

PRIME MINISTER'S OFFICE

Rp

Subject.....

977547

Date. Aug 30, 26 Publication Manitoba Free Press

What the West Will Lose in Hard Cash

Farmers in Western Canada are naturally taking a keen interest in the Crows Nest rate angle of the campaign, which is entirely natural in view of the fact that the Crows Nest rates mean actual cash in the pockets of the primary producers of this part of the Dominion. This interest is reflected in the following letter received by the Free Press from a resident of the Souris district:

To my mind one of the most vital election issues, for the West at least, is the matter of freight rates and their relation to agriculture. What I would like to know are the particulars of the Crows Nest agreement. Was there a statutory agreement? What was the agreement? Did the railway company get any concession from the Government in connection therewith? Has there been any abatement of the original terms, and if so, why? Can the present rates (which please quote) be revised without parliamentary action?

It is the bare truth and simple facts that I am after and if you will supply them so that the ordinary voter can understand, you will do something toward enabling that individual to cast his vote intelligently.

There is nothing complicated or mystifying about the Crows Nest agreement and what it means to Western Canada. The rates have their origin in a contract entered into between the Dominion Government and the Canadian Pacific Railway in 1897. The contract is to hold good for all time. As a result of the agreement entered into between the government and the company, and confirmed by statute, the company was given a subsidy of \$3,630,000 for the construction of a branch line from Lethbridge through the Crows Nest Pass. In return for this the company covenanted to give permanently reduced rates on grain and flour east-bound to Fort William and on a list of commodities west-bound. The latter included fresh fruits, coal oil, farm implements, binder twine, wire, galvanized and sheet iron, building paper, roofing felt, paints, furniture, and livestock.

The rates remained in force until 1918 when the Railway Commission, under authority of the War Measures Act, raised them, the average increase being 25 per cent. They were raised again 35 per cent. in Sept., 1920, then lowered 25 per cent. in 1921, leaving the rates considerably higher than those of the Crows Nest agreement.

* * *

The Crows Nest rates on wheat and flour were restored in 1922, but in 1925 parliament amended the act containing the Crows Nest agreement and cancelled the guarantee as to west-bound rates. This was requested by the railways.

MEIGHEN PAPERS, Series 3 (M.G. 26, I, Volume 125)

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA