

this, Mr. Speaker. On the main line of the Canadian Pacific railway these rates are in force, but on railway lines south and on railway lines north of the main line of the Canadian Pacific railway, higher rates have to be paid for a similar distance from Fort William, running from one to five cents per hundred pounds higher, and thus discriminating against those people who live on these other lines as compared with those who live on the main line of the Canadian Pacific railway.

In 1904 this parliament by legislation created the Board of Railway Commissioners. The chief function of the Board of Railway Commissioners was to administer the Railway Act, and to see that railway rates were equitable. That was the desire of parliament, but what do we find? We find that when the Board of Railway Commissioners ask the railway companies to file a schedule of rates in conformity with the legislation passed in 1925, the railway companies ignore that order. It was on the 8th day of July, 1925, that general order No. 420 was passed by the railway board, requiring the railway companies to file their schedules, but as I stated before, they have never laid their schedules before the board. The situation, then, is simply this: Our railway companies are flouting the Board of Railway Commissioners. They go even beyond that; they are flouting the authority of this parliament. We have always understood and believed that this parliament was supreme, that when it passed legislation to remedy any disabilities, its order would be supreme and be given heed to, but here we have two large railway companies practically saying to this parliament, and to the board that was created by this parliament to have jurisdiction over them: We take no notice of what you do; we shall do just as we please. I would ask this House, are we going to allow that state of affairs to continue? Is it not time that something was done to make these railway companies recognize the fact that this parliament is supreme, and that when it passes legislation, its legislation must be lived up to? We cannot for one moment admit that any large corporation in Canada can at its own sweet will do just exactly as it likes and pay no heed whatever to the legislation passed by this parliament. Therefore, I respectfully submit to the Prime Minister and to his colleagues that this situation should in some manner be remedied, and that these two railway companies should be made to understand that when this parliament passes legislation,

[Mr. Gardiner.]

that legislation must be lived up to by them just as much as by anybody else in this country.

There is another matter in regard to the railways that I should like to bring to the attention of the House. I have stated previously in my remarks that this House created the Board of Railway Commissioners by legislation in 1904. The membership of the board is six. Recently there has arisen a very peculiar situation on the board, which might have been anticipated because of the even number of its membership. On several important questions that have come before the board, when a decision had to be reached, we have found that the board split three to three, with the unfortunate consequence that no action could be taken on these important matters where there was no majority decision by the board. We submit that that is not a proper state of things to continue, and that the board should consist of an odd number of members, whether it be five or seven.

Furthermore, we believe that western Canada is not adequately represented upon that board. In view of the fact that the three western provinces and British Columbia are very important factors in providing traffic for our railways, we submit that these four provinces should be more fully represented on the board than they are at the present time.

There is another question on which I wish to speak, which is not mentioned in the speech from the throne, and that is the income tax. The reason why I bring this matter to the attention of the House is because of a pamphlet that I hold in my hand, called *The Retail Trade Review*, issued by the Retail Trade Bureau of Canada. This is a national organization, and I understand that this pamphlet has been distributed from one end of Canada to the other. The article in this pamphlet is headed: *The Vigorous and Aggressive Campaign Undertaken by the Retail Trade Bureau of Canada Against the Dominion Income Tax to be Continued Until the Tax is Entirely Abolished*. That seems to be the purpose of this organization, the abolition of the income tax, through persuasion, or ways and means best known to themselves. Now the basic principle of all taxation has been accepted as being the ability of the person to pay, and we submit that the income tax carries out that principle fairly. The income tax takes more, of course, from those who have the greater ability to pay, and therefore we maintain that it is a fair tax.