

Perhaps there is no class of manufacturers in Canada who have made more money than the agricultural implement makers. The Globe tells us that they have ten millions of dollars invested in their business. Nearly the whole of that vast capital represents accumulated profits, and not original investment. While it must be admitted that these gentlemen deserve fair treatment—exactly the treatment which other manufacturers deserve—it will be generally conceded that they do not stand in need of special or peculiar assistance, and particularly that they cannot in justice ask that they be favored at the expense of younger industries.

The ten millions of dollars invested in the agricultural implement industry in Canada were acquired under peculiar circumstances. When the late Mr. H. A. Massey embarked in that business he did what all sensible manufacturers do—produced a really first class article—first-class as regards mechanical construction, and in efficiency the equal of any made anywhere else in the world. His machines were built under patents over which he had entire control in Canada, and which most effectually prevented any imitation. Whenever inventive genius produced any improvements in these machines he was quick to obtain control of the patents that were granted on them, and in this way he had in his own right that which was of infinitely greater value to him than any benefit that could under any circumstances be conferred by tariff protection. No doubt the identically same machine was manufactured in the United States, but if the makers there had been willing, or could have afforded to sell their American machine in Canada at much lower prices than Mr. Massey was willing to sell his Canadian made machine for, they could not have disposed of one of them in Canada, tariff or no tariff. Mr. Massey was the owner in Canada of the patents under which the article was constructed, and the law protected him from any competition whatever from any source. The Harris concern, in Brantford, was started and conducted under substantially the same circumstances, and these two concerns, the Massey in Toronto, and the Harris in Brantford, virtually controlled about all the more valuable patents on agricultural implements. The Globe speaks of the success of the industry under the Mackenzie tariff of 17½ per cent. Of course it was a success, for there was a large demand for the goods in Canada, and these two concerns were in possession of a virtual and actual monopoly which had absolute control of the market. But while these separate concerns were heaping up riches they were competitors in business, and this competition tended to keep prices down; and it was with a view to avoiding this condition that the two concerns amalgamated and formed what is now the Massey-Harris Company, with the result that it is perhaps the most wealthy manufacturing concern in Canada. Owners of perhaps a hundred patents covering every important part of their machines, thus shutting out the possibility of competition from either other manufacturers in Canada or the United States, and by the consolidation of the two concerns avoiding the possibility of any competition between themselves, this great monopoly have cut a wide swath in the sale of their goods in Canada, and have been enabled to do a very considerable export trade. And this is the concern that are not content to allow other industries—those that produce their raw materials—to prosper.

The Globe, fighting in the interest of this great monopoly, the proprietors of which have become multi-millionaires

removal of the industry from Canada, and we cannot afford to lose it from want of courage to treat it fairly.

We have heard these threats until they have ceased to be alarming, for it is to be noticed that with the regularity that characterizes all meetings of the Dominion House of Commons comes the report that the Massey-Harris Company are about to remove their works across the line. They will never do it. The talk is all brag and bluster, done to influence tariff legislation. Should they leave us they would leave a market in which they have made millions of dollars, and as far as appearances go they are quite as greedy now as ever to accumulate riches. They will not go to the United States and from there send over their implements upon which they would have to pay twenty per cent. duty, simply because they have to pay six or seven dollars in duty upon their raw materials. They are not idiots.

#### THE DRAWBACK.

The drawback granted to them, [the manufacturers of agricultural implements] on the raw material entering into exported machines is another matter for consideration. If they had to buy their raw material in Canada or import it without a drawback they could not sell abroad in competition with American machines. With the drawback they are doing a growing business in Australia, Argentine and Europe, and by manufacturing for those countries, that is to say, through being in a position to increase their output, are able to manufacture more cheaply for the home market. Hence if the drawback were abolished they would have to increase their home price. To the charge that the drawback means that they sell cheaper to the foreign than to the Canadian farmer they give an unqualified denial. The price of machines going to distant countries is necessarily high because of the expense entailed in maintaining agencies and so on.—The Globe.

That "drawback," or the return to the importer of the duties he may have paid upon raw material imported to go into the manufacture of articles for export, is a blunder that the Government never should have made; but after it had been made should have been recalled at the earliest possible hour. It was made at a time when the Massey-Harris Company were clamoring, as they do now, for "cheap raw materials" threatening that if some tariff concessions were not made to them they would remove their works to the United States. In a moment of weakness Mr. Foster bridged over the difficulty by having passed the so-called Drawback Order in Council, which has never yet been cancelled. The Massey-Harris people declaimed so loudly against the enormous load by which they were handicapped in the payment of duties upon their imported raw materials, or the enhanced price they had to pay if the materials were of domestic production, declaring that the then existing circumstances were an unbearable drag upon their export business, that it was determined to relieve them by a return of any duties they might pay on their imported