

Q. That is in line with a great deal of what we have heard before this Committee. Have you any suggestions to make things better along these lines?—A. No, I do not know of any suggestions regarding the 75 per cent of it. I am satisfied that this is going to remedy itself to a very large extent, that the western farmers of to-day—do not misunderstand me; I am not criticising the western farmer—we in the east who are interested in other occupations outside of farming, are suffering from the same causes. Take business men of the eastern part of Canada—take manufacturers to-day; they are struggling. They do not know whether they are going to win out or not. They made enormous profits during the war, and through deflation, through the lack of conservation of their reserves, to keep themselves in proper position their losses have been so heavy, and for that reason we have more people in Eastern Canada going through bankruptcy proceedings than we have had for many decades in this country. And we are not through with that, because there is still a lot of liquidation to go through before we get things cleaned up, and we are suffering from the same economic spread that the west is suffering from. East and west we are all struggling with the same thing.

By Mr. Sales:

Q. There has been no deflation in the price of your own money. There has been no deflation in the price of machinery. Very little in the price of goods and clothing?—A. I quite agree that the farmer up to date has got the raw end of the deal.

Q. So when you say you are suffering from deflation you are not correct?—A. I think I am from my own personal knowledge. The deflation has not been so marked with the urban population as with the farmer, for the reason that the farmer depends on the export of production, and the deflation the farmer got is all in a heap. Now, so far as the east is concerned, a great many business men have made terrific losses, losses that are appalling and have put them out of business. The manufacturer has had deflation to a great deal larger degree than the average public is aware of, but so far as the distribution end is concerned, there has not been the problem of deflation, and the spread between the price the manufacturer gets for making his commodities and the price we have to pay when we go to the retailer is entirely out of line. I could cite you case after case, showing that the spread between what the manufacturer gets and what the consumer pays over the counter, amounted to 100 per cent or 150 per cent. I can cite you a concrete case. I know a shoe manufacturer who, a year ago this spring, made women's shoes which he sold to a retail store in Toronto for \$3.22 a pair. I think you will all agree with me that any retailer should have been satisfied if he had sold that shoe for \$5.00, and he would have made a handsome profit. This shoe manufacturer, as a matter of curiosity, went to that store and called for that shoe, and to his surprise he found that shoe was marked at \$8.00. You can find cases innumerable along that line, where the spread between the price that the manufacturer gets and the ultimate price that is charged the consumer, on a great many commodities was entirely out of line. I have no hesitation in saying it is an outrage.

Q. Was there anyone between the wholesaler and the retailer there?—A. In this case, absolutely no.

Q. Where the manufacturer of machinery employs his own agent and there is nobody between the manufacturer, they absolutely control things themselves and there has been no deflation?—A. You are referring to farm machinery, are you?

Q. Yes.—A. I know a man very well who is in the implement business; he carries on a very large business in the west, and he has been complaining

[Mr. Charles M. Bowman.]