

articles and for removing the tax on component parts of the same articles imported in connection with their manufacture in Canada. One of the things that seems to be overlooked is that, as I understand the situation, these items will now enter Canada from any other country of the world duty free. I do not think the words of the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) in this regard are warranted in referring to the total abolition of such imports as a "mincing step," as he did in this debate. He said that farm machinery is monopoly controlled and that something should be done about this. If such a condition does exist, no more decisive blow could be struck at that monopoly than to make all such articles free of customs duties, no matter from where imported, as is now being done. The leader of the C.C.F. took this attitude himself in times past and his late leader took the same attitude. If machinery can be brought in free, not only from the United States but from any other country, no monopoly can long exist and control prices, under those conditions.

The leader of the C.C.F. also used the argument that when the tariff on farm machinery was reduced, prices to the farmers actually rose. He, and others who use this argument, know very well that this is a specious and incorrect argument against tariff reduction. The reason for the rise in prices of farm implements in past years, in spite of a lowering of tariffs on imports from the United States of America, has been that cost of production, including freight rates, raw materials and taxes, has risen both in the United States and Canada. Wages, too, have risen. A large proportion of the increase in prices of farm implements has actually been due to the rise in the cost of labour.

The average annual earnings of labour engaged in the manufacturing industry has risen by 212 per cent between 1910 and 1942, and from 1935 to 1942 by 45 per cent. As I understand it, the C.C.F. holds out the hope to labour that this upward movement in wages will be encouraged, not discouraged; so that I do not think the argument about the rise in prices being due to tariffs should be put forward by that party.

This raises another point. If the C.C.F. gets into power, and the farm implement industry is socialized, wages raised and working hours reduced, and it is found that, for example, Russia, with longer hours and lower wages, can make farm machinery cheaper, what would my hon. friends of the C.C.F. do? I do not think they would raise the tariffs; it would not be necessary, because they would operate our trade under an export and import

board. Imports could come in only with the permission of the import board, which the C.C.F. promises to set up. All imports of farm machinery from any other country could be excluded.

The socialized farm implement industry could then pay as high wages as it wished, and be as inefficient as it probably would ultimately become, under bureaucratic management. It could provide work at good salaries for hundreds of inspectors and government officials, and no one would be worse off except the farmer, who would probably be paying twice as much for his machinery as would, for example, his competitor in the Argentine.

Would this not extend to every other necessity of the farmer which could be made in Canada? Farmers' costs would necessarily sky-rocket. Where would this put the farmer, when he was placed in competition with farmers in other countries? I know the C.C.F. have an answer. They would pay more to the farmer for his produce. Having severely curtailed imports, they, of course, would have curtailed exports because nations after this war will be able to pay for our exports only if we take their exports in payment.

The C.C.F. would be in the position of having to buy the farmers' products, the market for which they had largely destroyed. And they would have to buy at increased prices. What would they do with those products? Who would pay the increased costs? They could not let prices of farm products go up in Canada, for that would take away the benefit of increased wages to labour. Taxes would be the only answer. On whom would those taxes fall? Necessarily they would fall on the people who earn money and have property. Since all major industries, except farming, would be socialized, under their present programme, it looks as if that industry would come in for pretty heavy taxation in order to supply the income the government would need to enable it to pay the farmer for the produce which it would buy and not be able to use.

I have condemned high tariff policies of Canadian governments in the past. The policy of the C.C.F. in handling our trade by export and import boards, on which of necessity the majority of the members would be from the central part of Canada, would in my judgment be far more disastrous to the farmer than any conceivable policy of high tariffs ever tried by any government in the past.

I believe we are entering a phase in world affairs when we, of all countries, should not think of entering into a socialist experiment which inevitably would lead to our losing a