I understand that the president of the Bank of Commerce, Sir John Aird, is also a director of the Cockshutt Plough Company. If Sir John Aird cannot solve this problem of how the farmers are to be allowed to buy the implements that the Cockshutt Plough Company is making, then this House will have to take a hand in the matter and see if it can help out in any way; otherwise the farm machine business is going to be in a worse plight than it was before. The way the farm implement men of Canada now take care of their overhead is by simply adding it to the number of machines that they sell, and as the number of machines which they are able to sell dwindles, the overhead which is charged to each of the implements increases. Where is this thing going to end? I think this budget has done one thing: It has put the machine men in the position where they can offer the farmer cheaper implements. If they do not do so I think this House should take some action at its next session to see whether cheaper implements cannot be offered to the farmer.

I should like now to take a few more minutes, if I may be allowed the necessary time, to show why the farmer must have cheaper implements if he is to carry on, particularly the western farmer. I know we should not discuss these matters in a sectional way but in a little booklet issued by the Massey Harris Company—a copy of which was sent I think to every member—it is stated at page 12 that the gross yearly return of the farmers in the Maritime provinces was 35 per cent on their invested capital.

Mr. CALDWELL: That is the gross return?

Mr. COOTE: Yes. In Ontario and Quebec the gross return was 27 per cent on the capital invested. In the prairie provinces the gross return was equal to 15 per cent on the invested capital. In this same booklet, on the following page, I find these sentences:

> The purchasing power of the farmer's and the manufacturer's dollar has greatly shrunken since 1913. The farmer's dollar worth 100 cents before the war, is estimated by the government bureau of statistics to be worth now only 54 cents.

Then I find that according to the monthly bulletin of agricultural statistics for March, page 104, index numbers of agricultural prices which show that compared with the period from 1909 to 1913 the prices to-day of all field crops are 100.7 per cent practically the same as they were before the war. Carrying these figures out will show that wheat to-day has a purchasing power of 54 per cent of what it had before the war; oats 52 per cent; barley 48 per cent; and rye 35 per cent. The farmers' cattle to-day have a purchasing power compared with the period 1909 to 1913 of 33 per cent, and select hogs have a purchasing power of 57 per cent.



Now I want to come to the item which I think is the biggest handicap under which the farmer, particularly the western farmer, is labouring to-day. We have all received pamphlets through the mail from woollen manufacturers stating that they could not compete with the manufacturers who live or operate in countries with a depreciated currency. The Canadian farmer to-day is producing largely for an export market, and the price on that market is setting the price for his produce. That is particularly true as regards grain and cattle. When we come to export our wheat to Britain we find that we are competing principally with these countries. Australia whose currency has depreciated about 9 per cent compared with ours; the Argentine whose currency has depreciated about 16 per cent; India with a depreciated currency of about 39 per cent; Denmark with a depreciated currency of about 39 per cent; and Britain whose currency has depreciated about 12 per cent compared with ours. These depreciated currencies constitute a real handicap. I should like to quote from a report in the Commercial Intelligence Journal of March last, page 373, by our trade commissioner in Australia. Referring to the price and sales of wheat in that country he says:

> British importers * * * being penalized by the low conversion rates of sterling into dollars, endeavoured to obtain their wheat requirements from Australia rather than from Canada and the United States and this accentuated the demand.

I shall not dwell on this subject any longer but I wish I could impress upon the House the necessity of dealing with this question of depreciated currency. I wish the people of this country could be led to think of something else than the pride they feel in the national dollar. They might even consider whether it would not be wise to allow our dollar to depreciate a little so that we could compete with these other countries.

Mr. McMASTER: Inflation.

Mr. COOTE: You can call it inflation or anything you like. I put it up to every hon. member to explain to the western farmer how he is going to compete in the British market with all these countries which are raising products similar to ours if our exchange is at such a premium compared with theirs. When the Canadian farmer sends enough wheat to Britain to be worth £100 on bringing the proceeds back he finds it to be worth only about $440. On the other hand