

Freight Rates

began operations. Sir John A. Macdonald's administration was accused in the House of Commons of certain wrongdoing. An election was held and his administration was defeated. Then Sir Alexander Mackenzie came into office. The rates were set after the Canadian Pacific Railway reached the coast. That railway, by the way, chose the longest route to the Pacific coast. I am told that it was chosen on the instructions of Great Britain who at that time wanted the railway to be as far back from the United States border as it was possible to get it. So the C.P.R. chose what was then, and is now, called the Kicking Horse pass route, with a grade through the mountains of 2.5 per cent.

Realizing that the company had some difficulties in building that railway, the government of that day gave them 50,000,000 acres of land and also, I believe, \$100 million in cash. The people of British Columbia, who were assured of equal treatment if they joined confederation, thought that the 50,000,000 acres of land and the \$100 million would pay for any difficulties the railway might have in going to the coast through the mountains. But the C.P.R. started out in dictatorial manner and they were at that time the lords of creation because they were alone. Therefore the people in the province of British Columbia set out to have a competitor, and commenced the construction of a railway, called the Canadian Northern, from the coast to the prairies. That railway came through what is known as the Yellowhead pass. The grade on that railway is the lowest in the entire dominion, being 0.7 per cent. There is no grade on any other line, right from New Westminster and Vancouver to the prairies, that is as low as that of the Canadian National. I think it is not generally understood by many people, no matter how often we have told them, that there is no mountain differential in so far as grade is concerned. It exists only in the matter of rates.

But what happened? Just when we had the competitor railway built and ready to begin operations, the dominion government at one fell swoop took in the Canadian Northern Railway under the Railway Act. So the rates on the Canadian Northern became subject to the dominion Railway Act of that day, and the railway freight rates of those days were those of the C.P.R. From that day to this we have been paying the exorbitant rates charged by the C.P.R. Ever since then the C.P.R. have dominated, right through the piece.

[Mr. Reid.]

I made a statement in this house in 1931, and I was greatly surprised to see that the statement was never mentioned in the press. When I introduced my motion in the house in 1931, I was interviewed by a high official of the C.P.R., who almost threatened me if I did not withdraw the motion. I made the charge in the House of Commons, but although I looked in the papers afterwards, I found no mention whatsoever of my having been intimidated by the C.P.R. official. From that day to this I have noticed that on almost every occasion when I and other members have mentioned anything derogatory to or in criticism of the C.P.R., many of the leading papers have been silent on the subject.

I will go further than that. I ask hon. members to look back in the records of the press when a train wreck has occurred, either on the Canadian Pacific or the Canadian National. They will find that when the wreck is on the Canadian National, it is blazoned across the page in big letters, but when a wreck takes place on the C.P.R., it is in small print, and one must look for it. I do not know why that is. I merely mention that to hon. members in order to support the contention I have made that, in so far as the railways in this country are concerned, the entire situation has been and is being dominated to quite an extent by the Canadian Pacific Railway.

When I fought the freight rates on grain at that time—and I am not going into that question this afternoon—I pointed out such instances as this. They were carrying grain, as I think they still do, 2,239 miles from the west to Montreal for 53 cents per hundred pounds. From Calgary to Vancouver, 642 miles, the cost was 41½ cents per hundred pounds. There was no comparison at all. Bear in mind we are the only province in which grain has been designated in two ways. If the grain is going abroad from the prairies it is carried at something like 21½ cents per hundred pounds. If the grain is to be consumed within the province, at that time they were charging 41½ cents, but after importuning the government for four or five years the railways reduced the rate to 30 cents per hundred pounds.

I well remember those days, when I produced the figures and papers in the house showing that we in British Columbia could buy in 1934 Canadian grain in China and bring it back to the Pacific coast for less than we could buy it on the prairies and haul it to British Columbia at the 41½ cent rate. It was startling. All through the years we have been endeavouring to secure the removal of this differential, but without result.