



The Grain Growers' Guide

ADDRESSED TO THE FARMERS OF



Published under the auspices and employed as the Official Organ of the Manitoba Grain Growers' Association, The Saskatchewan Grain Growers' Association and the United Farmers of Alberta.

Canadian Subscriptions, \$1.00 per year in advance.

Foreign Subscriptions, \$1.50

Single Copy, 5 cents.

Advertising Rates on Application.

Address all communications to The Grain Growers' Guide Winnipeg.

Change of copy and New Matter must be received not later than Friday noon each week to ensure insertion.

OCTOBER 19th, 1910

ON TO OTTAWA

Western farmers generally will be glad to know that the Ottawa delegation is now being arranged for and that the farmers will be received by Sir Wilfrid Laurier and parliament whenever they arrive in Ottawa. The date only remains to be settled and it will probably be on Dec. 9th. What an opportunity now faces the farmers of Canada. They are organized and fully prepared to set forth their claims at the fountain head of Canadian legislation. Those interests who have endeavored to represent the Western farmers as fanatics will learn in a few weeks how great has been their mistake. The farmers' case will be presented with all due moderation and every demand will be founded upon simple justice and the desire for a square deal to all. The meeting at Ottawa will put an end to the cry of the protected interests that Western Canada, and in fact the farmers of Canada generally, are satisfied with the tariff. At Ottawa, face to face with the men who for the time being are making our laws, the farmers will state their case. It will then be for the legislators to consider if the farmers are to have a square deal or whether they are to continue as the burden bearer of special privilege.

SENATOR JONES' LETTER

On page eight of this issue we publish a letter addressed to John Evans, Nutana, Saskatchewan, by Senator Jones, president of the Massey-Harris manufacturing company. Senator Jones' letter is interesting inasmuch as it may be regarded as a presentation of the implement manufacturers' side of the tariff controversy in so far as it pertains to protection on agricultural implements. It is also significant from the fact that Senator Jones expressly states that he would not think it worth while to reply to Mr. Evans' letter were it not that it appeared in The Grain Growers' Guide, indicating how protected interests fear publicity and respect organization among the farmers. The substance of Mr. Evans' letter is the statement that the Massey-Harris Company sells their binders in Britain cheaper than they supply them to the farmers of Western Canada. Senator Jones meets this charge by simply denying the fact and makes the statement that the "average price at which a six foot binder and sheaf carrier is sold by the Massey-Harris Company in

England, France, Denmark, Sweden, Germany, Austria, Roumania, European Russia, Siberian Russia, Italy, Spain, Algeria, Argentina, South Africa, New Zealand, and Australia, is 15 per cent. higher than the average price obtained in all Canada." Mr. Evans makes no reference to the prices at which the Massey-Harris binders were sold in these other countries. He only referred to prices in free trade England. The argument of Western farmers is that because of free trade in England the British farmers secure cheaper Canadian manufactured farm machinery than the Canadian farmer can under protection. At the annual convention of the Saskatchewan Grain Growers a resolution was passed regarding the price of Canadian machinery in Britain which led to the controversy between Senator Jones and Mr. Evans. After the convention, Mr. Aird, manager of the Massey-Harris branch in Saskatoon, invited Mr. Evans to his office and challenged him and the association to prove the statements contained in their resolution. Mr. Evans at once proceeded to investigate and the result of his investigation convinced him that the Massey-Harris people sold their binders at a lesser price to the English and Scotch farmers than they did to the Saskatchewan farmers. The accuracy of the information contained in the letters published by Mr. Evans is not challenged by Senator Jones. We are not going to dispute with Senator Jones over the quality of his implements. We admit that Massey-Harris implements possess the quality, but it is the effect of protection upon the price that is now under discussion. It is not necessary for us to dwell on Senator Jones' specious pleading as to the advantages that Canadians derive from protection on farm machinery. It does not differ in kind from the arguments used by all Canadian manufacturers and the farmers are becoming so familiar with these specious arguments that they do not regard them as being deserving of attention. Senator Jones attaches a great deal of significance to the reduction of the tariff on implements, first from 35 per cent. to 20 per cent. in 1894, and later on binders, mowers, and reapers from 20 per cent. to 17½ per cent. as being made at the instigation of and in the interest of the farmers, but refers to the recent placing of a number of farm implements by the United States government on the 15 per cent. list as being insignificant and of no importance. At the same time he has forgotten to point out that on account of the increased value at which the Customs Department appraises implements, the actual duty paid on implements is higher than in 1894. Take for instance, binders. Previous to the reduction in duty from 20 per cent. to 17½ per cent., binders were appraised at \$80, with 20 per cent. duty, giving a duty of \$16 on each binder. At present the International 5 and 6 foot binders with carriers are appraised at \$107.50, and 8 foot binders with trucks at \$110, making the duty \$18.81 and \$19.25 respectively as against \$16 before the duty was lowered. Senator Jones is especially severe on Mr. Evans for a statement made by him in his letter to the Senator to the effect that a wrecked carload of binders belonging to the Massey-Harris, was settled for by the C. P. R. at \$40 per binder. Mr. Evans did not say that was the value of the binders. Farmers, in any event, know from experience that the C. P. R. does not always pay the full value of property they destroy. Whether or not \$40 represented the actual cost of building the Massey-Harris binder, THE GUIDE is not in a position to say. But we have information supplied by the president of a company manufacturing farm implements in the United States, including binders, that the actual cost of placing their 8 ft. binder f.o.b. their shipping point, was less than \$50 each. Senator Jones does not deny that they are able to compete successfully with their competitors in the farm implement business without preference or protection in all those countries which he enumerates in his letter, but implies

that if protection is removed in Canada they would have to cease manufacturing implements in Canada. This situation requires better explanation than has been furnished. Senator Jones endeavors to make us believe that without their foreign trade they would not succeed in Canada. Would the senator wish to have it implied that the profit on their foreign business is necessary to maintain their Canadian business? Does he mean to convey the impression that the Massey-Harris implements are supplied to Canadian farmers at less than cost of manufacture and distribution, and that the business is maintained by the profits of their foreign trade? The senator says: "The history of business throughout the world proves that local competition among manufacturers is the factor that secures the lowest price to the consumer." He might also add that the history of business throughout the United States and Canada proves that local competition among manufacturers is eliminated by the competitors amalgamating in their business, or by a "gentleman's agreement." The senator speaks of the number of manufactures that were established in Canada owing to the high tariff that was inaugurated under the National Policy and that practically all those establishments are now extinct, which is correct. Western farmers know from sad experience with those implements why many of the manufacturers went out of business. It is also well known that the organization of which Senator Jones is the head, has absorbed those of them which made a success of manufacturing farm implements, and that at the present time, outside of the International Harvester Company, the Massey-Harris Company has no active competitors in the lines of which they make a specialty.

In making an argument against reciprocity in agricultural implements the Senator endeavored to make a point "That the United States has nothing to offer Canadian manufacturers of farm implements in the way of tariff concessions, as it is immaterial to them whether they have a high tariff, low tariff, or no tariff at all." We cannot see why tariff protection is not as advantageous to the United States implement manufacturer as the Canadian. The Senator endeavors to prove his case by stating that "More than 70 per cent. of the steel and iron and 50 per cent. of all lumber used in Canadian implements is imported from the United States," and that "the United States manufacturers have the advantage of freight." The question at once arises, why have the Massey-Harris people to import their steel and iron material? Canada has been paying a heavy bounty to, and maintaining a high protection for, the manufacture of steel and iron in order to establish that industry in Canada. Wherein is the advantage to Canada then of having such an industry if our manufacturers of implements have to go to foreign countries to get their materials. We think the secret lies in the provision made by the Tariff Act, which provides for a drawback of 99 per cent. on "rolled iron, rolled steel and pig-iron when used in the manufacture of mowing machines, reapers, harvesters, binders and attachments for binders," and that the kind of lumber that goes into farming machinery does not carry any duty on it. The phrase which appears so frequently throughout the tariff schedule, "When used by manufacturers—Free," is another explanation.

The auditor-general's report of 1909 shows that for that year the drawback to manufacturers of farm implements was:

Massey-Harris—	
Toronto factory	\$ 92,855.46
Brantford	76,118.80
Verity Plow Co.	511.18
Total	\$ 169,485.31
International Harvester Co.	\$1,557.31
Nelson Co., Ingersoll	5,497.64
Frost & Wood Co.	10,919.85
Total drawback to these four industries	\$ 207,459.99

Senator Jones emphasizes that he is in favor of raising the necessary revenue by indirect taxation, or tariff. But evidently he