

Mr. BUREAU: I thought the hon. member said they were not paying dividends any more, and the question I would ask is this: If we take the duty and the sales tax off an article, and you still have to pay the same price for it, where does the difference go? I should like some one to enlighten me on that point.

Mr. COOTE: I will leave it to some of the members on my right to answer that question. I think that the committee possibly needs some enlightenment in regard to this farm implement question. I have talked the matter over with some farm implement men in western Canada, and I think I can give you a little first-hand information. In the first week of January there was announced in western Canada an increase in the price of farm implements. That may be the list the hon. member for Vancouver Centre has given us, and which he referred to as dated November 1, but the advance I refer to was not made public in western Canada until the first week of January, I think. I am not going to read a list at all, but I should like to quote one paragraph from the Manitoba Free Press of January 11 last:

One reason given by Winnipeg manufacturers and distributing branches for the increase is the advance in the sales tax on agricultural implements, which has gone from $4\frac{1}{2}$ to 6 per cent. The other explanations are increased cost of labour and raw materials, which the implement men claim have driven nearly all the big concerns close to the financial rocks.

Now the sales tax has been removed; the duty has been taken off most of their raw materials, and the increase in the cost of labour is a myth, because I find from returns that I have obtained from the Department of Labour that the wages of mechanics show no increase over their wages of last year. When I was in Calgary in the first week of January, in conversation with the manager of one of the large implement warehouses there, I was informed that the price of implements was being advanced again, and that the price of the 8-foot binder, which is the standard binder in Alberta, was being increased from \$287 to \$317. "Surely," I said to him, "you would not have the heart to ask the farmer to pay \$30 more for a binder than he did last year." "Well," he said, "to make anything on this binder we must advance the price." I said: "I can tell you with equal truth that the farmer must have more than 74 cents a bushel to make anything at raising wheat, but that is the price he must take to-day." "Well," he said, "we are in a different position from the farmer, because we do not have to sell these implements until we get our price for them."

[Mr. Coote.]

Now I want to ask hon. gentlemen, would they blame any representative of a farming community for voting for a budget that was endeavouring to provide cheaper implements? It is the callous indifference of the implement men that would induce me, if I had no other reason, to support a reduction in the tariff on agricultural implements.

Sir HENRY DRAYTON: Would the hon. gentleman tell me who that was?

Mr. COOTE: I would, in private.

Sir HENRY DRAYTON: I do not think it should be private at all. If the House is to rely upon the statement, we should know who makes it.

Mr. COOTE: The same gentleman also told me that the four big machine companies operating in Alberta, in collecting from the farmers on their notes, had secured only 12 per cent in the case of the lowest one, and 20 per cent in the case of the highest. The percentages for the different companies were, if I remember rightly, 12, 15, 18 and 20 per cent. Alberta had the biggest crop in her history last year.

Mr. ARTHURS: What companies does the hon. member refer to?

Mr. COOTE: The Cockshutt Plow Company, the International Harvester Company, the Massey-Harris Company, and the John Deere Company. Now if that was all these machine companies were able to collect last year, when Alberta had the biggest crop in her history, we can readily see that the position of the farmer is certainly a serious one, and it is no wonder they are not able to buy these implements. Hon. gentlemen should be aware by this time of the fact that a very large percentage of the farmers in western Canada are now working for the banks or the mortgage companies; they are managing their farms for the benefit of those institutions. Let me say that in conversation with the manager of a branch bank in Alberta in January last in regard to this very advance in the price of implements he said: "The prices of these implements are altogether too high and the farmers should go on strike and not buy implements at all. As a matter of fact we have made it a practice here of insisting, in the case of any farmer that we are financing to any extent, that he should not buy any new implements." Now, these banks are in a position to tell the majority of the farmers in Alberta just what they can or cannot buy. If the bank managers will not let them buy implements it is a certainty that the implement companies cannot sell their machines.