

more than a mere agreement; it is ratified by a statute of Canada.

Hon. Mr. Roebuck: That was with the C.P.R. only, was it not?

Hon. Mr. Thorvaldson: Yes, with the C.P.R. only.

Hon. Mr. Roebuck: It does not affect the C.N.R.?

Hon. Mr. Thorvaldson: No. It was with the C.P.R. only.

I think honourable senators will realize why, in the course of time, that agreement being in existence with regard to the C.P.R., the other railways were naturally compelled to grant the same rates as the Crowsnest Pass rates.

Hon. Mr. Roebuck: Does anything compel the other railways to follow suit?

Hon. Mr. Thorvaldson: Yes. A moment ago I referred to the statutory rates which compelled the other railways to comply.

Hon. Mr. Roebuck: The Board of Transport Commissioners?

Hon. Mr. Thorvaldson: No. I believe it is done by statute, but it may only have been an order or orders of the Board of Transport Commissioners. I do not think it has ever been a matter of any great moment, or a matter in issue, as to the other railways. The basic fact was that the Crowsnest Pass Agreement, together with ratification and sanction by statute—

Hon. Mr. Connolly (Ottawa West): Would the honourable senator agree it was the competitive factor, which just fortifies the argument that he made initially? The competitive factor painted the other railways into the corner, and they pretty well have to use these rates?

Hon. Mr. Thorvaldson: Yes, that is what I am trying to say.

I want to read briefly from the statute, chapter 5 of the Statutes of 1897. Section 1 of the act refers to a subsidy payment made by the Government to the Canadian Pacific Railway Company to the extent of \$11,000 per mile, being a total sum not exceeding \$3,630,000 which was to be paid to the Canadian Pacific Railway Company on condition that a railway be constructed into the Kootenay Valley area of British Columbia.

Section 1 continues:

On the part of the Company:

(a.) That the Company will construct or cause to be constructed, the said railway upon such route and according to such descriptions and specifications—

—as may be required. So, initially the railway was required to be constructed.

It is not generally known about the Crowsnest Pass Agreement statute that subsection (d.) provided for a very considerable reduction in the freight tariffs from east to west on thirteen important commodities. Those commodities are set out, and the rates of reduction from the freight rates of that day are established. For instance:

Upon all green and fresh fruits, 33½ per cent; Coal oil, 20 per cent;—

And so on down the list.

Subsection (d.) concludes with these words:

And that no higher rates than such reduced rates or tolls shall be hereafter charged by the Company upon any such merchandise carried by the Company between the points aforesaid; such reductions to take effect on or before the first of January, one thousand eight hundred and ninety-eight;...

This point is of no importance now, but I just make it in passing, that these rates were decreed by statute. They were decreed to be perpetual, but in fact they were abrogated over the years and they were completely done away with by 1925.

Hon. Mr. Roebuck: With the consent of the C.P.R.?

Hon. Mr. Thorvaldson: Yes, naturally with the consent of the C.P.R., because the C.P.R. benefited by the abrogation. Consequently, the C.P.R. was relieved from complying with this part of the statute, and then the statute continues:

(e.) That there shall be a reduction—

Hon. Mr. Roebuck: Can you tell me whether there was any consideration given to the C.P.R. for the abrogation of those additional rates? Do you know that?

Hon. Mr. Thorvaldson: I do not believe there was any consideration given by the C.P.R.

Hon. Mr. Roebuck: No, to the C.P.R.