

# The Commercial

WINNIPEG, JANUARY 22, 1894.

## THE FARM IMPLEMENT QUESTION.

In no important industry in Canada has there been greater competition than in the manufacture and sale of agricultural implements and machinery. The wonderful decline in prices which has taken place of recent years in this class of goods, alone indicates that there has been keen competition. In harvesting machinery especially the decline has been very great. A great deal of attention is given to the price of wheat and much is written about the low price of the cereal. Wheat is certainly very low, but in the matter of the decline in price, wheat has a counterpart in the great shrinkage in the price of harvesting machinery. Even wheat, low as it is, does not show a greater decline in price than has taken place in some lines of implements. The decline in implements has also been more steady and continuous than the decline in wheat. There is also this difference, that while we hope for a revival in wheat, we do not look for an advance in the price of implements. To this extent the outlook is encouraging to the farmers. They can buy their implements at less than one-half former values in some lines, which will enable them to grow wheat at a less cost, while they can procure much better implements now, for the reduced price, than they formerly were able to secure at the high prices of a few years ago. They have also the satisfaction of believing that while wheat will advance, the cost of their necessary machinery will undoubtedly remain low.

The reduction in the price of agricultural implements and machinery has been greater than has taken place in almost any other class of goods, but this is a feature which seems to be entirely overlooked by a great many, for there is perhaps no class of manufacturers who are more frequently charged with demanding exorbitant prices than the implement manufacturers. We speak more particularly as regards the feeling in the West of Canada. The reason for this is, that we are perhaps more interested in farm machinery here than in other parts of the country. In proportion to population, we buy more implements, and the annual purchase of implements forms a large portion of the annual expenditure of the country—altogether too large, we believe, for actual requirements and for the good of the country. Implements being an important requirement, the purchase of which leads to such a large expenditure every year, it is not to be wondered at that considerable attention is given to the discussion of this branch of trade.

It is well, however, to consider facts, and to be governed by reason, in making charges. It is a popular thing to talk about the implement combine, and about the big profits made by the manufacturers. As for big profits, some of the manufacturing concerns may have done well, but there is, perhaps, no industry which has met with so much disaster as this same branch. The failures of implement manufacturing concerns have been numerous and heavy. One

establishment after another has gone to smash, and others have gone into liquidation, or have sold out to avoid failure. To such a condition was the trade reduced, that a couple of years ago it was intimated from high financial circles that the whole trade was rotten. So much for exorbitant profits. As for the combine which is now alleged to exist, the reduction in prices does not indicate anything of this nature. It is not the policy of combines to reduce prices the way they have been cut down in this trade. There is certainly no combination which the public know anything about, between the different manufacturers, and there is no circumstantial evidence to lead to the belief that any secret agreement exists between the manufacturers. There are over half a dozen independent factories in Canada manufacturing harvesting machinery, and a large number of other concerns engaged in the manufacture of other lines of agricultural implements. This insures ample competition in every branch, so long as there is nothing in the nature of a trust or agreement between the different concerns to keep up prices. That no such agreement exists, there is every reason to believe. Two or three years ago the number of manufacturing concerns was reduced by an amalgamation into one company of three concerns manufacturing harvesting machinery, but this cannot truthfully be called a combine in the sense in which the word is usually used. Nor did this amalgamation secure a monopoly in the trade, as the eight or ten remaining factories should certainly afford ample competition.

THE COMMERCIAL does not take up this matter solely to defend the implement manufacturers. No journal in the West has for a longer period and more steadfastly raised its voice against unnecessary tariff taxation and combines to oppress the consumer. We desire, however, to be fair in this matter to the implement concerns; but more particularly to raise a voice of warning against the apparent intention to make the implement duty a question of political expediency. It seems to be the intention of the Conservatives to sacrifice the implement men to appease as much as possible the demand of the farmers for tariff reform. The danger lies in the fact that the more the popular cry of tariff reform can be appeased by knocking the duty off farm implements, the less real tariff reform will be secured. What the country should demand is a general reduction of the tariff covering about all classes of goods. This will be more to the advantage of the farmer than free implements, with the general burden of taxation untouched. The abolition of the implement duty would no doubt very materially allay the demand from the farmers, and it would just suit the government if they could quell the popular feeling by a move of this nature. A general reduction is what is wanted, and we should not lose sight of this, or be misled by the evident attempts to turn the question of tariff reform into an agitation against certain individual interests.

THE COMMERCIAL recognizes the unsatisfactory features in connection with the implement trade. There has been too much credit busi-

ness, and the sale of goods has been pressed altogether too much. We believe that the basis upon which the trade is carried on, namely, manufacturers selling direct to consumers, is altogether unsatisfactory. If implements were handled like ordinary merchandise, through dealers, and the agency and soliciting business done away with, it would, we believe, be better for the manufacturers and consumers alike. It would certainly vastly reduce credit business and we believe also greatly curtail the cost of distributing the goods to the consumer, thereby cheapening the price to the consumer. The present basis upon which the trade is conducted we regard as costly and productive of evil, particularly in encouraging credit business and over purchasing.

## POSITION OF WHEAT.

Several statistical articles have been published showing the position of wheat on the first of January of this year. The *Chicago Daily Trade Bulletin*, *Bradstreet's* and the *Liverpool Corn Trade News* all have articles of this nature, from which we will make a few extracts, with comments. At the outset we may say that these extracts are not to be taken as literally correct. They are, however, valuable, as showing the comparative position of stocks of breadstuffs, as closely as they can be estimated. That the different compilations vary from each other considerably, indicates that the estimates are but approximations.

Starting with the United States wheat crop, the latest and final official report places the crop for 1893 at 396,131,000 bushels. This is ten to fifteen million bushels less than was figured upon by the trade earlier in the season. It makes a yield of 11.4 bushels per acre for the whole country, as compared with an average yield of 13.4 bushels last year.

A strong feature of the situation is the decrease in stocks during December. The *Daily Trade Bulletin* report shows a decrease of stocks of breadstuffs in the United States and Canada of 423,000 bushels during December. This is a trifling decrease, to be sure, but when we compare it with an increase of 10,944,800 bushels during December of 1892, it becomes a very important item. The decrease for last December is in stocks of flour exclusively, wheat showing the small increase of 274,390 bushels; but taken together, wheat and flour make the decrease stated above. Flour decreased 161,059 barrels in the United States, but increased 5,793 barrels in Canada.

The *Liverpool Corn Trade News* reports that the aggregate supplies of breadstuffs in Europe and afloat for Europe decreased 4,900,000 bushels during December, 4,500,000 of which was in stocks afloat, and 400,000 bushels in stocks at principal points of accumulation. The largest reduction was in stocks in Russia. Notwithstanding the reduction during December, however, stocks in Europe on January 1 were 11,630,000 bushels larger than a year ago, and stocks afloat for Europe were 2,400,000 bushels larger than a year ago, or a total of 14,000,000 bushels greater than a year ago. Europe is therefore still largely supplied with breadstuffs.

Combined stocks in Europe and America,