on account of distance from the central and western markets. The rate increases interfered greatly with interprovincial trade and were contrary to the obligations of the government of Canada accepted at confederation. The railway management was therefore asked in the report to take cognizance of the situation and endeavour to arrange such a reduction of rates, having regard to the actual cost of operation of these railways, so as to remove as far as possible the difficulties complained of, and that the Board of Railway Commissioners should for the same reason and in so far as their jurisdiction extended restore the differential rate formerly applicable to the traffic to and from the Maritime provinces. The recommendation made by the committee and accepted by parliament was as follows:

We recommended that the Minister of Railways and Board of Management take steps to meet the situation in these provinces by a substantial reduction in rates.

The claim of the Maritime provinces with regard to local rates is a matter for the consideration of the Minister of Railways and the management of the Intercolonial railway. The committee recommended the suspension of the Crowsnest pass agreement except in respect of grain and flour for one year from July 6th, 1922, with power to the Governor in Council to suspend for a further period of one year. The recommendation of the committee for the further suspension of the Crowsnest agreement is made in view of the great necessity of a general reduction in freight rates on basic commodities as a whole and in what is considered to be the general public interest. Basic commodities which may be afforded reductions should have the earliest possible consideration by the Board of Railway Commissioners.

I should like to refer to the situation which was created by the legislation known as the Railway Act of Canada. That was the act providing for the consolidation and co-ordination of the great Transcontinental systems. The Grand Trunk and the Intercolonial were absorbed into the National system and the Intercolonial passed from that management to the management of the Canadian National Railway Board, in charge of all the railways grouped under the Canadian National Railway system. The Grand Trunk for some time after it was taken over was under an independent chairman and board headed by Sir Joseph Flavelle, and on the final co-ordination of these railways Sir Joseph Flavelle and his associates retired, and later Mr. Hanna and his associates. I would point out to the House that the Railway Commission addressed themselves to the problem of delivering a judgment in reference to the case that had been before them for something over a year and a half, that was the case of the restoration of the arbitraries from the Maritime provinces over Montreal to Port Arthur and Fort William, and west of Port Arthur and Fort William to the Pacific coast. The Railway Commission—which had been holding back from adjustments in connection with freight rates until parliament had determined what should be their course in reference to the further suspension or the bringing into force of the Crowsnest pass agreement—in so far as grain and grain products were concerned—made a general reduction of only 7 per cent, which was scarcely felt by industry in the transportation of manufactured articles east and west in this country. I say that that was another evidence of our willingness to help our Canadian West, in asking parliament to live up to the agreement that was entered into in good faith. The result was that we did not receive in the Maritime provinces any reduction in our arbitraries, and we have been labouring under that great disadvantage since the Crowsnest pass agreement was put into effect some two years ago.

The War Measures Act was used as an instrument to accomplish something that the parliament would not have done, and I lay it at the door of some hon. gentlemen opposite who sat in the government of Sir Robert Borden, and those who succeeded Sir Robert Borden with the right hon. leader of the opposition at their head. The first thing they did to basic industry in the provinces of Nova Scotia and New Brunswick, in the city of St. John and Halifax was this: The McAdoo award of August 6, 1918, came into effect under order in council passed under the War Measures Act. Sugar in the United States was not in the commodity class, but in the fifth class, and under the War Measures Act the government applied the McAdoo award to the refineries in the Maritime provinces, and the result was that the rate on refined sugar, which hitherto had been a commodity rate, was changed from commodity to fifth class, and 25 per cent added, the Chicago award came later with an increase of 40 per cent, and the new rate applied to these two great industries in the Maritime provinces, the one in my own constituency, the Acadia Sugar having over 500 employees with an average of three to a family, or 1,500 people, just outside the limits of the town of Dartmouth. The same rate applied to the Atlantic refinery in the city of St. John. The rate for forty years from 1878 had remained constant until the knife was put into those rates under the War Measures Act and due to an American award, with the result that the rate was increased from 19 cents to 52½ cents, and as high as 60 cents finally, as against 19 cents in 1917 and 22½ cents in the early part of 1918. Could any industry in the Maritime provinces live under such a rate? Millions of dollars have been