COMMUNICATION.

The Agricultural Implement Manufacturer vs. the Farmers and Merchants.

To the Editor of the Commercial.

Dear Sir,—In your issue of the 14th inst., a communication signed "Manitoba Merchant" and headed as above appeared. The article is so unfair, unjust and misleading that I have felt constrained to point out some of the more un fair statements and deductions made therein.

His first complaint is that the Canadian manufacturer is protected by a 35 tariff and he states that "by means of the extravagant duty "the implement maker is enabled to charge "prices absurdly disproportionate to the inher- "ent value of his wares."

I join issue on this statement and would point out to "Manitoba Merchant" that his theory might have some force if he could show that there is no competition whatever between Canadian manufacturers, which of course is absurd, and which absurdity "Merchant" emphasizes when he later on in his article speaks of the eager competition there is in Manitoba between Canadian manufacturers and dealers. So much for "glittering generalities."

Now to descend to details and hard facts, will "Manitoba Merchant" answer this one question, viz.; if, as he states, (substantially) the prices of Canadian implements are simply fixed by ascertaining the prices same can be purchased for in the United States and adding thereto the duty of 35% and thus give the Canadian manufacturer a profit of 35% (less duty on raw material) over and above an ordinary profit. Then why are Canadian binders and other implements sold at figures so much lower than American implements of same description and quality? I deny that prices of Canadian implements are fixed in any such way. They are regulated by home competition as can be readily and simply proven by reference to either of the retail price lists of the dealers handling the Deering and McCormick American Binders in Manitoba, and which lists give the price of these binders at $210.00 on two January payments, whereas, a first class Canadian binder can be purchased on same terms for $165.00, or a difference of $45.00 in favor of the Canadian machine. Why, if "Merchant's" theory be correct, does the Canadian manufacturer not raise his price to the level of the American? The plain common sense answer is that the inexorable law of supply and demand which prevents "Manitoba Merchant" from overcharging his customer over the counter prevents the implement dealer from having it all his own way. The only farmers (and they are comparatively only a handful) who pay 35% dutly on implements in Manitoba or the Northwhest, are those who buy American implements at prices enhanced by the duty necessarily paid thereon; when there are as good Canadian implements which can be and are purchased at a price less by the whole duty paid (in most cases) than the American article can be bought for, as will be seen in the example of the binder mentioned above. Should the United States farmers insist on buying Canadian binders they would have to pay as much for them as Canadians do who buy American binders. This therefore, disposes of that statement and of all the fancied grievances built thereon.

The next charge against Implement Dealers is that they actually take notes in settlement for their goods instead of leaving them in the form of open or outstanding accounts. This is really a serious charge, but the writer believes that to most sensible men this course will nevertheless commend itself, but "Merchant" says the most important and dangerous provision of all (in their notes) is the cause by which the maker surrenders his exemption privileges. This is really too bad but it might ease "Merchants," mind to know that this provision is and always has been entirely void and of no effect being against the policy of the law and it cannot be shown that it has ever been taken advantage of. This, therefore, disposes of this element which "Merchant" describes as unsettling the whole business of the country, but it will nevertheless serve as an instance of how little "Manitoba Merchant" really knows of the subject as to which he has taken upon himself to enlighten his supposed benighted and down-trodden associates in trade.

"Merchant's" next complaint is that the implement dealer gets all the cash the farmer has and he would make it appear that the implement manufacturer and dealer almost invariably get paid up in full. Even were this the case it would not be a serious charge, but what are the facts; I believe I am safe in saying of all dealers and manufacturers of implements, as I know I am of the company I am connected with, that out of the 1889 crops they did not receive more than about 33 per cent. of every $100 due out of that crop and had to carry over therefore till the fall of 1890 67 per cent. and even out of the crop of 1890 not over about 60 per cent will be collected out of every dollar due. These are well known facts and can be substantiated on oath if necessary.

Will "Merchant" say that the implement dealers should not be paid on an average 50 per cent. of their total indebtedness due them in any year; if so let him conduct his business on this principle if he choose but let him not whine should others fail to imitate his course.

"Merchant" makes one more suggestion and that is that the farmer shoul buy all his implements for cash. If "Merchant" can bring about this state of affairs he will earn the everlasting gratitude of all implement manufacturers and dealers the whole Dominion over and he will have, I am sure, the hearty co-operation of every implement dealer and manufacturer in the country. It is needless, however, to add that this is not at all practicable, unless credits of all kinds should be abolished, (in which case "Merchant's" whole wail would be groundless, and it is more than absurd to suggest such a course in a new province like Manitaba where farmers and everyone else (merchants included) need all the credit they can get and sometimes more. Even the Dakota farmers (who by inference from "Merchant's" letter are revelling in low prices for implements and surplus cash to pay down therefor) are not able to pay cash for their implements, but as "Merchant" may not know how, say, binders are sold in Dakota, I will say that on every McCormick binder sold in Dakota the rule is to take a chattel mortgage to the implement dealer to secure the sale at the time of making it, and as the drawing, executing and filling of chattel mortgages costs something it is safe to assume that the farmer pays it. This is the inevitable consequence of doing away with the equitable and just lien on an implement which obtains in this country and which costs nothing.

"Merchant" further states that the implement dealer realizes a profit three, four, five, and even ten times as great as that avera gedly realized by the merchant. Now the whole force of this statement lies in its being true. I deny that it is so, and as all such statements, if they have been considered at all before being made, (which is extremely doubtful in this case) must have figures on which they are based; I should be glad if "Merchant" would again descend to details and figures showing how he arrives at this conclusion, and I will undertake to prove that he is mistaken; but, of course, in dealing with a matter of figures and percentages of profit there is only one way to discuss the question intelligently and that is by reference to the figures upon which the general statements are made.

In conclusion I think "Manitoba Merchant" should sign his own name to such a communication as is in question, and in this way add weight or otherwise as the case might be to statements which seem to have little in them of themselves. As "Merchant" promises more light in the future I will reserve anything further that might be said until he answers the questions of fact I have raised and gives the figures asked for. Thanking you in advance for your courtesy in publishing the above, I am,

Yours truly,
E. W. H. VAN ALLEN.

Mining in British Columbia.

R. Marpole, superintendent of the Pacific division of the Canadian Pacific, was in Nelson on Wednesday. He stated that his company had made a $6-a-ton rate on ore from Nelson to to the smelter at Revelstoke. There is no excuse now for that smelter to remain idle, provided its owners are prepared to purchase ore and make reasonable charges for smelting. They claim, however, that until separating works are erected in Canada, the product of the smelter must be shipped to either the United States or to Great Britain. The duty of $30 a ton on lead prevents its shipment to the United States at a profit and the low price which lead sells in Great Britain prevents its shipment to that country. Canada consumes thousands of tons of lead annually, the product of the mines of the United States and of Spain. If the United States discriminates against our product by placing a $30-a-ton duty on it, Canada cannot afford to handicap our lead mines by allowing the product of the United States to be admitted at an $8-a-ton rate. Our trade with Spain is not important enough to warrant the Dominion Government in allowing the product of the lead mines of that country to come in competition with the product of the lead mines of Canada Now that Canada is on the eve of producing enough lead to supply the demands of home consumption, there is no good reason why foreign lead should be practically admitted free of duty The duty on pig lead should be raised to $30 a ton; the duty on lead in bars, blocks, and sheets to $50; and a uniform duty of 30 per cent placed on all lead products. If the change is made, the mines of British Columbia will alone support a hundred thousand people and produce every dollar's worth of crude and manufactured lead used in the Dominion.—*Nelson Times.*