

Every Advantage in Tariff Regulations Transmitted to Farmer.

This action came as a surprise and was announced a short time after we had issued our price lists for that year. Recognizing that it would result in decreasing the cost of a Binder, we decided to give the whole advantage of the drawback to our customers. At that time we were selling more than half our Binders in Western Canada and we decided to give the whole advantage to the West and issued a supplementary list (Exhibit "F") reducing Binders in the different sizes from \$2.00 to \$5.00. This has been the basis of our Binder price ever since and the Western farmer has had the full benefit of the domestic drawback.

The following is a quotation from the price list referred to:

"This rebate will lessen the cost of the above machines quite materially, though not to the full extent of the reduction in duty. After careful consideration, we have decided to grant to our customers the full advantage of this refund and are applying the equivalent of the amount in the reduction of Binder prices in the above Provinces. These reductions are to apply to all sales of Binders for use in 1907, and, where orders or settlements have been taken at list prices, a re-adjustment must be made at the new price basis."

At this point I may say that it has always been our practice to transmit to the farmer every advantage which we receive in tariff regulations. In 1915, when the 7½% war tax was placed upon importations, materials for Binders and Mowers, as well as the completed machines were specifically exempt. We raised the prices of all other implements to cover the increased duty; we left Binders and Mowers unchanged.

The present Finance Minister, Sir Henry Drayton in the last revision of the tariff, where the tariff on practically all classes of implements was substantially reduced, extended the rebate system to apply to 30% of the duty on an additional line of implements and also arranged for a special freight rate to the West to help offset the reduction in duty on the complete machine. Again we recognized this effort to reduce the costs and issued our price lists showing a reduction equivalent to the rebate of duty and the reduction in freight. Unfortunately the general trend of costs made it necessary for us a short time after to raise our prices but the reduction in cost was a consideration in fixing our prices.

As an illustration of the kind of misrepresentation we have had to contend with for years over the drawback question, we file as an exhibit "G," two editorials from the "Forest Free Press" and a copy of a letter (Exhibit "H") written by me to a Member of Parliament who asked for an explanation of one of the editorials.

The Tariff on Implements.

No other line of manufacture has been so frequently subject to revision of customs duties as agricultural implements, as the following facts will show.