

*Supply—Transport*

are not comparable with Canada. There are great distances between the productive regions of this country. We have the maritime region divided by rock, lake, river and forest from the region of central Canada. We have central Canada divided from the region of the prairies by a thousand miles of lake, rock, swamp and forest. We have the region from Calgary or Edmonton to Vancouver and Prince Rupert divided by range after range of mountains. The conditions in the different countries are not comparable.

This nation was built up by bands of steel which bound the maritimes to the central provinces, to the prairies and the Pacific coast province. Anything which destroys the use or effectiveness or efficiency of our railways will jeopardize the whole Canadian economy, and perhaps in some respects the very continuance of confederation itself. Consequently this is one of the most serious problems with which we have to deal. I refer again to Mr. Fairweather's answer when he said that historically the basic commodities produced in this country have always enjoyed low rates, and that the prospect of increasing rates beyond the limits that are now in contemplation—being before the board of transport commissioners he had to say that—is something that as a development man he looked upon with a certain degree of misgiving.

The board of transport commissioners has not sufficient staff to go into all the factors that should be considered in dealing with these rates. The Canadian Pacific Railway has been taken as the yardstick to be used in setting rates in this country. When we look at the history of the Canadian Pacific Railway we find that all its assets originated from the railway part of its operations. Going back into history we find that the people of this country gave to the Canadian Pacific Railway—the leader of the opposition implied this, although he did not enumerate them—great concessions in order that we might have a band of steel across Canada.

There were 700 miles of railway which the Mackenzie government had completed between 1874 and 1878. There were 25 million acres of land in western Canada granted to the company, and \$25 million in cash. Subsequently there were guarantees of bonds and further grants of land and other concessions by the provinces, particularly by British Columbia. As the minister indicated—I am not saying that he approves the statements made by the Canadian Pacific Railway—the Canadian Pacific Railway is attacking one of the fundamentals of our rate structure as it affects western Canada and British Columbia, the Crowsnest pass agreement.

Let us remember that as certain concessions were given to the Canadian Pacific and other railways, in perpetuity and by statute; as large money grants and other valuable concessions were granted by the province of British Columbia, the Crowsnest pass rates were set and should not have been disturbed under any circumstances. But they have been disturbed. In 1925 the concessions which had been granted to the prairie provinces and British Columbia in the way of low rates on certain commodities—I am not going to list them again, because I did it some time ago in a similar debate—were removed. Under no circumstances must this parliament permit any further variation in the Crowsnest pass rates.

Of course when general increases are granted, on the discriminatory basis on which every decision of this railway board has been based, it causes not only anxiety and misgiving, but financial hardship, particularly when the prices of the commodities that have to be carried and for the carriage of which the producers must pay are likely to fall. Evidence was placed before the board of transport commissioners—not in the recent case, but I think in the 21 per cent increase case—to the effect that to move 100 pounds of petroleum products from Regina to Indian Head, a distance of fifty miles, would cost 26 cents; that to move 100 pounds of petroleum products the same distance in the province of Quebec would cost 10 cents, and in the province of Ontario 9½ cents. There is an illustration of discrimination. Every time a horizontal increase in freight rates is made, the discrimination is greater. We have had three such discriminatory increases within the last two years. No wonder those of us representing prairie, British Columbia and maritime constituencies are alarmed at these sharp increases.

I am going to appeal to the government to do what I suggest again today. Long before this, in view of the incompetence of the board—and again I am using the word in its dictionary meaning—in view of the continuous discrimination in the granting of increases in rates, the government should have used its undoubted power under section 52 of the Railway Act and disallowed the coming into effect of these increases. The government has the power; I believe only once before was it used, many years ago; nevertheless the power is there.

There is injustice to the people of Canada generally, not merely to the people of the prairie provinces, British Columbia and the maritimes. Some of us thought that until the royal commission on transportation had