary.

I say it is evident enough that people are at present relying to a considerable extent on the benefits that they hope they are going to get from private pension plans to supplement the Canadian Pension Plan. It should also be said in passing, that the entire benefits of the Canada Pension Plan are not really going to come to fruition until 1976. That is some time off.

Now, there is further information that is disclosed by the Canadian Department of Labour study. It indicates that many, many employees of firms in Canada will not receive a full benefit from private pension plans because they change jobs so many times during a lifetime, and therefore, are not able to enjoy the kind of a pension that they would get if they stayed with the one employer and with the one pension plan for, say the time that it usually takes to benefit at 65 years.

Now, I think it is trite to say that we are living in a very fast-moving society. Everybody knows that there is a tremendous movement of people, a necessary movement in many cases, from industry to industry, and from community to community. Some years ago we had a discussion on the Annual Holidays Act in this house. At that time we were told, as I recall, that a large proportion of the employees in this province were staying with one employer for less than five years. I believe it must be accepted that there are very large numbers of working people — probably a majority of the employed force — who have had substantial losses in pension credits because of their change from employment to employment.

We are told as well, Mr. Speaker, that the trend I am talking about is not slowing down, it is increasing. It is claimed that during the next 25 or 30 years working people are going to expect to have to change jobs five or six times. Now, what this means on the basis of the present formula or formulas of private pension plans is that many employees will have no pension credits at all, so far as the employer's portion of the pension is concerned. I say, Mr. Speaker, that in light of modern day needs, it can be seen that a very, very large number of private pension plans are simply inadequate for the purpose of offering real protection. It might be said, in truth, that for the kind of purposes I am talking about, they are obsolescent; they don't fit in with the needs of this last half of the 20th century.

It is my contention, Mr. Speaker, that the amounts of money that are contributed by employers to private pension plans are in the nature of deferred wages. Payments are put into the funds that, it is hoped, will buy some security later in life. But they are, to my mind, just another payment for services rendered. Therefore, I feel that the entire portion of the employer's contribution to private pension plans should become vested in the employees who would be the recipients of benefits if they were able to stay until the retirement period at 65 years of age, which is stated in most private pension plans.

I would like to just briefly tell the house about the legislation in Ontario, which was passed in 1965 — The Pensions Benefit Act. This attempted to meet the problem of vesting rights

for employees as well as a number of other problems that are concerned in pension plans. Now, I think the Ontario legislation is extremely conservative, (with a small "c" if I may say so to my friend on the left), but I do think they represent the first legislative attempts to grapple with the problems that I have briefly suggested thus far.

The Ontario act and legislation now in force require that all employers must register their plans, and amend them where this is required, with the Pension Commission of Ontario. There are also three main areas of most pension plans that are affected by the legislation, and I want to tell you about them briefly. First of all, private plans must provide a steadily increasing degree of portability of pension rates upon termination of employment. Whenever an employee terminates employment after reaching the age of 45, and completing at least 10 years of continuous service, he must be entitled to a deferred pension from the employer's pension plan. Both the employee's required contributions for service after January 1st, 1965, and the corresponding employer funds must be "locked in" to the plan, and vested to the credit of the terminating employee in order to provide a deferred pension arising from the plan's benefit formula for service after January 1st of 1965. The act isn't retroactive; it doesn't affect pensions from promises or contributions that are already made under the plan, before January 1st of 1965.

The Ontario act also recognizes that there are many contributory plans in the province that generally allow the employee the option of a cash return of their own contribution. And the act permits a commutation of up to 25 per cent of this deferred pension as a lump sum withdrawal if the plan so provides. It may also be noted that the Ontario act requires by a number of sections, the filing of pension plans and information on pension plans, the establishment of controls by regulations regarding methods of computing pension benefit credits, and pension benefits respecting the variation of pension benefits and deferred life annuities, prescribing the classes of investments and loans, qualitative and quantitative, in which pension fund monies may be invested. It prescribes the conditions under which on termination of employment of an employee, the credits of an employee to the pension plan can be held in trust. There are other sections, but I think these are indicative enough.

Mr. Speaker, I say that Canada is at this moment rather belatedly turning to consider means by which the mobility of working people in a rapidly changing society can be achieved to the benefit of everyone. The government of Canada has, for example, as members know, now begun some plan to facilitate the movement of working people from one area of the country to another. I point out that this movement is not only in the interests of the working people who are directly concerned; it really involves the whole growth and the whole security of Canada itself.

I say, Mr. Speaker, that it will be necessary for working people in industry to take time off during the next few years, (and I hope that this can be achieved through an employer granting leave of absence), so that these employees can improve their knowledge and skills, so that they won't have to grapple with the situation only when their jobs become obsolete within the next period of time.

February 22, 1966

When a situation of this kind takes place, (and it is going to take place in my opinion increasingly), what happens to the pension rights of people? Certainly, there is no legislation that would take account of that problem. It is my submission, Mr. Speaker, that it is completely anachronistic to have government policies that encourage and facilitate the movement of workers, without having corresponding policies that offer protection to workmen so far as deferred wages bound up in the employers' contributions to pension plans are concerned. In other words, we can't accept and promote a policy of mobility for workmen, without accepting the responsibility of offering protection to the workmen in terms of pensions.

There are a fair number, I think, of additional questions which need to be considered in undertaking and proceeding with the kind of suggestions I have made this afternoon. I have dealt with the matter of vesting, because it is one of the matters that, I think, deserves greatest consideration. There are a whole host of other questions. One question, for example, is what happens to the older employee who moves to employment with another employer. A study was made in the state of New York in 1961. They found there in eight out of every ten pension plans that they examined that workers over 30 had difficulty in joining the pension plans in that state. This is another prime difficulty that we would have to face in any study.

Other rights in pension plans, such as pensions due to disability, are another indicated area that needs examination.

I said to begin with, Mr. Speaker, that there were 10,000 pension plans estimated of a private nature in Canada. I have said that any general impression that these plans, taken with the Canada Pension Plan, provide general security, must be discarded in view of the information that I have briefly touched upon this afternoon.

I am hoping, Mr. Speaker, that the members on both sides of this house will give approval to this resolution. I point out that it is essentially a resolution for the consideration of ways and means. I say that these matters are of genuine interest and significance for many of our citizens. I say that they are of unquestioned importance for any government that wishes to assure that the operation of private pension schemes function so as to give maximum effect to all of their avowed purposes.

I will, therefore, move the resolution, seconded by the member from Saskatoon City (Mr. Robbins).

Some Hon. Members: — Hear, hear!

Hon. J.C. McIsaac (Minister of Municipal Affairs): — Mr. Speaker, I will have some remarks to make on this resolution on the suggestion put forward by the hon. member from Moose Jaw (Mr. Davies) but at this time, however, I would like to adjourn the debate.

Debate adjourned.

MOTION: PORT OF CHURCHILL

Mr. F.K. Radloff (Nipawin) moved, seconded by Mr. Breker (Humboldt):

That this assembly urges the Government of Canada to undertake technological investigation at the Port of Churchill, with a view to extending the season during which traffic may move in the Port, enlarging docking and warehouse facilities, and providing more adequate customs and rail service, and further that this assembly urge the Canadian Wheat Board and the Government of Canada to make more use of the Port of Churchill for the export of prairie grain.

He said: Mr. Speaker, before I move the resolution I would like to welcome to this legislature the new member from Bengough (Mr. Mitchell) and I certainly am happy to have this opportunity to work with him. I know he is going to do great work for his constituency and he is going to be a real asset to the work in this legislature.

Some Hon. Members: — Hear, hear!

Mr. Radloff: — It is certainly a pleasure to have this opportunity, to have this chance, to bring to this legislature a resolution that I feel is very important for members of this legislature to consider. Mr. Speaker, there is little doubt that expanded facilities at the Port of Churchill are overdue. There is a need for increased trading activity and a need for relief for the people of Western Canada from the high transportation cost that can be realized and obtained through and by a fuller utilization of a Hudson Bay railroad and the Port of Churchill.

Mr. Speaker, the great expectations arising from the completion of the Hudson Bay railroad and port facilities have not been realized and too little progress is being made to fully develop the services that would encourage lower trade costs and a speedier delivery system, with all the benefits of a two-way traffic rather than a one-way grain haul. Mr. Speaker, great savings in distance in a rail haul to tide water would enable the Hudson Bay route to provide a substantial service to prairie areas in relation to both export and import. Moreover its strategic location in relation to the immense mining development now taking place in the northern parts of Saskatchewan points out the urgency, the necessity and the potential importance of this transportation facility. Mr. Speaker, the province of Saskatchewan stands to reap large benefits from the full utilization of the Hudson Bay railroad and port facilities.

I expect no good purpose will be served in trying to assess the reason why the previous government of the province of Saskatchewan has done so little in promoting the development of this so badly needed service. Regardless of where the fault lies, pressure must be exerted on all federal departments responsible for the present inadequate attention given to the promotion and development of the Hudson Bay railroad. Inertia must be discarded and a co-ordinated effort made by all people, all government agencies and all government representatives to exploit in full measure the use of the railroad and terminal facilities. Mr. Speaker, I might remind this house that Premier Ross Thatcher is already making a determined effort to encourage trade and traffic via Churchill from Great Britain and other European countries. Continued success in this regard calls for complete co-operation from all responsible people, the producers, the manufacturers, municipal people and provincial and federal governments. To one particular group much of the credit goes

for continued promotion at Port of Churchill. Also this group should receive much credit for the past improvement of all facilities. By continued pressure on the federal government they have made the government recognize and move in improving all services. The people I am referring to are the Hudson Bay Route Association, a strictly voluntary, non-political, western-minded organization.

Mr. Speaker, many people in organizations from the Nipawin constituency have been active members of the organization and I would particularly like to mention at this time Mr. J.D. McFarlane, a former Liberal MP from Nipawin who has made a real contribution to the work of the Hudson Bay Route Association. The aim of the Hudson Bay Route Association is to work for the fullest possible use of the Hudson Bay route over the longest possible shipping season for the greater development of Western Canada, especially the north. If this is done then so will Canada's economy be enlarged and become more prosperous.

Mr. Speaker, for many years people in the Nipawin constituency have been aware of the benefits that could be received from an immediate improvement of the shipping and hauling program of the CNR and port authorities. The people of north-eastern Saskatchewan are certain that the extension of the CPR line from Nipawin to The Pas and the extension of the CNR from Carrot River to The Pas would provide important rail outlets and access for new markets required by the increased production of lumber, mineral, grain and livestock. Mr. Speaker, I am informed that a rail connection from The Pas to the west would give a 20 per cent reduction in rail costs to northern Manitoba mines in the movement of ore to Edmonton refineries. Mr. Speaker, such rail service would also provide the iron ore mine with a low cost shipping outlet to European and Asian markets, to German markets for English and Czechoslovakian and Japanese interests. The port and rail service development would also encourage the development of the giant oil field deposits in the Pasquia Hills, east of Carrot River. Again this rail service would encourage the development of the immensely fertile and rich Cumberland delta, the potash industry. I might say again that the potash industry would certainly welcome this additional outlet for their production.

Mr. Speaker, I would like for a few minutes to point out a few of the problems which when solved would result in the immediate increased use of the Port of Churchill. There is a need for the Board of Grain Commissioners to remove the penalizing diversion charge of 1½ cents a bushel on wheat going to Churchill. There is a need for a diversion channel for the Churchill River by which it would thereby convert the harbor into a saltwater basin and prevent the early freeze-up of the harbor. Mr. Speaker, there is also a need for the use of modern technique to extend the shipping season. There is a need for the Wheat Board to use Port of Churchill to the maximum rather than subsidize other ports by encouraging grain shipments to them. Mr. Speaker, there is a need for Port of Churchill to be recognized as a major port for western Canada. There is a need for western business firms to use Port of Churchill for imports, specifying via Churchill, and thereby ensuring more outgoing cargo. There is a need for the railroad and the port to be operated with the greatest efficiency. There is a need for the Canadian Wheat Board and grain trade to move some 50,000,000 bushels of wheat per year through Churchill. The Department of Transport needs to secure insurance rate reductions for vessels built for use in

ice-frequented water. There is a need for an increased dredging program by the Harbor's Board and, Mr. Speaker, there is a need for the National Harbor Board to proceed rapidly with an engineering and metrological study of all the factors affecting the proper operation of the harbor. There is a need for the federal government to increase the storage capacity of Churchill so that grain will be available to fill the increased carrying capacity of ocean vessels. Mr. Speaker, there is a need for the CNR to extend to the importers the same incentive and competitive rates over the Hudson Bay line as are being given over other lines.

Mr. Speaker, today I have tried to bring to the attention of the members of this legislature some of the needs and some of the problems that must be considered in order that the Hudson Bay shipping route and the Port of Churchill may be used to the maximum potential, bringing to Western Canada their maximum benefits. Mr. Speaker, today I ask that all members provide leadership and support of the development and promotion of the Hudson Bay transportation and shipping arrangements. The economies of the transportation of goods by this route, the directness and the feasibility are a well-known fact. I ask all that they support the continued expansion of the shipping and port facilities, which deserve the support of all progressive and forward-thinking Saskatchewan people. What is good for Saskatchewan is good for all Canadians. It is my pleasure to propose and move the outlined resolution.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — It has been moved by the member for Nipawin (Mr. Radloff), seconded by the member from Humboldt (Mr. Breker), that this legislature ask the government of Canada to undertake this resolution. The debate continues on the motion.

Mr. M. Breker (Humboldt): — Mr. Speaker, as the seconder of this resolution, I wish to point out that I enthusiastically endorse the request as moved by my hon. friend from Nipawin (Mr. Radloff).

The Port of Churchill in the navigation year of 1931 shipped about half a million bushels. Shipments increased to 4,000,000 by 1936. The ten years from 1936 to 1946 were bad years for the port, but from 1946 to 1965 shipments increased from almost 3,000,000 to almost 25,000,000 bushels. Now the Hudson Bay Route Association says that the saving to the farmer in 1965 alone amounted to \$3,000,000. We have heard, Mr. Speaker, through the news media that grain shipments have hit an all-time high last year and most certainly they have. But let me remind the members here that twice nothing is still nothing. For example, in 1963 we shipped huge quantities of grain to China and Russia. We find that grain shipments increased approximately 100 per cent from eastern Canadian ports and from Fort William. Shipments from Vancouver increased 40 per cent, but shipments from Churchill only increased five per cent. If Russia is going to be a steady customer for Canadian wheat, at least for a few years, this will provide us with an opportunity such as we have not had before, to promote the Churchill port. A great deal wheat for Russia is shipped on Soviet ships. The Russians are used to ice conditions and navigating into and out of the Port of Churchill even in October and November would be under conditions which Russian sailors are accustomed to. As long as the west sits back and does nothing to rectify the situation

February 22, 1966

matters will drift along with little more use being made of Churchill in the future than it was in the past. The time appears to be most opportune for a stronger agitation from the prairies, one that will stand a better chance of bringing the prairie view with respect to Churchill before the Canadian Wheat Board and the Canadian government in such a way that it may be acted upon.

The prairie farmers have taken vigorous action in the past without a prospect of early returns in dollars and cents, but by now agitating for the greater use of Churchill the farmers stand a chance of reaping an almost immediate reward, in the millions, made possible by increased grain shipments through this Hudson Bay port. Mr. Speaker, the Saskatchewan government is very concerned about the Port of Churchill. As the Premier has publicly stated, he would like Saskatchewan to buy more British goods because Britain is the greatest long-time importer of Canadian wheat. To show this and how concerned the government is I read a letter addressed to Mr. MacNamara, the chairman of the Wheat Board:

Dear Mr. MacNamara: Two months ago I was appointed special representative for Saskatchewan to explore and promote the United Kingdom export and imports by the Churchill route. You are likely aware that Alberta, Saskatchewan and Manitoba are joining to see if something can be done to make greater use of the Port of Churchill, and the respective Premiers are most anxious to overcome the imbalance of trade between the two countries.

At a meeting with Mr. Hall of the Saskatchewan Wheat Pool last week he gave me the January report on Churchill receipts and shipments for 1965 final. I noticed that the balance in store at Churchill at the present time is only 824,000 bushels of grain and compared to 4,699,000 bushels as of January, 1964. We are meeting with success in our importing promotion but it is my fear that imports may be discouraged if the carriers do not have wheat to handle for the return trip. This could have a bearing on rates. Would you please enlighten me on the possible 1966 shipment of grain for the port and what your forecast would be.

Yours very truly, Tom More.

I was anxious about this situation and Mr. MacNamara writes:

This will acknowledge receipt of your letter advising that you have been appointed as special representative for Saskatchewan to explore and promote United Kingdom exports and imports via the Churchill route. I was aware that these three prairie provinces were setting up a committee to see what can be done to make greater use of the Port of Churchill. I can assure you that our Board is very interested and has been doing all within its power to develop business through the northern Canadian port of exit. As you know in so far as grain shipments are concerned a record was created last year. While no sales commitments have yet been entered into for the next period of navigation, we are hoping that it will be possible for us to again merchandize a substantial quantity of Canadian wheat through this outlet. The fact that stocks in store at Churchill at

the present time are not up to the capacity of the elevator storage facilities would have no bearing on our ability to sell shipments from this port this coming season.

I believe the people in the Humboldt constituency and the north-eastern part of Saskatchewan will receive this comment very favorably.

We have already had discussions with the representative of National Harbors Board and the CNR regarding the movement of wheat into Churchill prior to the opening of navigation this year. You can be assured that stocks of the same level that have been stored in previous years will be available, clean and ready to ship as soon as navigation opens. Due to the fact that Saskatchewan produced a larger percentage of lower grade wheat than in the past we may have some difficulty in creating interest for Churchill this season. However, this problem is related only to the grain pattern and, as previously stated, limited stocks in store at the present time will have no bearing in this regard.

Mr. Speaker, since England takes mostly milling wheat, grades 1 to 4, and since the CNR takes this wheat out of the north-eastern part of Saskatchewan which often produces damp feed wheat or grades no. 5 and 6, it would be only practical to enlarge the storage at the port, so that in years when the northeast produces milling grades ample supplies of the required wheat would be on hand. I presume the Wheat Board will come farther south and west to procure the milling grades, the dry milling grades. I also presume this will involve longer hauls and thus more freight which will result in smaller savings to the farmer. I know, too, that the Chief Grain Commissioner says nothing of trying to get Russia to take some of the lower grades out of Churchill. Mr. Speaker, I find that the Port of Churchill has an exciting future and terrific potential.

Back in 1908 Sir Wilfred Laurier stated:

At the present time all the wheat as soon as it is checked is sent out to Lake Superior. We want to provide another railway by Hudson Bay. There will then be the present route and the Hudson Bay route and the man that raises wheat and cattle will have two outlets for his production. The trade of Canada is too great even for these two outlets; the government will build the railways, the terminals and all the elevators and retain them under all and every circumstances so as to ensure the largest measure of benefit possible to the Canadian people in the northwest provinces.

What has happened since then? Contrary to Sir Wilfred's idea there has been much opposition to this railway and trade, from those mostly in eastern Canada who stand to gain by not having a Hudson Bay route in operation. Despite this opposition trade has grown but very, very slowly and it is very far from being used to its greatest extent. What is the reason? This is hard to say. Perhaps the main reason, Mr. Speaker, is that we do not have enough men with vision such as Sir Wilfred Laurier, men with vision, men with the welfare of the country at heart.

February 22, 1966

Mr. Speaker, I take great pleasure in seconding the motion and ask all the members to support it.

Some Hon. Members: — Hear, hear!

Mr. A.M. Nicholson (Saskatoon City): — I wish to congratulate the two hon. members for outstanding speeches. I have been interested in this subject for many years. As a matter of fact I had a motion in the House of Commons in 1945, if I remember correctly, couched in similar language. That year, as the member of Humboldt (Mr. Breker) mentioned, there hadn't been any wheat exported through Churchill. Prior to that year the maximum amount exported had been about 4,000,000 in any one year. I was optimistic enough to expect that 10,000,000 shouldn't be an unreasonable amount to be shipped via Churchill annually. The late C.D. Howe laughed at this idea. It was preposterous to even think of moving 10,000,000 bushels through the Port of Churchill. But Mr. Howe was wrong in this. As the members have mentioned over 20,000,000 has been moved for several years and I think that nowadays we must not be satisfied with the maximum which has been shipped through Churchill to date.

I was just recalling that my first trip to Churchill was when the first passenger train went in 35 years ago. This was sufficiently important to attract the Canadian Chamber of Commerce to hold its meeting in Western Canada and to arrange three special trains to go to Churchill, one from Winnipeg, one from Saskatoon and one from Regina. I was an enthusiastic member of the Hudson Bay Junction Board of Trade in those days and, with three others, went along to Churchill. The party included the Premier of Saskatchewan, the late J.T.M. Anderson, Premier Bracken of Manitoba, the Minister of Agriculture from Ottawa, the late Mr. Weir, the Ministers of Agriculture for Saskatchewan, Manitoba and Alberta. They all considered that Churchill and the Hudson Bay route were of special interest to Canada and particularly to western Canada to warrant their visit to this part of the world. Then the rough years in the thirties and the war years were responsible for marking time for a long period. But the fact there was a railway built to Churchill and that this was an area that was considered to have strategic importance made it possible to establish an important base for the free world. We are most fortunate that the planners of half a century ago considered that the Canadian economy should warrant the building of the Hudson Bay railway. Now since then I have had the good fortune to travel through Churchill on one of the cargo boats loaded with wheat one year to the port of London. I think that this is a type of travel that more Canadians should take advantage of.

The members who have spoken have indicated that Churchill and the Hudson Bay route have been handicapped because people in eastern Canada, people in western Canada, have not given these facilities the priority which they deserve. One cannot argue that the climate in Churchill is preferable to that of Vancouver or Montreal or Halifax or St. John, but there are people who have lived in that area and will continue to live there for many many years. I think that if these facilities were used more extensively that more people would be living in that part of the world. I, too, am greatly indebted to the Hudson Bay Route Association for material which they make available every year.

I note that the Minister of Public Works (Mr. Gardiner) spoke at the banquet that was tendered in Tisdale last February.

He mentioned that some legislation would be brought in this session that would make the problems of financing easier for the Hudson Bay Route Association. I hope that before the session is much older there will be some announcement of the legislation proposed. I was interested in noting the annual report of the meeting at Tisdale that the savings shipping via Churchill are impressive. There are in Saskatchewan and Manitoba some 11 points where there is a saving of four cents a bushel on every bushel of grain which is shipped that way; there is a saving of three cents on 42 points, two cents on 92, one cent on 151 points; and even freight rates are available for 58 points even taken into account. The freight rates which were established by the Crow's Nest formula some years ago do not apply in that part of the world. If you were to take into account the cost of shipping grain from the prairie points via Vancouver, via Montreal or via the lake head, there would be a saving of about 3.1 cents using the Churchill port in preference to Vancouver, 10½ cents saving using the lake head, 12.6 cents shipping via Montreal and 21 cents as compared with shipping via the maritime route. So I hope that, since we have Liberal members in this chamber speaking with so much vigor in urging the federal government to give the sort of priority that is essential if these facilities are to be used, we would expect that there probably would be some action sometime.

I would like to suggest that the work of the Hudson Bay Route Association should be encouraged by hon. members taking advantage of the annual excursions. In 1965 there were two excursions to Churchill. The literature they sent out suggests that Saskatoon is really the hub to the Hudson Bay. The head office of the Hudson Bay Route Association, as you would expect, is in Saskatoon. You have two choices. You could travel either via Canora or via Melfort and Tisdale to Hudson Bay. All traffic must move through Hudson Bay Junction. There is usually a side trip to Flin Flon so that visitors would have a chance to see the developments in that part of the world, and to Thomson where International Nickel has a very extensive operation. While at Churchill hon. members have a chance to visit the famous Fort Prince of Wales which was completed in 1771. The old cannon which was brought there in 1731 is available for the sight-seers. The white whales are usually available to provide some pictures for those who bring their cameras. The people at Churchill are most obliging in making it possible for the visitors to see places of interest. If there are boats in the harbor the captains are always interested in having the land-based people given a chance to view the ships. I would like to make the suggestion that members of the legislature at some time try to take the tour of Churchill. If you do want a longer holiday, I would recommend a trip across the Atlantic via Churchill. It isn't the fastest way to get to Europe but again the freighters that haul grain are glad to have tourists. I would think that it would be quite easy to make available to the travelling public information as to when the ships are to be there. Freighters usually have accommodation for as many as 20 passengers. They have excellent facilities available, so I would hope that if more people would take advantage of the fact that during the shipping season freighters are coming into Churchill across the Atlantic, this would certainly help to publicize the importance of this important route.

I shall be delighted to support this resolution. Mr. Chairman, I believe there are other resolutions coming forward and I beg leave to adjourn the debate at this point.

February 22, 1966

Some Hon. Members: — Hear, hear!

Debate adjourned.

MOTION: RAIL LINE ABANDONMENT

Mr. B.D. Gallagher (Yorkton) moved, seconded by W.S. Howes (Kerrobart-Kindersley):

That this assembly urges most strongly that any federal authority established in connection with the proposed Rail Rationalization program be given full power to examine the services provided by all transportation media, and that no rail lines be abandoned before a proper assessment has been made of the effects of Rail Rationalization on the social and economic life of communities affected.

He said: Mr. Speaker, in moving resolution no. 1, as it appears on your order paper, I want to inform members that I have not any intention of boring the house with a long-winded speech or a barrel of figures to substantiate my case. I am sure that all hon. members have listened to many speeches in support of resolutions similar to this one in previous years in this house.

I would like this afternoon to as briefly as possible summarize some of what has gone on before and suggest the need for the proposed Rail Rationalization authority to consider the need of doing what this resolution has suggested this authority should do. To summarize just a bit you will recall that during the late forty's and all during the fifty's from time to time the railroad systems in Canada applied to the Board of Transport Commissioners for freight rate increases. Many times, in fact in most cases, part, if not all, of the increase asked for by the railway was granted. It became increasingly apparent that if there was ever to be a stop to the unending demands by the two railroads in Canada for increased freight rates, something has to be done to look into our whole transportation system, the operation of our railroads, and an appraisal based on transportation policy for the whole of Canada. I believe it was in 1958, Mr. Speaker, the Diefenbaker government appointed a Royal Commission on transportation to look into this whole problem. This commission was better known as the MacPherson Royal Commission. You are all familiar with the work done by this Commission. Several years after it was set up some of its findings and recommendations were made to the government of Canada.

I hope that I am not being too critical for the benefit of my Conservative friend from Arm River (Mr. Pederson) when I say that although this commission had a tough job to do, and the whole question before it was a very complex one, some of the recommendations of this commission were not the most practical or sensible solutions to the railways' problems. I am going to say here, Mr. Speaker, there was very little excuse for the Diefenbaker government not drafting legislation during its last two years in office or at least making an attempt to solve the problem before they were defeated in 1963. In any event Bill C-120 went before the House of Commons for first reading on September 14th, 1964.

The recommendation that concerned the government of

Saskatchewan most of all, in fact I might say concerned the governments of the three prairie provinces, was that recommendation suggesting that the railways should divest themselves of thousands of miles of uneconomic branch lines. The anxiety of prairie provincial governments increased when, following the report of the MacPherson Commission, the railways applied to abandon 3,797 miles of branch lines in Canada. Their application, of course, was made to the Board of Transport Commissioners. It is noteworthy, Mr. Speaker, that of the 3,797 miles of branch lines that the railways applied to abandon, 3,453 miles or 89 per cent were in the three prairie provinces, and 1,946 miles or 51 per cent of the total miles to be abandoned were in the province of Saskatchewan. Incidentally I have a map here on my desk, Mr. Speaker, and when I reviewed it, it seemed that my own constituency of Yorkton got in for more than its share. In fact I went to the trouble of calculating the number of miles of railroad in my constituency and I believe there are between 40 and 45 per cent of the total railway mileage in my constituency for which application was made for abandonment.

After strong representation from western Canada, the railroads agreed in January of 1963 to request the Board of Transport Commissioners to refrain from processing any further applications for abandonment of lines until new legislation was passed by parliament implementing the recommendations of the report of the MacPherson Commission. Discussing the moratorium on the abandonment of railway lines in the House of Commons on April 21st, 1964, the Hon. J.W. Pickersgill, Minister of Transport, stated and I quote:

It will continue in effect until new legislation is adopted and until an orderly method of dealing with these problems is set up under an authority which, I hope, parliament will authorize, which will be under my colleague, the Minister of Agriculture, and which will ensure that no lines are abandoned that are essential either on economic or on social grounds. That is the position.

This quotation was taken, Mr. Speaker, from Hansard of 1964, pages 2434 and 2435.

The government of Saskatchewan and in fact all organizations which have made representations agree with the position of the Minister of Transport, that no lines should be abandoned that are essential either on economic or on social grounds. On May 12th, 1964, the Minister of Transport introduced a resolution into the House of Commons dealing with the proposed legislation. The resolution read in part and I quote:

To establish a Branch Line Rationalization Authority and a Branch Line Rationalization fund to be continued for 15 years to assist in the establishment of an orderly program for the improvement of the efficiency of railway branch lines.

The government of Saskatchewan supports the establishment of a Branch Line Rationalization Authority to improve the efficiency of railway branch lines. On September 14, 1964, as I mentioned a moment ago, Bill C-120, to amend the Railway Act, the Transport Act and the Canadian National Railways Act, and to repeal the Canadian National-Canadian Pacific Act, was given first reading in the House of Commons. Sections 72A to 72F of the bill provided for the establishment of a Branch Line Rationalization Authority and outlined its powers. Sections 314A to

February 22, 1966

314H outline the procedures for the abandonment of uneconomic branch lines. The government of Saskatchewan feels that sections 314A to 314H of Bill C-120, dealing with the procedures for the abandonment of uneconomic branch lines, do not reflect the position of the Minister of Transport as stated in the House of Commons on April 21st, 1964, nor the reference to branch lines in the resolution of May 12th, 1964, which I quoted a few moments ago.

Mr. Pickersgill made it very clear on April 21st, 1964, that no branch line would be abandoned on either social or economic grounds and maintained that the proposed authority would have the power to determine whether or not the branch line was socially or economically necessary. Bill C-120, however, limits the powers of the Branch Line Rationalization Authority to determine when a branch line should be abandoned within a five year limit. Power to determine whether or not a branch line should be abandoned is given by Bill C-120 to the Board of Transport Commissioner. The decision of the board as to whether or not a line is uneconomic and should be abandoned is determined according to section 314-B3 by the actual losses, and I would like to emphasize this, by the actual losses of the branch line and such other factors as, in its opinion, are relevant. So, Mr. Speaker, I would think that the Board of Commissioner's opinion might not be in agreement with the opinion of the people that are affected, people in villages or towns along the branch lines that are slated to be abandoned. The government of Saskatchewan recommends that Bill C-120 be amended so that the determination of whether or not a branch line is uneconomic and should be abandoned rest solely with the Branch Line Rationalization Authority. In this context the role of the Board of Transport Commissioners should be to assess the actual loss of the railways and to verify costing procedures. I might mention here, Mr. Speaker, that it seems to me that when the railways of Canada have applied to abandon a branch line that some of the costing procedures that they have used are not very accurate or certainly they don't reflect the actual cost of operating this branch line; and I am referring here, Mr. Speaker, to such things as overhead, depreciation and some other things. It should be clearly understood that the Branch Line Rationalization Authority should determine whether or not a railway line is socially or economically essential to the users of the line and to the communities which may be affected before any order for abandonment is issued. In this regard the government of Saskatchewan supports the viewpoint of the Minister of Transport, who stated in the House of Commons on March 25th, 1964 and I quote:

The first purpose of the railways is to serve the communities they serve and their balance sheets must be put in second place.

I am sure, Mr. Speaker, that every member of this house is in agreement with the statement made by the Minister on March 25th of 1964.

There can be no question that the abandonment of a branch line will shift transportation costs from the railways to the grain producers. Secondly, there may be direct economic losses to communities that lose rail service. Rural municipalities will be forced to shoulder increased expenditures for new roads and the maintenance of existing roads. Grain elevators will have to be moved or rebuilt. These factors must be weighed by the Branch Line Rationalization Authority in determining the

economic and social costs of abandonment. The government of Saskatchewan believes, Mr. Speaker, that any legislation dealing with rail rationalization in western Canada must take note of these factors and suggests that recognition of them be made in the legislature.

Mr. Speaker, there is much more I would like to say on this but I am sure that all members of this house have heard this argument in this assembly before. On the basis of what I have said I move, seconded by the member for Kerrobert-Kindersley (Mr. Howes), the resolution.

Hon. L.P. Coderre (Minister of Labour): — Mr. Speaker, in rising to say a few words on this resolution, I am of the opinion that it is probably one of the most important resolutions moved in this assembly thus far, or for many years for that matter. It concerns a matter affecting virtually every Saskatchewan resident. As a matter of fact, it concerns every Canadian between Winnipeg and the west coast. I believe that the arbitrary abandonment of rail lines without the proper assessment of the effects such abandonment must have on the social and economic life of the communities concerned, in my opinion, is little short of national scandal.

The very large number of briefs sent to the Board of Transport Commissioners by thousands of Canadians protesting the abandonment of specific rail lines or specific train services, say like the Dominion, clearly shows that this is a matter the Canadian people are fighting, a small group of men in entrenched positions. These railways, Mr. Speaker, have taken a stand which I believe is incompatible with the long-term interests of the country and of western Canada particularly. They have chosen to define efficiency in their own peculiar way, starting from this definition which nobody else accepts. They have sought and, in some cases obtained, permission to abandon certain rail lines in service. They have argued that their company, and I mean especially the Canadian Pacific Railway, has been losing money although in actual fact their company is prospering as never before. The truth is that, far from seeking to avoid losses, these people seek to increase their own economic power at the expense of the comforts and prosperity of our people in western Canada. It has been pointed out many times that the CPR is in a flourishing state; that is indicated by reports everywhere. This enviable state of the company is due to a large extent to business flowing in from all stations together, large and small. It is this total business, the cash subsidies and the land grants to the company by the government of Canada many years ago which have enabled the company to acquire the tremendous assets it now has in the various areas other than railway transportation. For this reason, Mr. Speaker, it is inconceivable that at the present time the CPR should be allowed to abandon rail lines or curtail services without a proper assessment of the effects of such steps on the social and economic life of communities affected.

I agree with the member from Yorkton (Mr. Gallagher) that every member of this house should be 100 per cent behind this resolution. This is one time where we must stand together and give our opinions in no uncertain terms as to where we stand. I consider the transportation system of western Canada somewhat like the system of blood vessels of the human body; they keep it together.

February 22, 1966

Communications are essential to our society and we must keep it that way. It is true, it has been said on many occasions, it was the railways that opened up the Canadian west. It is also true that arbitrary rail line abandonment has a contrary effect. It tends to shrink the economy of smaller centres, to hasten the decline of our country homes and villages and to rob the young people in rural Saskatchewan of the hope that their native district will ever grow sufficiently to provide the opportunities and amenities to which they are entitled. But some railway executives, magnates if you wish to call them that, in Montreal or Toronto apparently think that they alone have an exclusive right.

I have protested in the past against these policies of rail line abandonment because I consider it harmful to our workers, to our farmers, and to our businessmen. I consider the curtailment of services by the CPR and the CNR as a direct blow to the people in my own constituency. I object most vigorously to this policy if it is allowed to continue. It is bound to have a deplorable effect on the economic, social and cultural progress of western Canada, indeed on the whole nation.

Mr. Speaker, I shall support no. 1 resolution and I hope that this resolution is adopted unanimously. I hope that its adoption will be instrumental in stopping what amounts, in my personal opinion, to an irresponsible method and approach in the abandonment of rail lines across the western prairies. For this reason, Mr. Speaker, it is quite obvious in the few words that I have spoken here that I certainly intend to support this motion wholeheartedly.

Debate adjourned.

The Assembly adjourned at 5:24 o'clock p.m.