

Mr. EULER: Were not the promises in writing, which were made by the various manufacturers not to increase prices if the tariffs were increased, based upon the representations as to what increases were to be made? They could not possibly be bound unless the tariff was increased in accordance with their wishes.

Mr. BENNETT: That is an additional reason for section 18, the section with which my friend from North Bruce (Mr. Malcolm) was concerned. Supposing it is suggested that the rate should be 30 per cent, my hon. friend's point is that if the rate in the schedule is 25 per cent they are beyond their undertaking.

Mr. EULER: It would not be an undertaking on their part until they knew what they were going to be given?

Mr. BENNETT: Yes.

Mr. YOUNG: They promised not to increase prices if the hon. gentleman gave what they asked. But he has probably given them something else.

Mr. BENNETT: That is not a correct statement.

Mr. MACKENZIE KING: Surely the Prime Minister does not wish to indicate that the implement manufacturers asked for an increase of 333 $\frac{1}{3}$ per cent on the existing duty on implements?

Mr. BENNETT: That reads well and sounds well, but what actually happened in practice was this: The rate which read 6 per cent has been increased to 25 per cent. That is what has been done, and that is the 333 $\frac{1}{3}$ per cent to which my hon. friend refers. With respect to that there is no doubt, and such action has been taken after very great deliberation. A duty has been set whereby a domestic market will be assured for domestic producers and will give them an opportunity for export trade. With their capacity, their ability and their machinery I believe they will be in a position to maintain price levels which will be satisfactory to the people of this country, and that ultimately they will be able to reduce the prices as they have been reduced in other countries as was mentioned by the hon. member for Willow Bunch (Mr. Donnelly).

Mr. MACKENZIE KING: That does not answer the question. No doubt the remarks of the hon. gentleman are true; there is no doubt that the intention has been carried out. However, I ask him in view of a previous remark he made whether or not that increase

[Mr. Bennett.]

of 333 $\frac{1}{3}$ per cent in the duty on agricultural implements was made at the request of the implement manufacturers. I do not believe the implement manufacturers ever requested anything like it, nor do I believe they would think of making such a request. It is something that has been done entirely by my hon. friend himself.

Mr. BENNETT: My memorandum is that the suggested rate to accomplish the purpose which was contained in the memorandum which I read from the other day and has not been returned from Hansard was either 20 or 25 per cent. I cannot speak with accuracy on that point. I do know, however, that the initial duty imposed by the government of Sir John A. Macdonald, was 25 per cent. It varied, but I am advised that they asked for 25 per cent. They suggested that such a rate would accomplish the results desired.

Mr. MACKENZIE KING: It is correct then that the implement manufacturers asked for an increase of 333 $\frac{1}{3}$ per cent over the existing duties, and my hon. friend gave them what they asked.

Mr. BENNETT: I think that increase referred to one item only.

Mr. MACKENZIE KING: To a large number of articles under that item.

Mr. BENNETT: Yes. I say that the result would be accomplished with that rate. When the right hon. gentleman says I gave them what they asked I think perhaps it would be more fair if he had said that I concluded that the suggestion was reasonably made and would accomplish the end at which we aimed. It is not a case of asking and receiving. On behalf of this government I accept the full responsibility for the item just as it reads; I accept what it says. I ask no quarter for criticism which may hereafter occur by reason of it.

Mr. MACKENZIE KING: I have one further question in connection with the increase in duties on agricultural implements. In some cases they are increased 100 per cent, in other cases 200 per cent, in others 300 per cent, and in some cases 333 $\frac{1}{3}$ per cent. Will the hon. gentleman tell me by what process of investigation or reasoning the decision was arrived at to make these differences in the increase of rates? What hearing was given, or why were not all of them increased the same amount? What is the reason for the difference?

Mr. BENNETT: The right hon. gentleman will find there is a uniform rate applied. In arriving at that rate I need hardly say that