

Seaway and Canal Tolls

An hon. Member: Was that 1922?

Mr. Byrne: The then prime minister set up a special committee of the house and the Senate.

An hon. Member: There was no seaway in 1922.

Mr. Byrne: That committee went into the then existing agreement known as the Crowsnest agreement, which among other things at that time provided that the shipment of grain from western Canada should be at the rate applying in 1897. Until 1922, under the Crowsnest agreement, the freight charges respecting many commodities were not by statute but by agreement with the Canadian Pacific Railway.

Included were 13 items which were practically all essential to the western farm community. This agreement to which I have referred applied to all commodities moving westward from the lakehead, while the rate applying to grain was on the eastward movement to the lakehead.

It was determined by the committee set up by Right Hon. Mackenzie King that the Canadian Pacific Railway could not continue to operate under such stringent regulations. In passing, may I point out that this rate applied to the rail lines which had been constructed prior to 1897, being approximately 7,300 miles in length. By 1922 the rate applied to approximately 13,000 miles of railway on the western prairies. It followed, therefore, that the rate could not apply to 7,000 miles of prairie railway, and not equally apply to the other 6,000 miles.

• (9:30 p.m.)

In the end result the railways were effectually required to make these rates effective on the additional 6,000 miles. The committee found that unless the government were to take over the railway line and operate it on the basis of those rates the company could not carry on. The committee recommended that the C.P.R. should be absolved from carrying the commodities named in the Crowsnest agreement, except in the case of wheat destined for export. This means and meant at the time, that the rate for shipping western Canadian wheat was held at the rate which was in existence in 1897. That of course is where it stands today.

I do not want hon. members to misunderstand me—

[Mr. Byrne.]

Mr. Churchill: You want to raise that rate, do you?

Mr. Byrne: I have lived on the prairies myself and my family has lived there for years. I know what the difficulties of farmers are. I simply want to make it plain that this administration and past Liberal administrations have been cognizant of the difficulties inherent in wheat growing in western Canada.

I said earlier that when the great lakes shipping channel was deepened to 27 feet and became operational in 1959, the price of wheat was increased by just under six cents a bushel. The increase now proposed, if it should come into effect, would amount to $\frac{1}{2}$ cents a bushel. I believe the hon. member for Macleod (Mr. Kindt) said this would mean some \$5 million loss to the western farmers. That is unquestionably a great deal of money but I would ask hon. members to consider with me whether the policy which was adopted by a former Liberal administration and which has, of course, become public policy since, that grain movement in western Canada which sometimes reaches a volume of half a billion bushels a year, moving at a rate which was set in 1897, does not bring some real benefit to the farmers of western Canada.

Take the rate from Lethbridge to Fort William.

An hon. Member: We do not ship wheat that way.

Mr. Byrne: I am reminded by the hon. member for Assiniboia that we do not ship wheat from Lethbridge to Fort William. This brings up another aspect of the Crowsnest rates which I am sorry I have neglected to relate. The agreement, as the hon. member well knows, provided that these rates should apply to eastern movement only. But after the statutory rates were put into effect in 1922 it became clear that the difficulties of hauling loads over vast mountains were not as great as had been predicted and that grain could move to ports of Vancouver and Prince Rupert. And, of course, a market developed in that area. It was therefore decided by government under the guise of the Crowsnest agreement that the same rates should apply to the western movement. Hence the shipments today from Lethbridge to the Pacific coast through the Crowsnest Pass and by way of the Columbia valley to the main line, thence, to Vancouver. This, of course, is another benefit of the initial agreement and