

buys his Binder cheaper than the farmer south of him, in North Dakota or in Montana.

Comparing Grand Falls, Montana, the farthest point west quoted by the Government official, with all of Alberta and taking into account the extra equipment with the Canadian Binder, there is a difference in favour of the Canadian Binder of \$27.00.

The Truth about Drawbacks.

Our Company are in receipt of certain drawbacks of duty in regard to goods for both export and home trade and we are constantly attacked by a section of the press on the ground that we are receiving bounty or that we are receiving free raw materials. Both statements are wrong but are calculated to arouse prejudice and are used for that purpose.

On our goods for export we receive a drawback of 99% of the amount of duty paid on materials which can be shown in the completed implement. Much time is occupied in preparing necessary schedules, in proving shipment, etc., and usually at least eighteen months pass after we have paid the duty to the Government before it comes back to us again, without interest. The loss of interest and the expense of collection reduce the effective drawback to less than 90%. Moreover we do not get any drawback upon duty paid on materials for the plant or on machinery with which the goods are produced; or on coal, coke, fuel oil, lubricating oil, belting, toolage and many other items of expense, so that duty does enter quite materially into the cost even of our export materials.

This drawback was increased some thirty years ago from 90% to 99% to make it possible for us to manufacture our foreign goods in Canada and compete with U.S. makers. Prior to this adjustment, our Company had decided to manufacture its foreign goods in the United States and had purchased a large tract of land near Tonawanda for that purpose. The drawback, therefore, is not a bounty but simply a refund of part of the duty on the materials in order to put the Canadian manufacturer on a competitive basis abroad with the U.S. manufacturer.

The domestic drawback is different and it was first introduced by the Hon. Mr. Fielding in 1907, when he reduced the duty on Binders and Mowers from 20% to 17½%. On the valuations then existing for the importation of complete machines, this meant a reduction in duty on a Binder of about \$2.50 and on a Mower of about 50c and Mr. Fielding, to help the Canadian manufacturer, arranged a drawback of duty on a portion of the materials, namely, rolled iron, rolled steel, and pig iron used in the manufacture of Mowing Machines, Reapers, Harvesters, Binders and attachments for Binders for home consumption.