RAILWAY TRANSPORTATION RATES.

Copy of a Report presented to the House by Permission of His Honour the Administrator.

VICTORIA, B.C., October 24th, 1922.

His Honour the Administrator,
Victoria, B.C.

MAY IT PLEASE YOUR HONOR:

I beg leave to report that early in January, 1921, your Government instructed Mr. G. G. McGeer, K.C., to make an application to the Board of Railway Commissioners for the removal of what is known as the mountain scale rates of transportation within the Province of British Columbia. (This mountain scale rate is 50 per cent. advance on Prairie rates applicable in Alberta, Saskatchewan, and Manitoba.)

In support of this application, Mr. McGeer engaged expert assistance and attended many meetings of the Board of Railway Commissioners; the first of which meetings was held in Vancouver on April 7th, 1921, and the last in Ottawa in February and March of the present year.

Subsequent to the sittings of the Board in March last and precedent to judgment being given by the Board, a Parliamentary Committee was appointed at Ottawa to inquire into and consider railway transportation costs. This Committee sat in Ottawa in May last, Mr. McGeer with myself attending before them. As one result of the report of the Committee herein referred to, the Crow's Nest Pass agreement rates on grain, which had been suspended in 1918, were again re-established by Parliament.

As to the net results of your Government's application, and the judgment of the Board of Railway Commissioners, made after Parliament had restored the Crow's Nest Pass agreement rates, I quote from advice received from Mr. McGeer as follows:—

"Summing up, British Columbia received:—

"(1.) The full measure of benefit of 7½ per cent. reduction on lumber, coal, ores, and other basic commodities, hereinbefore mentioned, that is extended to the rest of the Dominion—namely, a reduction in rates of 7½ per cent.

"(2.) A full measure of benefit included in the reduction on the rates on grain as provided for in the Crow's Nest Pass Railway agreement, plus whatever further reductions will be made owing to the reduction in the differentials contained in the mountain scale. (This is still subject to confirmation.)

"(3.) The benefit of a reduction of 50 per cent. of the excess formerly charged in Pacific rates over and above the Prairies—namely, differential as reduced from 1½ to 1; to 1¼ to 1; and this latter reduction is carried through all commodity rates and all terminal and distributing tariffs so as to bring them in the same relationship to present standard tariffs as they had to the former.

"An approximate estimate of the total represented by these rate reductions, and which could be considered as relieving in a measure the trade of British Columbia and the inter-provincial trade originating or destined to points in British Columbia, on the three railway-lines, at between two and one-half and three million dollars per annum."

At its last session the Legislature voted (No. 80 (*a*)) $40,000 to cover the cost of the application made to the Board of Railway Commissioners, which costs were as follows:—

Disbursements	$21,886 09
Counsel fees allowed	22,000 00
Total	$43,886 09

The cost of attendance before the Parliamentary Committee was:—

Disbursements	$ 1,759 35
Counsel fees allowed	3,000 00
Total	$ 4,759 35

I feel quite sure that the claim of the Province for a complete removal of the excess rates in British Columbia caused by the mountain scale was injuriously affected by the action of Parliament in restoring the Crow's Nest Pass agreement grain rates, and the Government has instructed Mr. McGeer to give notice of and to prepare an appeal to His Excellency the Governor-General in Council, such appeal claiming a total removal of the mountain scale rates.

Your Government appreciates very highly the assistance of merchants, manufacturers, Boards of Trade, and many others, more particularly all those persons who, at great cost and inconvenience to themselves, accompanied Mr. McGeer and myself to Ottawa, and there attended the last sittings of the Board of Railway Commissioners.

I attach hereto as an Appendix certain figures showing the difference between old rates and new, as applied in British Columbia and in the Prairie Provinces. It will be noted that the removal of one-half of the excess, caused by the operation of the mountain scale, makes the reduction in British Columbia much greater than in the Prairie Provinces.

I am of the opinion that the results obtained amply justify the expenditures made and the efforts put forward by your Government.

All of which is respectfully submitted.

Very truly yours,
JOHN OLIVER,
Premier.

APPENDIX.

STATEMENT OF RATES CHARGED AT THE PRESENT TIME ON THE PACIFIC STANDARD TARIFF AND THE RATES CHARGED ON THE PRAIRIE STANDARD TARIFF, SHOWING THE DIFFERENCE IN THE RATES, AND ALSO A COMPARISON OF THE SAME RATES, SHOWING THE DIFFERENCE AT THE TIME OF BRITISH COLUMBIA'S APPLICATION.

(NOTE.—Even numbered columns represent approximately the gain made by the reduction of the mountain scale rates in British Columbia.)

Rate in Cents per 100 lb.

	Miles.	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Old rates—											
Pacific	50	62	..	52	..	42½	..	32½	..	29½	..
Prairie	50	49	..	41	..	32½	..	24½	..	23	..
Difference		13	..	11	..	10	..	8	..	6½	..
New rates—											
Pacific	50	53	..	44	..	35	..	27	..	24	..
Prairie	50	45	..	38	..	30	..	23	..	21	..
Difference		8	5	6	5	5	5	4	4	3	3½
Old rates—											
Pacific	100	97½	..	81	..	65	..	49	..	42½	..
Prairie	100	75	..	62	..	50½	..	37½	..	34½	..
Difference		22½	..	19	..	14½	..	11½	..	8	..
New rates—											
Pacific	100	81	..	68	..	54	..	39	..	36	..
Prairie	100	69	..	57	..	47	..	35	..	32	..
Difference		12	10½	11	8	7	6½	4	7½	4	..
Old rates—											
Pacific	200	1.41½	..	1.17	..	94½	..	70	..	63½	..
Prairie	200	1.10½	..	93	..	75	..	55½	..	50½	..
Difference		31	..	24	..	19½	..	14½	..	13	..

STATEMENT OF RATES, ETC.—*Continued.*

Rate in Cents per 100 lb.—Continued.

	Miles	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
New rates—											
Pacific	200	1.19	..	98	..	78	..	59	..	53	..
Prairie	200	1.02	..	86	..	69	..	51	..	47	..
Difference		17	14	12	12	9	10½	8	6½	6	7
Old rates—											
Pacific	300	1.84	..	1.53	..	1.23½	..	93	..	83	..
Prairie	300	1.41½	..	1.17	..	94½	..	70	..	63	..
Difference		42½	..	36	..	27	..	23	..	19½	..
New rates—											
Pacific	300	1.52	..	1.26	..	1.02	..	77	..	69	..
Prairie	300	1.31	..	1.08	..	87	..	65	..	59	..
Difference		21	21½	18	18	15	12	12	11	10	9½
Old rates—											
Pacific	400	2.27½	..	1.90½	..	1.51½	..	1.14	..	1.01	..
Prairie	400	1.71	..	1.43	..	1.14	..	86½	..	78	..
Difference		56½	..	47½	..	37½	..	27½	..	23	..
New rates—											
Pacific	400	1.83	..	1.52	..	1.22	..	92	..	83	..
Prairie	400	1.58	..	1.32	..	1.05	..	80	..	72	..
Difference		25	31½	20	27½	17	20½	12	15½	11	12
Old rates—											
Pacific	500	2.65	..	2.21	..	1.77½	..	1.33½	..	1.17	..
Prairie	500	1.98½	..	1.64½	..	1.32	..	99½	..	89½	..
Difference		66½	..	56½	..	45½	..	34	..	27½	..
New rates—											
Pacific	500	2.19	..	1.83	..	1.45	..	1.10	..	98	..
Prairie	500	1.83	..	1.52	..	1.22	..	92	..	83	..
Difference		36	30½	31	25½	23	22½	18	16	15	12½
Old rates—											
Pacific	600	2.94½	..	2.45½	..	1.97	..	1.46½	..	1.17	..
Prairie	600	2.24½	..	1.87	..	1.49½	..	1.12½	..	89½	..
Difference		70	..	58½	..	47½	..	34	..	27½	..
New rates—											
Pacific	600	2.42	..	2.01	..	1.61	..	1.20	..	1.08	..
Prairie	600	2.07	..	1.73	..	1.38	..	1.04	..	93	..
Difference		35	35	28	30½	23	24½	16	18	15	12½
Old rates—											
Pacific	700	3.27	..	2.71½	..	2.16½	..	1.62½	..	1.46½	..
Prairie	700	2.49	..	2.08	..	1.66	..	1.25½	..	1.12½	..
Difference		78	..	63½	..	50½	..	37	..	34	..
New rates—											
Pacific	700	2.67	..	2.22	..	1.79	..	1.32	..	1.20	..
Prairie	700	2.30	..	1.92	..	1.53	..	1.16	..	1.04	..
Difference		37	41	30	33½	26	24½	16	21	16	18

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