

Mr. YOUNG: I would like to say that I think one of the things you seem to be over-looking, Mr. Tucker, is the idea of the modernization of industry. The fact is that today a great many of the processes which were once done by hand in the factory are now done by automatic machinery.

Mr. TUCKER: Yes, but somebody had to make those machines.

Mr. YOUNG: Yes; but those machines once made will make hundreds and thousands of parts, may be millions. I do not think that that argument is too sound.

Mr. TUCKER: What item of cost is not governed ultimately by the level of the labour cost? Can you mention any single item which goes into the cost of any machine which is not ultimately determined by the level of the cost of labour? Can you mention a single thing?

Mr. PATTERSON: We could go into that and we will go into it. If you want that material, we will submit it to you. But year by year the proportion of the consumer's dollar which goes back to the producer of the product is continually getting less. While there are less people involved in the production or processing of a product, there is less and less of the consumer's dollar going back to the original producer. In other words, it is becoming much more profitable, as the fellow has said, to milk the farmer than to milk the cow.

Mr. QUELCH: Is not the simple answer the fact that when prices are big, the machine business is at its very best; but when farm prices are going down, then the machine business gets into a slump. I think that is the simple answer to it.

Mr. PATTERSON: We have met with various groups in the last few months and we have asked them for their opinion with regard to the price relationship today on the buying-power of the farmer, which reflects a very particular branch of the economy, and the answer, without any exception, is the same.

Mr. TUCKER: I noted very carefully, when it was said before by the farm union organization that labour was behind this, that the answer that they gave was very carefully worded. They were all in favour of parity prices provided that they received compensation if it resulted in any way in a rise in the cost of living to them. Of course we must realize that if some system of a closed economy brought about the raising of food prices in Canada above what they would otherwise be, thus bringing about an increased cost of living, that would bring on an increased round of wage increases—just as we found in the case of the freight rate—it all goes back to the farmer again. I think it all comes back to this, whether we, as a country which depends so much upon exports, are going to embark on the policy of trying to close our economy and bar out imports and regulate our economy. I was very curious to see that the western farmers according to you, are coming around to the view that we should rely on the state to do things like that bearing in mind that the farm voters make up one fifth of the voters of Canada. I still doubt in view of this whether the farmers of western Canada are ready to start competing in a game of having the state adjust their income.

The CHAIRMAN: Order.

Mr. HANSEN: Mr. Chairman, may I say a few words. Labour and farm groups have been mentioned in support of this principle of parity. I just wanted to mention that a number of chambers of commerce and boards of trade in western Canada have now endorsed the principle. I have with me a resolution formulated by a number of chambers of commerce in Alberta which are in support of parity.

The CHAIRMAN: Could we move on to the next point. The clock is moving pretty fast. We usually adjourn at 1.00 o'clock. I am afraid I miscalculated; I