

fertilizer was higher, and the difference is the amount of the duty higher in New Brunswick in addition to a premium on American money at that time, although our fertilizer concerns pay no duty on the chemicals, and bring them all practically from the United States.

I wish to go back to this gentleman's reasons for stating that potatoes could be grown cheaper in Maine than in New Brunswick. I can give it from memory, but I would rather quote the exact words of the witness. He said the price of farm machinery was from 25 to 35 per cent higher in New Brunswick than the state of Maine.

Mr. CHAPLIN: When was this?

Mr. CALDWELL: In 1921. He gave the evidence last year before the committee on agricultural conditions. He gave the date and the price.

Mr. CHAPLIN: Twenty-five per cent higher, with a duty of ten per cent.

Mr. CALDWELL: I think you will find that on potato machinery there was a much heavier duty. We do not use a binder to grow potatoes.

Mr. STEVENS: You are talking about binders.

Mr. CALDWELL: No. We use binders too, and there would not be so much difference in binders. We will all admit that. He was asked about the price of land, and he said it was cheaper in New Brunswick than in Maine, although here is this block of country about the shape of a big serving platter, one hundred miles long and possibly fifty miles wide, with the American boundary running through it lengthwise, and the soil exactly the same on each side of the boundary and weather conditions certainly the same. The only difference is that our fertilizer costs the farmer from \$8 to \$10 a ton more in New Brunswick than in Maine, due to the tariff. This gentleman was asked if he did not purchase both Maine and New Brunswick potatoes and he said yes. He purchases them and ships them all out of New Brunswick. His warehouse is in New Brunswick close to the boundary line. He is allowed to buy American potatoes, haul them across to New Brunswick and ship them out as American potatoes, because they really are American potatoes. He must keep them in separate warehouses. He was asked the difference in price and he said he paid the Maine farmer 85 cents to \$1 more per barrel than he paid the New Brunswick man who was on the same siding, simply because potatoes

were grown across the line, and therefore could be shipped to the American market without paying duty. Hon. gentlemen can imagine the effect of this on the farmers in New Brunswick. This condition has had the effect—and I want to give a concrete illustration—of depopulating the province of New Brunswick and populating the state of Maine. In the potato belt in the Maine section one-third of the farmers are men who have been raised in New Brunswick, and who either abandoned their farms, or sold them for whatever they could get, went to Maine and bought farms at a very high price. A neighbour of mine, who lived very close to me some years ago, sold 105 acres—of as good land as there is in Maine with good buildings, for \$1,750. This farm was about four miles from the American boundary on the Canadian side in the potato belt, and about two miles from a railway, very advantageously situated for potato growing. Of course you must be near a railway in order to market potatoes, because it requires a good deal of hauling to get them to a railroad. He went over to the state of Maine, to a point about four miles from the boundary line, about two miles from a railway, and bought land in the district, and I think if you dropped a man in the middle of one farm, and then dropped him in the middle of the other farm, he could not tell by the soil or crop which farm he was on. He bought 55 acres of land in Maine with no better buildings, and paid \$7,500, simply because he could buy fertilizer and machinery cheaper, and his help would cost no more; but he could get 85 cents to \$1 more per barrel for his potatoes. That has had the effect of driving people from New Brunswick to the state of Maine. About one-third of the farmers in that potato belt in the state of Maine are New Brunswick men who migrated to the States on account of these conditions.

I thought I should not let this opportunity pass without showing the other side of the picture. I sincerely hope that putting fertilizer on the free list, reducing the duty on machinery as well as removing the sales tax—which by the way the Maine farmer does not have to pay—will improve conditions. These things possibly account for the difference in price of machinery being even greater than the duty on machinery, because they do not pay any sales tax in the United States on farm machinery, or on anything else. I do not think they have any sales tax.

These are the conditions, and I hope these reductions will stop the flow of people from