

The Implement Tariff Case

From the Manufacturers' Standpoint

By SENATOR LYMAN MELVIN JONES

PRESIDENT:
MASSEY-HARRIS CO. LTD.

Note—In The Guide of August 3rd, we published a copy of a letter sent by John Evans, Nutana, Sask., to Senator Melvin Jones, President of the Massey-Harris Co. Ltd., dealing with the tariff and the cost of Massey-Harris implements in the old country. Senator Melvin Jones has made a lengthy reply to Mr. Evans and sent us a copy of his letter for publication. The Senator's letter may be taken as the Agricultural Implement Manufacturers' side of the tariff question, though he goes into other phases of the question as well. This letter will be of interest to every farmer in the West who uses farm implements.

"John Evans, Esq.,
Nutana, Sask.

Dear Sir:

Your letter of June 7th has not been previously replied to, for the reason that the character of the statements made indicated that you were such an extremist in certain views held, or at least expressed by you, that it would be useless to attempt to convince you of anything except what you chose to believe. My attention has, however recently been called to the "Grain Growers' Guide" of August 3rd, in which I find that your letter to me had been published. I am, therefore, replying because I feel that the readers of the "Grain Growers' Guide" are entitled to fuller and more accurate information on this subject than has been conveyed to them by the publication of your letter. In your letter you challenge the following statement made by me Dec. 2nd, 1909, in the senate:

"I want it put on record that Canadian firms make the best harvesting machinery made in the world and the statement that farmers in foreign countries purchase them for less money than do the farmers in Canada, is entirely incorrect and it is unfair to Canadian manufacturers that such statements should be made."

I am in a position to absolutely substantiate this statement, and you, or the "Grain Growers' Association," can also verify it, if you, or they, will go to the necessary trouble to do so. What you have done as outlined in your letter and anything else I have seen reported of your efforts in the direction of looking into this question, is most unfair. You selected the lowest price at which Canadian implements are sold in any foreign country and compared it with the highest price at which they are sold at home, and, by this method, endeavored to create an impression that Canadian makers secure higher prices at home than abroad.

The average of the prices at which a 6-ft. 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 over 15 per cent higher than the average of the prices obtained in all Canada, and, in no one of the countries enumerated, except England, is the price as low as the highest price in any part of Canada. In England the price is higher than in Ontario, Quebec or the Maritime provinces and is practically the same as the average price over Canada, notwithstanding the fact that the freight cost of delivering a Binder in England is only half what it costs to Northwestern Canada, and, if the difference in freight is taken into account, the average Canadian price is even less than in England.

As stated above, in every other country named, the highest price in any portion of Canada is less than the lowest in any of the countries mentioned. I do not think that in a discussion of this question England should be the country selected for comparison. The farmers of England practically do not compete in the wheat markets of the world with Canadian farmers and the number of Binders sold in England is very small compared with the number sold in France, Germany, Russia, Argentina, Australia and Canada. Therefore, if you want information

of value to lay before the "Grain Growers' Association," write to these other countries, which are Canada's competitors in the wheat markets of the world and learn from them the price of a 6-ft. Binder and Carrier, and, remember further, that in three of the countries I have just mentioned—Binders are imported entirely free from duty. I repeat again the statement that:

"Farmers in foreign countries purchase them (harvesting machinery) for less money than do the farmers in Canada is entirely incorrect and it is unfair to Canada and Canadian manufacturers that such statement should be made."

Now, with reference to the other matter stated by me in the senate, which I am glad to say you do not challenge, that Canadian machinery is the best in the world. I simply advance as an argument in support of this statement the fact that Canadian made machinery is sold for the highest price obtained in all foreign markets where Canadian manufacturers do business.

In the "Grain Growers' Guide" of July 27th there is a letter signed by Mr. J. A. Murray, in which he gives prices of different Binders in England and in which he shows that the Massey-Harris Binder sells at an average of \$11 higher than other makes, thereby proving conclusively my statement with reference to quality. Substantially the same price differences will be found in other foreign countries in favor of the Canadian made implements. I have before me a copy of the Evening Capital of Saskatoon of August 1st,

nearly so expensive, so comparison in this regard is impossible.

In a consideration of these prices also, it must be borne in mind that the difference in freight rates, as stated above, is very considerable. For instance, the freight (in carload lots) on a 6-ft. Binder and Carrier, from Toronto to Liverpool and London, averages \$8.40. The average rate on a 6-ft. Binder and Carrier to Saskatoon (carload lots) is \$16.30. These are differences that must be taken into consideration when considering the prices in various provinces of Canada.

You further state in your letter:

"It also goes to show that the Canadian manufacturers enjoy a privilege such as is given in no other country of the world."

This statement, if it means anything, means that higher duties are placed upon implements entering Canada than are placed upon implements entering into any other country. The duty on Binders, Mowers and Reapers into Canada is 17½ per cent. Higher duties, MUCH HIGHER, are imposed in Austria, Hungary, Italy, Roumania and Algeria and they are approximately as high in several other countries, including France and the United States. (In the United States the duty has been double, until very recently, what it now is in Canada. At present on these machines the duty there is 15 per cent. on the complete machine, but on parts thereof 45 per cent.), so that your statement about this is made, as are apparently most of your other statements, without knowledge of or regard to facts.

load of Massey-Harris Binders, consigned to Mortlach, Sask., was wrecked by the C. P. R. The Massey-Harris Company claimed price "off cars" at Mortlach, while the C. P. R. would only settle for cost of production. The C. P. R. won the case and settlement was made at \$40 a Binder."

It was this sort of rubbish that made me hesitate to reply to your letter, because I felt that if you personally believed such absurd, ridiculous statements, it was not worth while to go to the trouble of saying to you they were untrue. I say in reply that \$40, as mentioned, does not cover the cost of the material that goes into the Binders, much less provide the wages covering the entire cost of manufacture, or overhead expenses in connection with manufacture, such as coal for power and heating purposes, light, water, oil for tempering, oil for furnaces, grindstones, files, patterns, dies, forms, jigs, crating, interest on buildings and plant, wear and tear on machinery and buildings, insurance, taxes, and a great many other charges. There is not even one wee little bit of truth in the above statement. No such accident as indicated has happened to a carload of Binders. No such settlement has taken place, nor is there any settlement pending, and, therefore, there is not one iota of truth in either of the two statements referred to. They are absolutely untrue in every particular.

You say further:

"It also goes to show that Canadian manufacturers enjoy a privilege such as is given in no other country in the world and that having a monopoly of the home market (through high protection) are sweating the home consumer to such an extent as is unbearable, while abroad you can adjust your prices to compete against all that come. High protection is legalized robbery and under it you, and the other implement makers of Canada, have extorted millions of dollars from agriculturists."

Now what are the facts. Canada is primarily an agricultural country. It has a very large acreage under cultivation for the number of agriculturists. Rapid expansion and the fact that land can be had for the homesteading has made farm laborers very scarce and it is not too much to say that were it not for the rapid improvement in farm implements during the

last thirty years the development of Canada, and especially of Western Canada, would, of necessity, have been much slower than it has been, and profitable farming would have been very difficult. I need not here refer to the leading position the Massey-Harris Company have taken in the perfecting of farm implements. I leave their standing in this regard confidently in the hands of the thinking farmers who will consider what has taken place over this period of development. I believe there is no line of manufacture in the world where progress has been greater in the improvement of implements and also in the methods of manufacture. The Massey-Harris Company and other companies in this line of business have not lain down behind the tariff but have been progressive and enterprising and have been able gradually to become large factors in the trade of other countries. This fact has been of immense advantage, not only to Canada generally through the employment of a



Home of Isaac Campbell, Orman, Man., where the G.G.A. Picnic was held last summer

purporting to report a speech of yours on the occasion of Sir Wilfrid Laurier's visit to Saskatoon, and I wish to call your attention to a statement contained therein, in which you said (if correctly reported) that a 4½-ft. Mower is sold at Saskatoon at \$65, whereas the published retail list price of a Massey-Harris Mower (on six month's credit) is only \$38. Surely there can be no excuse for ignorance on your part of the price current in your own neighborhood, at your own door, but it is another justification of the term "extremist" applied to you at the beginning of this letter.

In your letter you quote from information given you by your Hereford correspondent indicating a certain price for Binder, Carrier and Double Wheel Forecarriage. In regard to the Forecarriage, we do not sell any Forecarriages whatever in Great Britain. For Roumania and Russia we make a two wheel Forecarriage but very different from the Forecarriage supplied in Western Canada and not

In your letter of above date (though not as printed in the "Grain Growers' Guide") you write as follows:

"If the above is not sufficient to prove that you are selling cheaper abroad than at home, I have in my possession letters stating that one hundred Massey-Harris Binders would be delivered to any point in Alberta for \$75 each. This statement, according to the letter before me, was made by delegates from Alberta at the convention in Prince Albert."

Now, Mr. Evans, I venture to say that you cannot show any letters that even YOU actually believe contain a shadow of foundation for such statement. No such quotation was ever made by anyone in connection with the Massey-Harris Co. It would be impossible. It is absurd and ridiculous and without a shadow of truth.

You also say:

"The same letter also states (and I give it for what it is worth) that a car-