

40 per cent in freight and passenger rates. I have figured that the total of these increases—I speak subject to correction; I have seen the figures as given by the head of the Hydro-Electric Radial Association, Mr. J. W. Lyon, of Guelph, who is an expert in these matters—the total freight increases granted by Hon. Mr. Carvell and his colleagues in the Railway Board have amounted to \$300,000,000 a year in the last few years. Fancy all these taxes put on the farmers and working classes without the consent of Parliament! A railway commission which does not represent the people is appointed to impose taxes amounting to a million dollars a day for every working day in the year, without the consent of the people's representatives in Parliament. I say it is not fair; it is not just; legislation of that kind is not equitable; it is not responsible government. I hope I shall have the support of the Progressives in seeing that something is done to amend such legislation—I know I shall have the support of the Opposition—to bring about a change in this state of affairs. There is something in the Speech from the Throne about freight rates, and I think the hon. Prime Minister says that if there is dissatisfaction with what the commission does, he is willing to let Parliament take some stand in the matter. But if I had my way I would go back to the old method of doing things; I would not have any of these rate hand-outs by the Railway Commission without the authority of Parliament. It was a particularly retrogressive step for Canada when we placed the telephone and express rates under the control of the Railway Commission, and it is fortunate indeed that Parliament did not place under their jurisdiction also the matter of tolls and rates for water-borne traffic and the control of lake rates. These increases to which I have referred were granted without proper or adequate inquiry, research or investigation; the chairman of the board took the figures submitted by the experts of the Canadian Pacific as to receipts re the freight and passenger increase, etc. The result was he granted a forty per cent increase, notwithstanding the fact that the Canadian Pacific had a surplus of nearly \$492,000,000, I think it was, as active and inactive assets.

Then the people of Canada taught the railways and the Railway Commission a lesson, because with a forty per cent increase in the passenger rates they would not travel on the railways; accordingly

[Mr. Church.]

the companies had to go back to some of the old rates. The people taught the railway people a lesson with respect to freight rates also. In the district from which I come the largest retail stores, when dealing with customers located on the Toronto and Hamilton highway, transported their goods in motor cars. So the Canadian Pacific and the Grand Trunk railways lost heavily in some localities by reason of that increase in rates.

Then the Telephone Company came along. It wanted an increase and nothing would do but they should come to Ottawa and ask the Board of Railway Commissioners for an increase. They preferred their request and they got the desired increase. And this, although the Bell Telephone Company is a rich corporation, with a large surplus, and it was so hard up that it paid eight per cent in dividends for thirty-two years. That company came down to Ottawa, applied to the Railway Commissioners and got a raise in their rates for the asking. This telephone rate increase took a million dollars out of the taxpayers of Toronto and was unjust, unfair, inequitable and not according to the provisions of the Company or the Railway Act. I am satisfied that the latest increase asked for by the Bell Company would have been granted had an election not been pending. Some of the commissioners probably thought they had better look out for their positions on the board, and not grant the increase, for if a new government came in they might be relieved of their judicial duties. So the board divided itself 3 to 2 on this second telephone application and it was refused. I hope the present Government will bring in legislation in the interest of the public, and not allow any further increase without the consent of Parliament, and so take some of the taxes from the shoulders of the working classes as well as of the farmers in this country. Perhaps it would be a good thing for this country if provision were made also for a reorganization, root and branch, of the whole board and let us have a living regulation of these powerful public service corporations.

I will tell you what the increase of freight rates has done for the farmers. It has added \$5 to the price of every ton of coal which the farmers in the county of York buy. I was one of the directors of the Consumers' Gas Company in Toronto representing the city on the board, and that company pays out a million and