

The Grain Growers' Guide

Winnipeg, Wednesday, July 29th, 1914

THE MASSEY-HARRIS LETTER

On another page in this issue we publish a lengthy communication from the Massey-Harris Company, dealing with prices of agricultural implements north and south of the International line. The Massey-Harris Company claim that the comparative prices published in The Guide in the past have been unfair to them, and in order to assure them that The Guide was willing to give every manufacturer a square deal we granted the Massey-Harris Company all the space they wanted to make their own case. It would be advisable for our readers to pay careful attention to the Massey-Harris Company's letter, and at the same time consider a few facts which we will point out that are not contained in the Massey-Harris letter.

Roughly speaking, the Massey-Harris Company admits that the American prices are about \$10.00 over American prices throughout the Eastern part of the Prairie district, but in the far West the claim is made that on the same freight rate the American price is \$20.00 over the Canadian. The American prices quoted need only to be examined to show that there is something wrong with them. The price of an eight foot binder at Devil's Lake is quoted at \$150, and the freight rate from Chicago \$11.31, which would make the Chicago price of the binder \$138.69. The price of the same binder at Havre is quoted at \$190.00 and the freight \$22.81, which would make the Chicago price \$167.19. Thus, according to these figures, the binder in one case is based on a Chicago price of \$138.69 and in the other case on a Chicago price of \$167.19, the spread being \$28.50. The reasonable way to ascertain the price at any point would be to take the Chicago price and add on the freight, but in addition to the freight in this case \$28.50 has also been added. This would leave an ordinary observer to believe that the figures had been doctored for the express purpose of misleading the Canadian people in regard to the effect of the protective tariff. The price of an eight foot binder at Great Falls would naturally be the Chicago price of \$138.69 plus the freight rate, \$23.01, which would be \$161.70 instead of \$190.00. It will require some explanation on the part of Mr. White and also the Massey-Harris Company to explain this difference of \$28.50.

There are a few more points also to be considered.

1. The Chicago price of the eight foot binder is \$138.69, and the freight rate from Chicago to Winnipeg is \$10.53. If, therefore, there were no protective tariff the Chicago binder could be laid down in Winnipeg for \$149.22, which would be a saving of more than \$10.00. This \$10.00 saving would apply all over Western Canada. Yet because we have a protective tariff the Massey-Harris Company is able to take \$10.00 toll out of the pockets of every farmer who buys the Massey-Harris binder. We challenge the Massey-Harris Company or anyone else to show where the farmer gets even the slightest return for the \$10.00 thus taken out of his pocket by means of the tariff. If the farmer received any return for this \$10.00 which is taken from him there might be some excuse for the protective tariff.

2. The Finance Minister says the cost of producing a binder in Canada is \$7.00 more than in Chicago. This seems a most remarkable statement, particularly when Toronto is just as favorably situated as Chicago in regard to coal, iron and everything else required for the manufacture of binders. Labor is no more expensive in Toronto than it is in Chicago, because there is free trade in that commodity. If then it costs more to

produce a binder in Toronto than it does in Chicago there must be some other explanation. Possibly large salaries, watered stock, incompetent management or something else may have something to do with it. At any rate it is well known that the Massey-Harris Company has produced several millionaires already and is still producing more. When a company reaches a place where it is turning out millionaires it is difficult to understand why it should have any tariff protection.

3. The Massey-Harris Company manufacture cream separators in the same factory in Toronto where binders are made. Cream separators are admitted into Canada duty free from all parts of the world, yet the Massey-Harris cream separator business has prospered under absolute free trade, and the company is able to pay just as high wages to the free trade industry as to the protected industry.

4. The Massey-Harris Company does a very large export business in agricultural implements. A considerable quantity of the raw material used in the Massey-Harris factory is imported from the United States, and pays duty. When the manufactured article, however, is shipped to a foreign country to be used by the foreign farmers, 99 per cent. of the duty paid on raw material is refunded. But when the implement is to be sold to the Canadian farmer he is charged full price, duty and all. This is a bonus to the foreign farmer out of the Canadian treasury. In the Auditor General's report for the year ending March 31, 1913, we notice the following "draw-backs":

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| Massey-Harris Co. (Brantford)..... | \$ 5,797.57 |
| Verity Plow Co. (Brantford)..... | 14,441.25 |
| Massey-Harris Co. (Toronto)..... | 161,910.86 |
| Total..... | \$182,149.68 |

This is the amount of money that the Massey-Harris Company drew from the public treasury in the form of "draw-backs" in one year. This was either allowed as a concession to the foreign buyer or went into the pockets of the Massey-Harris magnates to increase their wealth. At any rate it is a most unfair discrimination against the Canadian farmers.

5. Four years ago the Massey-Harris Company purchased the Johnston Harvester Company, Batavia, New York, and since that time they have been selling Johnston Harvesters all over the United States. In their advertising matter in the States they have announced that they are not in the "trust," but in fact they are fighting the "trust" in order to give the farmers the lowest prices. If there were no tariff on agricultural implements coming in Canada, Western farmers would be able to buy binders from the Massey-Harris' American plant much cheaper than they can from the Canadian plant, and we fancy that the patriotism of the Canadian farmer would not in any way be endangered. The Johnston Harvester plant was bought by the Massey-Harris Company out of the extra profits the Canadian plant has been able to take out of the pockets of the Canadian farmers by the aid of the protective tariff.

6. In their letter of this issue the Massey-Harris Company quote their Winnipeg price as \$160.00, while their regular 1914 price list still quotes their cash price at \$164.00. The \$4.00 reduction in price is evidently due to the five per cent. reduction in the tariff made at the last session of parliament. This shows that tariff reduction affects the price of implements.

7. Another very important factor which should not be lost sight of by the Massey-Harris Company is their attitude towards the Western farmers. The head of the company, Senator Sir Lyman Melvin Jones, has used his influence against allowing the Western farmers free access to the American market for their wheat. Yet this great advantage to the Western farmers does not effect the Massey-Harris Company in any single way. The attitude of the company on free wheat is evidently dictated by the Toronto protectionists who make the Canadian tariff laws. The company cannot expect to win great favor with the Western farmers so long as they pursue such a selfish policy in regard to the tariff.

These are a few points which may be considered in connection with the Massey-Harris Company's letter. There is no good reason why the Western farmers should not be buying their agricultural implements much cheaper than they are at the present time. Our Canadian factories require no protection to face world wide competition, and are simply using the tariff to make additional profits. It is largely up to the farmers themselves. So long as they are willing to be bunted by the politicians, so long will they be plundered by the tariff. But when they with one accord demand that the tariff iniquity shall cease, no government will dare to refuse their demand. If the Massey-Harris Company admit they are taxing the farmers an extra \$10 on binders on account of the 12½ per cent. tariff duty, how much extra are they making on other farm machinery where the duty runs as high as 27½ per cent.? The company might explain this to our readers. We shall be glad to give them space.

BORDEN, LAURIER AND THE FARMERS

Sir Robert Borden and Sir Wilfrid Laurier will not be allowed to pass thru the Prairie Provinces without being told by the western farmers in the plain, unvarnished language of the soil, and with true western spirit, that agriculture in this country is languishing, that our farmers are not securing even a decent return for their labors and large numbers of them are being forced off the farms by adverse conditions. It will also be put up to Sir Robert and Sir Wilfrid in unmistakable terms that the present serious condition now prevailing in the rural West is very largely due to the unjust burdens which these two gentlemen, in their capacity of political leaders, have laid upon the shoulders of the western people for the benefit of a small group of individuals in the financial centres of Quebec and Ontario. The two political leaders will not be asked to provide any special legislative favors for the western farmers. They will only be asked to remove restrictions which hamper the western farmers and prevent them from developing comfortable homes, providing their families with the ordinary necessities of life and educating their children to fulfil the duties which will face them as they grow up. When this year's crop is harvested and sold not one-quarter of the farmers of the Prairie Provinces will be financially one cent better off than a year ago, and the great majority of them will be farther behind. As these facts are seriously and earnestly presented to these two political leaders at different points it must at last begin to dawn upon them that the organized farmers are not seeking political prominence, nor are they mere irresponsible agitators. The political leaders must realize that it has come down to a question of whether or not farmers in Western Can-