

members of the MacPherson Royal Commission. I refer to Volume 1 of the MacPherson Report, at page 79, under the heading "Legal and Historical":

The atmosphere of that day is illustrated by the quotation from J. W. Dafoe's "Clifford Sifton in Relation to his Times" of the Manitoba Argument.

That quotation is contained in the book written by the late J. W. Dafoe, "Clifford Sifton in Relation to his Times." The article goes on to say:

Apparently there were also questions of high policy involved in this arrangement. In an open letter to the press of Canada, dealing with railway questions, written by Sir Clifford Sifton, in January 1929 there appears this passage: "I remember when as a young minister in Laurier's cabinet, Van Horne and Shaugnessy said a line into the Kootenay mining district would not be considered for fifteen years. Also I remember that within six weeks the same two gentlemen came into my office and said that they had to build this line and wanted a large bonus for doing it, that the C.P.R. was on the verge of bankruptcy.

We gave them this bonus against the public sentiment of two-thirds of the people of Canada. They built the line and the Kootenay mining development saved the C.P.R. and saved a good many other things in Canada."

In any event, I think this quotation is an interesting sidelight of the times. I must say, however, that my information is that the financial reports of the Canadian Pacific Railway Company for the years in question do not indicate that the company was near bankruptcy, or anything of the kind.

The facts in respect to this agreement, including the granting of lands and resources by government—I say "government" because presumably it was both the federal Government and the Government of the Province of British Columbia—to the C.P.R. is now claimed by western Canadians generally as having been a part of national policy which used this method of equalizing, as well as it could be done at that time, the burden of transportation costs vis-à-vis the West and Central Canada.

The point that Western Canada will not allow anyone to forget is that, whether or not the contract was wise in its origin, nevertheless it is a contract which was in fact

made; the contract is in perpetuity, it was imbedded in the Statutes of Canada in 1897, and we make the further claim that it has been fully compensated for by Canada in the conveyance to the railway company of western Canadian resources which were at the time perhaps potential only, but which since, by virtue of careful development, have become of tremendous value to the other party to the contract, namely, the Canadian Pacific Railway Company, and indeed to Canada as a whole.

I do not propose to search deeply into the present values of these resources, but let me cite one example only, namely, the company formerly known as the Consolidated Mining and Smelting Company of Canada, whose name has recently been shortened to Cominco. As I understand it, approximately half the shares of Cominco are owned by the Canadian Pacific Railway. The present market value of the interest owned by the railway company in Cominco is roughly \$250 million and I believe that the revenue derived by the Canadian Pacific Railway from this asset in the year 1966 was in the neighbourhood of \$15 million. I am sure no one will question the fact that the development of Cominco is directly related and results from the Crowsnest Pass Agreement, and the other development of that area of Canada resulted from the step taken at that date by the Government of this country.

I cite this one example as being only a part of the *quid pro quo* which passed to the company as consideration for the terms of the Crowsnest Pass agreement.

The point I am trying to make is that it serves no purpose for Canadians in other parts of Canada to get too wrought up about this agreement and statute because it is not as one-sided as one is sometimes led to believe. Indeed, the agreement has clearly been of inestimable value to the Canadian Pacific Railway Company and to Canada.

Let me repeat that the Crowsnest Pass agreement and statute are now and have been deemed since 1897 to be a charter of freedom of western agriculture, and were at the time they were granted, and are now, part of the regional give and take on railway rate matters which has over the years been accepted in this country.

In regard to the bill itself and its effect upon the economy of the country, much will depend upon the ability and qualifications of the 17 persons who will constitute the Transport Commission set up by the act. I am