

*By Mr. Reid:*

Q. Might I ask a question regarding this before you proceed? I notice that you have a statement showing the operations of the manufacturing plant at Hamilton, and then following that is a section showing the statements of cost and realizations of six typical implements and machines manufactured in the United States and sold in Canada. I notice that in that schedule there is nothing regarding the production in the United States plants as compared with the Canadian plant, although that is gone into very exhaustively in connection with the Hamilton plant. Personally I think it is very important if you are going to deal with machines sold or manufactured in the United States as against those manufactured and sold in Canada that we should have similar information regarding the production of these machines in the United States, because you go very fully here into details relating to the cost of production in the Hamilton plant. Have you got anything on that at all?—A. Do you mean that I should present the same sort of a report in respect to the other plants of the International Harvester Company in the United States?

Q. I do not see how you can deal with the machines manufactured in the United States unless you have similar information with respect to them?—A. I have the manufacturing costs as submitted by the company, but you can understand that to go into all the various plants of the Harvester Company in the United States would be a job that would take a number of years.

Q. The thought I had in mind—I know the difficulties involved—we have the costs for labour and such items with respect to the Canadian plant and we should have something similar with which to compare them in relation to the United States plant. The Ford people say for example, by way of argument, they do not produce as many units per man in Canada as they do in the United States, and the materials they use are heavier, etc. In this instance we are dealing with machinery and we are going extensively into the costs of manufacturing in Canada and we ought to have something before us that would tell us something about the cost of production on the other side?—A. The amount of inquiry which I have been able to make into manufacturing costs in the United States plant has been extremely limited. I have secured the manufacturing costs on certain articles which are comparable, so that we could compare the cost of the manufacture of these articles in the United States with the cost of producing similar machines in Canada, machines which are made and sold in Canada; but I do not propose to submit information on that to-day, because I only got the information last week and I have not yet had time to tabulate and index it so as to show it in such a way as would make it readily understandable.

Q. The particular thought I had in mind was that on some typical similar machine there might be a difference in price, and I would like to know exactly whether they can be produced and distributed across the line at a lower figure than is possible here and vice versa.—A. I think I may say this, Mr. Reid, that point will develop as we go along, and possibly it can be gone into more fully at a later stage.

Mr. REID: All right.

Mr. MACDONALD: May I say with respect to the glossary that it has been put in because the accounting terms used are in some cases different from the standard accounting terms. They have developed a peculiar treatment of accounts in the implement industry in some respects, that is why I thought it better to state just what these terms meant in connection with the accounts of the International Harvester Company of Canada.