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THE DIGNITY OF A CALLING IS ITS UTILITY.

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## The Farmer and the Combines

BY W. L. SMITH.

EVERYTHING the Canadian farmer has to sell is sold in open competition with the whole world. This must necessarily be so as long as this country has a surplus of food stuffs to dispose of, and while Great Britain, the greatest importer of food, maintains the open door.

For a generation past, at least, the farmer has not had the benefit of world wide competition among sellers when purchasing manufactured articles which he required on his farm or in his home. Latterly he has found competition practically non-existent. Many Canadian manufacturers, protected by the tariff against British and foreign rivals, have made such arrangements that different factories manufacturing the same line of goods charge exactly the same price. In several instances hard and fast agreements have been made under which all companies named in the agreement are bound, under heavy financial penalties, to abide by uniform quotations in selling, and in addition to this to so limit production that demand will be kept fully abreast of supply and all temptation to price-cutting be thereby removed. In some lines the same object is arrived

at in another way. The strongest company will fix a price list and all other companies engaged in the same form of industry are warned that if they go below the limit so fixed the strongest concern will declare commercial war, with price-cutting as the weapon used, and drive them out of business.

Occasionally a firm has come into existence that would not enter into a combination and that refused to allow other firms to fix its selling price. The results, so far as the imprudent one was concerned, have, I believe, been uniformly disastrous. A war of prices has followed, which has, I believe, in every case been sufficient to either drive the interloper from the field or to enforce the acceptance of terms fixed by those who had made war.

The effect of such conditions need hardly be dwelt upon. The elimination of competition removes incentive to improvement. When, by means of combination, a profit is ensured on the output of even an antiquated factory, operated under out-of-date methods, there is no special inducement to effort calculated to increase output or cheapen cost of production. Instead of constant striving and advancement there is