

of these measures of Government acquisition not with reference to the principle of public ownership, but because I thought that the bargains were not in the interest of the country at the time. But now we have these railroads and it is in the interest of the people at large to do the best that can be done under the circumstances, and to see that the railroads give the best possible service at the lowest possible rates so that the producers of this country may have no less advantage so far as freight rates are concerned than the producers in the great republic to the south. The shippers of the United States are appearing before the Interstate Commerce Commission and trying to get the lowest rate that they can for their produce, because when the shipper obtains a lower rate, his advantage on the market is enhanced. Freight rate is like tariff; it attaches itself to everything that it touches. It is more particularly in the interests of the real producers, the farmers, that we must give consideration to this question of rates. It is raw materials that are particularly affected by the tariff. We have been decrying the great corporations, the railway corporations, for having been plunderers of the people. It has often been said that they are charging excessive prices and making immense dividends, more than they have a right to make. Under present circumstances we have the fact that under the paternalism of the Canadian Pacific Railway Company better results are attained than under the Board of Management of the Canadian National railways. It is said at once: Let us raise the railway rates—I am speaking now of freight rates; on a later occasion I shall make a few remarks with regard to passenger rates. I am opposed to an increase of rates at any time, because if the rates are increased now they cannot be decreased in the future. At all events, years would have to roll by before any decrease could be effected, and in the meantime the commerce of the country would be ruined. Some years ago an increase of ten per cent in freight rates was effected and subsequent increases were made to the extent of twenty-five per cent altogether, I believe. But they have not lately been increased, and now we are asked, simply because the Board of Management of the Canadian National railways has shown a deficit of \$47,000,000, to increase the rates to cover that deficit. This increase the people of Canada would have to pay. Moreover, the rates on the Canadian Pacific would also be increased, and instead of com-

[Mr. Turgeon.]

ing annually before their shareholders with a surplus of \$32,000,000, the Canadian Pacific would show a surplus on operation of \$62,000,000—and you could not blame them. I ask this Parliament and the people of this country: Why penalize the users of the Canadian Pacific in those parts of the country where they have no other means of transporting their products in order to cover a deficit on another 15,000 miles of railway? We have to be consistent and very serious in this matter. What will become of the farmers of the West if their grain, once it has reached our ports, such a great distance away, has already cost the five or six or seven cents more than the rates paid by the farmers of the American West for their grain? How will they be able to make up the difference? It will be a loss to them completely. Therefore, before we increase the rates, we must at least give the National Railways Commission the rest of this year to see, according to their personal ability or inability, what statement they will bring before the Government and Parliament next session, when it will be time enough to increase the rates. If we increase the rates now, they might come back again next year still with a deficit, and follow the same procedure and increase the rates from year to year in order to meet deficits brought about through mismanagement by incompetent men or men who may not have the necessary command of the business to bring the railways of this country into the position in which they should be. Therefore, it is necessary that there should be no increase in freight rates during at least the present calendar year, after which we shall have the report of that board. We would have that report next January, and the session should be called at least by that time, so that we would then have more knowledge and information as to the reason why they come again with a deficit, if they do, and as I am much afraid they will. It is more particularly for that reason that I have spoken, because I know there are in this country industries that could not stand any further increase in regard to certain of their manufactured products.

As I said, we must understand that freight follows every article. Before pig iron can be produced in Sydney, freight has been paid out on coal, iron ore, limestone and everything else necessary in the production of that pig iron. Then, it may be sent in the form of billets or blooms to the manufacturer in Montreal, Toronto or elsewhere, and freight has to be paid on that again. Then, when the manufacturer