

The Grain Growers' Guide

Winnipeg, Wednesday, December 13th, 1911

COCKSHUTT'S REPLY

The price of Cockshutt engine gang plows in Canada and the United States has created considerable interest during the past week. On December 5 the House of Commons devoted half a day to the subject. By bringing this matter thus to the front we trust that the truth will be arrived at and that it will assist in lifting the burden off the farmers' back. We publish in this issue a reply from the Cockshutt company and also the result of our own investigation in Minneapolis. The company states that the price of \$502 quoted at Minneapolis was a wholesale price and the manager of the Avery Company at that point corroborates this statement. But the Cockshutt Company does not deny selling its plows cheaper in the United States than in Canada. In fact the agent at Minneapolis admitted that he had sold them as low as \$630, while the lowest price at Winnipeg is \$680, less 5 per cent., or \$646. Again there is a peculiar discrepancy in the \$502 price quoted at Minneapolis and \$525 quoted at Peoria, which is nearer to the factory. Again \$700 is claimed to be the retail price with from 5 to 10 per cent. off for cash, yet the Peoria office by letter quoted us \$770. There is certainly some room for explanation here.

It must also be remembered that the other eight furrow engine gang plows manufactured in United States are sold in Minneapolis at from \$530 to \$570 retail. At Winnipeg these same plows are sold in competition with Cockshutts at the same price. If the Cockshutt plow cannot command a higher price at home it is difficult to understand how it can do so in the United States.

Further the \$502 price at Minneapolis was based on the plow being shipped from Peoria. The freight charge was \$12. By the statement of W. F. Cockshutt, M.P., in the House of Commons on December 5 the freight from Brantford to Peoria would be 20½ cents per 100 pounds or \$11.27 on each plow. Thus the freight from Brantford to Minneapolis by this route would be \$23.27. Hon. Frank Oliver in the same debate said the duty would be \$60 going into United States. If this be so, and Mr. Oliver should know, then it would cost \$83.27 to get the plow from Brantford to Minneapolis. The wholesale price at Brantford then on the same basis would be \$502 less \$83.27 or \$418.73. The retail price at Brantford is \$600 less 5 per cent. or \$570. Then the profit to the wholesaler at Brantford must be \$570 less \$418.73 or \$151.27. This is a profit of over 36 per cent. This 36 per cent profit does not include the profit to the manufacturer so that it seems that the Cockshutt Plow company is doing fairly well. The need of protection is not evident. If the duty on 8 furrow engine gang plows were removed the price in Winnipeg would not be \$680 as it is today.

The freight on an 8 furrow engine gang from Minneapolis to Winnipeg is about \$19 as quoted by a shipper. The Winnipeg price should not be much more than \$20 over the Minneapolis price. As it is the importers have to pay the \$19 freight, and \$80 duty and then make a profit off these charges as well. Free trade in engine gang plows should make them at least \$100 cheaper in Winnipeg. This \$100 is just as good to a farmer as it is to a manufacturer. By what right is the Canadian manufacturer allowed to levy this tribute upon the farmers? It certainly does not make the farmer any more prosperous.

We have stated before that we have no quarrel with the Cockshutt Plow company. They are turning out a good line of implements. But we do have a quarrel with the protective tariff and when we can prove that our manufacturers sell more cheaply abroad than at home there is no further need for protection.

We want to do them full justice and believe we have done so. If not we will be glad of corrections.

SENATOR JONES MIGHT ANSWER

Last week a representative of The Guide, while in Minneapolis, secured the retail cash prices of a large number of farm implements in order to make comparisons with the prices in Winnipeg and see if the difference was not practically equal to the freight and duty. The result of the investigation on binders shows the following prices on binders that are also sold in Canada:

	Minneapolis	Winnipeg
8 ft. binder.....	\$145.00	\$170.00
6 ft. binder.....	\$125.00	\$150.00

These figures will be of interest to our Western farmers and will indicate to them just where the tariff pinches. But what will be more interesting is the fact that the Johnston Harvester company, Batavia, New York, sell their eight-foot binder in Minneapolis at \$140.00 and their six-foot binder \$120.00 retail. The Johnston harvesters in Minneapolis are sold by Lindsay Bros., who informed the representative of The Guide that the Johnston company was an independent concern and sold its binders at \$5.00 under the so-called "trust" prices. But it will be remembered that just a year ago the Johnston Harvester company was purchased by the Massey-Harris company, so that the Johnston binders are really Massey-Harris binders. The profits made by the Massey-Harris company in the protected Canadian field have been used to purchase a plant in the United States, where the Massey-Harris company is now bucking what it calls the "trust." This Johnston binder must be just as good as those the Massey-Harris make in Canada because the following is the announcement made on the first page of the Johnston catalog:

"When the name Johnston goes on any machine we manufacture, we are honor bound to give the users of our farm machinery a definite quality—a specified standard as to merit and trustworthiness. Otherwise, if this were not given, our name would be a detriment and we would be compelled to substitute other names.

"With the name Johnston on your farm machinery, you will have a sense of security that you have the best that money can procure. You will have the satisfaction of knowing that you cannot and will not encounter a superior machine.

"You will carefully note on the following pages of the catalog the great simplicity and durable construction in all Johnston machines—both very essential. No improvements are added until they have been thoroughly tested and their value demonstrated. We never experiment at the expense of the farmer; yet you will notice all Johnston machines are of the most advanced construction.

"Of course, it is hardly necessary for us to mention the fact that we have no trust connections, as the name Johnston, when applied to farm machinery, is known the world over as the Independent Line—our independence is unquestioned. We have always believed in and maintained a competitive market for the farmer in which to buy his farm machinery."

Now if the Massey-Harris company is able to under-sell all the other companies in the United States by using its Canadian-made money, why cannot the Massey-Harris company under-sell these same firms in Canada, where all American concerns must operate under the handicap of the tariff? The American farmers must be well pleased to see a Canadian firm coming into their field and under-selling its big competitors right at home. The Canadian farmers are looking for just the same thing. Senator Jones and the Massey-Harris directors and shareholders are opposed to taking the tariff off of farm implements. But evidence goes to prove

that they put the amount of the tariff tax into their own pocket. There is \$30.00 difference between the price of the Johnston binders at Minneapolis and the Massey-Harris binders in Winnipeg. Will Senator Jones please tell the Western farmers why they should be plundered in this way?

THE CEMENT MERGER'S DEFENCE

F. P. Jones, manager of the Canada Cement Co., appeared before the Winnipeg Board of Trade last week and defended his company against some of the criticisms which have been directed upon it because of the high price and alleged inferior quality of the cement which it has supplied since the formation of the cement merger. In accordance with the practice of The Guide of giving both sides of a question, we present Mr. Jones' statement to our readers on another page in order that they may have the facts fairly before them. Moreover, we accept Mr. Jones' statement as a true exposition of the facts as far as it goes. Mr. Jones confirms in almost every detail the statements which have been made from time to time by The Guide in dealing with the matter. He stated that the price of cement in Minneapolis was \$1.10 a barrel, while in Winnipeg his company was charging \$2.05, having reduced the price from \$2.12 on December 1. The difference, he explained, was due to the freight rates charged by the Canadian railways, the rate from Chicago to Minneapolis, a distance of 420 miles, being eight cents a hundred pounds, or 28 cents a barrel, and from Fort William to Winnipeg, a distance of 419 miles, 20 cents a hundred pounds, or 70 cents a barrel. The Canadian freight rate is thus 150 per cent. higher than that charged by the United States railways for the same distance, and if the rate was the same in Canada as in the United States the Canada Cement Co. could sell cement in Winnipeg for \$1.63 a barrel instead of \$2.05. The cement sold in Minneapolis at \$1.10 a barrel, Mr. Jones further explained, was manufactured at Mason City, 157 miles away, and was carried at a charge of 5 cents a hundred pounds, or 17½ cents a barrel, netting the Mason City mills 92½ cents. The nearest mill of the Canada Cement company to Winnipeg was at Shallow Lake, from which point the freight was 29 cents a hundred pounds, or \$1.01½ cents a barrel, netting the Canada Cement company \$1.03½, or 11 cents more than the Mason City mills received. This extra charge of 11 cents Mr. Jones considered was justifiable because his company paid duty on bags which they bought in the United States and on the coal which they also purchased from Uncle Sam's domain, and because they pay higher wages than the United States firms, their average wage being 20 cents an hour against 13½ cents paid in the Lehigh Valley mills.

If these are the facts there is every reason why the Canada Cement company should join hands with the Winnipeg Board of Trade and the people of the West generally in demanding an immediate reduction of freight rates. Canada has given hundreds of millions of dollars to the Canadian Pacific, Canadian Northern and Grand Trunk railways, but still the government allows them to bleed the public with whose money they have built their lines. By a reduction of freight rates, the users of cement in Western Canada, according to Mr. Jones, could get cement for 38 cents a barrel less, without reducing the profits of the Canada Cement Co. one solitary nickel. With a lower price, the use of cement would increase enormously, and the cement company would be able to extend its plants and work them at the limit of their capacity. By the removal of the duty on coal and bags, the manufacturing cost would be reduced, and if wages are higher in Canada than in the States

SUGAR