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1915

CANADA'S TRANSPORTATION PROBLEM

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VANCOUVER, B. C.
September 14, 1915

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A GREAT DEAL has been said with respect to a steamship service from New York to British Columbia via the Panama Canal by which could be handled Canadian goods at very much lower rates than are charged by the transcontinental railways. To do this it requires, under the Canadian Customs regulations, a customs officer stationed at New York.

In opposition to making this cheaper route available to Canadian shippers, there have been offered two reasons or excuses:

1st. It would be throwing the trade largely into the hands of another country.

This may be taken as the argument of the transcontinental railway companies. It is hardly a consistent position to take, considering their business is international and that they are today largely dependent upon United States for their traffic for the transcontinental lines as also for the eastern lines running through Ontario and Quebec. This applies not alone to freight traffic, but to passenger, express and telegraph as well. The trans-Pacific trade to China and Japan and Australia was built up largely on United States traffic, to secure which it has been necessary to have U. S. Customs officers placed at Canadian ports. Portland, Maine, has always been the chief port through which the Grand Trunk handled its export and import business. The question, therefore, as to what port traffic moves through is largely a question of convenience to the railways. The reciprocal bonding arrangement between the United States and Canada is in favor of the Canadian railways. The argument advanced is consequently not a good one to use. The railway companies could not offer any argument against a steamship service from a Canadian port, but they would nevertheless be equally opposed to it, and will as far as possible prevent it.

There are physical disabilities in operating from a Canadian port to British Columbia. From Montreal the distance is much

greater, and it is only open during the summer season. From St. John and Halifax the distance is also greater, in addition to which the rail rates from shipping points west to these ports necessary to pay would add a great deal to the Panama rates which otherwise would be saved.

The railways, both in the United States and Canada, were opposed to the construction of the Panama Canal at the outset, but notwithstanding this strong opposition it was built, the object being to bring the east and the west closer together by water rates and also to provide a shorter and cheaper route for their export and import trade with other countries, and the government was careful to incorporate in the Panama Canal Bill a clause preventing any railway owning or operating steamers through the canal, with the object of eliminating all railway influence over the matter of rates. A tremendous increase in shipping has resulted at all the Pacific Coast ports on the Amtrican side, and consumers are able to get their goods at much lower prices, while we in British Columbia are confined to using the railways, either Canadian or American; in consequence, it costs us more to do business and more to live than our competitors across the line, and they are gradually eating into the trade of our jobbers and manufacturers. It is natural for trade to move through the cheapest channel. This cheaper channel is not available from Eastern Canada; our goods must therefore come from foreign points from which it is available. To prevent this (if unwilling to open the water route) the government must increase the duty to keep out the foreign goods. This imposes a heavier burden upon the people for the benefit of the railways. How long will the public submit to this? For, after all, from an economic standpoint, this water service from New York is just as essential to the consumer and manufacturer as fuel oil to the railways, free of duty, as compared to using British Columbia coal.

The second reason or excuse offered comes as a government argument, viz.: "We have spent immense sums of monies in building railways across Canada, and something is due to the government and these railway facilities."

By the present financial situation of these railways, as reported in the *News-Advertiser,* September 12, upon which the government expended these large sums of money and the prospects of traffic, it is a question if their extension to the Pacific Coast was justified. To build a railway is one thing, but to create traffic for it is

another. The percentage of Pacific Coast traffic they might secure will not support them, and what portion of this they do handle only takes away from the lines already carrying it, which accomplishes nothing so far as the public is concerned; and if artificial means are employed to prevent our using water transportation, which is cheaper, the public must naturally object to the government's railway policy. The fact is British Columbia and Eastern Canada must of necessity have the Panama Canal route opened, and if the railways cannot compete they must surrender the traffic, otherwise we shall not only have the heavy railway burden to bear, but an additional penalty in higher rates, and eventually lose what little business we have.

What is known as Pacific Coast terminal business is carried at low rates by the railways in any case, and, on account of the keen competition between the many railways seeking it, is expensive to secure and handle. If, therefore, these new railways, so expensively constructed, are to be made to pay, they must look for something outside this coast terminal traffic. The development of the local territory through which they pass must be given more attention. If this is done, the country settled and our products increased, they will create traffic and may hope to pay. The domestic business of Canada is not sufficient to support the railway lines we now have. We must, therefore, develop a large export trade; to do this we must have steamship connection both on the Atlantic and Pacific to enable us to transport our products to all parts of the world as cheaply as other countries, and we must also be able to transport our inter-provincial traffic as cheaply as our competitors. The government and railways referred to are faced with a large problem and must cope with it in a large way. The closing of the Panama Canal to Canadian goods will not help much. All channels for the distribution of Canadian goods should be opened and the country given a chance to grow.

The Pacific Coast terminal business does not belong to the railways any more than to the steamship lines. It is entitled to reach here by water, if desired, and if the government denies this right on Canadian goods, we must purchase in foreign markets.

NOTE

This article was written ten years ago, at which time a monthly service with ships of British Register was being operated from New York to Vancouver; however, there being no Canadian Customs Officer at New York, Canadian shippers could not avail themselves of the service, and it was eventually withdrawn.

A year ago a Customs Officer was appointed at New York, but the only service available was by ships of American Register.

The Order in Council passed restricted shipments to ships of British Register, hence Canadian shippers were still denied the water service via New York and Panama Canal.

It is self evident that the influence of eastern interests, brought to bear upon the Government, was strong enough to force the policy of keeping the Panama Canal route closed to the west, as far as possible.

The same influence today, ten years hence, reappears opposing reduction in the grain rates westward.

Must the eastern lack of vision ever retard the development of the west?

September 14, 1925.

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