

F.R.
Rep Crow Nest

PRIME MINISTER'S OFFICE

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Subject.....

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THE CROW'S NEST RATES

The most vital question before the people of Western Canada today is the retention of that portion of the Crow's Nest rates that survived the recent war. We say that deliberately. There is no more important question. Defeat upon the tariff issue would be at best but a temporary defeat. Sooner or later the people of this country will settle the question, and settle it right. That is only a matter of time. But once remove the existing statutory control of our freight rates in Western Canada, and there will be fastened upon the farmers of this country the burden of high freight rates from which there is no escape except in a long drawn-out and desperate fight, and even then the end would be uncertain.

Let us take a glance backward. Shortly after the Liberals were returned to power in 1896, there began a development in the mineral areas of the Kootenay, in Southern British Columbia. After this time the Americans constructed a road into that territory from the south. In order to capture the developing trade for the Dominion of Canada, the Laurier Government arranged for the construction of the Crow's Nest Pass railway. This was a real bargain in which each side secured certain advantages. The Canadian Pacific Railway received a subsidy. It also gave up certain coal lands which it controlled through the acquisition of the British Columbia Southern Railway charter, and definite provision was made for reduction in the freight rates in the West, covering grain, flour, live stock, agricultural implements and building material.

These were essential requirements of the Western farm. The vision of Sir Wilfrid Laurier clearly took in the fact that high freight rates were strangling the development of the West. This, in his opinion, was one of the first things to be done to assist in the development of the country. Now, understand clearly the point that these rates were maximum rates. That is, they were controlling rates. They prevented the railway from imposing a higher rate at any time. They did not prevent the railway from putting into effect a lower rate if, and when, the development of the traffic justified such action.

In Eastern Canada the broad controlling factor in railroad rates is the waterway of the St. Lawrence and the Lake system which penetrates into the heart of the country. The entire rate structure of Western Canada is modified by this factor. We are now engaged in deepening the Welland Canal. Its cost will probably be \$125,000,000. It will be a further controlling factor in Eastern rates when it is finished. Eventually we shall deepen the St. Lawrence canals; that, too, will exert an influence, but the only restraining factor with regard to rates in Western Canada is the

Crow's Nest Pass agreement. This Mr. Meighen proposes to abrogate, thus leaving the control of rates entirely in the hands of the Railway Commission, which, if he were given an extended lease of power, would in time be appointed by himself.

But are we not told by Mr. Meighen that he has no intention of raising the rates? People who pay any attention to that statement, do not know Mr. Meighen. In any statement made by Mr. Meighen on the public platform, there must be exercised the greatest care before it is taken at its apparent value. In the particular case in question he speaks with deliberate knowledge of the fact that his audience is taking a very different meaning from that which lies at the bottom of his own mind. Mr. Meighen says: "There is no intention on my part, of raising the rates. I think the rates are high enough." The trouble is that the raising or lowering of the rates will not rest with Mr. Meighen. It will be done by the Railway Commission. The fact is that once you remove the statutory control the anchor is gone. We know the conduct of the Railway Commission when the matter came before them on a previous occasion. They raised the rates, and only the Supreme Court, and after a hard fight by the West, prevented these rates going into effect.

Now, where do Mr. Meighen and his friends stand on this matter when we forget election promises and come down to facts? Speaking in the Maritime Provinces last year, Mr. Meighen stated that the grain rates in the West were "utterly indefensible"—that is, indefensibly low, not indefensibly high. It is hard to express that in terms of actual dollars and cents, and besides, Mr. Meighen afterwards denied it, as he denies every other important statement that he ever utters. Senator Robertson, speaking on the same platform with him, and therefore apparently with the approval of Mr. Meighen, stated that Western grain rates were \$26,000,000 too low. Mr. Robertson, however, is a conscienceless irresponsible when it comes to political utterance. No great credence can be given to any statement of his. We have, however, this fact to guide us: Mr. Meighen is an abject slave of American system, practice and method. He believes in the brick for brick doctrine. He wants to raise the tariff to the level of the United States. Time and time again in the House the minions of privilege, the Draytons, Meighens and Cahans persist in asserting that American grain rates are 40 or 50 per cent. higher than Canadian rates. Scarcely a week passes in the House but this subject is dwelt upon by some Tory speaker. They hold this as the ideal to which they aspire.

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