

And Whereas certain section of the said railway have been constructed by the Government, and others are in course of construction, but the greater portion of the main line thereof has not yet been commenced or placed under contract, and it is necessary for the development of the Northwest Territory and for the preservation of the good faith of the Government in the performance of its obligations, that immediate steps should be taken to complete and operate the whole of the said railway.

Now, whether I can impress you or not, I am very strongly impressed that good faith has not been kept with the province of British Columbia in that the Government of Canada have failed to protect the people of British Columbia against excess transportation charges by this railway company.

THE PRIME MINISTER: Do you mind reading those words again in which the reference is made to "good faith"? Is there any reference in that at all to the terms under which the road was to be operated?

HON. MR. OLIVER: There is no direct reference, Mr. Premier -- I am glad you have raised this point. There is no direct reference to any of the statutes or any of the correspondence, that I have been able to find, which says that British Columbia shall not be subjected to rates higher than are being paid in other parts of Canada. And I want to say that that was not reasonably necessary at the time, because we people of British Columbia relied upon the inducements held out in the despatch of Her Majesty's Government. The people of British Columbia also relied upon the terms of the Railway Act of Canada in force at that time governing the railway companies, which did not then -- and, under a proper interpretation, would not now -- permit these excess rates to be charged.

THE PRIME MINISTER: Under that Railway Act, were there any variations in the rates in Canada at that time?

HON. MR. OLIVER: Mr. McGeer tells me, no.

MR. McGEER: The Railway Act of 1879 was the Act in force at the time of Confederation; it was the same Act all the way through.

HON. MR. OLIVER: Before leaving I had our Legislative Council go over these Railway Acts, and he advised me that there had been no material change from the Act of 1869 up to and including the Act of 1879, until some considerably later period. The Railway Act of 1879, which was in force at the time the present contract with the C. P. R. was negotiated, in regard to tolls, said:

All or any of the tolls may by any by-law be reduced and again raised as often as deemed necessary for the interests of the undertaking. But the same tolls shall be payable at the same time and under the same circumstances upon all goods and by all persons, so that no undue advantage, privilege, or monopoly may be afforded to any person or class of persons by any by-laws relating to tolls.

I

W.L. Mackenzie King Papers
Memoranda & Notes

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA