despite this reduced tariff Canadian manufacturers are able to compete successfully with the United States manufacturers owing to the fact that the duty was at the same time removed from the raw material entering into the manufacture of the machines made at the local plant.

With the duty off our raw material we can manufacture our machines so much cheaper that we can undersell our American competitors without much difficulty.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Some hon. gentlemen seem to think that it is a misfortune to improve in any way the conditions of the farmers by making implements of production available at lower costs.

"With the duty off our raw material we can manufacture our machines so much cheaper that we can undersell our American competitors without much difficulty," said the president of the local plant.

Mr. McMASTER: What was the paper?

Mr. MACKENZIE KING: The Kitchener News-Record which, as I have already mentioned, has the distinction of being edited by the hon. member for North Waterloo.

In other parts of the country, the press records similar statements. The Smiths Falls News-Record of December 30, 1924, contains the report of impressions gathered from an interview with Mr. J. E. Ruby, General Manager of the Frost & Wood Company:

Mr. J. E. Ruby, general manager of the Frost & Wood Company, arrived home last Wednesday from a three months business trip to Europe during which he visited the British Isles and the principal European countries and North Africa. . . .

Mr. Ruby was successful in obtaining some excellent orders for Frost & Wood Company machines, and it will be cheerful news to the people of the town that the present force of 175 men employed will be increased as rapidly as production can be got under way, up to 300 or 350. The orders in hand will keep the plant busy for the next four months and by that time it is hoped the Canadian trade will be sufficient to keep running full time for the balance of the season.

In addition to the reduction in the price of farm implements announced last April, further reductions became effective on December 1, and it is hoped that these lower prices to Canadian farmers will stimulate the placing of orders held back by the higher prices which have prevailed during the past few years. . . .

Referring to industry generally, but more particularly to the implement industry, I notice a despatch to the Globe appearing on the front page of the November 20 issue and headed:

Factory whistles blow at night. Industries take on more men.

—there is the following announcement:

Woodstock, Nov. 19.—The sound of factory whistles blowing at night, indicating that industries are working overtime, is welcome to the people of Woodstock. The Bain Wagon Co., the Canada Furniture Mfg. Co. and the Bickle Fire Engines, Limited, are now working extra hours, and two other industries have had to engage additional employees during the past few days. These are the Eureka Planter Co. and the Woodstock Wagon Co.

It is highly desirable, in view of some of the reports that have been circulated during the last few months, that the people of our country should have a clearer appreciation of just what the effect upon industry has been of the changes which were made at the last session of parliament.

Mr. SUTHERLAND: Do the reductions which the Prime Minister has placed upon Hansard include the reduction in the sales tax, or are they attributable entirely to the reductions in the tariff?

Mr. MACKENZIE KING: In a word, they are due to the reductions in taxation which this government made last session.

Mr. SUTHERLAND: And put on the session before.

Mr. MACKENZIE KING: My hon. friend is wrong there.

Mr. SUTHERLAND: Very largely put on the session before.

Mr. MACKENZIE KING: No. I may say that the reduction in the sales tax had an effect, and certainly the reduction in the duties had an effect.

There is one important news item that I think my hon. friend will be particularly interested in hearing, and that is that, for the first time apparently for some years past, the Massey-Harris Company, which is, as he knows, a very important agricultural implement manufacturing concern, had a profit. We were told that we were ruining these industries. I will quote from the Mail and Empire which my hon. friend will probably credit as authoritative, this statement, the issue of January 31:

Massey Harris Company's net profits $87,710. Believed agricultural implement business is now on upward trend.

That is the heading to the report of the president of that company. The article goes on to state:

Mr. Vincent Massey, the president, in his report to the shareholders, says that the net profit, after making adequate provision for depreciation and possible losses, although small,—$87,711—is significant in the light of the previous losses amounting to $1,456,000 in 1921, $643,000 in 1922, and $409,578 in 1923 (after eliminating the profit realised from the sale of timber lands, which formed a part of the income in that year). The improvement, therefore, in operating earnings over those of a year ago is $497,288.

In other words, the report of the Massey-Harris concern shows that each year since this government took office, as my right hon.