

HON. MR. MCKENZIE: I would imagine that the Government or the Legislature would have something to say about these local roads passing over to the Federal authority.

MR. McGEER: In the case of the British Columbia Southern a very strong protest was made by the Provincial Government, and they tried to take their lands away from them as the result of their becoming a Dominion corporation.

HON. MR. OLIVER: That question was a burning one for years. Now, by way of completing what I have to say, I may point out that the aggregate amount of land contributed by British Columbia in aid of railway construction is nearly twenty-two million acres. And I want to tell you gentlemen here around this board that if the decision of this Council is that British Columbia must submit to these excess rates after giving these large subsidies, then this question is going to become one of the big political issues in the immediate future of Canada. The people of British Columbia are not going to submit quietly to any more of these exactions. That is not in the nature of a threat, but I know something of the temper of the people; they are firmly convinced that they have not been given fair treatment.

I had the privilege, Mr. Premier, of submitting to you a printed memo last year in which this matter was gone into at considerable length. I am not going to read a great deal from this memo, but on page five I find these words:

The discriminatory rates imposed upon British Columbia, besides unjust exaction, have stifled industry and development to an extent which cannot be calculated. It has retarded and is retarding the establishment of industrial communities other than those which exist by reason of local requirements.

I gave you an instance with respect to sugar, Mr. Premier. I brought to your attention a case the other day where your customs regulations had been used to the disadvantage of the people of British Columbia. I brought to your attention an instance --

THE PRIME MINISTER: Mention that, Mr. Oliver, will you?

HON. MR. OLIVER: An order for 550 tons of steel rods had been placed with an iron producing company in Sydney, N.S. These rods were shipped on a through bill of lading to Vancouver. They were routed by New York and the Panama canal, and when they arrived at Vancouver your customs house forced that manufacturing concern in Vancouver to pay customs duty in the amount of \$3,512 on an article produced in Nova Scotia.

THE PRIME MINISTER: In Nova Scotia?

Hon.