

tion to arrange with the transportation companies that the rates payable on certain merchandise shall be lower when they go West than when they go East. It is an improper thing to do and is bound in the long run to cause dissatisfaction. If a man in the Eastern Townships is buying a fanning mill, let us say, in Toronto, when he finds that there is a special diminution of the freight rate on that article to a competitor of his who farms near Regina, while he has to pay the whole rate, naturally he will be dissatisfied. I do not doubt the truth of the minister's statement that freight rates as a rule are higher going West than going East, but that, to my mind, does not answer the objection in principle which I have raised to the differentiation of freight rates in favour of one part of the country.

Mr. HENDERS: I wish to call attention to the fact that for years the complaint in the West has been that there is discrimination in freight rates against the West in favour of the East. While I do not wish to raise any barrier to the East retaining as low freight rates as is possible, yet I wish hon. members to understand that the freight rate reduction now made will not give the Western farmer any advantage over the Eastern farmer, when the fact is taken into consideration that there was discrimination in favour of the East for all these years.

Mr. McKENZIE: I do not know that I gave the care to this freight rate situation that I should have given, but I certainly understood that whatever freight rate concessions were given were to apply all over the country. I could not agree to the freight rate on a tractor, for instance, from the city of Toronto going west being different to the freight rate on that same implement going east. If that is the intention of the Government, I certainly wish to have my views recorded against it. The hon. member for Macdonald (Mr. Henders) says there was always discrimination. I did not understand anything of the kind, and would not be a party to it. But if there has been any discrimination in the past, that is no reason why it should be perpetuated. There should be the same rates all over the country, no matter in what direction the freight is moving.

Sir THOMAS WHITE: There is no discrimination against the East in the arrangement we made. It was an anomalous situation under which manufacturers in the East were at a marked disadvantage as compared with their Chicago and other American rivals in this business. The

[Mr. McMaster.]

East has the advantage of water competition, as I pointed out. The rate from Chicago to Nova Scotia is not lower than the rate from Toronto to Nova Scotia; on the other hand the rate from Chicago to Regina was lower than the rate from Montreal to Regina. We have equalized that situation, and the eastern farmer gets the benefit—and this is the point, I submit—of the reduction which has been made in the duties on agricultural implements.

Mr. MAHARG: I cannot for the life of me understand why members on the opposite side of the House claim that western farmers will get an advantage over the eastern farmers. They are in no way being benefited by this decrease in freight rates. That decrease was made simply that the duty might be lowered on these implements, and the eastern man gets just exactly the same advantage of the reduced tariff as does the western man. The only advantage that comes to any of them is through the reduction of the tariff.

Section agreed to.

On section 4—Exemptions from duties imposed by section three of Customs Tariff War Revenue Act, 1915:

Sir THOMAS WHITE: I have two amendments to propose, Mr. Chairman. After 569 on p. 5, I want to insert item 581, and then I want to add at the end sub-section (w):

Crude cotton seed oil for refining purposes.

In other words, I want to ask the committee to concur in the taking off of the 7½ per cent from two further items, one No. 581 and the other on cotton seed oil. The reason for the change is the same in both cases. We took the 7½ per cent off clothing. No. 581 covers velveteen and some other cheap fabrics—because the French Treaty governs all the expensive fabrics used in the manufacture of these garments—and as we have taken the 7½ per cent off the finished article we want to take it off those fabrics. The cotton seed oil is used in the manufacture of cottolene and some other articles. We took the 7½ per cent off the finished product; we now want to take it off the raw material which enters into its production.

Mr. LEMIEUX: My hon. friend has just mentioned the French Treaty. I understand it will expire in September.

Sir THOMAS WHITE: Not quite.

Mr. LEMIEUX: The French Government have denounced the Treaty?