

solution. That may involve a world pool; it may involve an international agreement, but as soon as we come to this the government begins to say it will not have any dealings with certain great exporting countries. I urge, Mr. Speaker, that we cannot leave Russia or the Argentine or Australia out of this matter. We must take them all into consideration before we can solve this problem. Some of us believe that before it is solved we will require an entire change in our economic system, but since the government of the day revolts at anything like an international or socialist solution I would say the next most promising policy in a competitive economy is that of lower costs of production. If we are bound to maintain this cut-throat method of doing things, we in the west will have to lower our costs in order to compete with the Argentine and Russia.

What will that mean? Remember, I am putting this as an alternative policy. If the government refuses to allow us to adopt an international arrangement as a solution they will have to face some such program as this: First, lower freight rates. Why not cut the freight rates down? Let me say that the Canadian Pacific Railway Company has done fairly well during the last few years. I have under my hand the figures showing how that company and its subsidiaries have been prospering. We are all more or less familiar with the facts. The Board of Railway Commissioners allows them a profit of 10 per cent, 7 per cent on their actual railway operations and 3 per cent on the other operations. Why not cut that 10 per cent in two? I cannot for the life of me see why a great corporation such as the Canadian Pacific Railway Company should be practically guaranteed ten per cent, while many a farmer is not only not making one per cent but is actually running in the hole every year. Of course, Mr. Beatty immediately comes forward and resents any-

thing like governmental interference. Let me say that the Canadian Pacific Railway Company and similar corporations owe their very existence to governmental interference, and the sooner they realize that the better. Why not cut interest charges in two, or at any rate substantially reduce them?

The annual statements of the banks show, notwithstanding all the reserves they have, that they have been getting along tolerably well, and this monopoly which the government is granting to them enables them to make not only the profits that are shown in their balance sheets but to secure a great many other financial advantages that go to the directors through the system of interlocking directorates which have been established. If there is any constitutional difficulty in introducing legislation which will be effective in reducing interest rates I would suggest that the Finance department could itself go into the money market under our own present legislation and thus effect a lower interest rate.

Then again the cost of living should be cut down. I have under my hand a very interesting graph which was published in some of the farm papers, and which with the consent of the house I should like to have placed on Hansard. It shows the trend of prices from November, 1929, to November, 1930. Iron and steel has declined only 4.3 per cent. Hardware, which is something we all use, only 1.6 per cent. Farm products as a whole have come down 34 per cent, while western grains show a decline of 59 per cent. I suggest that this great discrepancy in price between manufactured goods and agricultural products should in some way or other be reduced. Either you have to lower the cost of living to the farmer or raise the price of grain to him. That is the problem with which we are faced to-day. If you do not do this we are faced with the ruin of agriculture in the west.

The graph follows: