

its goods. If we have not those industries, what are you going to employ people at? What are they going to do? Will they go across the line as people are doing now when they cannot get work in Canada?

I am not going to say much more at present on the tariff question, as I shall probably have a chance of speaking on some of the details, because there are a number of details that require explanation. I think the Acting Minister of Finance who, by the way, is, as a rule, a good level-headed fellow, and his colleagues who had to do with the framing of the budget, jumped at conclusions rather hastily, and when they investigate carefully, they will find that they will have to modify a number of the changes that they have made, exempting one thing, taxing other things and so on, before they will satisfy the people generally. I hope, when the matter comes up in committee, to have an opportunity of saying a little on many of the details.

I said a little while ago that I thought the special troubles that are affecting the farmers of the West, and, in fact, not as much the farmers of the West as the farmers and all people of the East, are railway

5 p.m. freight rates. The farmers of the

West are not suffering as much as the people of the East because, during the war, when on three different occasions rates were increased, those rates went up uniformly throughout the Dominion. But when the question came up of reducing rates about two years ago, the farmers of the West got a reduction on their grain of some thirty-odd per cent, while the eastern people got a reduction of seven per cent and sometimes not quite as much. Consequently the eastern shipper has suffered to a greater extent than the western shipper. I wish to say in this connection that our freight rates are at least twenty-five per cent higher than they should be and are higher than the people can afford to pay. I will take a little time to explain what I mean. There are three groups of people specially connected with this. First there is the producer. It does not matter whether that producer is a tiller of the soil or a manufacturer, he is an exporter of every kind and class of goods, and consequently the open market of the world sets the value of his goods. If we were consuming all we produce we might raise the price of our goods as the cost of production increased, but being exporters our price is, as I have said, fixed in the open market. The producer, I claim, is the farmer, the lumberman, the miner, the fisherman and the manufacturer—every one

of them is a producer. The second group is the carrier. Whether transportation takes place by land or water, everybody engaged in it bears a part in the carriage of goods from the source of production to the point of consumption. The third group is the distributor. It does not make any difference whether our distributors are jobbers, wholesalers, retailers, or even peddlers, every one of them selling goods is a distributor.

Now then, if any one of these classes gets more than its fair share of what the business will produce, the others get too little. For example, to-day the transportation people are getting far and away more than their share of what the business of the country produces. In some cases the distributors are getting more than their share, but I must say that the farmers of the West so handle the selling and marketing of their grain that there is not a great deal of leakage to the distributors. But there is in some businesses. For instance, the spread between the price the manufacturer of boots and shoes gets and the price the consumer pays is sometimes more than it ought to be. But especially are the carriers getting more than their fair share of what our business will stand. Consequently at the end of the year when the producer finds that he has lost money he ceases to employ. Hence so many idle people in, or leaving, the country. In 1920 when wheat was selling for \$3 a bushel and everything else at any price you cared to ask, freight rates were not so bad; but the products of the farm, the forest, the mine, and the sea have all declined in value, fifty per cent, and in many cases even still more, and yet freight rates have been reduced only about twelve per cent, and the carriers are now scrapping to get an increase.

Let me say further that Sir Henry Thornton and Mr. Beatty, the presidents of our two great transportation systems, perhaps think they are managing their roads. Well, they are to some extent, but they have very little to say as to the rate of wages, the schedule of working hours, the classification of labour, and all the rest of it; they are practically powerless to deal with this matter. The only authority that can and should deal with it—and that is the reason why I am talking so much about it—is the government. I think there is only one road of any importance on this continent which is really run by the owner, and that is Henry Ford's road. He says to labour unions, international and local: Keep your hands off my business; I am running this road to suit myself and I will allow no interference. It is a pity that the government of Canada has not the collective courage that