

in Nos. 446B, 447, and 591—to buy all these raw materials that enter into the construction of these articles from United States so as to qualify for the 30 per cent rebate. We are already importing far too much stuff from United States, in my judgment, and I would rather diminish than increase those imports if possible. I wanted it to be remembered that this 30 per cent does not go into the pockets of Canadian manufacturers by a long way, and is not likely to go there more than to the extent of 10 to 15 per cent at the outside, because we will continue to buy our raw materials in this country.

**Mr. BUREAU:** By subsidiary companies, does the hon. gentleman mean companies formed and controlled by the bigger concerns to which he refers who have to buy this raw material?

**Mr. COCKSHUTT:** No. As a rule, the manufacturer is not interested at all in the investment that is employed in the manufacture, say, of malleables. The paints, bolts, screws, and a thousand and one things that go into the manufacture of implements are made by subsidiary factories or interests, but the stock is not at all the same. I would not say there is never a case where a manufacturer has not stock in some of them, but it is not the usual thing, and so far as I am concerned it is not the case at all.

As to the question of freight rates, I do not think they should be linked up with tariff rates, but the question has been settled by the House, and I bow to the decision which has been arrived at with regard to it. I might point out, however, that the saving is not going to be as much as some imagine. For instance, take the ordinary walking plough—although it is not a plough that walks, it is drawn by a team—which is the ordinary plough used in Canada and weighs about 250 pounds. According to the schedule submitted by the minister the saving in freight rate to nearly all the points in the West is 10 cents per 100 pounds. Now taking a plough weighing 250 pounds at 10 cents a hundred and you have a saving of 25 cents in freight rate. That is not a very enormous saving on the price of ploughs which I believe is ranging at present from \$15 to \$25 for the ordinary plough in use. I admit that the westerner uses a more expensive plough on account of the stubborn nature of the soil. That is, the soil does not clean from a plough in the West as it will clean from a plough in the East on account of the difference in the nature

[Mr. Cockshutt.]

of the soil. The material for ploughs used in the West has to-day to be of a quality almost comparable to finished steel. It has got to be of a hardness which is extremely difficult to produce and can only be produced by using a special kind of steel of which the United States is the sole manufacturer in the world. Great Britain has never been able to overtake that monopoly. The steel is made from a patent process controlled by the United States Steel Company, and the product is known as "Soft-centred Steel." That is one reason why the plough in Canada or in the United States has a hardness, a finish, and a durability and strength that no British implement has ever been able to attain. For that reason if implements were put on the free list so far as my hon. friend's district of Red Deer is concerned I would not kick at all because it is a competition that does not apply to the class of goods that is used in our country to any great extent. I wish to say further that on the larger implements which weigh say from 750 to 1,000 or 1,500 pounds the freight rate would relatively be the same and would amount to—as my hon. friend from Brant has just said—less than one per cent on the cost of the goods. Therefore, I think members will see this is a comparatively small item that the minister is allowing. I would like to see that the Ontario farmer in this respect is placed at no disadvantage. Of course it is quite true that the Ontario and Quebec farmer is very near to the factory that produces the implements and the freight on the implements that he gets is a comparatively light matter in comparison to what the western farmer is obliged to pay. I hope I have made my point clear and that the House will understand that it is not a very large item that is being conceded to the manufacturer in the matter of freight rates on these implements.

**Mr. MICHAEL CLARK:** I am afraid the Committee is getting away from the real point of disposing of these items. The freight rates question is very interesting. May I say in passing that I am very glad to have from my hon. friend from Brantford the concession that we have some difficulties in the West which do not prevail in the East. I have no doubt, Sir, that roots are as bad in Ontario as they are in the West. But he admits that the soil is harder to work in the West. I hope he will remember that when getting into a proper frame of mind in regard to the point that is really before the Committee.