

Mr. MACKENZIE (Vancouver): The reason I interjected was because the Premier of British Columbia, referring to the press reports, repudiated any obligation as far as the Crysedale appointment was concerned.

Mr. MANION: I saw that statement and while I can say quite frankly that there was no official recognition by the government of British Columbia, I repeat that there certainly was no opposition raised to this appointment. That is as far as I care to go this afternoon.

Both Sir Henry Thornton and Mr. Beatty agree with this report, and to be fair to them I shall read their letters. The letter of Sir Henry Thornton is a clear endorsement of the report. It is dated December 30, 1931, and reads:

Referring to the report which was sent you dealing with the Peace River outlet and signed by the chief engineers of the Canadian Pacific and Canadian National railways together with Mr. C. R. Crysedale, consulting engineer, I beg to say that I have examined it and am entirely in accord with its conclusions.

I shall read Mr. Beatty's letter and the house can use its own judgment in connection therewith. So far as the general principles are concerned, Mr. Beatty, while taking exception to the decision that the Aggie-Obed route is the best, endorses the report; so far as I can read his letter, and I think I understand it thoroughly, he agrees. I had had Sir Henry Thornton's letter and I did not think it was fair to put one on the record without having the other, so I wrote to Mr. Beatty asking him for his opinion. His reply is dated February 22, and reads:

I have your letter of the 19th instant relative to the engineers' report with respect to the Peace River outlet.

With the exception of one paragraph I endorse the engineers' conclusions. The observation to which I take exception is that relating to the Obed route, and I do so because a Peace River outlet must be justified on its permanent value, and the Obed route, though the cheapest from the standpoint of construction cost, could not be considered a proper solution of the question of an outlet.

No company nor any government would, in my opinion, be warranted in building the so-called Obed cutoff, if the Peace River district has the possibilities we believe it has and if the outlet is designed to be of the greatest possible value to the development of the whole area.

You will appreciate that my objection to this route is largely due to the existence of a back haul on traffic from the west and north which would involve a continuous handicap as the development of the area is extended.

I think I am right in saying that in a general way Mr. Beatty endorses the report, for the

present at least, although he does not agree that the Aggie-Obed route would be the most suitable over a long period.

I have mentioned already that in the 1925 report the estimates of the cost ranged from a minimum traffic cost of some \$13,000,000 up to a maximum traffic cost, including branch lines, amounting to some \$80,000,000. It would appear to me that it is quite possible, as time goes on, that more branch line will have to be built in this section, rather than an outlet at the present time. It has been stated to me by some of the officers, if not by the presidents of the two railroads, that it would take ten times the present crop to make this route a paying proposition. While I agree with the hon. member for Peace River (Mr. Kennedy) that railroads have to be built in advance of the absolute need—it should not be expected that railroads should pay from the first day of their construction—at the same time, if that statement is correct—it was made to me I think by one of the presidents, and I believe in the presence of the other—it would appear that it is a little early to consider the building of this outlet at the cost suggested.

I can state positively that at the present time neither the Canadian Pacific nor the Canadian National railways desires that this route should be built unless the government chooses to construct it as a governmental enterprise, as was done with the Hudson Bay route. It is easily understandable that neither railway, in view of their financial condition, would want to enter upon this expenditure. We all know the financial condition of the Canadian National Railways, and many of us know that the Canadian Pacific has been badly hit, as all railroads on this continent have been, by the decrease in general commercial and industrial enterprise which had continued up to about 1928. To a large extent both railroads are taking the attitude that there should not be any heavy capital expenditure, and for that reason they put this matter up to the government to decide whether or not it feels it can afford at the present time to finance this outlet.

I made some inquiries with regard to rates, and I shall put the information I received upon Hansard, and at the same time ask the house, and particularly the hon. member for Peace River, if he considers that these rates are reasonable. I shall give the rates from Grande Prairie to Fort William and to Vancouver. This point is considered to be a suitable one to discuss and I think the rates from other points will be in proportion. The rate per hundred pounds from Grande Prairie