

T. E. BISSELL, SMALL TOWN MANUFACTURER

T. E. BISSELL OF ELORA, ONTARIO:
A SMALL TOWN MANUFACTURER AND HIS MILIEU

By

STEPHEN EDWARD THORNING, B.A.

A Thesis

Submitted to the School of Graduate Studies
in Partial Fulfilment of the Requirements
for the Degree
Master of Arts

McMaster University

March 1986

MASTER OF ARTS (1986)
(History)

McMASTER UNIVERSITY
Hamilton, Ontario

TITLE: T. E. Bissell of Elora, Ontario: A Small Town
Manufacturer and his Milieu

AUTHOR: Stephen Edward Thorning, B.A. (University of Guelph)

SUPERVISOR: Professor John C. Weaver

NUMBER OF PAGES: ix, 244

ABSTRACT

With about \$3,000 of his savings and a set of plans, T.E. Bissell began to manufacture disk harrows in 1894. When he sold the business thirty-four years later, he had become the largest disk harrow manufacturer in Canada. By an analysis of the financial structure, technology and marketing strategies of the firm, this paper identifies the policies that enabled Bissell to resist the trend to consolidation and to prosper as an independent farm implement manufacturer. The single-line specialization of this firm allowed it to exist under the umbrella of the larger manufacturers, who generally regarded the Bissell disk harrow as complementary to their own lines of implements. Bissell's entrepreneurial personality effectively placed limits upon the growth of the firm. He was obsessed with control and security, sought to dominate all aspects of the business, and was incapable of delegation of authority. Overall, Bissell was a type of entrepreneur who harkened back to an earlier generation of industrialist. Much of the success of his firm derives from the strong ties between himself and his firm, and the characteristics of his community, the village of Elora. In the twentieth century, this style of industrial agrarianism could persist much more easily in a small town than in a city. It accounts for both the success of Bissell and the failure of later absentee owners of the business.

PREFACE

Like many historical studies, this one is the product of a series of coincidences. My interest in finance and its historical aspects was cultivated during six years' experience in the employ of a chartered bank. Professor Gilbert A. Stelter of the University of Guelph introduced me to the fascinations of urban history, and to the notion that my home town could be the subject of serious historical investigation. Professor John C. Weaver has guided my probing into the varied aspects of business history. Finally, the acquisition of the Bissell Papers provided a specific focus to my general historical interests. My largest debt is to Mrs. Eleanor Robinson for allowing these papers to come into my custody.

A number of Elora residents who knew the Bissell family generously consented to interviews. Mrs. Elizabeth Hayes, Mrs. Mary Clarke and Mrs. Muriel Towriss deserve particular mention. The recollections of Mr. A. B. Fraser, who was hired by T. E. Bissell in 1926 and was subsequently purchasing manager of the Fleury--Bissell firm, were particularly useful in understanding many aspects of the management of the firm. Miss Bonnie Towriss of the Wellington County Archives aided my investigations ably and intelligently. Finally, the members of the History Department of McMaster University have been generous with both their time and their knowledge. In particular I would like to thank Professors Charles M. Johnston, Harvey Levenstein, and my supervisor, John C. Weaver, for their suggestions regarding secondary literature, methodologies, and organization.

TABLE OF CONTENTS

	Page
DESCRIPTIVE NOTE	ii
ABSTRACT	iii
PREFACE	iv
LIST OF TABLES	vi
LIST OF FIGURES	viii
 Chapter	
I. INTRODUCTION	1
II. ELORA AND MANUFACTURING: THE NINETEENTH CENTURY LEGACY	7
III. THE T. E. BISSELL COMPANY: THE FIRM IN ITS EARLY YEARS	24
IV. FINANCE, CAPITAL STRUCTURE AND MANAGEMENT: 1901-1928	41
V. TECHNOLOGICAL INNOVATION	86
VI. SUPPLIERS AND MARKETING STRATEGIES	110
VII. T. E. BISSELL AS AN ENTREPRENEUR	140
VIII. T. E. BISSELL AND HIS COMMUNITY	169
IX. THE FIRM IN ITS LATER YEARS	196
X. CONCLUSION: T. E. BISSELL AS A SMALL TOWN MANUFACTURER	223
BIBLIOGRAPHY	235

LIST OF TABLES

Table	Page
1. T. E. Bissell Company: Statement of Profit and Loss, Year Ending Nov. 30, 1897	35
2. T. E. Bissell Company: Statement of Assets and Liabilities, Nov. 18, 1897	36
3. T. E. Bissell Company: Statement of Profit and Loss, Year Ending Nov. 30, 1907	47
4. T.E. Bissell Company: Statement of Assets and Liabilities, Nov. 23, 1907	48
5. T.E. Bissell Company: Fluctuations in Bank Loans and Bills Receivable, 1906-1908	52
6. T.E. Bissell Company Limited: Operating Loans, 1911-1918, as at 15th. of Each Month	59
7. T. E. Bissell Company Limited: Statement of Profit and Loss, Year Ending Nov. 30, 1919	64
8. T. E. Bissell Company Limited: Statement of Assets and Liabilities, Nov. 30, 1919	65
9. T.E. Bissell Company Limited: Statement of Profit and Loss, Year Ending Aug. 31, 1923	69
10. T. E. Bissell Company Limited: Statement of Assets and Liabilities, Aug. 31, 1923	70
11. T. E. Bissell Company Limited: Statement of Assets and Liabilities, June 1, 1928	73
12. T. E. Bissell Company Limited: Sales, Profit, Dividends and Accumulated Surplus, 1908-1928	74
13. T. E. Bissell Company Limited: Annual Sales Volumes, 1908-1928	135
14. T. E. Bissell Company: Statement of Assets and Liabilities, May 31, 1937	203

15. Fleury-Bissell Limited: Statement of Assets and Liabilities, Oct. 31, 1937	205
16. Share Prices: Annual Ranges, 1928-1954	215

LIST OF FIGURES

Figure	Page
1. T. E. Bissell Company: Equity and Net Profit, 1897-1907	49
2. T. E. Bissell Company: Application of Gross Margin, 1897-1907 (As a Proportion of Annual Total)	50
3. T. E. Bissell Company Limited: Sales and Net Profit, 1908-1928	77
4. T. E. Bissell Company Limited: Application of Gross Profit (As a Proportion of Annual Total)	78
5. T.E. Bissell Company Limited: Expenses, 1918-1928	79
6. Arrangements of Disk Harrows	94
7. T. E. Bissell Company: Plan of Factory, 1904	96
8. T. E. Bissell Company: Advertising Postcard, 1898	116
9. T. E. Bissell Company Limited: Adverisement, 1910	120
10. T. E. Bissell Company Limited: Advertisement, 1913	122
11. T. E. Bissell Company Limited: Advertisement, 1915	125
12. T. E. Bissell Company Limited: Correspondence to a Potential Dealer, 1915	127
13. T. E. Bissell Company Limited: Letterhead, 1926	133
14. Fleury-Bissell Limited: Plan of Factory, 1944	211
15. Fleury-Bissell Implements Limited: Lift Type Disk Harrow, 1961	217

16. T. E. Bissell Company Limited: Advertising Message,
1927 238

CHAPTER I

INTRODUCTION

The present study is offered for consideration neither on the grounds that the individual topic has never been covered in this manner before, nor that the principal subject, Mr. T.E. Bissell, is in some way typical of the small town industrialists of his class or time. The former statement is in fact true, and the latter may well be true, but this is an assertion that I am unprepared to make at the present time. Justifications such as these are, of course, among the poorest defences for particular case studies in business history, or, for that matter, historical studies in general. The intention here is for a contribution to the history of Canadian business that might assist in a more sophisticated analysis of the general economic processes of early twentieth-century Ontario than is presently available.

What follows is a longitudinal study of a small, owner-dominated farm implement manufacturer during the years 1894 until 1928. For the greater part of this period the firm was located in Elora, Ontario, and for the whole period it was managed, owned and controlled by its founder, Mr. T.E. Bissell. A specialized firm, by the mid-1920's the

T.E. Bissell Company Limited had become the largest maker of disk harrows in Canada.

The methodology, broadly speaking, is based upon the suggestions of K.A. Tucker.¹ An effort has been made here to reconstruct the T.E. Bissell Company as far as is possible, and to measure its performance, not only financially, but in its broader and less quantifiable dimensions. Counterfactual questions are posed occasionally, not to offer causal explanations for events, but to weigh the practical alternatives available to the business and assess the quality of the business decisions made by T.E. Bissell.² This is, then, a business case study with a number of historical dimensions.

The second chapter examines the industrial background of the village of Elora for the generation previous to the arrival of the Bissell firm in 1901. Elora was the least successful town in the Grand River valley in establishing industry in the late nineteenth century.³ A series of industrial failures and an anti-industrial bias among many residents provided the context within which Bissell had to work to establish his business.

Chapter III commences with the background of T.E. Bissell, and the establishment of the T.E. Bissell Company as a manufacturer of disk harrows in Prescott in 1894. The genesis of many of the company's persistent policies are found in the period between 1894 and 1900. The following

three chapters are topical treatments of the company during Bissell's stewardship between 1901 and 1928. These deal separately with finance, technology and marketing. Although these are obviously interrelated considerations, these business functions each have an internal vitality and continuity that is best comprehended individually. A series of financial statements is spread through chapters III and IV at relevant points. These have been taken directly from the company books, but are presented in a consistent format to facilitate comparisons of the company's performance. In the seventh chapter, a synthesis of this material is provided in a comprehensive assessment of T.E. Bissell as an entrepreneur. The direction here is to place T.E. Bissell and his company within the context of the farm implement industry, and to assess the qualities of his entrepreneurship against the literature on the subject of entrepreneurship, both in general terms and with specific reference to the small businessman. Entrepreneurship is defined here in terms of responses to innovation and change. T.E. Bissell's entrepreneurship is shown to have become both rigid and security conscious as the social milieu became less attractive to him in the 1920's.

Chapter VIII moves outside the firm to examine Bissell's role within the community, and the impact his factory had on the community, its values and its workers. An attempt is made here to consider the special demands that

a small town can make on a business, and the response of the owner of the business to these demands. Although Bissell always retained the respect and even the admiration of most of the community, his public influence and authority peaked between 1910 and 1915, and waned greatly in the 1920's. Increasingly, Bissell set himself apart from the community.

The fate of the firm after Bissell sold his interest in 1928 is covered in chapter IX. Notwithstanding the involvement of some of the better business minds of Toronto, the firm lost money in nineteen of the next twenty-six years during which it was a major disk harrow manufacturer. The poor performance of the firm is traced to conflicting strategies, and the inability of senior management and the owners to appreciate the nature of the farm implement industry and to form appropriate and consistent long term plans. Although all aspects of the firm are considered, the emphasis in this chapter is on finance.

The final chapter considers the T.E. Bissell Company as a small town business. Distinctions are made here among small industries, which the Bissell company always was; small town industries, which the firm was when owned by Bissell; and industries merely located in small towns, which the firm was when owned by absentee Toronto shareholders. The conclusions of the previous chapter are used in a counterfactual way to identify why Bissell's entrepreneurship was generally successful, while that of the succeeding

owners was not. In addition, the case of the Bissell company is used to refute the 'centre-periphery' dichotomy of economic development in favour of concepts developed by James Soltow, Harold Livesay, and others, which place small businesses and small town businesses in niches within a more integrated economic system.⁴ The chapter concludes with a brief discussion of the theoretical implications for Canadian business history, and the utility of metropolitan concepts as explanatory vehicles for industrialization in the Ontario context.

REFERENCES FOR CHAPTER I

¹K.A. Tucker, "Business History: Some Proposals for Aims and Methodology," Business History, 14 (1972): 1-16.

²Peter D. McClelland, Causal Explanation and Model Building in History, Economics, and the New Economic History (Ithaca, 1975), pp. 146-168.

³Census of Canada, 1881; 1891; 1901.

⁴James H. Soltow, "Origins of Small Business and the Relationships between Large and Small Firms;" and Harold C. Livesay, "Lilliputians in Brobdingnag: Small Businesses in Late Nineteenth Century America," in Stuart W. Bruchey, ed., Small Business in American Life (New York, 1980).

CHAPTER II

ELORA AND MANUFACTURING: THE NINETEENTH CENTURY LEGACY

For a village with one of the finest water power potentials in southern Ontario, Elora was not much of an industrial success in the nineteenth century.¹ The village had been founded in 1833 by William Gilkison, a retired sea captain turned land developer and speculator. Gilkison had purchased half a township, which he wished to develop somewhat on the lines of a British estate, though modified by North American notions of land ownership and by the Scottish New Town movement.² Elora was to be the capital of an agricultural district, functioning as a commercial and marketing centre, but with a manufacturing sector as well, which would produce a variety of goods for local consumption, and which would be powered by the falls on the Grand River.³ Gilkison envisaged a slow, steady growth over a period of decades.⁴ This course of development was frustrated by the death of Gilkison before the first building in his village was completed.

The subsequent growth of the village was anything but steady. A decade of stagnation was followed by a twenty year period of rapid, indeed speculative, growth. By the late 1860's the village had reached a population that would not be exceeded for a century. The brief boom was based upon

the village's importance as a regional commercial centre and the opening for settlement of several townships to the north. The completion of the Wellington, Grey and Bruce Railway through the village in 1870 brought disruptions to the local economy which left Elora reeling for a generation. The railway effectively closed down the regional commercial sector. As the major retailers went down to bankruptcy, the obvious course for the village was to shift to an industrial base.⁵

There was little to build upon. There were, of course, the obligatory small-town flour mills and saw mills, plus a small woolens factory, a furniture maker and a foundry operation. None were large, certainly not of a size to challenge the industries that had established themselves in nearby Guelph, Berlin and Galt.

Elora had most of the so-called natural advantages of nearby towns: close markets, transportation, a water power potential better than any of its rivals. Against these were balanced an acrimonious and divided local elite, a workforce with little industrial experience or skills and a reputation as an agricultural market rather than an industrial beehive. For several years the village sat by and waited for something to happen.

The lack of interest in Elora by outside investors and an obvious depression in the local economy prompted a worried group of Elora's leading lights to form a limited

stock company for the manufacture of carpets.⁶ It was indicative of local fears that the group was led and dominated by merchants, rather than the handful of manufacturers in the village. During 1874 the group convinced about ninety local investors, an impressive proportion of Elora's 1,500 people, to subscribe and pay up over \$24,000 in stock of the company. Production was soon under way in a building that had been converted from a flour mill and distillery. For a time the business seemed a success. A bonus request that had been made to the village council was cancelled. Sales for 1874 totalled \$46,000. Troubles, though, were not long in arriving, and for the rest of the century this industry was a continuing disaster for Elora.

The early problems stemmed from a lack of industrial expertise among the men who had organized the company. They soon deferred control of the firm to several Toronto and Hamilton men who held about 30% of the stock of the company. Daily management of the company was placed in the hands of hired managers who were strangers to the village. It is something of a paradox that the company did little to relieve unemployment in the village. Much of the skilled help had to be imported from the United States.⁷

The carpet factory was not the only effort in Elora to expand the industrial base in the 1870's. The foundry was re-organized as a limited stock company by another group of local investors. It expanded both its factory facilities

and its lines of agricultural implements, the most successful of which was a plough. Many of the other manufacturing firms expanded sufficiently to bring themselves out of the artisan-and-apprentice category.

By 1875 there were about 225 industrial workers in Elora, and what might be termed an embryonic working class. The latter appeared for several reasons. The foreign workers in the carpet plant, many of them from textile mills in Philadelphia, had difficulty in integrating into village life. In addition, many of these workers had known one another before coming to Elora. The industrial workers in all the factories began to socialize with one another, rather than with a broad spectrum of the community. Soon there were friendly rivalries between the workers in each factory, which found an outlet in sporting contests. Finally, there was talk of unionization, although only the coopers of the village succeeded in forming such an organization.

Many people in Elora were uncomfortable with these developments. "The coopers have been striking too much lately for their own good," complained the editor of the Elora Observer.⁸ There remained a considerable body of opinion in the village which distrusted the attempts at large scale industrialization. This point-of-view saw the salvation of Elora in a re-invigoration of the commercial, retail and marketing functions of the village. It was a moral as well as an economic argument: Elora must remain

close to and supportive of agriculture.

As events unfolded, Elora's anti-industrialists seemed to be vindicated. None of the smaller industries was able to achieve any sustained success. The foundry and the carpet factory were soon in major difficulty. There were continuing struggles for control of the Elora Manufacturing Company, as the carpet factory was known. Although carpet sales began to decline in 1876, the Elora directors, desirous of protecting their investments and their reputations as businessmen, succeeded in keeping the factory operating at full output, with a vague hope that the market would soon turn around. As a result, the business began to take on the appearance of a 'make-work' project: the factory was choked with mountains of wool purchased from local farmers and with miles of unsold carpet. The consequent shortage of working capital seemed likely to force a closure of the factory. As a last resort the Elora directors turned to the Elora village council, which was composed of themselves, for a \$10,000 bonus. The aid was granted, in the form of a loan secured by a first mortgage on the factory.⁹ The directors believed that an outright grant to the Elora Manufacturing Company would have been turned down by the ratepayers. The loan was approved by a vote of 82 to 20, but a further 95 ratepayers did not vote. Much of the population had become apprehensive, even soured, on the prospect of an industrial Elora. Several probably voted for

the loan against their better judgment or to protect the value of their own shares in the company. "We regard it as a great blunder, and calculated to do great injury to our village," the Elora Express warned ominously.¹⁰

The injection of \$10,000 of new cash kept the firm afloat for barely a year. In the meantime there were periodic shutdowns, which resulted in the loss of many of the skilled workers to other industrial towns. The end arrived in late 1877 when the Merchants Bank attached a writ on the inventory of the company to secure its operating loans. For the next four years the factory remained closed while the Merchants Bank, the council, the directors of the firm and the managers battled one another.

By the end of the 1870's the village of Elora was in a condition of near despair. The failure of the carpet factory, a bold attempt to pool local capital, was only part of the problem. Most of the other local industries were claimed by bankruptcy, foreclosure, or insufficient business volume. The more enterprising of the local residents began moving--some to Hamilton and Toronto, some to the Canadian West, some to various destinations in the United States. For those who remained, the prospects were not good. Unemployment exceeded 30% of the adult male population for several years. Few residents had any optimism for the future; fewer still were prepared to enter into any new industrial adventure. A constant reminder of the failure of

industrialization was the \$10,000 loan to the carpet factory, which now had to be paid off by the taxpayers. "Elora will think twice before it loans \$10,000 again," editorialized the Elora Express.¹¹

In a last desperate attempt to turn the village around, a group of merchants began lending an ear to the smooth-talking George Laidlaw, the bonus-hunting president of the Credit Valley Railway. These merchants naively believed that competitive rail service would provide Elora with a renewed agricultural market or a competitive advantage to new industries, or perhaps both. Ironically, some of these men had been active in the group who had opposed any railway into Elora in the 1860's, in the belief that a railway would destroy the thriving commercial economy of the village. In 1879 the council and the ratepayers were persuaded to purchase \$15,000 of Credit Valley Railway bonds of dubious value, in return for the building of a branch line into the village. When the line was completed, there was no perceptible impact upon the village beyond the addition of several families of railway workers.

After four years the legal situation surrounding the carpet factory was solved, although to no one's satisfaction. By 1882 a new tenant, the Ontario Worsted Company, had been found for the building. The agreement with the village called for a payment of \$7,000 to Elora, but not even a first installment was received. Council, delighted to have

the building occupied, did not press the matter.

Council had a much larger fish on its plate. Elora's finances were in a deplorable condition. The debt of the village exceeded \$40,000. To keep taxes low during the 1870's to attract industry, no proper sinking funds had been set up. The huge debt now had to be supported by a declining population and a shrinking tax base. In 1880 interest payments alone consumed 29% of the tax revenue. The following year council tried a new solution: they repudiated part of the debt.¹² Elora lost the case in court, and lost it again on appeal. The case received wide publicity across the country, including mention on several occasions in the Monetary Times.¹³ Such publicity did little to enhance the reputation of Elora as a potential site for industry among the financial and manufacturing classes of the country. Nevertheless, the reeve who had initiated the repudiation attempt was re-elected by a margin of two to one. In effect, Elora had surrendered the fight to become an industrial town. The ultimate result of the financial crisis was a special act of the Ontario legislature which restructured the debt of the village, making it repayable over a thirty year period. The provisions of the act made any further attempts at industrial bonusing extremely difficult, if not impossible.¹⁴

For most of the 1880's and 1890's, Elora existed as a quiet backwater. The population declined slowly: the

overall trend was retarded somewhat by retired farmers who found the quiet of the village well suited to their twilight years. Low taxes became the principal goal of village councils. Even Allan Bock, who as editor of the Lightning Express felt obliged to act the role of civic booster, could not work up much enthusiasm:

Elora is far from being dead yet, notwithstanding the patent fact that there are a few of its citizens using all their efforts to belittle the place.¹⁵

Elora in these years did not present an attractive picture to the potential industrial investor or skilled worker. There were several burnt-out ruins on the main street, and a number of boarded-up stores. Even if real estate was cheap and abundant water power was available, it was not the sort of town that prospective industrialists might find attractive. Neither were the villagers interested in attracting industrialists. When Emil Vogelsang, a successful button manufacturer from Berlin, approached the village for a \$2,000 interest-bearing loan to assist in rebuilding one of the burnt-out buildings as a new factory in 1886, the proposal was soundly turned down by the ratepayers.¹⁶

There appeared in the 1890's the beginnings of a new type of industrialism in Elora, one that was indigenous to and a product of the historical experience of the town. T.E. Bissell would become the most successful of these industrialists in Elora, but the first was John Mundell,

the operator of a small furniture factory. More than most men of his type, Mundell displayed the cautiousness and pessimism of the small town industrialist. Since coming to Elora in 1851 he had been wiped out twice by fires and once by a foreclosure forced by the Merchants Bank. His business did not begin to prosper until after 1890, when much of the direction of the firm was taken over by his son who, unlike the father, was more comfortable behind a desk than a work bench. Equally significant for the success of the firm was an informal partnership with James Archibald, a partner in the local private bank of Farran and Archibald. For the first time in two decades, the savings of local people were being invested in local industry. By 1897 the Mundell firm had fifty employees and three salesmen on the road, selling to an area that included most of eastern Canada. Both generations of Mundell men had a strong fear and distrust of financial institutions. They turned away business rather than mortgage their factory to finance a large expansion.

Through this period the carpet factory had been coasting and floundering from one set of managers and owners to another. Employment, when the factory was operating, rarely reached 20. For most of the 1880's and 1890's the plant produced only woolen yarns. In 1895 the plant fell into the hands of American interests, who immediately set up the plant as a branch of their Philadelphia operation. Within a year, employment was up to 125, and the factory was

again turning out carpet.

After so many years of industrial stagnation and low employment, these developments should have been greeted warmly by Elora. Such was not the case. The managers of the factory were regarded with distrust, as men with no commitment or real interest in the village. Many of the workers had been brought in by the company; most had difficulty integrating into the community and its values. the workforce included a number of women and adolescents, something not previously seen in Elora. There was periodic labour trouble and a perceptible increase in lawlessness in the village. Several of the women complained that supervisors attempted to take liberties with them, and at least one case resulted in a criminal conviction.¹⁷

To the residents of Elora, the benefits of the factory and its \$28,000 payroll were offset by the undesirable effects on the social fabric of the community. In addition, there was the fear that the factory could close or move without warning--it had happened before. The council was unwilling to assist materially the plans of the firm to expand the factory. Council was also indifferent to the plight of the company following damage from severe floods in 1898 and 1899.

In 1899 several cities offered bonuses to the carpet firm to relocate. Following the flood of 1899, the managers accepted the offer of a \$30,000 loan from Sherbrooke,

Quebec. Elora made no effort whatever in the way of a counter offer. Despite the fact that the village still held title to the factory building, not a few residents were pleased to see the carpet making machinery being loaded into railway cars. To them, the carpet factory had been the embodiment of the worst aspects of big city industrialization.

The buildings vacated by the carpet factory would become the permanent and final home for T.E. Bissell and his farm implement manufactory. This, though, would not happen for two years. In the meantime the factory remained vacant. During 1899 and 1900 several prospective industries expressed an interest in the property, but the refusal of Elora's council to consider requests for bonuses and the possibility of a lengthy legal dispute over ownership of the property sent all of them elsewhere.

The contrasting community reactions to the Mundell furniture business and the carpet factory best illustrate the nature of small town attitudes to industry and entrepreneurship at this particular point in Elora's history. The village accepted, even embraced, the sort of industrialism represented by John C. Mundell, which was a development from the older artisanal tradition of manufacturing, in appearance if not always in substance. It remained for these attitudes to be mobilized into public policy, and this did not occur until a new group of men began to control the actions of Elora's council. The most

important of these men was Henry Clarke, the office manager at the private bank of Farran and Archibald. In 1901 Clarke was elected reeve of Elora.

Henry Clarke's first priority as reeve was to put the carpet factory property to constructive use. There is no record of when he and T.E. Bissell first began negotiations for the property, but by July of 1901 a plan had been prepared that would give Bissell ownership. There is every possibility that Clarke had such a scheme in mind even before he became reeve. As a banker he would have been familiar with the financial progress of the Bissell firm. For four years Bissell had been operating in Fergus, only three miles from Elora. In addition, Bissell would have been familiar with Elora politics and the events surrounding the carpet factory property. Developments concerning the firm had received extensive coverage in the newspapers of both Fergus and Elora.

As reeve, Clarke resumed a bonusing policy for industry. Superficially his administration seemed a new course for Elora, but his policies were merely the positive face of the mainstream of local opinion. Clarke had been employed in local businesses since he was 14, and he enjoyed the trust and confidence of virtually the whole village in financial matters. His vision of small town industry corresponded to that of John C. Mundell, and he believed that T.E. Bissell was a man of the same school. The offer

Clarke and the Elora council made to Bissell was generous: Bissell was to be given clear title to the carpet factory property, and an interest-free loan of \$5,000, repayable over ten years.¹⁸

The Elora Express supported the bonus, using the standard arguments that the property was going to waste and that the employees would also be ratepayers whose taxes would more than make up for the expense.¹⁹ There were subtler and more complex considerations. Most of the ratepayers could vividly recall false hopes and promises in regard to new industries, and that Elora had more than once paid dearly for failures. The village had been through a great deal over the previous thirty years. There were residents still in middle age who could recall the opening of the first railway. The consolidated debt, the product of railway and industrial bonuses, still was not paid off, and would not be for another eight years. It was Clarke's role to convince the ratepayers that the Bissell proposal was consistent with the values and best interests of Elora. The result of the plebiscite was a demonstration of his success. The Bissell bonus was approved by a vote of 189 to 1, and over 90% of the property owners cast a ballot.²⁰

Elora's newest industrialist understood and shared the values of his new home. Bissell himself was the product of a not dissimilar community in eastern Ontario. He had chosen to become a small town manufacturer, rather than

become the hireling of a large national company. In Elora he would demonstrate that a manufacturer could retain and embrace the values of the small town, while at the same time gain a position of significance and leadership within his industry.

REFERENCES FOR CHAPTER II

¹The arguments developed in this chapter are dealt with in much more detail in my unpublished history of Elora, "The Model Village." Principal sources are The Backwoodsman (Elora); the Elora Observer; the Elora News; The Lightning Express (Fergus and Elora); The Elora Express; the Fergus News Record; the Mundell Papers and other manuscript sources at the Wellington County Archives; the Clarke Papers at the Public Archives of Ontario; Land Registry records for the County of Wellington; and the municipal records of the Village of Elora.

²Captain Gilkison's diaries and letters are scattered. The important repositories are the Archival Collection, University of Guelph; the Regional Collection, University of Western Ontario; and the Public Archives of Ontario. Secondary works dealing with Gilkison and his associates are Gilbert A. Stelter, "Guelph and the Early Canadian Town Planning Tradition," Ontario History 77 (June 1985): 83-106; and "Combining Town and Country Planning in Upper Canada: William Gilkison and the Founding of Elora," Historic Guelph 24 (1985): 20-45. Among the useful British and Scottish works are W.E. Tate, The English Village Community and the Enclosure Movements (London, 1967); A.H.H. Matthews, Fifty Years of Agricultural Politics (London, 1915); and N.T. Phillipson and R. Mitchison, eds., Scotland in the Age of Improvement (Edinburgh, 1970).

³The drop in the Grand River at Elora provides a continuous yearround potential in excess of 2,400 horsepower, with a further 600 horsepower available on the Irvine Creek. The Speed River at Guelph provides a potential of about 1,500 horsepower. These calculations are based on data in L.J. Chapman and D.F. Putnam, The Physiography of Southern Ontario, 2nd. ed. (Toronto, 1963), pp. 142-47. These figures, of course, do not take into account seasonal floods or droughts.

⁴I make this conclusion on the basis of Gilkison's letters and diaries, cited supra.

⁵John Smith, the editor of the Elora Observer, assumed the role of chief civic booster in the early and mid 1870's. This section is based heavily upon Smith and his newspaper, but the facts have been verified, where possible, with accounts in rival newspapers and other sources.

⁶See Elora News, Jan. 31, 1873; Elora Observer, Jan. 31, 1873; May 7, 1873.

⁷Details of the operation of the factory are found in Elora News, Oct. 17, 1873; and Feb. 20, 1874.

⁸Elora Observer, Feb. 20, 1874.

⁹Mortgage, Lot 12, east side Chalmers Street, June 30, 1876, Land Registry records.

¹⁰Elora Lightning Express, June 16, 1876.

¹¹Elora Express, Apr. 28, 1881.

¹²Ibid., Nov. 3, 1881; Nov. 10, 1881; Dec. 15, 1881.

¹³Monetary Times, Dec. 9, 1881. See also Tom Naylor, History of Canadian Business, II (Toronto, 1975), p. 153.

¹⁴Province of Ontario, 45-46 Vic. Cap. 33.

¹⁵Elora Express, May 12, 1882.

¹⁶Ibid., Apr. 8, 1886; May 6, 1886.

¹⁷Ibid., Sept. 30, 1897.

¹⁸Village of Elora, Bylaw 383, passed Aug. 26, 1901. In addition, Bissell was exempted from all taxes except school taxes for a period of ten years. The latter provision was not unusual; every factory in Fergus and Elora received this benefit during this period. Under this bylaw Bissell was required to maintain a payroll of \$3,000 annually exclusive of officers, and the village auditors were to be allowed to examine the company books.

¹⁹Elora Express, July 31, 1901.

²⁰Ibid., Aug. 21, 1901.

CHAPTER III

THE T. E. BISSELL COMPANY: THE FIRM IN ITS EARLY YEARS

Torrance Edward Bissell, the founder of the T.E. Bissell Company, was a member of the fourth generation of his family to inhabit Grenville County in eastern Ontario. The Bissells were a farming family with a predisposition for engaging in other businesses as sidelines. Running through the generations is an adherence to the commonplace values of nineteenth century liberalism: reform, temperance, a rather secular brand of protestant religion, and material advancement. The Bissells tended to congregate together-- in 1881 Augusta Township contained seven families of them-- and their close attachment to the Methodist Church led to a fondness for Old Testament names such as Silas, Ezra, Hoseanna and Moses.¹

T.E. Bissell's great-grandfather, David Bissell, had been a pioneering farmer in Grenville County, and was a loyalist immigrant from the United States. By 1790 he was producing and selling surplus wheat.² Fifteen years later he was an early promoter of public schools in his locality.³ In the 1870's the Bissells helped pioneer the commercial cheese industry in eastern Ontario. The Bissells viewed their cheese factory as a natural outlet for the products of their dairy herds and those of their neighbours. For

several decades Bissells were among the leaders in their county Dairy Association, and they were among the promoters of a province-wide marketing scheme for Ontario cheese.⁴

T.E. Bissell was born into this family in 1865.⁵ From his journals and notebooks it is apparent that he received a basic though solid business training, with emphasis on penmanship and accounting.⁶ It does not appear that he was ever involved with the family cheese business, but like other members of his family he felt a strong attachment to agriculture. For a number of years he worked as a travelling salesman for J.S. Corbin of Prescott, a manufacturer of farm implements. In this capacity he traversed much of eastern and southern Ontario, and parts of Quebec and New York, servicing accounts with dealers and agents, and trying to establish new ones. A typical entry in his journal at this time reads, "J.J. Muldoon, Quyon, Que. Is Noxon's man there and would make a good Corbin Man."⁷

By the early 1890's Bissell was often far from home. Like most ambitious farm implement manufacturers of the period, Corbin was attempting to build up his market area from a local base to one that was regional and provincial in scope.⁸ T.E. Bissell was an ideal man for this assignment. He possessed both a business ability and a familiarity with the practical details of farming. In addition, he had the capacity to assess quickly a business situation, and he displayed a strong and imposing personal presence.⁹

Bissell's personal habits were frugal. He was unmarried, and he allowed himself few extravagances. He kept detailed personal accounts for every cent of expenditure. Apart from his necessary living expenses, the only luxury he permitted himself was the occasional purchase of fresh fruit. He also contributed small amounts from time to time to various Methodist and temperance groups. It is not surprising that he was able to save and invest a considerable portion of his salary. In the early 1890's he bought and sold two farms, but he preferred the safety of banks for most of his money. By 1893 he had over \$4,300 in liquid assets, in banks in Ontario and New York, and in the Post Office Savings Bank.¹⁰

In 1893 Bissell began to look for new opportunities for his energy and capital. By August he had reached a decision. He expressed his intention to engage in the pork-packing business to his employer, J.S. Corbin:

Mentioned that I would engage in meat business this Winter if I remained here, but would not let it interfere with my time in his employ. He said all right.¹¹

Bissell restricted himself largely to administrative matters with this venture, leaving the physical work to others. The principal employee was a relative, Ezra Bissell. The products were sausage, preserved pork and hams. Bissell's notebooks contain a number of recipes for brines and preserving solutions that he collected on his travels. He regarded the pork packing business as only a short term venture. After

only a single season he closed the business down, content to pocket his net profit of \$266 after selling off the equipment.¹² Bissell was also a bee keeper, selling honey for a small additional income.¹³

The event which began the transformation of T.E. Bissell from a successful salesman to a manufacturer took place in late 1893. J.S. Corbin sold his firm to the Massey-Harris Company of Toronto.¹⁴ The Corbin firm's major product was a disk harrow, a good model of which was desired by the Massey-Harris Company to fill out its lines of farm implements, which were weak in tillage equipment. The sale seems to have been concluded hastily: perhaps Corbin was given an offer that exceeded the potential profits of continued ownership. In any case, there is no indication that Bissell expected the sale. His notes from the summer of 1893 suggest that he intended to remain in the employ of J.S. Corbin for a number of years.

T.E. Bissell's decision to undertake the design and manufacture of disk harrows was made sometime between September and December of 1893. An entry in his personal accounts for Dec. 23, 1893 is the earliest evidence of his plans: "Iron for Harrow 65c Rivets 4c."¹⁵ It was an opportune time for Bissell to begin his own manufacturing business. At 28, he was developing a mature business judgment; he had accumulated several thousand dollars of capital; and he had an intimate knowledge of the farm

implement industry and market in Ontario.

The early months of 1894 were busy ones for Bissell. In addition to supervising his pork packing business and designing his own model of disk harrow, he continued in the employ of the Corbin firm under its new ownership. He held this position, in fact, until one week before he began selling his own disk harrows in July of 1894. The actions of both Bissell and J.S. Corbin in these months are cause for reflection upon attitudes regarding corporate loyalty in the 1890's. Bissell's version of the disk harrow incorporated many features of the Corbin machine, which was now the property of Massey-Harris. While travelling during the early months of 1894 he had every opportunity to convert Corbin/Massey-Harris dealerships to Bissell dealerships. J.S. Corbin may have sold his factory, but his loyalty remained his own. He gave every possible encouragement to Bissell in his venture, including technical advice on design features.

Bissell began to make plans for an organized company long before he had completed the design work on his disk harrow. On Jan. 12, 1894 he made tentative plans to form a limited stock company with two partners:

John Carruthers and N. Willard each agreed to put in \$500.00 and I volunteered \$4,000. to form a Ltd. partnership for Mfgr. of Disk Harrows, here. If arrangements cannot be made at once, to wait till June 1894. I to have a salary of \$1,000 per ann. and gains and loss shared equally. 16

This scheme was abortive, but on July 12, 1894 there was an attempt to organize a larger venture:

Met N. Willard, H. Willard, Jos. Steel, John Carruthers in O'Reilly's Office this A.M. with reference to forming Co. for Mfgr. of Disk Harrows, etc. They agreed to furnish \$6,000 I to put in \$4,000. for a \$10,000 capital, and gave good encouragement. Are to meet again soon as I return from West Ont. and arrange to organize.¹⁷

By this time the Bissell disk harrow was already in production. The day previous to this business meeting, Bissell had returned from his first sales trip on his own account with orders for fourteen implements.¹⁸

The trip to western Ontario, mentioned in the memorandum of July 12, produced orders for implements to be shipped to Springfield, Port Rowan, Norwich, Woodstock, Glencoe, Alvinston, Thamesville, and Stoney Point.¹⁹ It was territory that Bissell had frequently covered while in the employ of J.S. Corbin. It was also a brazen attempt, for a firm as small as Bissell's was at its beginning, to define a market area far beyond the local hinterland. A manufacturer lacking Bissell's sales experience and contacts would not have dared to attempt to sell on a provincial scale at the commencement of business. In the summer of 1894 the company was entirely an assembly operation, purchasing components from other manufacturers. There were not even any full time employees. Bissell hired three to five men on a casual basis, assembling implements only when orders for them had been procured.²⁰

The second plan to organize a limited stock company, like the first, did not come to fruition. This was not a setback for Bissell. He was not in immediate need of outside capital, and was in a position to be selective concerning partnerships and shared ownership. Through the fall of 1894 he was able to sell 80 implements. In September of 1894 he rented part of a barn, conveniently located at the Prescott C.P.R. station, for the storage of components and finished implements.²¹ By late 1894 Bissell's investment in the disk harrow business was about \$3,200. He still had not used all his savings, and the business was already producing considerable cash flow.²² In these months Bissell paid himself a small salary that barely covered his miniscule personal expenses. His largest expenditure by far was his monthly boarding house bill of six dollars.²³ All profit remained in the business to increase the working capital.

Although he was producing and selling his own brand of disk harrow, Bissell was not certain that this would remain the policy of his company. In late 1894 he entertained a proposal to market, and possibly to assemble, implements produced by an American manufacturer, either in addition to or instead of his own model.²⁴ He made the following notation in his diary:

Met O.J. Childs of Utica N.Y., who is traveling for Standard Harrow Coy. and wants to introduce the "Standard" in Canada. Talked of managing it through myself at Brockville, or Prescott. They are also looking up the Disk & Tooth steel trade

and intend Mfg. for the Harrow trade.

I asked them for quotns. on Float Harrs. f.o.b. Prescott or Toronto in bond, and I to have whole Dominion. Gave them references.²⁵

It is clear that T.E. Bissell, at this early stage in the life of his company, did not have strong preconceptions of the nature of his business future.

From his experience as Corbin's salesman, T.E. Bissell was familiar with conducting business across the international border. Components of his first disk harrows were partially manufactured in the United States by George Thomson, operator of a machine shop in Gouverneur, New York.²⁶ It appears that Thomson, like Bissell, was formerly associated with the Corbin firm. The arrangement with Bissell was the most economical use of the assets of both men: the benefits obviously outweighed the tariff costs.

Already Bissell was showing one of his consistent business traits: he was reluctant to rent, purchase or invest in major manufacturing facilities when it was possible to make do with less. An early consequence was that he operated from scattered locations for the first few years. The Prescott factory was in quarters he rented for five dollars per month. Not surprisingly, he was soon out of room. When he sought a location for expansion, he felt no geographical constraints on his choice. A more timid manufacturer might have sought a larger building in Prescott, or move the whole operation to a new location. What Bissell

settled upon was a branch system. For his new location he chose Preston, a factory town near the centre of the southwestern Ontario farming district. Although there were transportation advantages in being located in this area, rental costs and the suitability of the quarters were the factors in determining the specific location. Bissell began operations in the Preston facility in mid-1895.²⁷ The Prescott location remained in business doing some assembly work, and it would do so for another six years.²⁸

The Preston location was the principal location for manufacturing operations for two years. It was there that he expanded his product line to include a steel land roller.²⁹ The Bissell firm was still a miniscule operation in terms of the farm implement industry, but sales volumes were expanding rapidly each year, and were helped considerably by the recovery of the Canadian economy after 1896. By late that year Bissell was employing a dozen men.³⁰

While in Preston, Bissell acquired several new assets, not all of a monetary nature. The first was Frederick G. Hunt, a machinist who would soon become superintendent of the plant.³¹ The second was a wife. In 1898 T.E. Bissell married Emma Miller, the daughter of D.B. Miller, a man of some prominence in Preston's social and financial circles.

More important for the firm itself was the beginning of an association with Robert Ewing, an American salesman who soon took over most of the travelling in connection with

sales, promotion and marketing. Beginning in January, 1897, Ewing became a partner in the company.³² It appears that Bissell and Ewing had known each other for some time: Bissell's notebook bears an entry reading "Robert Ewing, Chicago Lawn, Ill.," made sometime in 1893.³³ Ewing brought with him not only contacts in the implement industry and skills as a salesman, but also some additional capital.³⁴ The requirements of working capital were beginning to exceed the capacity of the firm to generate them internally.

By 1897 business was increasing to such an extent that additional or new quarters were again required. This time Bissell again looked about to other towns, and soon located suitable space in Fergus, a village of about 1,400 some fifteen miles north of Guelph, in the building housing the Beatty Brothers Manufacturing Company. The Beatty firm, which was also a farm implement producer, had a rather large and underutilized stone factory, part of it three storeys in height, and excellent power generating facilities.³⁵ The Beatty firm itself had fallen on hard times. In 1895 the Imperial Bank had forced a bankruptcy which created much ill will in the community.³⁶ A new firm was eventually organized by Martha Beatty, wife of George Beatty, a former president. Production resumed with a line of barn and stable equipment. The ploughs, reapers and binders formerly produced by the company were abandoned.³⁷

The reorganized Beatty firm remained in a precarious

financial position, due to the absence of working capital and a poor credit reputation. Nevertheless, T.E. Bissell was able to see good prospects in the situation, and the ensuing association of the two firms, which saw them share the building, its facilities, and some manufacturing operations for four years, was greatly beneficial to both.

The two companies acted as suppliers of components to one another. Beatty employees did much of the machine shop work, while Bissell workers concentrated on the heavy metal working. For the first time, Bissell was in a position to operate a foundry department. The volume of castings required for his own products only would not have justified this part of the operation. In addition, Bissell found that it was economically feasible to install some new heavy equipment, such as a trip hammer and a sheering machine.³⁸ Individual employees frequently worked for both firms: they were continually billing one another for labour.³⁹ Even though most of Bissell's fabrication was now done at Fergus, the Prescott location remained as an assembly and distribution point. Its days, though, were numbered, as the firm began to achieve the cost efficiencies of a single integrated manufacturing facility.

The Fergus operation lasted for only four years, but the growth experienced during these four years was sufficient to establish the Bissell firm as a solid and viable manufacturing concern. Sales increased from \$12,943 in 1897 to \$23,394 in 1899.⁴⁰ Both profit and profitability

TABLE 1

T. E. BISSELL COMPANY
STATEMENT OF PROFIT AND LOSS
YEAR ENDING NOV.30, 1897

Sale of Implements		\$12,943
Less: Cost of Goods Sold		<u>8,738</u>
Gross Margin		\$ 4,205
Expenses:		
Travel	\$850	
Printing and Advertising	109	
Office Expense	343	
Salaries: Bissell	\$800	
Ewing	<u>733</u>	1,533
Misc.	<u>94</u>	<u>2,929</u>
Net Profit		\$1,276
Bissell's Share	\$1,038	
Ewing's Share	\$238	

Gross Profit Ratio: 32.4%

Operating Ratio: 9.9%

Return on Capital: 11.2%

Source: Ledgers, 1897-1899
Bissell Papers

TABLE 2
 T. E. BISSELL COMPANY
 STATEMENT OF ASSETS AND LIABILITIES
 NOV. 18, 1897

Assets:	Bills Receivable	\$6,566
	Accounts Receivable	1,238
	Cash	1,063
	Inventory:	
	Implements, Parts	\$2,134
	Foundry	65 2,199
	Tools and Machinery	274
	Office Fixtures	72
		<u> </u>
		\$11,412
Liabilities:	Accounts Payable	\$ 300
	Robert Ewing, Equity	2,300
	T.E. Bissell, Equity	8,812
		<u> </u>
		\$11,412

Source: Ledgers, 1897-1899
 Bissell Papers

increased as well. Profits rose from \$1,346 in 1897 to \$3,713 in 1899. The latter represents an operating ratio of 15.9%, and a return of 23% on the \$16,035 invested in the company by Bissell and Ewing.⁴¹ (See Tables 1 and 2)

With the steady increase in business, the Fergus facilities were becoming cramped by 1900. The situation was further aggravated by the expansion of the Beatty Brothers Company, which was rapidly reaching a point where it could utilize the whole factory for its own purposes. T.E. Bissell again began scouting for new quarters, large in floor area but inexpensive in cost. He soon decided upon the empty carpet factory building in Elora which, with a few additions and alterations, could accommodate his growing business for some years into the foreseeable future. The price seemed too good to be true: in return for maintaining a minimum payroll, it was free, and it came with a \$5,000 interest-free loan from the village of Elora.

REFERENCES FOR CHAPTER III

- ¹Census of Canada, 1881.
- ²W.H. Leavitt, History of Leeds and Grenville (Belleville, 1862), p. 28.
- ³Ruth McKenzie, Leeds and Grenville (Toronto, 1967), p. 99.
- ⁴Ibid., p. 197.
- ⁵T.E. Bissell obituary, Elora Express, Dec. 9, 1931.
- ⁶The early account books of the T.E. Bissell Company were set up according to standard accounting practices of the time, and were kept in Bissell's own neat hand until 1904.
- ⁷Diary Notebook No. 1, entry for Oct. 13, 1893, Bissell Papers.
- ⁸Bissell's personal notebooks, which exist for 1892 and 1893, contain the names of dozens of potential and prospective dealers.
- ⁹These personal qualities were stressed in the obituaries of Bissell, published in December, 1931. Although the evidence is selective and impressionistic, all persons interviewed by the writer emphasised the personal magnetism of T.E. Bissell.
- ¹⁰T.E. Bissell, Account Book, 1893-1894, Bissell Papers.
- ¹¹T.E. Bissell, Diary Notebook No. 1, Aug. 18, 1893, Bissell Papers.
- ¹²T.E. Bissell, Account Book, 1893-1894, Bissell Papers.
- ¹³T.E. Bissell, Diary Notebooks. There are entries for the sale of honey on Aug. 1, 1893 and for the purchase of queen bees on Sept. 27, 1893.
- ¹⁴E.P. Neufeld, A Global Corporation (Toronto, 1969), p. 108.
- ¹⁵Diary Notebook No. 1, op. cit.

¹⁶Diary Notebook No. 1, op. cit., memo. dated Jan. 12, 1894.

¹⁷Diary Notebook No. 1, op. cit., memo. dated July 12, 1894.

¹⁸T.E. Bissell, Sales Book, 1894-1895, Bissell Papers.

¹⁹Ibid.

²⁰T.E. Bissell, Account Book, 1893-1894, op. cit.

²¹Diary Notebook No. 2, op. cit., entry dated Sept. 28, 1894. The rent was \$1 per month.

²²Bissell priced his disk harrow at \$16 retail. The 1894 sales of 80 units produced a gross revenue of \$1,280. An estimate of unit costs, which included all components but excluded labour, selling expenses and dealer commission, was \$6.24. This estimate appears in his notebook dated Apr. 4, 1894. It is plain that Bissell was able to operate the business easily using only his own capital. The inclusion of others in the venture offered a greater pool of working capital, but this was not needed by Bissell in the first year.

²³Diary Notebooks, No. 1 and 2, op. cit.

²⁴Although tariffs did not prevent Bissell from importing parts and components from the United States, the tariff question may have been a factor in his eventual rejection of this proposal from the Standard Harrow Co. Bissell made no comments on tariff policies in his notebooks. Tariffs and implement manufacturers are dealt with in W.G. Phillips, The Agricultural Implement Industry in Canada (Toronto, 1956). Small implement manufacturers such as Bissell tended to favour low tariffs, which improved their access to parts and materials. See Tom Naylor, History of Canadian Business, II (Toronto, 1975), p. 204.

²⁵Diary Notebook No. 2, op. cit.

²⁶T.E. Bissell, Journal, 1895-1897, Bissell Papers.

²⁷Ibid., p. 19.

²⁸Invoice, c. 1900, Bissell Papers. It appears that the Prescott facility was closed down when the firm moved to the Elora location in 1901.

²⁹Fergus News Record, Dec. 10, 1931.

³⁰T.E. Bissell, Ledger, 1897-1899, Labour and Merchandise Accounts, Bissell Papers.

³¹Elora Express, Mar. 4, 1925.

³²T.E. Bissell, Ledger, 1897-1899, op. cit.

³³Diary Notebook No. 1, op. cit.

³⁴Robert Ewing injected \$2,000 of capital into the firm in 1897. Ledger, 1897-1899, op. cit.

³⁵Fergus News Record, Feb. 10, 1898.

³⁶The failure of the Beatty firm was interpreted locally as an attack by the bank on the community. See Fergus News Record, Mar. 20, 1895.

³⁷R.G. Dun and Co. credit reports, dated Oct. 1896 and May 1897, in credit files, Bissell Papers.

³⁸Fergus News Record, Feb. 10, 1898.

³⁹T.E. Bissell, Ledger, 1897-1899; Foundry Book, 1897, Bissell Papers. The R.G. Dun report of May 1, 1897 gives pessimistic picture of the prospects of the Beatty firm: "...it is difficult to say if they are materially improving their position. Their trade is quite moderate, principally repairing, and the management of the firm are not regarded with much favor." On the basis of this report, it would seem that the Bissell firm was the stronger of the two companies in 1897.

⁴⁰T.E. Bissell, Ledger, 1897-1899. No figures are available for the last two years of the Fergus operation.

⁴¹These percentages were calculated from figures in the 1897-1899 ledger.

CHAPTER IV

FINANCE, CAPITAL STRUCTURE AND MANAGEMENT: 1901-1928

The task of converting a carpet factory and woollens mill into a foundry and assembly plant involved some major structural alterations. Bissell lost no time in making a start. By the time the Village of Elora had officially passed the \$5,000 bonus and the transfer of the property on Aug. 26, 1901, the work was already under way.¹ Bissell's own employees provided most of the labour. The timing of the move suited Bissell's production schedule perfectly. August and September were slow months for his business, and the alteration work avoided the necessity of seasonal layoffs.

The main building in the complex was a 4½ storey structure. Attached to it were four additions, varying from one to 2½ storeys in height. Most of the complex dated from 1873 and 1874 and the establishment of the original Elora Manufacturing Company, but portions of some buildings dated back to 1852, when a steam flour mill and distillery were built on the site. This mill had suffered through two fires and various rebuilding projects. The limestone that formed the outer and supporting walls was well suited to this type of recycling, and the technique was

perpetuated by Bissell. There was ample room on the property for future expansion. The lot measured just under six acres in size.²

Bissell began the alterations by removing the first floor in the main building and by lowering the second by ten feet, to provide overhead clearance for the machine shop and woodworking departments that would occupy these floors.³ The foundry operations were placed in the smaller buildings on the west side of the main structure. These were formerly the dyeing and drying rooms in the carpet operation; they provided good ventilation and isolation from the other operations for fire safety.⁴ The main change here was the addition of a cupola to provide metal for the iron castings required by the firm. All the changes were completed within eight weeks, allowing Bissell to commence production in the new location by Nov. 1, 1901.⁵ The factory certainly did not represent the state-of-the-art in manufacturing efficiency, but this was more than offset by the small amount of capital expenditure involved.

Occupancy of the new facility involved more than the renovations. Securing clear title to the property was not a simple matter. The first mortgage held by the village, which was the basis of the transfer of title to Bissell, covered the land, water rights, and the buildings of 1873-1874. The checkered corporate history of the carpet factory provided the basis for claims on parts of the property by

a number of parties. The situation was a lawyer's delight and litigation was not long in coming. The strongest claim was that of the Ontario Worsted Company which, though no longer a manufacturer, still existed as a legal entity. This firm had made a number of alterations, installed a new heating system, improved the water power facilities and added an electric generating and lighting system.⁶ These were amenities which were useful to Bissell, and it is likely that he had expected from the beginning to make a financial settlement for them. In any case, an agreement was soon reached. On Oct. 17, 1901 Bissell made a payment of \$2,000 for them.⁷ This amount was easily met from the proceeds of the \$5,000 loan Bissell received from the village. The disputed ownership claims were salt in old wounds to Elora's pride. There was considerable resentment at the prospect of part of the loan being used to make a payment to the previous owners, and the matter received a thorough airing in the local paper. The other claims on the property were much weaker. The last, an action by the Merchants Bank to recover part of their loss from the 1877 foreclosure on the Elora Manufacturing Company, was dropped in December, 1902, with the only cost to Bissell being his own legal expenses.⁸

The financial results of the first year in the new location were impressive. The output of the factory

approached \$50,000 in value, and the payroll exceeded \$6,000 for the twenty men employed. These were increases of about 400% since Bissell had moved his factory to Fergus in 1897.⁹

The increase in business was beginning to place severe strains on the financial resources of T.E. Bissell and his policy of relying on self-generated capital for his requirements. The new capital supplied by Robert Ewing financed the firm through the late 1890's, and as late as 1899 the firm had surplus funds invested in term instruments in the Merchants Bank.¹⁰ By 1903 Bissell was a borrowing customer. The firm was beginning to experience the major fluctuations in cash requirements that would characterize its operations in later years. Bissell finished the 1902-1903 business year with outstanding loans of \$2,325, but the amount expended in interest and discounts for the year indicates average advances in excess of \$10,000.¹¹

By comparison, the \$5,000 loan from the village did not form a large part of the working capital of the company--only about 10% of it. The loan was not vital to the existence of the company, and Bissell could easily have tapped other sources such as larger operating loans or term borrowings to supply these funds. The benefits of the interest-free aspect of the loan were almost incidental. The firm earned a net profit of \$5,247 in 1903; interest payments on the \$5,000 loan would have reduced this by \$250

or \$300. Rather, the remission of interest charges was more in the order of a demonstration of faith and confidence in the firm by the village.¹²

From Bissell's point of view, a loan from the municipality was preferable to one through a financial intermediary. Although he had been dealing with the Merchants Bank since at least 1892, Bissell was not comfortable with obligations to the bank, and he took every measure possible to reduce them.¹³ The rapid build-up of self-generated capital was the most successful of these measures. In most years he drew only about half his salary from the business, and none of the profits.¹⁴ A similar policy was pursued by Robert Ewing, although to a lesser extent. In truth, his own business offered the best return on investment available to Bissell. The net return on his equity was 14.5% in 1903, and 12% in 1907.¹⁵ The policy of reinvestment increased Bissell's personal net worth in the firm from \$8,800 in 1897 to \$60,700 in 1907.¹⁶

T.E. Bissell was even reluctant to withdraw money from the business to buy a house. In September of 1901 he purchased Maple Villa, a large but tastefully designed late Victorian residence in Elora built in 1896. Bissell paid \$600 down; the balance was through a \$700 mortgage to his father-in-law, D.B. Miller.¹⁷

The system of financing implement purchases by farmers was the cause of the immense requirements for working capital

by the Bissell firm. The period of heaviest production of implements began in November of each year, and continued until March. During this time, there were large cash requirements for labour, materials and fuel. Implements were shipped in large quantities to dealers beginning in mid-winter. Most farmers purchased their disk harrows in the spring, for use in putting in the current year's crop, and paid for them with promissory notes due after the crop was harvested. The T.E. Bissell firm carried these debts in two forms. The accounts of some dealers were carried on the books as accounts receivable. In other cases, ownership of the dealers' stocks remained with Bissell, and the promissory notes of the farmers themselves were accepted by the Bissell firm and carried as bills receivable. The latter were often offered to the bank as security on loans made to the Bissell firm.

It was possible for more than a year to elapse before Bissell received payment for an implement, although on average the interval was less. Outstanding operating loans, in most years, were at their highest levels between May and September, with the maximums toward the end of this period. Not all purchases, of course, fell into this pattern. There were sales throughout the year with a small peak in late summer and early fall. There were also cash sales. Nevertheless, in the years before 1915 the maximum loan levels were normally about 40% of the annual sales totals. In 1907,

TABLE 3

T. E. BISSELL COMPANY
STATEMENT OF PROFIT AND LOSS
YEAR ENDING NOV. 30, 1907

Sale of Implements		\$62,592
Less: Cost of Goods Sold		<u>45,599</u>
Gross Margin		\$16,993
Expenses:		
Travel	\$2,634	
Printing and Advertising	1,664	
Office Expenses	850	
Salaries: Bissell	\$1,200	
Ewing	<u>640</u>	1,840
Misc.	1,100	
Interest	<u>850</u>	<u>8,938</u>
Net Profit		\$8,055
Bissell's Share	\$7,374	
Ewing's Share	\$681	

Gross Profit Ratio: 27%

Operating Ratio: 12.9%

Return on Capital: 11.9% Source: Ledgers, 1903-1908
Bissell Papers

TABLE 4
 T. E. BISSELL COMPANY
 STATEMENT OF ASSETS AND LIABILITIES
 NOV. 23, 1907

Assets:	Bills Receivable	\$47,755
	Accounts Receivable	8,062
	Cash	592
	Inventory:	
	Implements, parts	\$12,033
	Foundry	<u>2,224</u> 14,257
	Tools and Machinery	5,038
	Office Fixtures	450
	Real Estate	<u>5,956</u>
		\$82,110
Liabilities:	Accounts Payable	\$ 1,869
	Bank Loans	13,100
	Robert Ewing, Equity	6,419
	T.E. Bissell, Equity	<u>60,722^a</u>
		\$82,110

^aSubject to \$2,000 outstanding of the \$5,000 loan from the Village of Elora, which was payable by T.E. Bissell personally.

Source: Ledgers, 1903-1908
 Bissell Papers

FIGURE 1
T. E. BISSELL
EQUITY AND NET PROFIT, 1897-1907

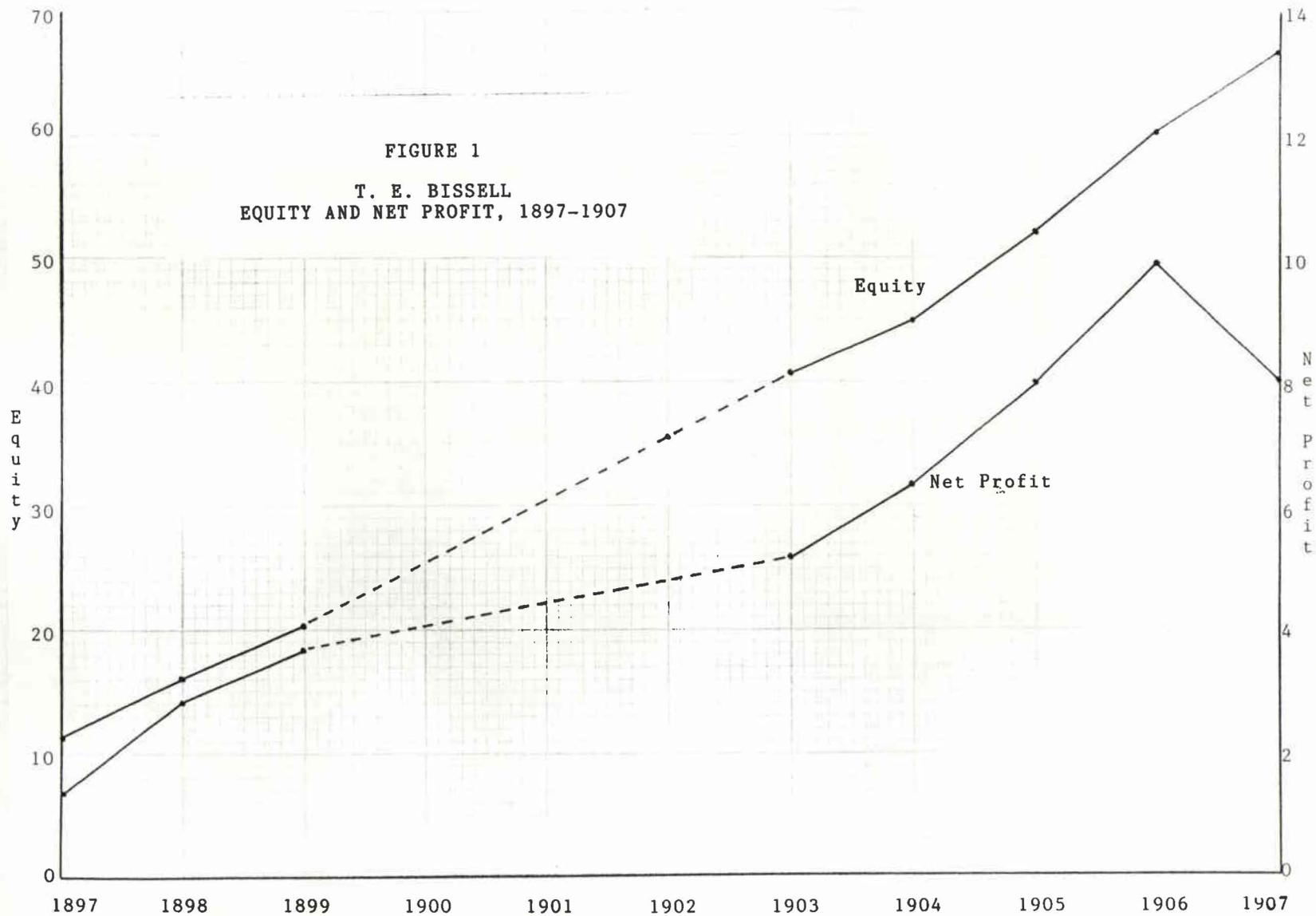
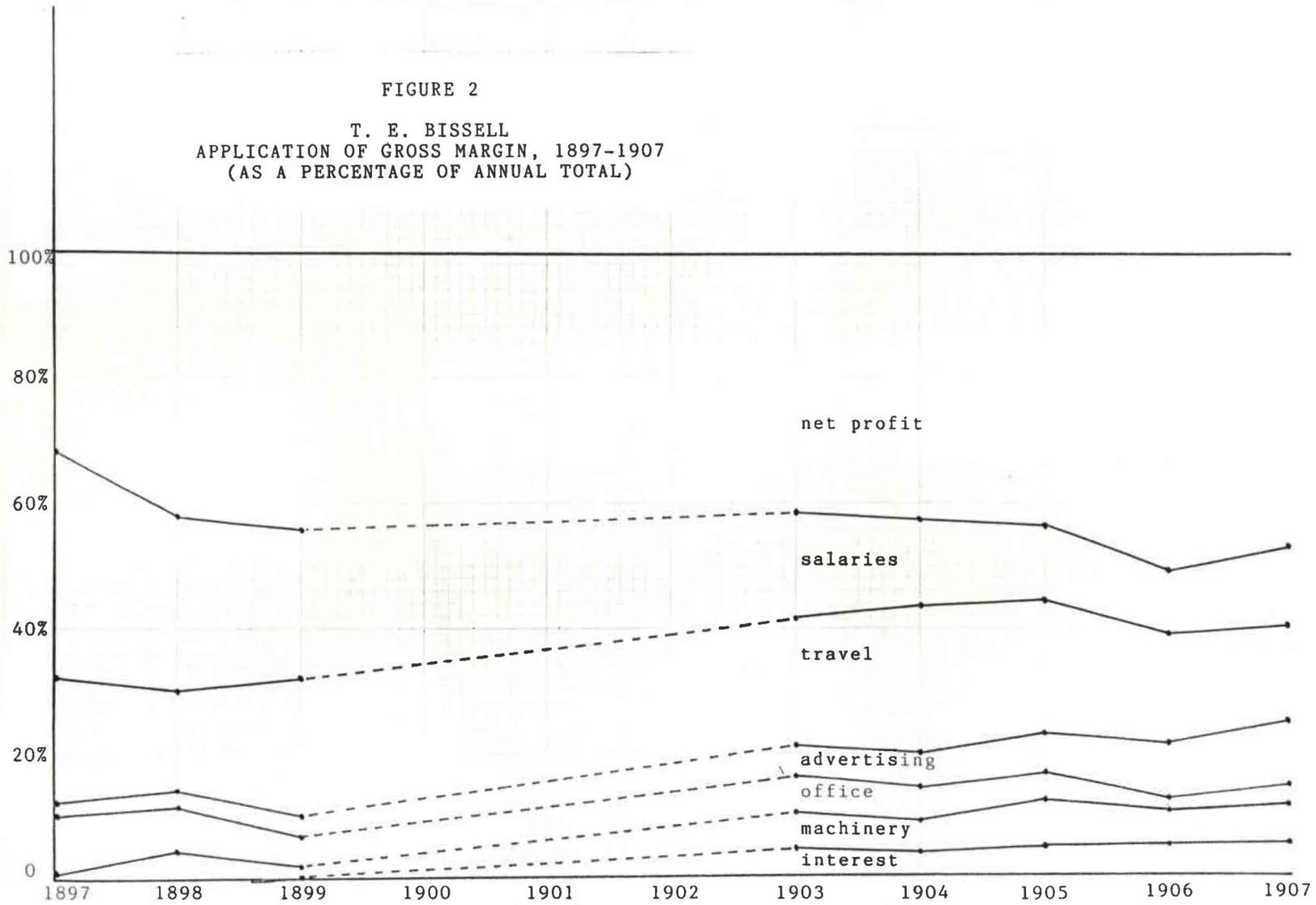


FIGURE 2
 T. E. BISSELL
 APPLICATION OF GROSS MARGIN, 1897-1907
 (AS A PERCENTAGE OF ANNUAL TOTAL)



for example, total sales were \$62,600; outstanding operating loans in June of that year were \$24,300.¹⁹

With time, the overall trend was a reduction in the dependence of the firm on the Merchants Bank for operating capital. Before 1915, a significant portion of the retained earnings of the firm were applied to new capital expenditure and equipment. The first addition to the plant was made in 1905, when a 30 foot by 40 foot extension was made to the moulding and blacksmith shop.²⁰ An addition or remodelling of some sort was undertaken in most years after this time, but none were of a major nature.

By 1908 the business had reached the point at which T.E. Bissell considered incorporation a desirable step. The change in corporate structure had a minimal effect upon the day to day management of the business, and it continued to be operated very much like a sole proprietorship under Bissell's close personal supervision. It is probable that Bissell took the step of incorporation in order to avoid unnecessary risks to his personal assets.

Incorporation made necessary a revaluation of the firm's assets, and this was done as of June 1, 1908. The accounting methods used by the firm during the period of partnership between Bissell and Ewing had been simple and conservative. For example, the real estate had been valued at only \$5,956, composed of an initial figure of \$5,000 plus \$956 in improvements. The new, more realistic value was

TABLE 5
 T. E. BISSELL COMPANY
 FLUCTUATIONS IN BANK LOANS AND BILLS RECEIVABLE
 DEC., 1906 - JAN., 1908
 (at the 1st. of each month)

Date	Bank Loans	Bills Receivable
Dec. 1, 1906	\$ 4,400	\$31,952
Jan. 1, 1907	7,800	27,010
Feb. 1	9,800	23,663
Mar. 1	13,800	26,205
Apr. 1	16,300	24,746
May 1	23,800	33,302
June 1	24,300	34,991
July 1	21,800	45,709
Aug. 1	21,100	44,882
Sept. 1	21,400	52,821
Oct. 1	20,800	55,960
Nov. 1	16,200	49,441
Dec. 1	13,100	49,021
Jan. 1, 1908	6,800	36,410

Source: Ledgers, 1903-1908
 Bissell Papers

\$16,600.²¹ Altogether, the new book values for the firm's assets raised the equity of Bissell and Ewing, who became the principal shareholders, to \$82,200.

The new firm was incorporated as the T.E. Bissell Company Limited, and the capital consisted of 820 shares of \$100 par value each. Initially, T.E. Bissell held 738 of these shares and Robert Ewing held 60. Fred Hunt, the shop superintendent, invested his savings in the purchase of 20 shares. Single shares went to Emma Bissell and to D.B. Miller, Bissell's father-in-law.²² There is no evidence that T.E. Bissell considered, at this time or at any other time, offering shares in the firm to local investors and residents. After incorporation, the company declared an annual dividend, but for several years T.E. Bissell continued his old policy of not drawing any profit from the firm, and his undrawn dividends served to augment the working capital of the firm.

In 1909 Bissell deviated from his normal method of adding small extensions to the plant. This was a point in T.E. Bissell's career where he had reassessed his course, and had decided upon a stronger commitment to his own business and to Elora. Late in 1908 he had received a lucrative offer to sell out his business and close down the Elora factory, which he had turned down after a lengthy consideration.²³ In 1909-1910 he commenced a series of capital expenditures with a new dam across the Grand River. This was a costly

project, but it had a palpable effect upon the morale of the workers, and it captured the imagination of the village.²⁴ The untapped power potential of the Grand River had been something of a fetish among Elora's industrial boosters for generations. The following summer Bissell proceeded with the construction of two additional buildings and the refurbishing of a third. The latter structure was a malting house adjoining the factory. It had been built in the early 1870's, and had been one of Elora's minor industries until the McKinley tariffs closed the export market for Canadian malt in the 1890's. Bissell had purchased the property in 1904 at the bargain price of \$200, for the storage of bulky inventory.²⁵ The large floor area, the high vaulted roof and the ventilation system made the building an obvious location for the foundry department.

The new buildings of 1910 were constructed so that the firm might take advantage of a railway siding being planned by the Canadian Pacific Railway.²⁶ The new construction involved the closing of two streets, and the integration of the old malt house into a contiguous complex with the existing buildings. As a result of this work, the T.E. Bissell Company possessed, for the first time in its history, considerable excess manufacturing capacity.

In November of 1910 T.E. Bissell appeared before the village council to ask for a fixed assessment on the factory. Approval seemed a mere formality--all the other manufacturers

in Elora already had fixed assessments,²⁷ and Bissell himself had received a tax exemption for ten years when he came to Elora. To the surprise of many, the request raised a fury among a number of taxpayers, and the matter became the central issue in the municipal elections the following month. The argument raised against the fixed assessment was that the Bissell firm was prosperous and expanding, and therefore did not require any further municipal assistance.

The plebiscite on the Bissell fixed assessment was approved with 130 votes, against 64 opposed.²⁸ However, 177 votes were needed to achieve the required two-thirds majority, and the aid had to be refused.²⁹ The following April, Bissell again appeared before council, and within a few weeks a new bonus bylaw was drafted, virtually identical to the previous one, and a new plebiscite was scheduled for late May.³⁰ From a strictly financial and logical point of view, the matter was trivial. The bylaw proposed to set Bissell's assessment at \$5,000 for ten years. This was a reduction of about \$5,000 from the full assessed value of the factory. Further, the full assessment was to be used for the calculation of school taxes. At most, the saving to the Bissell Company would be \$65 a year.³¹

The real issue was one of principle rather than money. The pro-Bissell forces of the community were mobilized by Henry Clarke, the former reeve, who was now the clerk-treasurer of Elora.³² The argument used by Clarke and the other supporters was rather illogical: the cost of the fixed

assessment to the village would be almost nothing, but if the benefit were to be denied to Bissell, the firm would likely move elsewhere. When the votes were counted, the rate-payers had reversed themselves. There were 211 in favour and only 11 opposed, and the turnout had been 77%.³³ The Bissell Company had secured its fixed assessment for ten years, but never again would Bissell approach the village for assistance.

The impact of the factory on the local economy far eclipsed any possible tax concessions. New sales records were recorded in 1911 and 1912. The volume was approaching \$100,000 per year, and over \$20,000 was being paid out annually in wages.³⁴ Dividends of 6% were being declared each year, and there was a special dividend of 20% in paid up stock in 1912.³⁵ The net earnings of the firm were much in excess of the declared dividends, providing a growing balance in the surplus account and the major source of new working capital. By 1919, the accumulated surplus stood at \$127,600, or \$25,000 more than the value of the paid up stock.³⁶

Following the additions to the plant in 1909-1910, the company concentrated its efforts on distribution and marketing. The excess capacity of the factory permitted the firm to supply its market easily and quickly in boom years, and the large financial surplus was protection against cyclical downturns in the market. T.E. Bissell was

fully aware of the volatile and cyclical nature of the farm implement business. In the early years of the firm the roller-coaster nature of the business had not been a major problem. Production could be matched closely to sales; in fact, for the first few years, implements were assembled only after they had been ordered. As the firm grew, Bissell had to anticipate the market up to one year in advance, and there always loomed the nightmare potential of large unused inventories of parts, unsold implements, and weekly payrolls to be met.

It has long been a commonplace that bankers are least accommodating when funds are most needed. Noxon Brothers, a farm implement firm in Ingersoll, were forced into a reorganization in 1902 when the Merchants Bank refused additional extensions of credit.³⁷ T.E. Bissell employed the surplus capital in his firm to avoid such entanglements. He never borrowed for capital projects. Beginning in 1912, the Bissell Company was debt-free for at least one month per year, and frequently for longer periods. This situation presented a new problem: the short-term employment of surplus cash. The highest cash reserves occurred between November and April. Bissell used this situation to advantage by ordering raw materials early, selecting them carefully and competitively, purchasing in large quantities, and paying cash. This ability to carry large inventories of raw materials and parts without interest costs was particularly beneficial

to the firm during the war years, when high prices and temporary shortages prevailed.³⁸ In 1916 Bissell anticipated major increases in the price of steel, and built up large inventories. Shortly afterwards the prices rose by 40% to 50%.³⁹

In the years after 1910 the T.E. Bissell Company quickly became a major supplier of disk harrows to the whole Canadian market. Sales were particularly strong in the Canadian West. Total sales dipped between 1913 and 1915, but the effect on the firm's financial position was slight. The following years produced a boom: sales doubled in 1916 to \$127,800, and jumped again to \$198,500 in 1917 and \$303,000 in 1918.⁴⁰

The profitability of the company matched the increase in sales, and it became increasingly obvious that the firm would soon be self-sufficient financially. The maximum level of the operating loan in 1918 was \$64,000, or 21% of the year's sales, and the average advances for that year were only \$27,000.⁴¹

Despite the large reserves of the firm, no plans were made in these years for a new plant or even for a modernization program. Bissell himself could not deny that the factory was a make-do facility at best, composed of old recycled buildings and various extensions and lean-tos. The lack of a railway siding was the most obvious of the inefficiencies. Two trucks and their associated crews were employed in moving

TABLE 6

T. E. BISSELL COMPANY LIMITED
 OPERATING LOANS, 1911 - 1918
 AS AT 15TH OF EACH MONTH

(thousands of dollars)

year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
1911	9.7	19.3	26.4	31.4	33.9	31.5	32.8	34.0	35.2	28.1	2.0	4.0	24.0
1912	13.0	23.5	32.5	38.5	43.0	43.0	48.0	47.5	50.1	46.5	7.0	-	32.7
1913	-	5.0	15.0	24.0	32.0	35.0	37.0	41.0	46.0	34.5	-	-	22.5
1914	-	-	7.0	16.5	21.0	26.0	28.0	31.5	33.0	33.0	-	-	16.3
1915	2.0	8.5	13.0	15.5	8.0	10.0	10.0	8.5	10.5	13.5	-	-	8.3
1916	-	2.0	9.5	15.5	17.5	21.0	24.5	29.0	40.0	45.5	-	-	17.0
1917	-	1.0	3.0	-	18.0	31.5	59.0	77.0	84.0	84.0	18.5	18.5	32.9
1918	13.0	10.5	2.5	10.0	18.0	25.5	47.5	58.5	64.0	62.0	-	-	26.0

Source: Bissell Papers

finished implements to the railway station and in bringing raw materials and coal back to the factory.⁴²

Rather than invest in new capital projects, T.E. Bissell insisted that a large amount of liquid capital was necessary to the continued viability of the company.⁴³ To support this policy, Bissell continued to leave his dividends in the company. By 1918 his undrawn dividends exceeded \$15,000, and the matter was a cause of concern to the company's bankers, who feared the effects of a sudden withdrawal of these funds. As a solution T.E. Bissell agreed to take a further 150 shares of company stock in lieu of dividend payments.⁴⁴

In November of 1918, the T.E. Bissell Company was forced into a rebuilding program. Early on the morning of the 19th., fire was discovered on the upper floor of the main building in a storage area. By the time the Elora volunteer fire brigade arrived the whole building was in flames. The books and papers were saved from the office, but the assembly, woodworking, machine shop, painting and boiler room departments were a total loss.⁴⁵ The firm had just completed the busiest year in its history, and prospects for 1918-1919 were even brighter. All departments had been operating at full capacity.

Rumours that Bissell was intending to move the plant to Hamilton had been circulating around the village since the previous May.⁴⁶ The rumour was groundless, but it

may have been a factor in the haste with which the community rallied to offer support and assistance to Bissell and his company. William Snyder, who owned a house across the street from the factory, offered the building for office space. the office staff began working there the afternoon of the fire.⁴⁷ Before the day was over there were offers of free space in an empty textile factory and in a vacant linseed oil mill. Bissell's old allies from the 1890's, the Beatty Brothers firm of Fergus, offered to manufacturer any parts Bissell might require to resume production. Elora furniture maker John C. Mundell offered to loan several electric motors. Finally, the Mundell Company and the Elora White Lime Company promised to hire Bissell's men temporarily until he was back in production.⁴⁸

T.E. Bissell was deeply moved by these sentiments of goodwill and generosity.⁴⁹ Taking advantage of many of the offers of assistance, he was back in production in a number of weeks, using the foundry building (the old malt house) which was relatively untouched by the fire. In January, 1919, the firm leased the Noxon Brothers plant in Ingersoll. This was operated as a branch plant for the assembly of Bissell's lines of land packers and rollers.⁵⁰ The Noxon plant was leased for a period of ten years.⁵¹

Reconstruction work on the burnt-out main building began before the ashes were cold. The company received offers of bonuses from several municipalities to relocate

the factory, but Bissell did not seriously consider any of them.⁵² In early 1919 he decided to retain the Snyder house as the permanent location for the office; he purchased the property for \$1,500.⁵³ The rebuilding of the factory was under the supervision of a Mr Mahoney, a Guelph architect, but the new plant reflected strongly the old Bissell style: it continued the appearance and characteristics of the old one. A good portion of the construction work was completed by March of 1919, less than four months after the fire. The woodworking department was placed in a new two storey frame building at the front of the old main building. The old office became the paint shop. A new building was put up for storage. The new machine shop occupied the site of the old main building, and it utilized portions of the old walls. Mahoney was allowed to make some concessions to modern factory design: most of the new plant was on one floor, and the new machine shop incorporated skylights and provision for a future railway siding. T.E. Bissell's main problem, in the turbulent post-war economy, was securing new machinery.⁵⁴

The T.E. Bissell Company survived the fire without major scars, but the disaster was nevertheless costly. The loss to the buildings was \$22,700, to machinery and tools \$15,000, and to inventory and finished implements \$46,900. The total loss of \$84,600 was covered by insurance for only \$52,600.⁵⁵ The actual cost, in terms of replacement values

and reconstruction, was complicated by the post-war inflation and by shortages of equipment and supplies. The company was unable to fill all the orders it received during 1919.⁵⁶ The origin and cause of the fire were never discovered.⁵⁷

The post-war Bissell Company was a much larger business than it had been in 1914. Production of implements had boomed beginning in 1915. There is no evidence that war contracts played a role in the increase. T.E. Bissell, a partisan Liberal, made a number of outspoken statements in 1915 and 1916 against the Unionist government and its handling of the war effort and war production. It is plausible that this activity might have served to remove his name from lists of preferred contractors.⁵⁸

In any case, by 1919 the firm was Elora's largest employer, with a staff of 73 and two shifts in the plant.⁵⁹ The capital of the firm, in shares and surplus, exceeded \$250,000. (See Tables 7 and 8) The post-war economy presented fresh challenges to the firm. Profit margins were being squeezed by tight competition in the marketplace on one hand, and by cost increases on the other. Although there was no union in the factory, the men made known their problems with the rising cost of living. A major problem in Elora was a housing shortage, something not seen in Elora since the 1870's. This matter was of particular concern to T.E. Bissell, because it threatened the relatively low cost of living in Elora which was one of his competitive

TABLE 7

T. E. BISSELL COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS
YEAR ENDING NOV. 30, 1919

Sale of Implements		\$241,597
Less: Cost of Goods Sold		<u>182,124</u>
Gross Margin from Manufacturing		\$ 59,473
Interest Earned from Investments		<u>1,669</u>
Total Gross Margin		\$ 61,142
Expenses: Travel	\$4,369	
Printing and Advertising	6,213	
Salaries and Office	7,450	
Interest	2,177	
Depreciation	2,438	
Misc.	7,398	
Business Profit Tax	<u>13,356</u>	<u>43,401</u>
Net Profit		\$17,741

Gross Profit Ratio: 24.6%

Operating Ratio: 7.3%

Return on Capital: 7.0%

Source: Directors Minutes,
Dec. 31, 1919
Bissell Papers

TABLE 8

T. E. BISSELL COMPANY LIMITED
STATEMENT OF ASSETS AND LIABILITIES
NOV. 30, 1919

Assets:	Bills Receivable	\$ 10,647
	Accounts receivable	21,359
	Cash	765
	Inventories	131,697
	Tools and Machinery	26,555
	Real Estate	59,029
	Bonds and Debentures	<u>44,191</u>
		\$294,243
Liabilities:	Accounts Payable	\$ 20,675
	Bank Loans	21,600
	Capital Stock	113,300
	Surplus: Nov. 30, 1918:	\$120,927
	Profit to Nov. 30, 1919:	<u>17,741</u> <u>138,668</u>
		\$294,243

Source: Directors Minutes,
Dec. 31, 1919
Bisell Papers

advantages in holding on to his workforce. In 1919 Bissell personally appealed to Elora's investors and contractors to undertake some new residential construction.⁶⁰ The housing shortage persisted until 1921, when both the industrial employment and population in Elora began to decline.⁶¹

As early as 1913 T.E. Bissell began to sense that the Canadian market for disk harrows was becoming saturated and that the future viability of the company would depend upon export sales.⁶² In the spring of 1916 the Bissell Company concluded an agreement with McAdam and Sons of Barker, New York, whereby the latter firm would distribute the Bissell line of disk harrows in the United States, to a maximum of 1,500 implements per year.⁶³ A year later T.E. Bissell was considering an American branch plant. For the first time in the history of the Bissell firm, there was a major disagreement among the officers of the company. Bissell himself favoured a new American company, to be called the American Bissell Harrow Company, which would be operated by McAdam with 20% of the stock to be owned by the Canadian firm. Fred Hunt wanted a fully owned branch assembly plant in the United States, with component parts to be shipped from the Elora plant and head office. Robert Ewing wished to avoid any involvement in the United States, and proposed a simple licensing arrangement to allow McAdam to manufacture Bissell designs.⁶⁴

Following protracted negotiations, no deal could be struck between Bissell and McAdam to form the American Bissell Harrow Company, and T.E. Bissell claimed that he was unable to find a suitable location for a wholly owned American branch plant.⁶⁵ Eventually it was Ewing's plan that prevailed, and a royalty agreement was signed with the McAdam firm in the fall of 1918.⁶⁶

The agreement with McAdam proved to be a total disaster. Only a token royalty payment was received by the Bissell Company, and when, in 1920, Bissell began pressing for payment, MaAdam's lawyer advised that the firm was no longer making Bissell models of harrows. Law suits were initiated by both firms in 1920, and the matter was eventually resolved with a payment of \$3,512 to Bissell in December of 1920.⁶⁷ As a consequence of this affair, Robert Ewing, who had pushed so forcefully for the royalty arrangement, severed his connection with the Bissell Company, leaving the firm without an experienced sales director at a time when one was most needed to cope with a changing and shrinking farm implement market.⁶⁸

The T.E. Bissell Company began to feel the force of a depression in agriculture in 1921. Sales declined by 50% from the previous year, and for the first time in the history of the company an operating loss was recorded.⁶⁹ It was the first of five years of disappointing sales figures. In addition, the firm was having difficulty in collecting

payments from agents and the few farmers who did purchase implements.⁷⁰ Employment fell to less than 40, and there were regular seasonal layoffs.⁷¹

Financially, the firm had sufficient reserves to weather the cyclical depression in the industry. The Ingersoll plant suffered a small fire in 1923. It was closed, and the land packer and mulcher lines were transferred back to Elora, where the main plant could easily handle the production of these implements.⁷² Despite the prevailing conditions, the firm still made some capital expenditures: a new boiler in 1924, and a new loading platform, warehouse and shower rooms in 1925.⁷³

Robert Ewing's departure from the firm in 1920 was the beginning of a period of restiveness between T.E. Bissell and the senior personnel of the company. Ewing's nominal replacement was T.E. Bissell's nephew, Lloyd Bissell, but T.E. himself assumed some of Ewing's duties and began to travel extensively himself. T.C. Wardley, who had joined the office staff in 1913, became secretary of the company and general manager in 1920. In this capacity he was responsible for much of the daily routine of the business.⁷⁴ Fred Hunt, the plant superintendent, became increasingly discontented during the early 1920's. He felt that his contributions to the firm, particularly his efforts in developing new models and technology, had gone unrecognized, and were enriching T.E. Bissell to an excessive extent.⁷⁵ In 1925 he left the

TABLE 9

T. E. BISSELL COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS
YEAR ENDING AUG. 31, 1923^a

Sale of Implements		\$128,350
Less: Cost of Goods Sold		<u>102,454</u>
Gross Margin from Manufacturing		\$ 25,896
Interest Earned from Investments		<u>1,436</u>
Total Gross Margin		\$ 27,332
Expenses: Travel	\$ 4,720	
Printing and Advertising	3,168	
Salaries and Office	6,296	
Interest	890	
Depreciation	1,278	
Misc.	<u>4,371</u>	<u>20,723</u>
Net Profit		\$ 6,609

Gross Profit Ratio: 20.2%

Operating Ratio: 5.1%

Return on Capital: 2.7%

^aFor ten months only due to change in year end.

Source: Directors Minutes,
Jan. 5, 1924
Bissell Papers

TABLE 10

T. E. BISSELL COMPANY LIMITED
STATEMENT OF ASSETS AND LIABILITIES
AUG. 31, 1923

Assets:	Bills Receivable	\$ 21,313
	Accounts Receivable	27,057
	Cash	2,436
	Inventories	135,974
	Tools and Machinery	29,868
	Real Estate	59,579
	Bonds and Debentures	<u>31,350</u>
		\$307,577
Liabilities:	Accounts Payable	\$ 13,438
	Bank Loans	20,600
	Prepayments	29,026
	Capital Stock	113,300
	Surplus: Oct. 31, 1922:	\$124,604
	Profit to Aug. 31, 1923:	<u>6,609</u> <u>131,213</u>
		\$307,577

Source: Directors Minutes,
Jan. 5, 1924
Bissell Papers

company, after 28 years of service.⁷⁶

The departure of Hunt was the cause of further internal reorganization. Harold Arthur joined the firm as accountant and J.M. Snyder as cashier.⁷⁷ In the plant itself the foremen of individual departments seem to have risen in stature and responsibility. For a period of time Lloyd Bissell served as plant superintendent. He was in some respects a surrogate son to T.E. Bissell, who entertained serious thoughts of passing the firm on to his nephew when he retired. Unfortunately, the two men were not alike in outlook and temperament, and there were frequent differences of opinion between the two.⁷⁸ The duties of the president of the firm became increasingly ill-defined and nebulous. With T.C. Wardley handling much of the routine management, T.E. Bissell began to spend more time in the factory, helping with the development of new models, and giving personal direction to many of the workmen, much to their annoyance.⁷⁹

The farm implement market began to turn around in 1926. The T.E. Bissell Company had weathered the depression very well. Despite operating losses in two years and scant profits in the other three, dividend payments of 5% and 6% had been maintained. The effect of the five bad years on the accumulated surplus had been a decline from \$138,000 to \$117,000.⁸⁰ Bissell's policy of maintaining large liquid reserves had been vindicated.

The year 1926 was the beginning of another boom period for the Bissell firm that lasted until 1931. Sales in 1926 totalled \$277,000, and the results for 1927 set a new company record at \$326,000.⁸¹ Despite the loss of Fred Hunt, experiments continued with new models and manufacturing methods. T.E. Bissell's direction of the firm had become somewhat erratic, but this was offset by the managerial skill of T.C. Wardley, who introduced techniques of inventory and scheduling that resulted in new operating efficiencies for the company. As a result, the firm enjoyed a net return on capital of 24% in 1927.⁸²

There were periodic rumours, beginning in 1926, that the company would rebuild and renovate the factory. Proposals were even discussed on occasion at directors meetings.⁸³ The company certainly had the liquid resources necessary for such a program. However, T.E. Bissell showed little enthusiasm. Further, he began to consider selling the business at this time. His personal relations with his nephew had reached a low point when he intervened to prevent Lloyd Bissell from marrying a woman he did not approve of. The affair resulted in a messy breach of promise suit which scandalized the town and eliminated Lloyd Bissell as the heir to the factory.⁸⁴

Much of the accumulated surplus of the firm was invested in provincial and municipal bonds beginning in 1925. The profits of the three succeeding years were placed almost entirely in this portfolio. These investments had

TABLE 11

T. E. BISSELL COMPANY LIMITED
STATEMENT OF ASSETS AND LIABILITIES
JUNE 1, 1928

Assets:	Bills Receivable	\$ 17,643	
	Accounts Receivable	89,089	
	Cash	3,700	
	Inventories	42,629	
	Tools and Machinery	15,455	
	Office Fixtures	150	
	Real Estate	60,300	
	Bonds and debentures	\$240,437	
	Accrued interest	3,830	<u>244,267</u>
			\$473,233
Liabilities:	Accounts Payable	\$ 22,233	
	Capital Stock	113,300	
	Surplus: Aug. 1, 1927:	\$240,105	
	Profit to May 31, 1928:	<u>97,595^a</u>	<u>337,700</u>
			\$473,233

^aFor a ten month period only. The books were closed on June 1, 1928 at the time of the sale of the company. In an ordinary year a large part of this profit would have been applied to purchases of raw materials and parts inventory.

Source: Directors Minutes.
June 28, 1928
Bissell Papers

TABLE 12

T. E. BISSELL COMPANY LIMITED
SALES, PROFIT, DIVIDENDS, AND ACCUMULATED SURPLUS
1908 - 1928

(thousands of dollars)

year	sales	profit	dividends	surplus
1908-09	58.2	2.7	1.7	1.0
1909-10	60.6	9.9	4.1	6.8
1910-11	74.4	15.8	4.9	17.7
1911-12	91.0	14.5	21.3 ^a	10.9
1912-13	94.0	11.3	5.9	16.3
1913-14	72.8	5.2	1.4	20.1
1914-15	60.4	5.3	5.9	19.5
1915-16	61.2	7.7	5.9	21.3
1916-17	127.8	11.0	5.9	26.4
1917-18	198.5	25.9	5.9	46.4
1918-19	303.0	88.2 ^b	6.8	127.8
1919-20	241.6	17.7	6.8	138.7
1920-21	313.3	17.5	26.6 ^c	129.6
1921-22	163.8	(17.0)	5.7	125.1
1922-23	120.5	7.6	6.8	125.9
1923-24	129.2	6.6	6.8	125.7
1924-25	112.7	(2.5)	5.7	117.5
1925-26	183.4	24.8	6.8	135.5
1926-27	275.1	115.9	11.3	240.1
1927-28 ^d	n/a	97.6	0.0	337.7

^aIncludes special dividend of 20%.

^bIncludes insurance payment of \$52,500 and revaluation of assets of \$8,800.

^cIncludes special dividend of 17½%.

^dFirst nine months only.

Source: Bissell Papers

begun in 1917 with the purchase of Victory Bonds. By June of 1928 the firm held \$240,000 in various types of bonds and debentures.⁸⁵ The balance sheet resembled that of an investment business as much as that of a manufacturer. It is unclear whether Bissell intended this money to be a retirement fund or an accumulation to finance a rebuilding project. He may not have been certain himself until early in 1928, when he received a cash offer for the factory from a group of Toronto businessmen. Their offer of \$255,000 for the manufacturing assets of the firm was some \$30,000 above book value. The offer was accepted by Bissell and duly endorsed by the directors on June 28, 1928.⁸⁶

The T.E. Bissell Company Limited was reorganized as an investment firm, under the name of Bissell's Limited. T.E. Bissell held 1,092 of the 1,113 issued shares, and his wife Emma held a further 20, with the remaining single share in the name of his daughter Muriel.⁸⁷ The funds from the sale of the factory were invested in bonds and debentures. This raised the total of the investment portfolio to \$493,000, and provided T.E. Bissell with an annual income in excess of \$20,000. It was a considerable capital gain on T.E. Bissell's initial \$3,200 investment in 1894.

T.E. Bissell built a large residence in Guelph and retired to that city, where he lived as one of its wealthiest residents until his death in 1931.⁸⁸ The new company, meanwhile, continued to operate the factory, but control

was now in the hands of absentee owners. The spirit and drive that had originally propelled the business were gone, and would never be recovered.

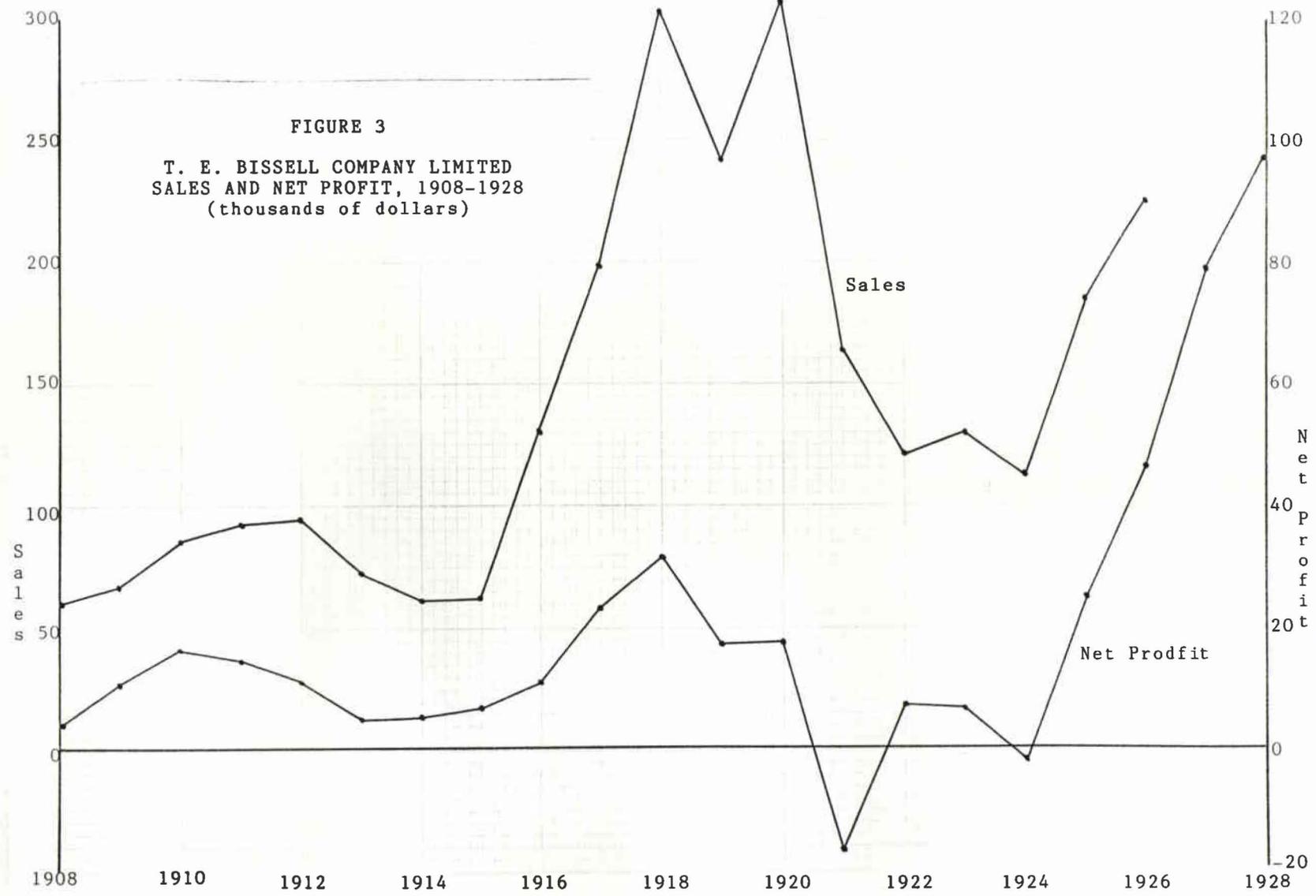
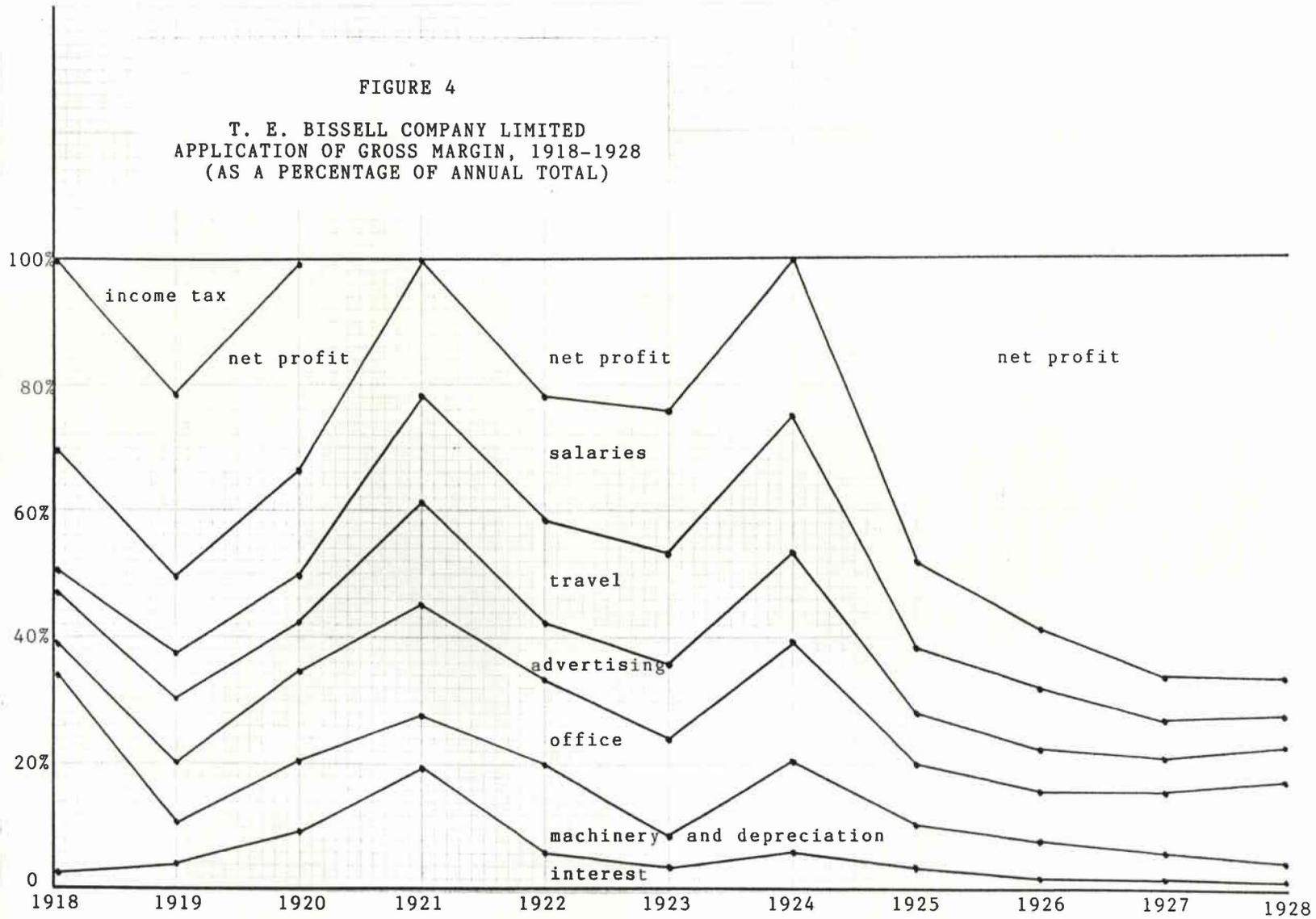
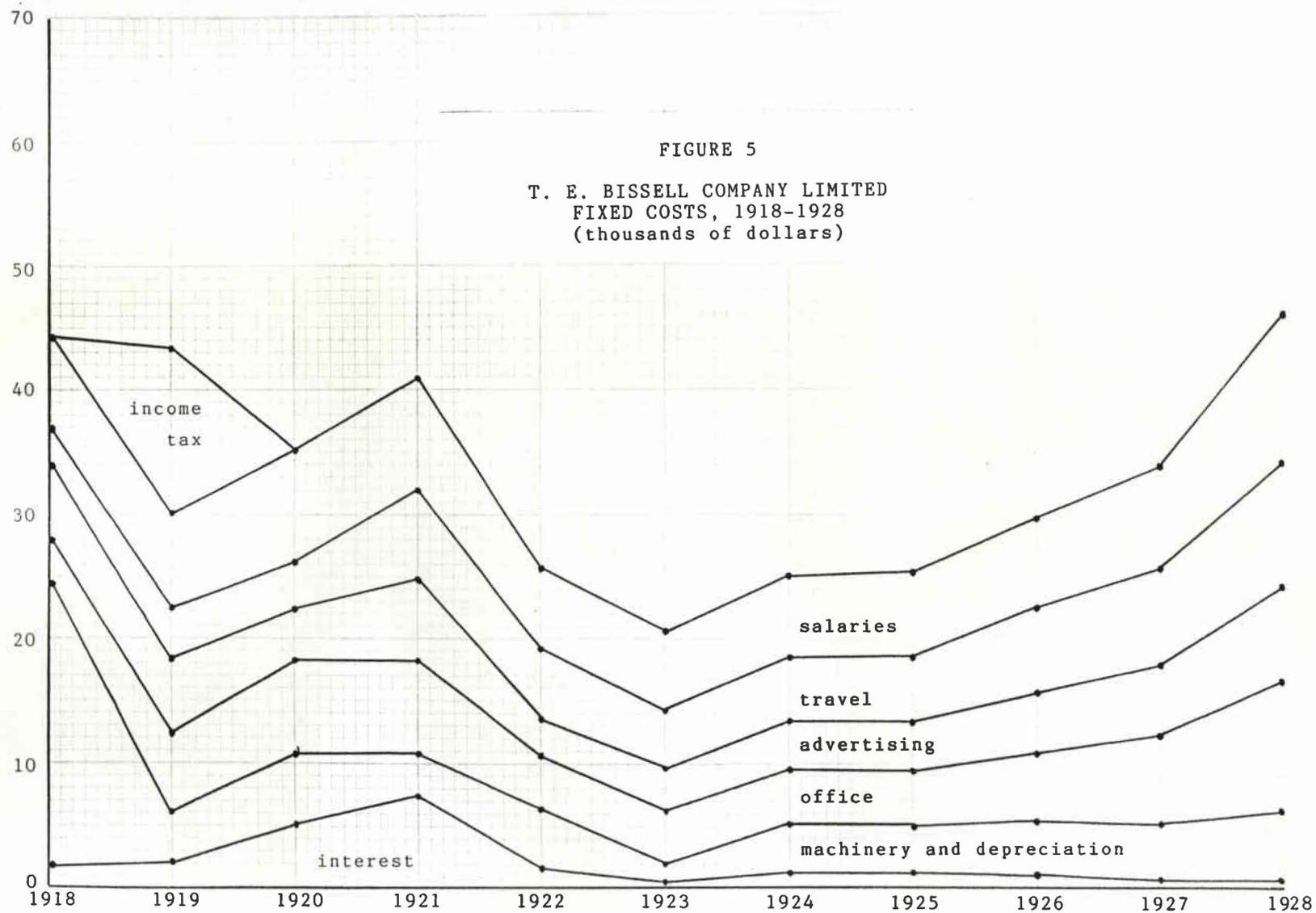


FIGURE 4
 T. E. BISSELL COMPANY LIMITED
 APPLICATION OF GROSS MARGIN, 1918-1928
 (AS A PERCENTAGE OF ANNUAL TOTAL)





REFERENCES FOR CHAPTER IV

- ¹Village of Elora, Bylaw No. 382, passed Aug. 26, 1901.
- ²Land Registry Records.
- ³Elora Express, Sept. 11, 1901; Insurance map of Elora, Ont., dated Oct. 1904, property of Mr Hugh Waind, Elora.
- ⁴Insurance map, op. cit.
- ⁵Elora Express, Aug. 21, 1901; Oct. 30, 1901.
- ⁶Ibid., Mar. 28, 1895; May 4, 1895; Sept. 5, 1895; Sept. 19, 1895.
- ⁷Land Registry Records.
- ⁸Elora Express, Dec. 17, 1902.
- ⁹T.E. Bissell, Ledger, 1897-1899; Financial Statement Book, 1903-1908, Bissell Papers.
- ¹⁰In 1897 the business earned \$70 in interest, and \$12 in 1898. In 1899 the firm borrowed for part of the year, and interest costs totalled \$54. T.E. Bissell, Ledger, 1897-1899, Bissell Papers.
- ¹¹This estimate is based on total interest costs for the year of \$658, and a discount rate of 6½%.
- ¹²It does not appear that Bissell requested the interest-free status for the loan. The village borrowed the money through an issue of 4% debentures. The cost to the village over the term of the loan was \$1,100 in interest.
- ¹³T.E. Bissell maintained accounts with the Merchants Bank branches in Prescott and Preston; it was only natural that he would transfer his account to the Elora branch of this bank. In addition, the Merchants was the only chartered bank operating in Elora at this time.
- ¹⁴T.E. Bissell, Journal, 1895-1897; Ledger, 1897-1899; Ledger, 1903-1908, Bissell Papers.
- ¹⁵Calculated from the figures in the Financial Statements Book, 1903-1908, Bissell Papers.

¹⁶T.E. Bissell, Ledger, 1897-1899; Financial Statement Book, 1903-1908, Bissell Papers. Robert Ewing's net worth increased proportionately.

¹⁷Land Registry Records. The mortgage had a term of five years.

¹⁸The Merchants Bank was willing to lend up to 90% of the face value of these notes. Bissell offered no more security than necessary to cover his outstanding loans. The unassigned promissory notes were kept in a strongbox in the Bissell office. Bissell never assigned any of his accounts receivable or his inventory to the bank for security. The terms extended to Bissell were more generous than those in the credit authorization by the Board of Directors of the Merchants Bank, which called for a 20% margin of security. Bissell's credit limit was increased from \$12,000 in 1902 to \$25,000 in 1907. Other implement manufacturers had much higher limits. Noxon Brothers in Ingersoll were authorized for \$500,000 at this time. Merchants Bank of Canada, Directors Minutes, Public Archives of Canada.

¹⁹Financial Statement Book, op. cit.

²⁰Elora Express, June 7, 1905.

²¹Financial Statement Book, op. cit.

²²T.E. Bissell Company Limited, Share Certificates, Bissell Papers.

²³Elora Express, Dec. 30, 1908.

²⁴The dam, at a cost of \$2,400, was the most expensive capital project undertaken by Bissell before 1918. See Chapter V, infra.

²⁵Land Registry Records. The building had been put up in 1871-1872 with mortgages totalling \$4,250. The total ground floor area was 5,100 square feet.

²⁶Elora Express, Sept. 16, 1903; Guelph Weekly Mercury, July 23, 1903. Rumours were current at the time that the Grand Trunk was entertaining plans as well for an industrial siding in Elora. Such a facility had been recently built in the rival town of Fergus. See also Guelph Weekly Mercury, July 16, 1903.

²⁷Bylaws passed in 1907 and 1908 exempted the other major Elora industries, the John C. Mundell Co. and the Elora Furniture Co., from all taxes except those for school purposes. Village of Elora, Bylaws 438; 478.

²⁸Elora Express, Jan. 4, 1911.

²⁹This provision was one of a series of provincial laws which made municipal bonusing increasingly difficult. Municipal Amendment Act, 1900, 63 Vic. Cap. 33. See Elizabeth Bloomfield, "Municipal Bonusing of Industry: The Legislative Framework in Ontario to 1930," Urban History Review 9, 3 (Feb. 1981), pp. 64-65.

³⁰Elora Express, Apr. 5, 1911; May 3, 1911.

³¹The tax rate, excluding school taxes, was about 13 mils; on a \$5,000 assessment these taxes would amount to \$65. Village of Elora, Bylaw 494; Assessment Roll, 1903. See also Henry Clarke in Elora Express, May 24, 1911.

³²Henry Clarke resigned as reeve in 1906 in order to apply for the position of clerk-treasurer. He had been unemployed since the sale to the Traders Bank of the private bank where he had been employed as manager. As clerk-treasurer he retained a great deal of influence in the community, and often took partisan positions in local issues. See Elora Express, Dec. 27, 1906; May 22, 1929.

³³Elora Express, May 31, 1911.

³⁴T.E. Bissell Co. Ltd., Directors Minutes; Journal, 1912-1916, Bissell Papers.

³⁵Directors Minutes, op. cit., Jan. 9, 1912.

³⁶Journal, 1916-1924, op. cit.

³⁷Merchants Bank, Directors Minutes, 1901-1905, op. cit.

³⁸T.E. Bissell Co. Ltd., Directors Minutes, op. cit., May 4, 1918; Oct. 31, 1918. In the spring of 1918 the firm placed orders for bar and sheet steel totalling 950 tons. Most was not used until the 1919-1920 season.

³⁹Directors Minutes, Jan. 14, 1916, op. cit.

⁴⁰Journal, 1912-1916; Journal, 1916-1924, op. cit.

⁴¹Figures are derived from Bills Receivable Ledger, 1910-1914, Bissell Papers.

⁴²Journal, 1912-1916, op. cit.

⁴³Statement made by T.E. Bissell, Directors Minutes, op. cit., Oct. 31, 1918.

⁴⁴Directors Minutes, Oct. 31, 1918; Share Certificates, op. cit.

⁴⁵Elora Express, Nov. 20, 1918.

⁴⁶Ibid., May 29, 1918; Jan. 22, 1919.

⁴⁷T.E. Bissell Co. Ltd., Office Payroll, 1917-1919, Bissell Papers.

⁴⁸Elora Express, Nov. 20, 1918.

⁴⁹T.E. Bissell in Elora Express, Nov. 27, 1918. Within hours of the fire both the village council and the Board of Trade held special meetings to consider the situation, and both met with Bissell to offer any help he might request.

⁵⁰Elora Express, Jan. 22, 1919.

⁵¹Directors Minutes, op. cit., Jan. 16, 1919.

⁵²Ibid.

⁵³Land Registry Records. The house had been built in the 1850's; at one time it was the finest residential property in the village. The first floor was renovated by Bissell into offices, and the second was used for records and storage. The building was heated by steam, brought across Mill Street by underground pipe. See Elora Express, Dec. 17, 1919.

⁵⁴Elora Express, Mar. 12, 1919.

⁵⁵Directors Minutes, op. cit., Nov. 29, 1918.

⁵⁶Elora Express, Jan. 22, 1919.

⁵⁷Directors Minutes, op. cit., Nov. 29, 1918.

⁵⁸Elora Express, Sept. 22, 1915. The major war contractor in Elora was John C. Mundell, whose furniture factory turned out large numbers of shell boxes.

⁵⁹Elora Express, Mar. 12, 1919.

⁶⁰Ibid.

⁶¹Ibid., Sept. 21, 1921.

⁶²T.E. Bissell had been interested in American sales even earlier. An advertisement of 1910 reads in part, "Every Canadian Farmer knows what the "Bissell" does. To the Farmer from the United States we are anxious to prove that it is the best Harrow in "America." Grain Growers' Guide, May 18, 1910.

⁶³Directors Minutes, op. cit., May 23, 1916.

⁶⁴Ibid., Apr. 11, 1917; Aug. 27, 1917.

⁶⁵Ibid., Jan. 8, 1918; Jan. 29, 1918; May 4, 1918.

⁶⁶Ibid., June 19, 1918.

⁶⁷Ibid., Sept. 30, 1920; Oct. 9, 1920; Dec. 27, 1920.

⁶⁸Ibid., June 26, 1920.

⁶⁹Ibid., Nov. 14, 1921.

⁷⁰Ibid., Nov. 16, 1922.

⁷¹Elora Express, Aug. 25, 1925; Interview, Mrs Muriel Towriss, Elora.

⁷²Elora Express, Oct. 17, 1923; Miscellaneous Items, Bissell Papers. The Ingersoll plant was set up as a separate profit centre with its own accounting system. It appears that employment at Ingersoll never exceeded 20. The branch never realized a profit and in fact was never really needed, although when it was opened in 1919 the firm had not anticipated the depression of the early 1920's.

⁷³Elora Express, Aug. 25, 1925; Interview, Mrs Muriel Towriss, Elora.

⁷⁴Wardley was also a director of the company, with five shares. Directors Minutes, op. cit., June 26, 1920; Share Certificates, op. cit.

⁷⁵Interviews, Mrs Mary Clark; Mrs Muriel Towriss, Elora. Mrs Clark was a close personal friend of Hunt's daughter Jean.

⁷⁶~~Fred Hunt~~ became vice-president of the company following Ewing's departure in 1920. Hunt's income in the early 1920's was \$1,600 salary and \$120 in dividends on his 20 shares of stock.

⁷⁷Directors Minutes, op. cit., May 29, 1925.

⁷⁸Interview, Mrs Mary Clark.

⁷⁹Directors Minutes, op. cit., June 25, 1926; Interview, Mrs Elizabeth Hayes, Salem, Ont. Mrs Hayes's late husband was an employee of the Bissell Company.

⁸⁰T.E. Bissell Co. Ltd., Ledger, 1923-1926, Bissell Papers.

⁸¹Directors Minutes, op. cit., Nov. 2, 1926; Nov. 1, 1927.

⁸²Ibid.

⁸³Ibid., June 25, 1926.

⁸⁴Interviews, Mrs Mary Clark, Mrs Muriel Towriss, Mrs Elizabeth Hayes. Although this evidence has the character of gossip, all three interviewees gave substantially the same account of the facts.

⁸⁵T.E. Bissell Co. Ltd., Annual Statement, June 1, 1928, Bissell Papers.

⁸⁶Directors Minutes, op. cit., June 26, 1928, Bissell Papers.

⁸⁷Bissell's, Limited, Directors Meeting, Sept. 28, 1928, Bissell Papers.

⁸⁸Fergus News Record, Dec. 10, 1931.

CHAPTER V

TECHNOLOGICAL INNOVATION

The disk harrow, as designed and manufactured by T.E. Bissell beginning in 1894, was a relatively new tillage implement, but nevertheless one that was the product of a long and evolving technology. The form of the modern disk harrow, employing rows of sharpened revolving metal disks, set at an angle, to cut and turn the soil, was first patented in the United States in 1847. The first practical model of such a disk harrow was demonstrated in 1854.¹

Many cultivating machines and techniques had preceded this development, and several of these are pertinent to the evolution of the disk harrow.² The Norwegian Harrow, patented and manufactured by James Kirkwood in the 1840's, was the first implement to cut and pulverise clods of soil produced by the use of the plough. It employed rows of spikes fixed radially to two or three rotating axles. These axles turned by means of a mechanical linkage to the wheels of the implement.³

Bearing a closed superficial resemblance to the modern disk harrow was Cambridge's Patent Press-Wheel Roller, dating from the middle of the nineteenth century in Great Britain. This was an implement five to eight feet in width, with a single axle, upon which metal wheels were arranged in

an eccentric pattern. The disks or wheels were of two diameters and were placed alternately along the axle. The edges did not employ a cutting edge, but rather had a flat surface one-quarter inch wide. As the implement rolled over the field, the disks broke up the clods, and the off-centre arrangement assured that the soil was cultivated laterally, and that there was no build-up of soil on the disks.⁴

The Cambridge Roller was itself a development from earlier iron land rollers. It was also the ancestor of Bissell's other major line, the land packer, which was also designed to prepare the soil for planting following ploughing. A disk-type implement was long a part of the agricultural tradition of Japan. Bissell was aware of the Japanese harrow, but the implement was too crude to have had much impact either on Bissell's thinking or on farm implement technology in North America.⁶

Although the modern disk harrow had been demonstrated in 1854, it was over twenty years before it gained even minimal application. As late as 1880, British agricultural manuals still did not mention the implement. However, it was in limited production in the United States by this time, with models using both iron and wooden frames being made by at least four manufacturers.⁷ Thomas's Farm Implements and Farm Machinery, published in 1879, describes the disk harrow as a "recent machine;" its advantage was that the revolving disks could accomplish a great deal of work with a

minimum of friction. Its chief disadvantage was that its numerous parts made it prone to frequent breakdown.⁸

The greatest impediment to the manufacture of disk harrows was the production of the disk plates. For efficient operation of the disk harrow these must be made of relatively thin plates of metal which can be pressed into a concave shape and which can take and hold a cutting edge. Such disks could not be mass produced until the 1870's, when steel became generally available for manufacturing purposes.

By the time T.E. Bissell began to consider the manufacture of disk harrows, the implement was being made by a number of manufacturers in North America. Although it had well passed the stage of an experimental implement by the 1890's, there was still much redesigning and modification work being carried out. Bissell's own design for the disk harrow was aided immensely by his experience in the employ of disk harrow maker J.S. Corbin. As a Corbin salesman, Bissell became familiar with the advantages and drawbacks to both his employer's implement and the models of the competition. The design that Bissell adopted included aspects of some American designs,⁹ as well as some of the features of the Corbin disk harrow. The latter factor, because the Corbin design was now the property of the Massey-Harris Company, caused Bissell to fear a lawsuit. Bissell's diary entries note that J.S. Corbin believed that this was an unlikely eventuality:

J.S. Corbin remarked on the train while on the way from Gouvneur [sic] N.Y. to Prescott on the evening of Apr. 26th., that between us Massey-Harris did not want to get into the Courts with a patent suit and would do nothing more than bluster.¹⁰

Although he borrowed ideas shamelessly, T.E. Bissell was not a total mimic. He rejected the disk plate design which had been used on the Corbin disk harrow, and developed his own,¹¹ which he succeeded in having patented.¹²

The design, manufacture and application of the disk harrow involved a relatively unsophisticated level of technology, and this remained the case for most of Bissell's lifetime. A full examination of the physical forces and stresses placed upon the disk harrow was not published until 1926.¹³ The disk harrow was developed through the alternation of shop-room experiments and field trials. Small firms were at no particular disadvantage in this environment; in fact, it worked to the advantage of manufacturers such as T.E. Bissell who possessed both mechanical ability and practical farm experience.

With the horse as the chief source of motive power on Canadian farms of the 1890's, the disk harrow of the period was, of necessity, a rather small implement. Successful designs did not depend upon complicated engineering. Nevertheless, even a small harrow moves a considerable amount of soil as it cultivates. Dynamometer tests in the 1920's would show that the draught was typically in excess of 100

pounds per foot of width of the implement. This figure was higher when clay soils were encountered or when additional weights were used to achieve a deeper cut.¹⁴ Although not in possession of such data in the 1890's, the disk harrow designers of that time realized the importance of producing models that would minimize the stresses on the horses.

Depending upon soil conditions, a 6-foot disk harrow required two or three horses, and a 7-foot model three or four horses. Few farmers of the time had more than four draught horses available at a time for field work. This fact acted as a constraint on the development of the technology of the disk harrow, and it also meant that a small manufacturer such as T.E. Bissell could service most of the potential market with only a couple of models. This remained the case until tractors became widely applied to tillage work.

T.E. Bissell's first model, named 'The Prescott,' was produced in 6-foot and 7-foot models only, with the smaller size representing about 95% of the sales in 1894 and 1895, the first two years of production.¹⁵ These two models, with refinements, remained in the catalogue as long as Bissell controlled the firm.¹⁶

During the winter of 1893-1894, Bissell had developed and tested the design of this implement in his spare time, with an occasional day away from his regular employment as a travelling salesman. While on the road during these months,

he cultivated numerous contacts with suppliers of raw materials and implement manufacturers in Ontario, New York and Michigan, and with potential customers in Ontario. As with his contemplated market area, he saw no geographical limitations to the locations of his suppliers other than cost factors such as transportation.¹⁷

Although much of the design of 'The Prescott' consisted of borrowed and copied components, Bissell's harrow did include several innovations. Firstly, there was his patented new design for the steel disk plates. Secondly, there was his heavy-duty ball-bearing journal, on which he also secured a patent.¹⁸ Disk harrow bearings, on even a small implement, are subject to considerable pressure, on both the axial and radial planes. In addition, the bearing must be lubricated, but in such a manner that soil particles are kept out to prevent excessive wear. Based on a one-piece casting, the Bissell bearing overcame these problems, and made the Bissell harrow a light-drawing and relatively maintenance-free implement. When 'The Prescott' was introduced in 1894, most of the competitive implement makers were using hardwood friction bushings on their harrow bearings.¹⁹ The Bissell patented bearing proved so successful that it continued in use to the end of production on the models produced under the Bissell name.²⁰

The third innovation in the Bissell machine was the arrangement of the gangs to provide full coverage of the soil surface regardless of the angle of the disks. By the 1890's

it was obvious that the most desirable arrangement of the disk harrow was in two gangs. A single gang tends to pull to one side as it cultivates, necessitating the pulling force to be applied at a complementary angle in order to provide forward movement. Horses are inefficient in such a scheme, and tractors cannot be used at all. By dividing the disk harrow into two gangs arranged in opposition to one another, the tractive effort may be applied along the forward line of movement. (See Figure 6) Bissell devised a method that allowed the gangs to be set at several angles to allow a variety of depths of cultivation, while at the same time preventing the two gangs from bumping into one another or leaving an uncultivated strip between them.

Bissell's technological innovations represented no great leap in engineering. Rather, they were a successful demonstration of what could be accomplished by a spare-time tinkerer who appreciated the qualities of simplicity, durability, and steady improvement. It was a view of technology that was consistent with Bissell's beliefs in a liberalism emphasizing steady moral and material progress. Although he was occasionally struck with a clever idea of his own, much of the Bissell technology was merely the adaptation and refinement of the designs of other manufacturers. It was an old North American tradition, and one that was particularly strong in the farm implement industry.²¹

There were few changes to the Bissell disk harrow in the first fifteen years of its production. The itinerant

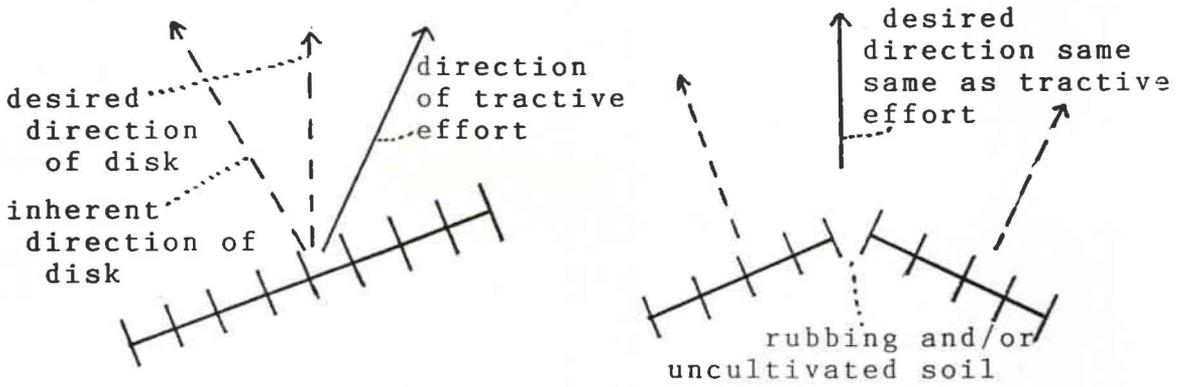
years of the firm's history, between 1896 and 1901, during which the factory moved from Prescott to Preston, then Fergus, and finally Elora, were distinguished only by the addition of Frederick Hunt to the company in 1897. Hunt was a skilled mechanic and an able organizer. He shared Bissell's fascination with practical invention. He would be associated with the firm for 28 years. During this time he would become both plant superintendant and supervisor of new design work.

Experimental work did not always lead to success. In 1905 Hunt built several prototypes of seeding attachments for use with both disk harrows and land rollers. Trials were conducted on local farms, but the new implement was not entirely successful, and it was never placed in production.²²

Bissell's rough-and-ready approach to engineering was also characteristic of his views regarding factories. Economy and serviceability were Bissell's most important considerations. He was always content to use and remodel older buildings to suit his purposes, adding extensions and new wings as necessary. He never seriously considered building a new factory; he probably concluded that the increased operating efficiencies of a modern plant would not compensate for the large capital outlay. When he took over the old carpet factory in Elora in 1901, he minimized remodelling costs by acting as his own contractor. He even

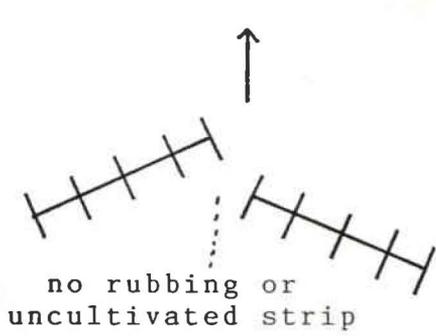
FIGURE 6

ARRANGEMENTS OF DISK HARROWS

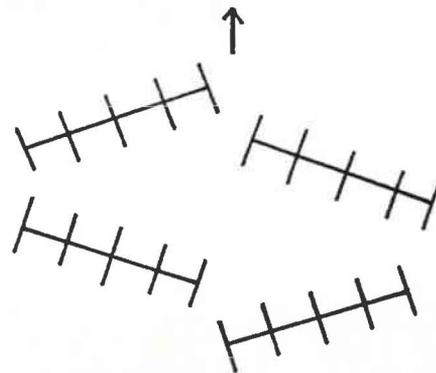


i. Single gang disk harrow

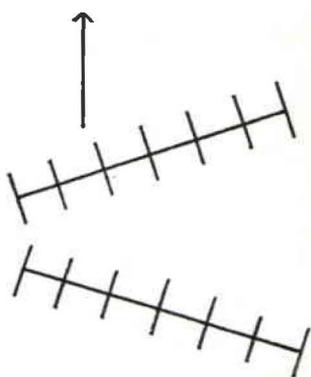
ii. Two gang disk harrow



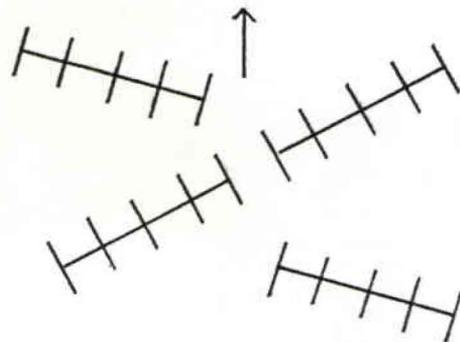
iii. Bissell two gang disk



iv. Bissell tandem disk



v. Offset disk harrow



vi. Bissell offset disk

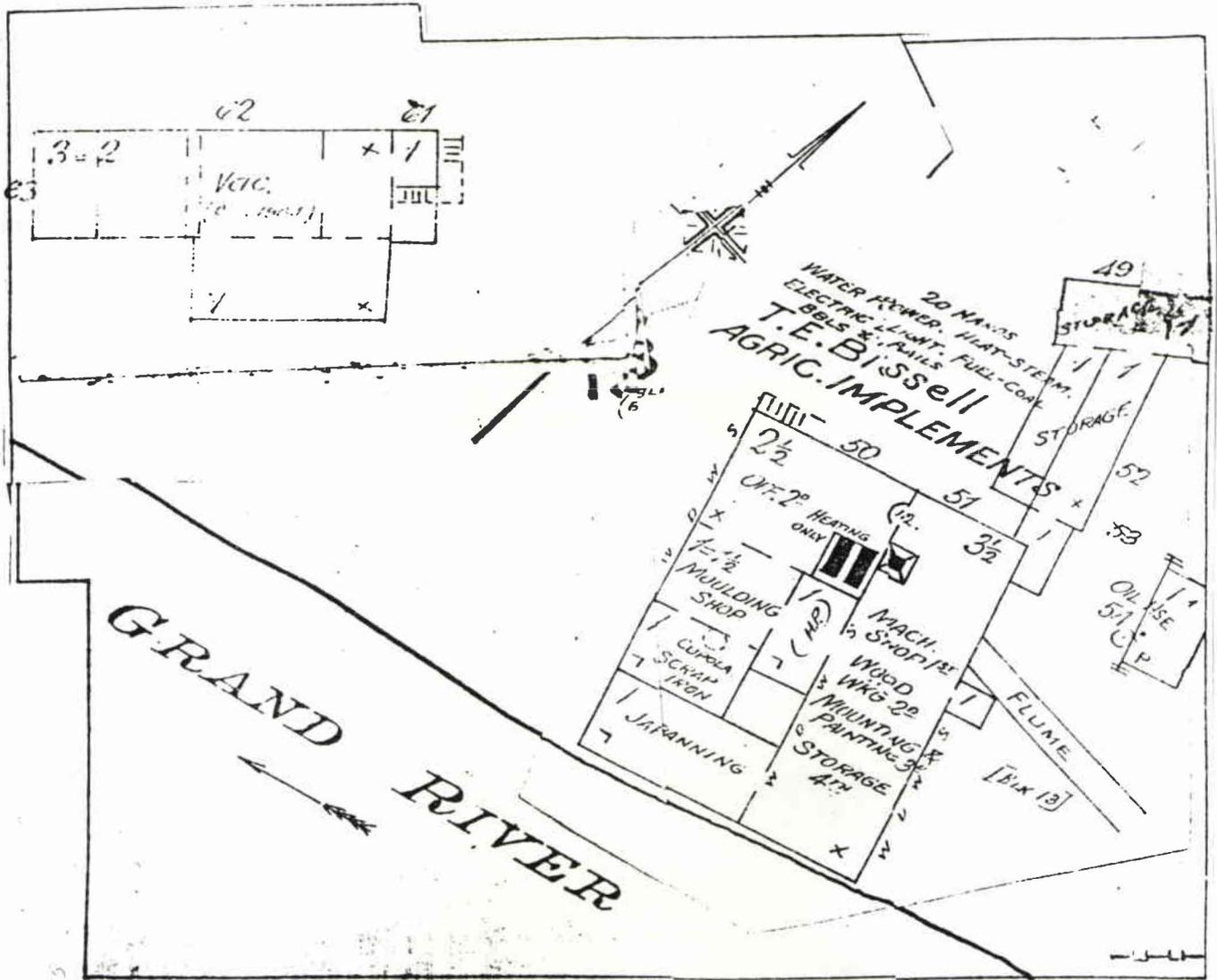
employed his own factory hands to do some of the work during July and August of 1901.²³ Bissell employees were usually employed in later reconstruction work. Not only did this minimize costs, but it helped avoid the necessity of seasonal layoffs .

T.E. Bissell recognized the value and benefits of electricity in the factory, but in this area as well his 'make-do' philosophy characterized many of his actions. He installed a new electric lighting system in the factory in 1905, but the dynamo was a one-of-a-kind model made by a local experimenter, John Connon.²⁴ In 1909, when he decided after several years' consideration to convert the whole plant to electric power, he made a careful cost analysis of the alternatives of steam power and electric power generated by several means, including hydro-electricity generated on the Grand River. He settled on the latter course, even though it meant the necessity of a new dam across the Grand River to increase the water pressure.²⁵

Walter Francis, the well-known civil engineer from Montreal, for a fee of \$400 produced a plan for a solid concrete dam that eventually would cost \$2,400. One contractor had submitted a bid for a less substantial structure at a cost of \$1,000, including engineering, materials and labour.²⁶ Bissell seems to have regarded this design as false economy. The Grand River was subject to ravaging spring floods in these years, which would have threatened a modestly constructed dam.²⁷

FIGURE 7

T. E. BISSELL
PLAN OF FACTORY, 1904



The T.E. Bissell factory, as depicted on an insurance map dated October, 1904, three years after Bissell first occupied these premises. A 1,200 sq. ft. addition was completed adjoining the moulding shop in 1905, and the old malt house, marked "Vac.," was purchased and renovated in 1913.

Source: Mr. Hugh Waind, Elora

As with other construction products, Bissell acted as his own contractor, employing many of his factory workers on the project. The construction, in August and September of 1909, coincided with both the low water season on the river and with the slow season in the factory. Apart from its practical function, the dam seems to have been regarded by Bissell and his men as a permanent monument to themselves. When the project was completed, Bissell had the scene photographed, and presented each of the 42 labourers involved with a framed enlargement.²⁸

Major product developments did not occur until the company began to penetrate the western Canadian market, through its distribution agreement with John Deere, beginning in 1908. T.E. Bissell's habit of involving himself personally with all phases of the firm helped the efforts to design new models, and gave the company an advantage over larger manufacturers. Bissell liked to attend implement shows and speak directly with farmers concerning their cultivation practices. The information gleaned in this manner could have an impact within days, when Bissell discussed potential improvements with Fred Hunt on the shop floor. In 1909 the company began producing an orchard harrow for use in British Columbia apple orchards. It was modified and refined in design over the ensuing months to cope with the peculiarities of British Columbia soils. Robert Ewing, the sales manager, assisted in the flow of information from the user back to the

office and factory.²⁹ In this manner the suggestions of farmers directly influenced the course of product development.

The large size of prairie farms presented a difficult set of problems to the firm. The 6-foot and 7-foot models so popular in Ontario were totally inadequate for the large farms of the wheat belt. In addition, steam and gasoline tractors were finding wide application there. Wider disk harrows, with their greater weight and stress loads, challenged the materials and designs used in the smaller models. A new 12-foot disk harrow, drawn by six horses, was field tested in the summer of 1910.³⁰ By the fall of the next year, Fred Hunt and the shop crew had produced prototypes of both 8-foot and 14-foot models. To increase the width of cultivation, several 8-foot models were assembled in batteries. A 30-foot battery, composed of four 8-foot models and drawn by a tractor, was tested on the David Foote farm, about a quarter mile from the factory, in 1911.³¹ This convenient location was the usual testing ground for new Bissell models.

Concurrent with these experiments was the addition of several out-throw models of disk harrow to the company's lines. The older models were all of the in-throw type; that is, as the harrow passed over the field, the soil was piled up in the centre of the cultivated strip. With the out-throw model, the soil was moved to the outside edges of the cultivated strip. The tendency of the disk harrow to leave these ridges was one of the disadvantages of the implement.

Many farmers compensated by lapping each pass one-half the width of the disk harrow, or by cultivating a second time in the opposite direction. The out-throw model permitted the development of the Bissell double action harrow, which consisted of in-throw and out-throw gangs in tandem. With this implement, the soil was first moved to one side and then back again, producing a more level seedbed than was possible with a single disk.

The years 1911 to 1915 were the peak years of technological innovation at the T.E. Bissell Company. Most of the models in the catalogues of the 1920's had their roots in this period. There were later experiments with ganging arrangements, and with hitching mechanisms to the various tractor models on the market at the time. In all new designs Bissell insisted upon versatility. He wanted his disk harrows to work equally well with all models of tractor. Flexibility was always a feature of Bissell disk harrows: the double action and ganged models could be disassembled easily into separate single disks.³²

Although the single in-throw model was the largest seller in the west in the years after 1910, it was soon overtaken by the double action type. The disk harrows demonstrated by Bissell at the Dry Farming Congress of 1912 in Calgary incorporated the latest developments in disk harrow technology. One model was a steam drawn compound gang consisting of four 8-foot double action harrows, capable of

cultivating a strip of land thirty-two feet wide. The other model demonstrated in Calgary was a 14-foot out-throw model designed for horses.³³ The 32-foot model, with minor refinements, remained in the catalogue until at least 1928. It was the largest disk harrow made by the firm. The 14-foot model was less successful. It underwent a major redesign in 1915 to strengthen structural weaknesses.³⁴ Eventually it was dropped in favour of models made up of shorter gangs. As well as possessing structural advantages, the shorter gangs in the later models provided more even cultivation in rough fields, and they were far more manoeuvrable.³⁵

Agricultural researchers of the post-1910 period were enthusiastic about the potential for the disk harrow in the Canadian West. It was found that when the cultivation season was short the disk harrow could be used to prepare the ground without ploughing. As well, the disk was particularly useful on hard soils.³⁶ In the dry farming areas of southern Alberta it was found that disking prior to ploughing prepared a superior seedbed, and helped to conserve moisture. These were the conclusions of Oscar McConkey, who studied western cultivation practices in 1916 and 1917.³⁷ McConkey confirmed the advantages of double disking and small disk diameter that the Bissell Company had discovered in their own field trials. The Bissell disks were 16 inches in diameter; some competitive implements used 18-inch and 20-inch disks.

The last major innovation in the technology of the T.E. Bissell company began in 1915. This was the reversible disk harrow. With this implement, the disks could be set at the in-throw position and the land cultivated. The disks could then be set at the out-throw position and the land cultivated again, returning the soil to its original position. Initially, this implement was developed at the suggestion of Robert Ewing, the sales manager, who had customers desiring such an implement for use in vineyards and orchards.³⁸ By 1927 the principle had been extended to other models.³⁹ A variant was the two-lever disk harrow, which permitted each gang to be set at a different angle. This was a useful feature on hilly terrain.

The reversible disk received constant improvement throughout the 1920's, but there were few other innovations in this decade. Custom made models were produced on special order beginning in 1921.⁴⁰ The T.E. Bissell Company, as a specialist in disk harrow manufacturing, was in a unique position to supply this market. In addition, such custom work had a personal appeal to both Bissell and Hunt. An outgrowth of the custom work was the wing extension, a removable gang on each side of the implement, which was made available on some western models as an option.

The T.E. Bissell Company never claimed to be an innovator in the disk harrow market. Rather, the firm attempted to keep pace with general developments, and to design its own

often superior variations of the new technologies. This philosophy proved useful as a selling technique; it assured cautious farmers that they were not purchasing an ill-conceived experiment, and Bissell used it regularly in his advertising:

There have been many attempts in past years to make a successful Reversible Disk Harrow, but until the Reversible Bissell was developed, it was realized that there was not a satisfactory Reversible Disk on the market.⁴¹

By the mid-1920's there were some 26 models in the Bissell catalogue, some for specialized applications, plus various optional features. Although research and development continued in the 1920's, the firm was beginning to stagnate in its relative position within the industry. For example, the firm was slow to develop power angling devices for its tractor powered models, and it never developed a retractable wheel system for the easy transport of larger models. These features were common on the models produced by other companies by the late 1920's.⁴²

T.E. Bissell made few efforts to protect the firm from the violently cyclical nature of the tillage implement industry through technological diversification. The chief product was always the disk harrow, and T.E. Bissell was content to remain with this implement and follow the ups and downs of the market. His defenses consisted of large financial reserves and an expanding market area, rather than new products. It appears that Bissell was reluctant to break into new areas of technology where he felt no personal

familiarity.

Nevertheless, there were products other than the disk harrow in the Bissell catalogue. The first was the steel land roller, which was added to the Bissell line about 1898. It was essentially a large steel drum, which was used to break up clods and lumps of earth prior to seeding. The land roller was a low technology implement, which, although it remained in production for years, contributed little to the financial success of the firm.⁴³

The Bissell silo represented something of a diversification in the product line. It appeared in the catalogue about 1915 and remained for ten years. Sales were significant for only the first few years. The Bissell silo was a low technology entry into the rapidly developing silo market of the early twentieth century. It was inspired by a wooden flume cover the firm built for its own use.⁴⁴ The format consisted of slats of pine or spruce arranged in a circle and held together by the compressive force of steel bands. In other words, it was a large barrel. The Bissell silo was poor competition for the larger and more durable concrete silos being built about the same time.⁴⁵ The company seems to have regarded the silo as a marginal item from the beginning.⁴⁶ Rather than a serious effort at diversification, the silo seems to have been regarded as a make-work product to provide employment for some of the factory hands during the summer. The firm believed that its silos were being

produced at a small loss to the firm.⁴⁷

The third of the supplementary lines produced by the Bissell firm was the packer-mulcher. The manufacture of this implement, which consisted of a row of wheels on an axle, and which broke up clods and stubble, was undertaken at the request of the John Deere Company for distribution in the Canadian West.⁴⁸ The genesis of the design is unclear; it may have been copied closely from plans supplied by John Deere. In any case, the latter company had great hopes for the future of the packer in the dry farming districts, where it was promoted as a substitute for ploughing. John Deere's sales projections were not realized, and production was significant only in the first year, 1920, when 771 were turned out.⁴⁹ The Bissell branch plant in Ingersoll was set up in part to handle the production of this implement, and its failure led to the early closing of this plant. Despite its disappointing start, the packer remained in the catalogue for the rest of the history of the firm, finding scattered sales in several markets.

The perceptible decline in the progress of Bissell technology derived in part from the increasing disillusionment of Fred Hunt, and his ultimate resignation from the company in 1925.⁵⁰ He believed that he had received neither adequate recognition nor reward for his contributions to the designs used by the company.⁵¹ Even with Hunt, the firm had been a follower, rather than a leader in technology. T.E. Bissell

himself, although an enthusiastic experimenter, was cautious in his approach to innovations. He had the ability to seize quickly upon an innovation that was an obvious breakthrough (the ball-bearing journal was the first and best example), but the usual method was to improve designs pioneered by others. With time, as implement improvements became more subtle and refined, and a greater degree of engineering expertise became necessary, the T.E. Bissell Company was less able to keep up with developments in the industry. During the last years of T.E. Bissell's stewardship of the firm, an attitude prevailed that the firm's implements were the best on the market, and that only minor improvements were necessary to maintain this position.⁵² The technological reputation of Bissell disk harrows came to be based on past performance, rather than innovative features.

REFERENCES FOR CHAPTER V

¹Percy W. Blandford, Old Farm Tools and Machinery (Fort Lauderdale, 1976), p. 105.

²Useful historical background to the disk harrow can be found in S.C. Ingersoll, "The Development of the Disk Plow," Agricultural Engineering 7 (Mar. 1926): 172-175; O.W. Sjogram, "Development of Offset Disk Harrows," Agricultural Engineering 17 (Dec. 1936): 503-05.

³Blandford, op. cit., pp. 104-5; James Slight and R. Scott Burn, The Book of Farm Implements and Machines (Edinburgh, 1858), pp. 264-65. Blandford emphasises that the modern disk harrow was an American development.

⁴Slight and Burn, op. cit., pp. 263-64.

⁵Ibid., p. 260.

⁶Catalogue, T.E. Bissell Co. Ltd. (Elora, n.d.), p. 3. Internal evidence dates the catalogue to circa 1920.

⁷John Jacob Thomas, Farm Implements and Farm Machinery (New York, 1879), pp. 283-84. The disk harrow manufacturers listed here were located in Massachusetts and New York state.

⁸Ibid., p. 283.

⁹Monetary Times, Aug. 23, 1901.

¹⁰T.E. Bissell, Diary Notebook No. 2, Bissell Papers. At the time, the disk harrow generated a very slender portion of the sales of Massey-Harris. It is unlikely that this firm, under the circumstances, would engage in an uncertain and costly court case with a small upstart like Bissell. Their position in the marketplace was their best protection.

¹¹Ibid.

¹²Interview, Mr A.B. Fraser, Elora.

¹³E.G. McKibban, "A Study of the Dynamics of the Disc Harrow," Agricultural Engineering 7 (Mar. 1926): 92-96. Many technical aspects of disk harrow design were not explored thoroughly anywhere until the late 1930's.

¹⁴F.N.G. Kranich, Farm Equipment for Mechanical Power (New York, 1923), p. 61. The draught in clay soils could reach 160 lbs. per foot; the use of weights could increase the draught by 30% to 50%.

¹⁵T.E. Bissell, Sales Book, 1894-95, Bissell Papers. The 7-foot model accounted for only four of the 80 harrows sold in 1894 and 13 of the 214 sold up to May 10, 1895.

¹⁶T.E. Bissell Co. Ltd., 1927 Catalogue, Bissell Papers.

¹⁷Diary Notebooks, op. cit.

¹⁸Diary Notebook No. 2, op. cit. A memo dated Sept. 5, 1894 notes that the cost of procuring a Canadian patent would be about \$50, and that Bissell was considering dropping the application for an American patent.

¹⁹Harris P. Smith, Farm Machinery and Equipment (New York, 1929), p. 134. This volume, published 35 years after the introduction of Bissell's disk harrow, still regarded ball or roller bearings on a disk as something of a novelty: "A few manufacturers are placing either a ball or roller bearing on their harrows." The slow acceptance of these bearings was not entirely the fault of reactionary manufacturers. Many farmers continued to prefer the wood bearings, and they remained an option on the Bissell disk harrows made by the Fleury-Bissell Co. until the 1960's. Catalogue, Fleury-Bissell Implements Limited, 1961, property of Mr A.B. Fraser.

²⁰1927 Bissell Catalogue, op. cit.

²¹See W.S. Philips, the Agricultural Implement Industry in Canada (Toronto, 1956); R.L. Ardrey, American Agricultural Implements (New York, 1894).

²²Elora Express, Apr. 12, 1905; June 7, 1905.

²³Ibid., Aug. 2, 1901.

²⁴Ibid., Oct. 18, 1905.

²⁵Ibid., Aug. 11, 1909; Miscellaneous Items, Bissell Papers.

²⁶Plan for dam, signed by Walter F. Francis, dated Aug. 30, 1909; Bid from Enoch Price to T.E. Bissell, Aug. 16, 1909, Bissell Papers.

²⁷The old dam, generating equipment and factory had sustained damage in the annual March floods in the 1890's. The worst damage was in 1898, when flood damage closed the carpet factory for two months. See Fergus News Record, Mar. 27, 1898. Bissell himself lost part of the flume in the 1902 flood. See Elora Express, Mar. 26, 1902. In most years there had been some minor damage.

²⁸Elora Express, Oct. 13, 1909; List of workers receiving photographs, Bissell Papers. Among those who worked on the dam were chief salesman Robert Ewing, and Bissell's old employer from Prescott, J.S. Corbin.

²⁹See, for example, Directors Minutes, June 30, 1909; Oct. 16, 1909.

³⁰Ibid., Oct. 25, 1910.

³¹Ibid., Nov. 11, 1911; Elora Express, Nov. 15, 1911.

³²Bissell Catalogues, c. 1920; 1927, op. cit.

³³Directors Minutes, op. cit., Sept. 21, 1912.

³⁴Ibid., Aug. 16, 1915.

³⁵The original version of the 14-foot harrow used two gangs of 7 feet, with 14 disks on each. The improved version used 4 gangs with 7 disks on each. The later models are illustrated in the 1927 catalogue. The 14-foot model was designed specifically for use in the west.

³⁶A. Snyder, "Traction Ploughing in Western Canada," unpublished O.A.C. Thesis, 1910, University of Guelph.

³⁷O. McConkey, "Dry Farming and Some Experiments in Cultivation," unpublished O.A.C. Thesis, 1917, University of Guelph, p. 14.

³⁸Directors Minutes, op. cit., May 31, 1915.

³⁹1927 Catalogue, op. cit.

⁴⁰Directors Minutes, op. cit., Mar. 22, 1922.

⁴¹Bissell Catalogue, c.1920, op. cit., p. 17.

⁴²Harris P. Smith, op. cit., pp. 142-43.

⁴³The popularity of the land roller declined rapidly after 1920. Even in its best years, the land roller contributed less than 15% of the revenues of the firm.

⁴⁴Elora Express, May 15, 1915.

⁴⁵C.S. Nicholson, "Wellington County," unpublished O.A.C Thesis, 1913, University of Guelph.

⁴⁶The silo was discussed only rarely at Directors Meetings. The bookkeeping system of the company did not make a separate accounting of silo manufacturing expenses.

⁴⁷Directors Minutes, op. cit., Oct. 31, 1918.

⁴⁸Ibid., Aug. 18, 1919.

⁴⁹Ibid., Mar. 21, 1921.

⁵⁰Elora Express, Mar. 4, 1925.

⁵¹Interview, Mrs. Mary Clark, Elora.

⁵²Directors Minutes, op. cit., Nov. 1, 1926; Nov. 2, 1927.

CHAPTER VI

SUPPLIERS AND MARKETING STRATEGIES

The success of a farm implement manufacturer as small as the T.E. Bissell Company in marketing its products across North America and into overseas markets was the most notable achievement of the firm. From the beginning T.E. Bissell never thought in terms smaller than the entire Ontario market. For an operation as small as Bissell's was in 1894, this required a large degree of confidence and plain audacity. No one without Bissell's familiarity with the implement business would have been able to sell the product of a new and unknown firm to such widely dispersed buyers.

There is little doubt that Bissell's first sales contacts were made when he was still in the employ of the J.S. Corbin firm, prior to its sale to Massey-Harris. Initial sales depended upon Bissell's personal reputation as much as on the quality of the implement. The first sales were hundreds of miles from the Prescott factory: Milton, North Toronto, Woodstock, Glencoe, and other addresses virtually all west of Toronto.¹

T.E. Bissell was well aware of the power of practical demonstration to sell implements to farmers. Among the first half-dozen sales was one to Robert Smith, a Prescott implement dealer, who used the disk harrow for demonstration purposes

at the town's market. Curiously, this exhibition did not create a stampede to the door of Prescott's newest manufacturer, even by his former neighbours and relatives in Grenville County, and it was a year before another Bissell disk harrow was sold locally. This situation did not disturb Bissell greatly. His eyes were on the potentially lucrative market of southwestern Ontario, and it was to this region that he made his sales trips.²

Later, during the first year of 1894, Bissell placed disk harrows for demonstration purposes in Milton and Dutton. Possessed of unrestrained confidence in his product, Bissell brazenly placed two models on display at the Canadian National Exhibition that August, beside the best that the competition could offer. The Bissell disk was also shown at the London and Ottawa exhibitions in 1894. Yet another model was sent on a field trial tour, beginning in Agincourt and accompanying salesman Robert Ewing, who had recently joined Bissell's employ, in the Fall of 1894. Finally, a 6-foot disk was sold at a reduced price to be used as a prize at the 1894 Plowing Match in Maple.³

As a result of these ambitious promotion efforts, thousands of Ontario farmers had seen the Bissell disk harrow in the summer and fall of 1894, although only 80 implements had been produced. The system of handling the implements between the factory and the farmer was already proving to be

a problem, and it was one which would recur regularly even when the company had grown. Many implement dealers were reluctant to handle Bissell's disks when they also handled the products of other manufacturers who, unlike Bissell, produced a full range of farm implements. Some of Bissell's dealers at the beginning had not previously been implement dealers, but added his line to supplement some other activity. Blacksmiths, wagon makers and feed dealers were typical of these. This system was less than satisfactory, carrying with it the suggestion that Bissell's implements were second rate and that the firm had little status within the industry. The sales network also included a number of former Corbin dealers. For a very small firm such as Bissell's, the system was costly and inefficient. For a while Bissell toyed seriously with the idea of bypassing the dealer network entirely, and selling directly to the farmer. One of his notebooks contains a draft of an advertisement announcing this sales policy:

Although perhaps not realized generally by users, the cost of Agricultural Implements is largely increased by the heavy expenses in selling them through the old out of date method of Manufacturers selling to the Farmers through Agents. Attempts have been made from time to time to bring the Manufacturer and user into closer relation and the Grange, Patrons of I[ndustry] and like organizations have been toward this end.

Our motto is to "sell direct to our customers" and give them the benefit of the savings in cost thus made. To make a comparison of the saving to our customers, the Disk Harrow shown on page ___ is sold for \$ ___. Under the old system of selling through agents the same machine sold retail to the farmer at from \$25 to \$28.00.

The first machines sold in a locality are sure to

create a demand for others and we are willing to pay a commission to any person ordering one or more of our machines within the next ___ days. For your order within the next ___ days, we will make you a discount of \$ ___ off each Disk Harrow. We make this liberal discount believing that each machine ordered within the time mentioned will be the means of making sales for many more.⁴

These statements were a clever combination of the rhetoric of agrarian protest, which was reaching a peak in Ontario in 1894, and an appeal to the baser motivations of farmers.⁵ Bissell was suggesting that a certain amount of status devolved upon the first farmers to own his disk harrows in their area. At the same time, these initial purchasers could earn commissions by acting as sales agents for further implement sales to their neighbours. All the while, Bissell was setting himself up as an outsider to the existing costly marketing system for implements, which, particularly as it involved the dreaded 'middleman,' was a prime complaint of farmers in Ontario and elsewhere in North America.⁶

The direct sales policy was brilliant from the point of view of corporate image.⁷ However, there were immense practical difficulties. While the disk harrow was not the most expensive of farm implements, neither was it an item that could be sold easily using what was in essence a mail-order system. Most implements were purchased on credit, and this brought difficulties in assessing the credit worthiness of individual farmers and in making collections. The latter, given the depressed state of agriculture in the

1890's, was of particular importance. Secondly, the bulk of the sales in the first two years were to dealers. T.E. Bissell was loath to abandon the dealer network altogether, and a direct sales policy would present competition to his own dealers. Local dealers were in a position to show and demonstrate the Bissell disk, and this was a more powerful selling tool than pictures and testimonials in newspapers and catalogues. In addition, dealers were in a position to deliver implements immediately from stock, and they offered repairs and service when these were necessary. A direct sales system would mean costly delays to farmers while they waited for parts.

Notwithstanding the benefits of a direct sales policy, Bissell soon saw that there were disadvantages as well, and by 1896 he had settled upon a dealer network as his system of distribution.⁸ This was combined with extensive travel by salesmen, who visited both dealers and prospective purchasers, and by full participation at fairs and exhibitions. This would be the marketing strategy of the firm until 1908. T.E. Bissell did the travelling himself during the first summer of 1894, but this role was soon delegated to Robert Ewing, a farm implement salesman who was formerly based in Chicago. Ewing transferred his base to London, which was centred in Bissell's prime market area, when he joined the firm in the fall of 1894.⁹ Ewing became a partner in the firm in 1897, and guided the marketing

functions of the firm for 25 years, all the while retaining this base in London. When the factory moved to Preston, and then to Fergus in 1897, Bissell added R.A. Hurlbert to the sales force on a part-time basis. Hurlbert operated from the small assembly shop which was located in Prescott, and serviced customers in eastern Ontario and the Ottawa Valley.¹⁰

Even with two salesmen in the field, T.E. Bissell still did considerable travelling and promotion work himself. Advertising and promotion were major expenses of the firm even in these early years, representing, in 1897 for example, 14% of the gross income of the firm.¹¹ This was one ratio, of course, that showed considerable improvement with better economies of scale, but promotion remained one expense on which Bissell was always reluctant to reduce.

Corporate image was central to Bissell's efforts in establishing his firm as a major supplier of disk harrows. In essence, he believed that to be a major company it was necessary to look like a major company. His first purchase of machinery when he set up the firm was not a metal working machine, but a typewriter, and his first order for raw materials was not for steel, but for stationery and letter-heads.¹² For use on the firm's stationery and invoices Bissell ordered electrotypes depicting the company's products, a relative extravagance in the small budget of 1895.¹³ Beginning in 1897 the Bissell firm began to distribute a catalogue to support the efforts of its salesmen. Few who

FIGURE 8

T. E. BISSELL
 ADVERTISING POSTCARD, 1898

Our Specialties

RECEIVED

Buffalo DEC 26 9-30P 15 NY 00

Disk STEEL

ROWS

LAND ROLLERS

THE SPACE BELOW IS RESERVED FOR ADDRESS ONLY.

Manufactured By

T. E. BISSELL

FERGUS, ONT.

115 Liberty St.,
 New York City N.Y.

Prentiss Tool & Supply Co
~~602 S. Morgan St.~~
 Buffalo N.Y.

Advertising messages on the fronts of Canadian postcards were authorized on Dec. 9, 1897. T.E. Bissell was quick off the mark in making use of this advertising medium. His cashbook shows a payment for a large order of these cards on May 4, 1898. This was typical of the attention T.E. Bissell paid to advertising and image in the first decade of the firm's existence.

Source: Collection of S. E. Thorning

saw this literature and were unfamiliar with the firm would have suspected that it came from a company employing only a half-dozen men plus a few seasonal labourers.¹⁴ T.E. Bissell preferred these methods of advertising. He was only lukewarm about advertising in newspapers and magazines, beginning to do so only in 1899, and then on a very limited basis.¹⁵

The evidence suggests that Bissell did not undertake costly periodical advertising until the sales volume provided a larger gross margin, and economies of scale had reduced other fixed costs proportionately. As sales volumes increased, advertising costs actually rose from 0.9% of sales in 1897 to 2.7% in 1907. Travel expenses, though increasing from \$850 to \$2,634 over the same period, actually declined from 7.1% of sales to 4.2%.¹⁶ The overall costs of promotion, as a proportion of sales, remained relatively constant over this period.

After 1900 the Bissell firm began to see great potential in the western Canadian market. The marketing of implements there was very costly for the firm: not only were there high freight costs, but the expense of supporting travelling salesmen in the west promised to be a very heavy burden on the firm. In 1907 Robert Ewing convinced T.E. Bissell to enter an agreement with the John Deere Company, for the distribution of the Bissell disk harrow through the extensive John Deere western dealer network, based in Winnipeg.

The arrangement extricated Bissell from a difficult marketing problem, and it provided the John Deere firm with a vital and competitive addition to its own lines of farm implements. In 1908, the first year of the agreement, John Deere sold 500 Bissell disk harrows on the prairies.¹⁷

The arrangement was considered satisfactory to both parties, and was extended to cover British Columbia in 1909.¹⁸ Of great potential in this new market was the orchard harrow, originally developed for use in grape vineyards, which was now further refined for use in British Columbia apple orchards. Even under the new distribution agreement, Robert Ewing continued to travel in the west, not only selling implements, but bringing back field reports on Bissell implements which resulted in immediate design changes and improvements.¹⁹ The speed with which the Bissell Company could respond to specific problems and conditions became an important marketing advantage.

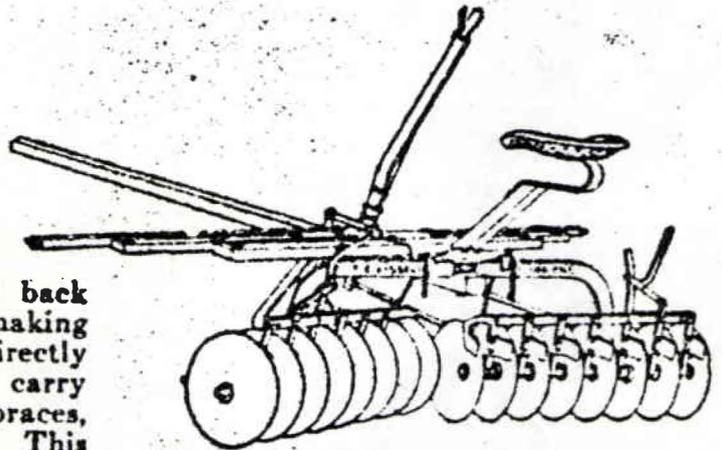
The specific financial arrangements made with John Deere are not entirely clear, but it appears that the Bissell implements remained on consignment until sold. John Deere usually took delivery in carload lots, normally at Winnipeg, but also on occasion at Regina, Calgary and Edmonton.²⁰ John Deere's inventory could sometimes reach high levels, but the volume of sales on the prairies more than compensated for this cost. In 1911 John Deere sold 1,042 disk harrows, or about 42% of Bissell's production that year. The following

year the western figures peaked at 1,912 disks, and 58% of total sales.²¹ T.E. Bissell advertised in the western farm press, notably the Grain Growers' Guide, but only on a limited basis, preferring to rely on the promotional methods used in Ontario.²²

An International Dry Farming Congress was held in Calgary in late October of 1912. This event occasioned the largest promotional effort undertaken to date by the Bissell firm. The newest developments of the company were demonstrated, and T.E. Bissell himself spoke at one of the sessions, extolling the benefits of the disk harrow over the plough in the dry farming conditions found in southern Alberta, where moisture conservation was a primary consideration in soil tillage.²³ Ironically, the western market for implements collapsed the following year, but the Congress established the credibility of the T.E. Bissell Company as a reputable manufacturer of the largest disk harrow models on the market.

Western sales in 1913 suffered a decline of over 50% from those of the previous year, but even before the final results were in, T.E. Bissell began to seek new markets in order to maintain production levels. A somewhat daring step was the extension of the distribution agreement with John Deere to cover Ontario. The Bissell firm was able to disband its costly network of Ontario dealers and agents, but in doing so the firm also became vulnerable to the whims of the John

THE KING OF :: DISK HARROWS



The "Bissell" hitch is well back where the work is being done making the draught light. Frame is directly over the gangs. Horses do not carry the weight of the pole, levers, braces, frame and driver on their necks. This combination gives the "Bissell" greater capacity and power making it the King.

The "Bissell" goes down deep under the soil, makes an even cut, turns it perfectly, and pulverizes it thoroughly.

The "Bissell" is easily controlled. Nothing to break—nothing to get out of order. Nearly all steel. - Improved Ball Bearings are dust-proof. Axles are drawn up tight, and cannot spring

or stretch to allow the Disk Plates to work loose.

Every Canadian Farmer knows what the "Bissell" does. To the Farmer from the United States we are anxious to prove that it is the best Harrow in "America." Our FREE booklet tells all about it. Get it from your dealer or direct from us. Write today, Dept. 24.

The "Bissell"

T. E. BISSELL COMPANY LIMITED, Elora, Ont.,
JOHN DEERE PLOW CO. LTD., Winnipeg, Sole Agents

An example of an early advertisement for the western Canadian market, from the spring of 1910. Bissell was already attempting to penetrate the American market.

Source: Grain Growers' Guide,
May 18, 1910.

Deere, who could decline to renew the agreement at a future date.²⁴ On the other hand, the agreement allowed Robert Ewing and the members of the sales staff to spend more of their time developing untapped markets. They concentrated their efforts in the United States, particularly in New York, Ohio and Michigan.

The northern American states were closer to the Bissell factory than the prairie provinces, but these transportation advantages were offset at least partially by custom duties. On the whole, though, duties did not play a major role in the marketing plans of the company. T.E. Bissell never spoke out against the tariff structures, but he may have been reluctant to compromise his position as an upstanding member of the Liberal Party. In any case, since the beginning of the company many of Bissell's suppliers had been in the United States. These imports of steel were subject to duties of $7\frac{1}{2}\%$ to 15%. When finished products using this steel were shipped back to the United States, Bissell received a drawback on these duties.²⁵

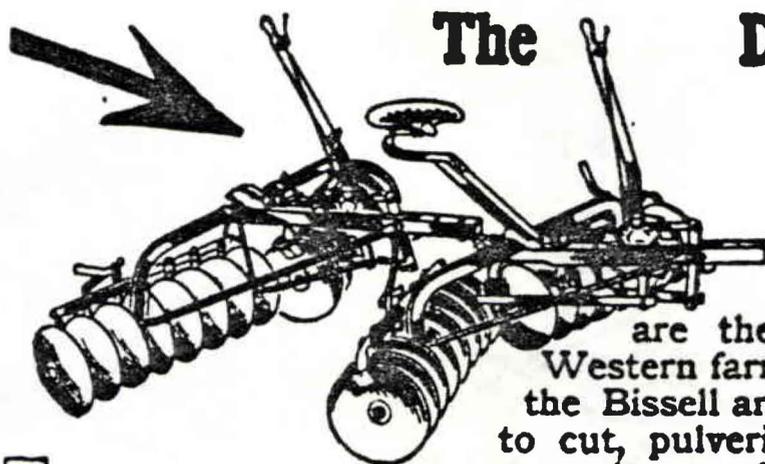
In selecting his suppliers, T.E. Bissell's strategies were not dissimilar to those regarding marketing. He felt no strong local loyalties, or even national ones, with his metal suppliers. Price and quality were paramount, but this necessitated a familiarity with the North American steel market and supplies, with duty structures, and with transportation charges. Bissell purchased much of his bar

FIGURE 10

T. E. BISSELL COMPANY LIMITED
ADVERTISEMENT, 1913

GROWERS' GUIDE

(49) 17



The Double Action Harrow For The West

Proper cultivation and clean fields are the needs of every Western farmer. The plates in the Bissell are the correct shape to cut, pulverize and work the ground properly.

BISSELL DISK HARROWS

Simplicity of construction, every part built for business, proper balance and the knack to get right down to perfect work make the 'Bissell' ideal for Western farms. These *double action* harrows have one disk *out-throw*, the other *in-throw*, giving two full width cuts. Connect up 4, 6 or 8 harrows with engine power for a large complete Disking Outfit. Write Dept. "O."

Manufactured exclusively by

T. E. BISSELL COMPANY, LTD., ELORA, ONT.

Write to any of the

Jno. Deere Plow Company's Branch Houses 78

T. E. Bissell began to promote the double action disk harrow extensively in the west beginning in 1913. The message shows Bissell's copy-writing talents at their finest.

Source: Grain Growers' Guide
Jan. 8, 1913

and sheet steel from firms in Pittsburgh, Cleveland and Chicago, with a number of purchases from firms in Hamilton, Ontario. Disk plates, which Bissell insisted be made of high quality steel, invariably were purchased from an American manufacturer in carload lots.²⁶ Coal and coke, up to twenty carloads per year, were also imported from the United States.

T.E. Bissell did not completely reject local suppliers. These were important to him in the early months of 1894, and they always remained important. Wood was purchased from local lumber dealers, and Bissell's foundry was always in the market for scrap steel and iron. Without Bissell's purchases, much of this scrap would have been worthless on the local market. Scrap iron was purchased from both scrap dealers and from other factories. Bissell's foundry concentrated on soft iron castings. Higher quality steel products were fabricated by others. The International Malleable Iron Company of Guelph was the most important of these suppliers. This firm kept a considerable inventory of Bissell patterns and cores.²⁷

The Bissell Company frequently called upon other manufacturers in Elora, Fergus and Guelph for particular components and for special equipment and tools. Bissell first became part of this network during his association with the Beatty Brothers firm between 1897 and 1901. These local companies also did repair work for one another. This practice resulted in some incongruous items in the Bissell cashbook,

such as repairs to a rock crusher for the Elora White Lime Company, and modifications to woodworking equipment for the John C. Mundell Company.²⁸

Raw material and supply problems were straightforward, though, compared to marketing problems. Each expansion of the market area seemed to produce a fresh escalation in the potential for disaster. Robert Ewing spent a great deal of time in the United States in 1914, but his efforts and those of his two assistants resulted in scattered sales of only 229 units. This did little to offset the decline in the company's sales of 1,200 units from the peak year of 1912.²⁹ T.E. Bissell and Robert Ewing favoured the type of distribution arrangement they already had with John Deere, rather than attempt to service an international market with their limited resources. By the beginning of 1915 distribution agreements had been signed with Juluin in Quebec, with Clark and Sons in the Maritimes, and with McAdam and Sons in New York state. Negotiating favourable contracts had been difficult.³⁰ The specific details of these contracts varied, but the commission to these distributors, exclusive of dealer mark-up, was 10%.³¹

With sales still in a slump in early 1915, Bissell and Ewing began looking to even more distant markets. Nothing looked promising at this time: the South American market was depressed due to crop failures; Australian dealers were overstocked with farm implements; South African farmers had suffered a poor season; Europe was cut off by the war. With

The "Bissell" Double Action Disk

is a two-in-one Implement. This Harrow is both In-throw and Out-throw. By hitching 4, 6 or 8 of the Bissell Disk Harrows together in a group, you can have a double action outfit for Engine power and disking on a large scale. The gangs are flexible on the Bissell Harrow and are not too long to fit the hollows made by heavy Engine Drive Wheels.

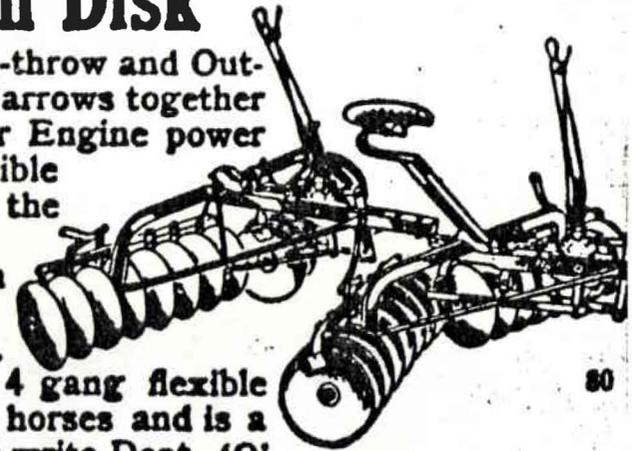
These same Harrows may be used for double action or single disking with horses.

The "Bissell" will make a proper seed bed for you. Another Bissell *special* is a 28 plate wide sweep, 4 gang flexible Harrow covering 14 ft. It is nicely handled with 6 horses and is a favorite with many farmers. For further particulars write Dept. 'O'

MANUFACTURED EXCLUSIVELY BY

T. E. BISSELL COMPANY, LTD., ELORA, ONT.

Write to any of the Jno. Deere Plow Company's Branch Houses



80

By 1915 Bissell was promoting large models for use behind steam tractors on the Canadian prairies.

Source: Grain Growers' Guide,
Feb. 3, 1915.

some reluctance, the firm looked again to its established markets and planned a new advertising campaign.³² There was also the half-hearted attempt at diversification. Fred Hunt and his factory crews began designing and building the unsuccessful Bissell wood stave silo at this time. Only seven were sold in 1917.³³

There was more bad news in the summer of 1915, when the John Deere Company declined to renew the distribution agreement for Ontario. With only a few weeks of time available, Ewing had to rebuild a dealer network to supply the Ontario market for the fall cultivation season. Amazingly, 135 dealers were signed up by November. Many were former Bissell dealers who had been dropped three years before, but who were now persuaded by Bissell and Ewing, caps in hand, to rejoin the fold.³⁴ By March of 1916 there were over 300 dealers in Ontario.³⁵ Following this experience, T.E. Bissell and his senior personnel began to view their market as being composed of distinct and separate segments which required a variety of strategies to service effectively. Beginning in late 1915, prices for the Ontario market were quoted as F.O.B. the agent, rather than F.O.B. the factory at Elora.³⁶ The additional freight cost was borne by the company, and became, in effect, an additional promotional expense which was added to the general burden. When rising input costs suggested a price increase in 1916, the prices in western Canada were raised 12½%, but those in Ontario, eastern Canada and the

FIGURE 12

T. E. BISSELL COMPANY LIMITED
CORRESPONDENCE TO A POTENTIAL DEALER, 1915



E. H. Bissell
Limited

August 12, 1915.

Mr. M. B. Cosby,
Smithville. Ont.

Dear Sir:-

Your favor of 11th inst. is received. In reply we thank you for inquiring regarding Silos. We make a very nice rig and some new circulars which we are waiting on are promised by the printer this week. Meantime the enclosed reprint from the Weekly Sun mentions a great many valid reasons why every farmer should have a Silo.

Regarding Price, we enclose herewith typewritten list which will serve as reference in the meantime and the new printed list for 1915 is also on the press at this writing and will be ready for distribution within a few days.

Answering your inquiry as to whether we could send a man to close sales - this will depend on the number and standing of your prospects. How would it do to send us a list of your Silo prospects on the enclosed sheet on receipt of which we will write them direct from here for you and mention your name as agent. This will create interest among the farmers and enable you to close the orders with a good percentage of them later on.

We do not appear to have had any former correspondence with you and will be glad to learn whose line of farm Implements you are handling, especially in the way of Haying Machinery. Plows &c.

Yours truly,

T. E. BISSELL Company Ltd.

Encl. SB. F55. SE1.

Bissell's flexible and approachable style is evident in this 1915 letter, written at a time when the firm was both promoting its new silo and attempting to re-establish its Ontario dealer network following the cancellation of the agreement with John Deere.

United States were held constant due to competitive market pressures. It appears that the western market, although lucrative at times, was seen as extremely volatile. Pricing policy there was based on short term profit maximization. This market would be the first to be sacrificed should corporate retrenchment be necessary at some time in the future. Also hanging over the western market was the possibility that the John Deere distribution might not be renewed in perpetuity.³⁷

The alternative marketing strategies available for the United States market produced the first major divisions among the senior personnel of the company in 1916 and 1917; these divisions lead ultimately to the severance of Robert Ewing from the firm.³⁸ T.E. Bissell regarded the American market (at least that portion in New York, Pennsylvania and Ohio) as another region in the firm's marketing territory, not dissimilar from the domestic regions. For practical reasons (largely the availability of working capital), he favoured a major penetration of this market through a partnership which would control a subsidiary American company. McAdam and Sons, already the American distributor for Bissell implements, was the logical choice for a partner.³⁹ Fred Hunt, perhaps fearing a loss of status and control within the firm, favoured a simple wholly-owned American assembly plant, with all the components being shipped from the factory in Elora. This practice was already being done to a very limited extent with some of the larger implements shipped to

John Deere in the west. Robert Ewing, to whom T.E. Bissell uncharacteristically deferred on this occasion, favoured a simple licencing of McAdam to produce Bissell implements. His own sales trips to the United States had been only marginally successful, and he advocated as little direct involvement with the American market as possible.⁴⁰ Ewing did not have much faith in the long-term prospects of the American market.

The eventual contract with McAdam called for the construction of only 350 implements per year using the Bissell design.⁴¹ Nevertheless, T.E. Bissell maintained his grand visions of expanding in a major way into the United States, and particularly into the western American states. In 1919 he personally took implements to major farm shows in Kansas City and Cleveland, and he despatched Robert Ewing on a sales trip to North Dakota.⁴² These trips by the president were consistent with Bissell's management methods: he continued to involve himself in all phases of the business, particularly promotional work. T.E. Bissell believed that it was useful for customers to meet directly with the senior officers of the firm; in addition, it appears that he genuinely enjoyed this part of his duties.

The McAdam firm placed a different construction on the activities of Bissell and Ewing in the United States. Arguing, perhaps with justification, that Bissell was attempting to sell from Elora directly into McAdam territory,

they repudiated the royalty agreement between themselves and Bissell.⁴³ The result was a protracted dispute over the royalties owing up to the time of the cancellation. The McAdam firm maintained that, in addition to Bissell's transgressions, they were not actually producing the Bissell disk harrow as a result of some modifications they had made to the design. There was a perverse echo of Bissell's own pirating when he put together his own first designs in 1894. T.E. Bissell personally conducted the negotiations with McAdam, and the matter was eventually settled out of court with a payment of \$3,562 by McAdam to the T.E. Bissell Company.⁴⁴

In the meantime, the resulting personal animosity between T.E. Bissell and Robert Ewing, who Bissell blamed for the situation, had resulted in Ewing's resignation as vice-president and sales manager. He was replaced as vice-president by Fred Hunt.⁴⁵ T.E. Bissell's response to the unsatisfactory expansion attempt into the United States was not to try a new marketing strategy, but to concentrate more authority and responsibility into his own hands. He took over many of Ewing's duties as sales manager, supervising the work of three salesmen in the field. Soon he was planning a fresh incursion into the United States. Scattered sales continued south of the border, including some orchard models in Georgia,

In late 1920 and 1921 it was obvious that the farm

implement industry was in another of its cyclical slumps. The Bissell firm suffered most from the wild fluctuations in the western Canadian market. T.E. Bissell desired to expand into more stable agricultural areas. Bissell believed that one effective marketing tool was recommendations from tractor manufacturers. By 1921, Cleveland Tractor, Ford and Case were recommending Bissell disk harrows for use with their tractors in the United States.⁴⁶ In late 1920 T.E. Bissell visited the John Deere head office in Moline, Illinois to discuss a distribution agreement for all or part of the United States, but these talks were fruitless.⁴⁷ A reduction in duties in 1919 had convinced T.E. Bissell that selling his implements in the United States could be more profitable than previously.

The depressed state of the farm implement industry persisted until early 1925. Competitive pressures increased, and the firm's prices had to be reduced, "to meet the price views of farmers," in T.E. Bissell's phrasing.⁴⁸ Only the skills of T.C. Wardley in manipulating and controlling inventory levels prevented the company from recording major losses. Western Canadian sales were almost non-existent in the early 1920's. T.E. Bissell's efforts to enter the American market did produce some results: he succeeded in developing several regional markets, primarily in Maryland, Ohio and Michigan. Over 1,000 implements were sold there in 1923. This was a significant portion of the firm's production in this

year of depressed conditions, but in terms of the total American market it was miniscule.⁴⁹ T.E. Bissell does not seem to have been worried about the haphazard nature of his American marketing--he merely worked on regions that showed initial promise--but rather, was content in the diversity these markets lent to his sales area. He was willing to let the larger firms develop integrated national marketing campaigns.⁵⁰

Despite all the efforts at market diversification, prosperity for the T.E. Bissell Company was still dependent upon the vitality of the western Canadian market, and this market did not recover until 1926. By this time the firm was riding with the trends and cycles of the industry, rather than taking advantage of them, as it had in earlier years. The advertising and promotional material stuck with old messages, stressing the practical backgrounds of the officers of the company and the solid, proven designs used in its implements.⁵¹

Lloyd Bissell eventually assumed the role of sales manager. Unlike Robert Ewing, he was neither forceful nor imaginative, but he was a popular and likeable man who was effective in servicing established customers. The firm, after 1920, seems to have lost much of the spirit and vitality that characterized its early years. The manifestations in marketing and promotion were only part of a general trend through the whole of the company's activities. It would seem

FIGURE 13

T. E. BISSELL COMPANY LIMITED
LETTERHEAD, 1926



A FEW BISSELL SPECIALTIES

~~Edora, Ont.~~ CANADA Aug. 7th, 1926.

BISSELL DOUBLE ACTION DISK HARROW
WITH HANDY CONTROL
6.7 and 8 FT. WIDE



SPECIAL ORCHARD HARROW
DUAL PURPOSE



REVERSIBLE DISK FOR
GRAPE-CULTURE



14 FOOT 6 HORSE DISK



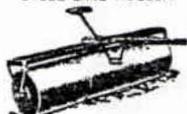
3 HORSE DISK



MULCHER PACKER



STEEL LAND ROLLER



Mr. M. B. Cosby,
Smithville, Ontario.

Dear Sir:-

Replying to your letter of August 6th, we beg to advise that R14 is not a part of a Bissell Roller so that we are unable to forward you this part.

We do not know who the makers would be.

Yours truly,

T.E. BISSELL Company Limited,

J. Hardy
Sec'y

TCW:DJA

that T.E. Bissell had come to view successful management as the adherence to proven methods and formulas. Bissell's total domination of the firm, after the departure of Ewing and Hunt, meant there was no opportunity to use the ideas of senior personnel to develop new strategies. Increasingly, Bissell sought to maximize the financial security of the firm, at the expense of its production and marketing functions. In Bissell's defence, it must be admitted that this course may not have been entirely out of place. The large implement firms were consolidating their position in the marketplace, having spent decades perfecting the techniques of management of large enterprises. By the late 1920's, it was no longer easy to maintain a position in the marketplace when it was dominated by such firms.

TABLE 13

T. E. BISSELL COMPANY LIMITED
ANNUAL SALES VOLUMES, 1908 - 1928

<u>Year</u>	<u>Disks</u>	<u>Rollers</u>	<u>Stn. Bts.</u>	<u>Silos</u>	<u>Packers</u>	<u>Total</u>	<u>Value</u>	<u>Value/Imp.</u>
1908	1,592	475				2,067	\$	\$
1909	2,009	511				2,520	60,569	24
1910	2504	610				3,114	74,391	24
1911	3,083	709				3,792	91,064	24
1912	3,285	590				3,875	93,987	24
1913	2,849	337				3,186	72,781	23
1914	2,189	467				2,656	60,387	23
1915	2,232	393	97	7		2,729	61,218	22
1916	3,671	387	123			4,181	127,773	31
1917	4,886	177	47			5,110	198,472	39
1918	5,997	130	70	9		6,206	302,956	49
1919	4,598	72	45	20		4,735	241,597	51
1920	3,422	206	19	67	771	4,485	313,267	70
1921	2,378	87	9	23	188	2,685	163,781	61
1922	1,983	42		8	35	2,068	120,463	58
1923	2,421	22		5	29	2,477	129,234	52
1924	1,865	12		1	64	1,947	112,657	58
1925	3,051	66	50	6	136	3,309	183,437	55
1926	4,878	77	88		82	5,125	277,000	54
1927	5,949	102	96		135	6,282	326,000	52

REFERENCES FOR CHAPTER VI

¹T.E. Bissell, Sales Book, 1894-1895, Bissell Papers.

²Bissell's lack of interest in the local market may have resulted in part from a belief that it was already saturated with disk harrows produced by the Corbin firm. In any case, the market possibilities in Grenville County were insignificant compared to those in southwestern Ontario.

³Sales Book, 1894-1895, op. cit. The usual price for the 6-foot disk was \$18 at this time. The disk harrow for the Plowing Match was supplied for \$10.

⁴T.E. Bissell, Diary Notebook No. 2, Bissell Papers. It appears that Bissell took great care in drafting this message; it contains many corrections and changes.

⁵See S.E.D. Shortt, "Social Change and Political Crisis in Rural Ontario: The Patrons of Industry, 1889-1896," in Donald Swainson, ed., Oliver Mowat's Ontario (Toronto, 1972): 211-235; John D. Smart, "The Patrons of Industry in Ontario," unpublished M.A. Thesis, Carleton University, 1969.

⁶See, for example, P.F. Sharp, Agrarian Revolt in Western Canada (Minneapolis, 1948); Stanley B. Parsons, The Populist Context (Westport, 1973).

⁷Daniel J. Boorstin, The Image (New York, 1972). Boorstin argues that this emphasis on business image is a consequence of new communications systems and the mass circulation periodicals which appeared in the second half of the nineteenth century.

⁸T.E. Bissell, Credit Reports, Bissell Papers. Bissell began subscribing to reports from the R.G. Dun Agency in mid-1894 and from the Standard Mercantile Agency in 1899. There is a heavier concentration of these reports in Bissell's records from 1898 onward.

⁹The earliest indication of Robert Ewing's association with the firm is Oct. 4, 1894, when a disk harrow was shipped to him for a demonstration at Agincourt. Sales Book, 1894-1895, op. cit.

¹⁰T.E. Bissell, Ledger, 1897-1899, Bissell Papers.

¹¹This figure includes Ewing's salary, travel costs, printing and advertising. Ledger, 1897-1899, op. cit.

¹²Diary Notebook No. 2, op. cit.

¹³T.E. Bissell, Journal, 1894-1897, Bissell Papers.

¹⁴The catalogues were produced at a cost of \$14.25. The estimated size of the workforce assumes daily pay rates of \$1.25 to \$1.50 divided into the payroll totals in the Ledger.

¹⁵Ledger, 1897-1899, op. cit. The total cost of periodical advertising in 1899 was \$135.

¹⁶Ledger, 1897-1899; Ledger, 1903-1908, op. cit.

¹⁷T.E. Bissell Co. Ltd., Directors Minutes, Aug. 11, 1908.

¹⁸Ibid., June 30, 1909.

¹⁹Ibid., Dec. 12, 1908; June 30, 1909; Oct. 16, 1909; June 10, 1910.

²⁰Ibid., Sept. 21, 1912.

²¹Ibid., Jan. 10, 1911; Jan. 9, 1912.

²²The Grain Growers' Guide was the largest general circulation farm weekly in the Canadian west at this time. Bissell placed small display advertisements in this publication four or five times per year.

²³Ibid., Sept. 21, 1912; Jan. 14, 1913. Bissell's claim that the use of a double action disk harrow alone, without the use of a plough, was adequate tillage in the dry areas of Alberta was supported by scientific research in the United States, and later by Oscar McConkey in "Dry Farming," unpublished B.S.A. thesis, Ontario Agricultural College, 1917, University of Guelph.

²⁴The Ontario agreement, like that for the west, was renewable annually by mutual consent. Directors Minutes, Nov. 18, 1913, op. cit.

²⁵T.E. Bissell Co. Ltd., Journal, 1916-1924; Ledger, 1919-1925, Bissell Papers.

²⁶Ledger, 1919-1925, op. cit. The suppliers of disk plates, which were made to Bissell's patent design, were Crucible Steel, Cambria Steel, and Warren Iron and Steel. Other steel products were purchased from Drummond McCall, Hamilton Steel, Burlington Steel, and Stelco. Axles were normally supplied by London Rolling Mills.

²⁷Pattern Memorandum, International Malleable Iron Co. Ltd., Feb. 5, 1919, Bissell Papers.

²⁸Journal, 1919-1924, op. cit.

²⁹Directors Minutes, op. cit., Oct. 17, 1914.

³⁰Ibid., Jan. 19, 1915.

³¹Journal, 1919-1924, op. cit. The figure of 10% is indicated by pencil notations beside the Journal entries. None of the distribution agreements were discussed formally by directors or shareholders. The results of negotiations were merely presented by T.E. Bissell.

³²Directors Minutes, op. cit., Jan. 19, 1915.

³³Elora Express, May 5, 1915; Directors Minutes, op. cit., Nov. 17, 1915. T.E. Bissell's enthusiasm for the silo was brief. On Nov. 17, 1915 he predicted sales of over 100 for 1916; none were sold. The silo was brought back to the catalogue in 1917, but from this time it was popular with neither customers nor with Bissell. There are a number of entries in the Journal of 1919-1924 regarding disputed labour costs in assembling the silos.

³⁴Directors Minutes, op. cit., Aug. 26, 1915; Nov. 17, 1915.

³⁵Ibid., Mar. 3, 1916.

³⁶Ibid., Aug. 26, 1915.

³⁷Ibid., July 22, 1921; Nov. 14, 1921.

³⁸This debate is discussed in Chapter III, supra.

³⁹By this time T.E. Bissell was convinced of the necessity of producing models targeted to specific regional markets to maximize sales. He wanted a heavier disk harrow for the soil conditions in some of the American states, and a series of modifications to the orchard harrow for Georgia orchards. McAdam had achieved some success in introducing the Bissell harrow in the southern United States. Directors Minutes, op. cit., Aug. 27, 1917.

⁴⁰Ibid. The directors of the firm at this time were Bissell, Ewing and Hunt. T.C. Wardley, the secretary and accountant, was not a director until 1920. If he had opinions on these matters, he did not record them.

⁴¹Directors Minutes, op. cit., Oct. 31, 1918.

⁴²Ibid., Mar. 12, 1919; Aug. 14, 1919; Sept. 30, 1920.

⁴³Ibid., Sept. 30, 1920.

⁴⁴Ibid., Sept. 30, 1920; Dec. 27, 1920.

⁴⁵At the same time, the Board of Directors was increased from three to five, the additions being D.B. Miller, Bissell's father-in-law; Lloyd Bissell, his nephew and a salesman with the firm; and T.C. Wardley, the firm's secretary and accountant. T.E. Bissell could expect few arguments from his relatives, and Wardley, despite his abilities in financial matters, seems to have held few strong opinions on matters of marketing and production. Minutes of Annual Meeting, T.E. Bissell Co. Ltd., June 26, 1920.

⁴⁶Photographs, Bissell Papers; Directors Minutes, op. cit., Dec. 27, 1920; Apr. 7, 1921.

⁴⁷Directors Minutes, op. cit., Dec. 27, 1920.

⁴⁸Minutes of Annual Meeting, op. cit., Jan. 5, 1924.

⁴⁹Ibid.

⁵⁰Some of these markets had been originally developed by McAdam. It does not appear that the American sales efforts were supported by periodical advertising. Instead, Bissell relied heavily on salesmen and the techniques pioneered in the Ontario market in the 1890's.

⁵¹T.E. Bissell Co. Ltd., Catalogue, 1927, Bissell Papers.

CHAPTER VII

T. E. BISSELL AS AN ENTREPRENEUR

The distinction separating the mere businessman from the entrepreneur is a rather diffuse one. It is a line, it seems, which is drawn both by historical circumstances and by the preconceptions of the commentators on those circumstances.¹ In its broadest sense, entrepreneurship can be considered as the successful combination of the various factors of production under circumstances involving at least a small degree of innovation or change.² These entrepreneurial qualities can be characteristic of both the individual businessman and the business organization.

It is not surprising that business organizations should have become a major focus for many business historians. The study of organizational entrepreneurship is more productive of generalizations and the identification of long-term trends; it avoids the pitfalls of personal motivation, idiosyncrasy and irrationality; and it fosters the application of models developed by economists and management theorists. By its nature, the study of organizational entrepreneurship is the study of corporate growth: it focuses on the historical trend to larger and more complex business organizations.³

By 1900, much of the farm implement industry can properly be studied in terms of organizational entrepreneurship. Among T.E. Bissell's largest contemporaries, firms such as Massey--Harris, John Deere and International Harvester, decision-making and authority were distributed among a group of executives, rather than being centred exclusively in one man. Nevertheless, not every large firm in this period operated as a corporate organization. Many large firms continued to be dominated by one personality.⁴ For a firm as small as the T.E. Bissell Company, total control and management by the principal owner was the norm at the turn of the century. Even though such firms were often limited companies, they operated effectively as if they were sole proprietorships.⁵

It is not a daring conclusion to state that the decision making process at the Bissell firm was at one extreme of a continuum. The dichotomy between the individual and the corporation is not a particularly useful approach in the case of Bissell: the term corporate entrepreneurship is in fact useless here. A more suitable model is the one proposed by Alfred D. Chandler, Jr.: that the structure of a successful firm is dependent upon its corporate strategy.⁶ Entrepreneurship, then, can and has assumed many forms, particularly in smaller firms whose structures did not become the corporate norm, or which fell by the wayside over the course of increasing industrial corporate concentration.⁷

T.E. Bissell is of a time in the evolution of North American business when the individual entrepreneur, in whatever guise, was still dominant. The activities of the large operators and their combines, trusts and incipient corporations have attracted much of the interest of business historians of the period, just as they captured the interest of politicians, academics, journalists and the general public in their own time.⁸ These men, in both Canada and the United States, largely defined the business atmosphere in which T.E. Bissell and men like him operated. On the other hand, this corporate concentration characterized only a few industries, and the period in fact provided numerous new opportunities for small entrepreneurs. Nevertheless, many small businessmen believed that they were engaged in the fight of their lives.⁹

Systematic treatment of these small entrepreneurs is fairly recent. In the years around 1950, and nominally led by Arthur H. Cole, a small group of historians engaged themselves in an assessment of the entrepreneurship of the turn-of-the-century period, and of the implications that could be derived for the future course of entrepreneurship in North America and in underdeveloped regions.¹⁰ Models borrowed from behavioral psychology and personality theory figured large in the writings of these investigators, who placed themselves in the tradition of Max Weber and Werner Sombart. The individual, to them, was fundamentally distinct from the firm, and entrepreneurship characterized the individual,

rather than institutions or processes.¹¹ It was a methodology that sought to emphasize the idiosyncratic, and it served well in the revision of the 'robber Baron' myth of American entrepreneurship that was a primary goal of these historians.¹² Arthur Cole's conception of the business community as a functional system, which could be understood by the study of particular industries and the firms within them, grew out of this work, and became a generally accepted approach.¹³ This conception permitted later historians to follow somewhat divergent paths. Chandler's structure-strategy polarity is one of the more important, but the historical work of the 1950's has also provided theoretical underpinnings for new biographical treatments. Entrepreneurship became solidly welded to the individual.¹⁴ It is worthy of note that entrepreneurship has proven to be an impenetrable indehiscent for the equations, derivatives and correlation coefficients of the 'new economic history.'¹⁵

The examination of entrepreneurship independent of the individual has proven to be a difficult task. To be fully understood, entrepreneurship is a characteristic that must be accommodated to a number of social considerations; that is, it develops and flourishes only through an interrelationship with the society of which the entrepreneur forms a part.¹⁶ Individuals have a habit of presenting complications to tidy long-term models of entrepreneurial evolution: business activities at any one place and time can

appear to be idiosyncratic and irrational according to theoretical constructs.

These are not insuperable problems. Refinements in economic theory and more sophisticated definitions of terms can make comprehensible what previously seemed irrational.¹⁷ There are also new methodologies. For example, K.A. Tucker has proposed that an individual firm's growth and change must be reconstructed and its performance measured, not only in financial terms, but also in its institutional, sociological, and ethical dimensions.¹⁸ These historiographic developments have made possible the study of small businesses in a systematic way, and they encourage the consideration of small business--firms of the magnitude of the T.E. Bissell Company--as an integral and vital part of the early twentieth century business system.¹⁹

T.E. Bissell was both a product of and a contributor to the business climate of this period. To employ a biological metaphor, it is possible that the widespread changes in transportation, communications, finance, technology, productivity and labour organization, which characterized the turn-of-the-century period, produced a wide range of mutants and variants in entrepreneurship. Many of these were unsuccessful or only marginally successful. For instance, the Canadian farm implement industry encompassed 221 firms in 1890. The number declined to sixty-two in 1930. The entrepreneurial strategies of the larger of these firms, such

as Massey--Harris and International Harvester, have been documented.²¹ The T.E. Bissell Company was one of the survivors of 1930, but what of the 159 firms that had disappeared or been absorbed by others? Clearly, a full understanding of the implement industry, and the business history of the period in general, must account for the failures and mere survivors, as well as the great successes.

In his early years, T.E. Bissell displayed the classic attributes of the nineteenth-century industrial entrepreneurial archetype: limited resources, a competent technology, and a personal vision. Years later, his reluctance to seize at opportunities for growth and expansion seem to reduce him to the category of a mere manager. The most obvious question is whether Bissell represented an entrepreneurial type characteristic of his age. A more fundamental question may be posed as well: was T.E. Bissell a true entrepreneur, according to the precepts of entrepreneurial and business history?

Entrepreneurship, to most commentators, has been equated with innovation and change, defined in the broadest sense: it is the process that makes profitable ventures of new technologies or new market opportunities.²² The entrepreneur was once viewed as an adventurer with an obsessive willingness to take risks.²³ Although this view continues to be favoured as their self image by many businessmen, it has become clear that risk is normally

treated cautiously by the entrepreneur, and that modest changes in the business environment are most conducive to stimulating new ideas and practices.²⁴

In setting up his factory in 1894, T.E. Bissell was no reckless adventurer. Financially, he invested only his own savings, and not even all of this amount. There was no risk of foreclosure by lenders. In the first months production was matched to sales on an almost implement-by-implement basis, thus reducing inventory and financial requirements to the absolute minimum.

In terms of sales, the geographically large market area defined by Bissell was daring for a small firm at the beginning of its life, but it was also one that he could develop while still in the employ of another firm, with whom he had spent years developing sales contacts and techniques for servicing a dispersed market. Care and caution characterized his extension of customer credits as much as his use of borrowed capital.²⁵ Tapping sources of funds and using them effectively is the key in the early stages of small businesses, historian Edith Penrose has noted, adding that

a very particular and possibly very rare sort of entrepreneurial ability is required to launch successfully a new firm on a shoestring.²⁶

In T.E. Bissell's own mind, the innovative aspect of his business was not in finance, production or marketing, but in the technological features of his disk harrow. Much

has been made of the fact that engineering and technology are major elements in entrepreneurship, and that engineers, particularly in Bissell's era, were prominent among the front ranks of businessmen.²⁷ On the other hand, the unique features of the farm implement industry must be considered. Among Canadian implement manufacturers, engineering innovation and new technology, let alone inventors, were singularly absent.²⁸ The industry progressed by incremental modifications to existing designs and by imitation. In this context, it was easy for T.E. Bissell to view himself as a technological innovator. Despite his pretensions, Bissell was neither engineer nor mechanic. Rather, he belongs to the great North American tradition of the basement tinkerer. The technological capacity of the Bissell firm was increased with the addition of Fred Hunt, a skillful and resourceful machinist, as shop superintendent in 1897. When Bissell sold the firm in 1928, it was the largest manufacturer of disk harrows in Canada, but no trained engineer was brought onto the premises until 1949, twenty-one years after the sale of the firm. This did not mean that Bissell was inferior to the competition in product development, but it did mean that the potential of the firm to diversify or to initiate significant improvements was severely restricted.

The late nineteenth century was the period in which the attention of qualified engineers in agriculture was directed to harvesting machines and tractors. In relative

terms, the disk harrow was a much less profitable implement than these lines, and its improvement, amongst all manufacturers, remained the preserve of men such as Bissell and Hunt.

Technologically, T.E. Bissell's great achievement was not anything mechanical, but his selection of and concentration on an implement which he and his staff could master completely.²⁹

Imitation was no source of shame to Bissell. He even advertised that his technology was neither new nor innovative, but was a solid and superior version of existing developments. Here, as in most areas of his enterprise, Bissell's impulses as the skeptical farmer were in accord with his views as a cautious entrepreneur. Equally important, he was selling his implements to men who in large part shared his agrarian views.

T.E. Bissell always retained a sympathy for his agrarian roots and the anti-business attitudes that percolated through the farm communities of late nineteenth-century Ontario, particularly in times of depressed prices. Dozens of his farm relatives in Grenville County could confirm the economic situation of the early 1890's that he witnessed for himself as a travelling salesman. His advertising and promotion in the 1890's appealed to much the same constituency as the Patrons of Industry, a farm organization and political movement with a vehemently anti-business posture.³⁰ It would seem that Bissell saw his business as differing in a fundamental way from the larger firms in the farm implement marketplace, and particularly the Massey--Harris Company,

which was undertaking an aggressive acquisition policy in the 1890's. Bissell admitted that he adapted, if not appropriated, certain patents of Massey--Harris and other firms as well. His decision to start manufacturing may in part have resulted from his distaste at the prospects of being employed by the Massey--Harris firm. That he was not alone in this view of the business climate is indicated by the encouragement he received from his former employer, J.S. Corbin, in his new enterprise.

There is evidence that the entrepreneurial situation that Bissell exploited in the mid-1890's was far more common than is generally supposed.³¹ In the United States, the number of business establishments tripled between 1870 and 1900. The well-documented growth of large corporations in this period created opportunities for small firms under their umbrella, particularly for single product specialists. The small business ethic was a powerful emotional force to the men who seized these opportunities: they generally looked back to the artisanal tradition that saw the business as an extension of the self.³² In the long run, of course, the successful among these entrepreneurs faced an irresolvable conflict between their small business mentality and the natural impulse for growth and expansion.

Much of the success of the Bissell firm, particularly after 1900, was due not to anything that occurred in the farm implement industry, but to profound changes in the technology

of farming. Two such factors led to the rapid growth of the company after it moved to Elora. First, there was the introduction and then the general use of traction power in field cultivation, which made the general use of the disk harrow feasible, and which initiated a trend toward larger and heavier tillage equipment. Secondly, the opening of the semi-arid areas of the Canadian prairies to cultivation created an entirely new market where the disk harrow could be used as the primary implement of cultivation. Rapid increases in the size and power of tractors meant that many disk harrows might be replaced with larger models long before they were worn out. The large implement firms were preoccupied with the tractor and harvester at this time.³² The situation created a niche in the market which a specialist such as Bissell could fill effectively. Profitability in this situation depended as much upon efficient and economical production as upon marketing skills or technology. It was advantageous for some of the larger manufacturers to allow the Bissell disk harrow to fill a vacancy in their lines of implements which they could not conveniently or efficiently fill themselves. Demand was created, not pre-empted, by the larger firms. In this situation Bissell merely had to match the prices and technology prevailing in the industry to protect his position.³³

It is something of a paradox that as the Bissell company grew it became increasingly dependent upon the larger

manufacturers in the implement business. For example, by the early 1920's T.E. Bissell stressed that his disk harrow could be worked effectively with all major makes of tractors, and he openly courted endorsements from their manufacturers. Sales in the United States were assisted by the recommendation of the Chase Tractor Co. of Syracuse that its customers buy Bissell disk harrows.³⁵ Bissell's success in marketing on a national basis in Canada was largely a function of his agreement with the John Deere Company for distribution. As a specialized, essentially one-implement firm, the Bissell company could not have prospered in a marketplace composed exclusively of firms such as itself.

It has been proposed that success in an entrepreneurial role is associated with particular personality traits.³⁶ The implication is that there are differing types of entrepreneurs, with special skills and obsessions in areas such as production, finance or marketing, for example, and that from these traits distinct managerial strategies will evolve. At the same time, successful entrepreneurship calls for a balance between technical skills and business judgment.³⁷ The distinction between skill and judgment should be stressed here--skills can be hired or learned; judgment is much more a native ability. In this context the man possessing a technical background was, according to John B. Rae, in a strategic and advantageous position,

since he was not only the person most competent to

decide what could be produced, but was also just as well qualified as the financier or the salesman to decide what should be produced.³⁸

As the designer of the first models of his disk harrows, T.E. Bissell's technical ability cannot be ignored. His continuing closeness to the technical aspects of his implements derived very much from his personality: Bissell was the product of a family and community that esteemed honest, productive work over paper shuffling, and he believed in the small business ethic that perceived the firm as an extension of the man.

Once he had designed a satisfactory model, a key factor in Bissell's early success was his native ability in promotion and sales. This was the principal skill he brought with him when he started the firm, but he never fully appreciated its significance, either at this time or later in the history of the company. In the 1890's his extensive use of high quality printing for letterheads and forms was not unique to the implement industry, but it was something of a curiosity for a firm as small as his, as was the mixture of brashness, confidence and audacity that characterized the marketing efforts of the first years. Bissell did not appreciate the importance of maintaining and adapting these qualities to changing circumstances. By the 1920's his sales literature and advertising messages had an old-fashioned flavour, reflecting the uninspired marketing efforts of these years. The distribution agreement with the John Deere Company

fostered a status-quo mentality in Bissell. It was wisest not to attempt anything innovative in these circumstances, either in products or marketing strategies. In the long run this tended to dampen Bissell's entrepreneurial spirit. The design and manufacture of the packer-mulcher, for example, was not conceived by Bissell, but was the result of a suggestion by the John Deere Company.

withstanding the profitability of the firm, T.E. Bissell's financial abilities were the least impressive of his skills. It appears that he believed his early training in bookkeeping was fully adequate to the firm's purposes. For much of the first decade he made all the entries himself in the firm's books in his neat, precise hand. No allowances for depreciation were made until after T.C. Wardley was hired as bookkeeper, and later accountant, in 1913. The firm had a perpetual burden of high inventory levels of components and finished goods, but especially of raw materials. The cost of carrying these inventories was offset only partially by T.E. Bissell's skill in locating bargains in the supply market. It was not until the 1920's, when the firm faced the possibility of operating losses, that T.C. Wardley was permitted to bring inventory levels into proper balance. The excess inventory problem was at its worst in 1923, when they equalled 105% of the annual sales.³⁹ However, an example should not be made of Bissell for his handling of inventories. The problem

permeated much of the implement industry. Poor inventory management proved very costly to the John Deere Company between 1915 and 1920,⁴⁰ and the problem plagued the Massey--Ferguson Company as late as 1960.⁴¹ During T.E. Bissell's control of the company there never were any formal cost accounting systems, and the firm never had more than a rough idea of which models were the least or most profitable, or of which departments were least cost efficient. It is plausible, of course, that 'back-of-the-envelope' calculations were made from time to time. Many entrepreneurs were slow to install formal cost systems, and ad hoc methods continued to be used even in some large firms until well after 1900.⁴² Still, cost accounting was used in some metal working shops as early as 1870, and had become the rule rather than the exception in large and medium sized manufacturing operations of all types by 1910.⁴³ Both T.E. Bissell, with his rudimentary bookkeeping expertise, and T.C. Wardley, with his training in a Scottish mercantile house, lacked knowledge of the procedures for these systems. In this case, the continuity of senior management, which was generally one of the strengths of the firm, acted detrimentally by shutting out new management techniques and financial procedures.

T.E. Bissell's attitude to money was that it was a commodity to be accumulated, rather than a resource to be managed. This fact, combined with the concentration of authority in his own hands, acted as the effective constraint

on the growth of the company. In contrast to the archetypical big-business entrepreneur, these attributes point to a man possessing limited aspirations. They are also in complete accord with the composite profile of the small businessman described by James H. Stollow,⁴⁴ and with the characterization of the small entrepreneur developed by Roland Robinson, who argues that most small businessmen have limited aspirations for their firms and that they seek to monopolize and protect their equity interests in their firms.⁴⁵

A successful small business, however, is inclined to grow, until a point is reached at which the original capital and administrative structures must be altered. For Bissell, the point came with the ill-fated expansion of manufacturing activities into the United States. This step was a natural one for a firm in the farm implement industry at the time. A branch plant would have been the most sensible way to service an expanding American market, both for logistical reasons and to circumvent potential tariff difficulties. Massey--Harris, for example, had purchased the Johnston Harvester Company in 1910 and set it up as a branch plant.⁴⁶ Like Robinson's small businessmen, T.E. Bissell was genuinely perplexed by the alternatives he faced in this situation: he feared allowing some of his capital to leave his immediate control; he was reluctant to bring in new equity capital and share control of the firm with others; and he was incapable of delegating the necessary authority to managers whom he could not supervise

closely and continually. The failure of the royalty scheme championed by the chief salesman, Robert Ewing, reinforced Bissell's distrust of the business judgment of others, and he subsequently concentrated even more authority into his own hands.

At heart, the failure to seize the opportunity for a larger presence in the American market was merely another version of Bissell's refusal to share equity in the firm, a policy which was as old as the firm itself. The Bissell firm was not unusual in employing shoestring financing at its beginning; such a situation was the norm in North American business, particularly when new products were being developed or new industries were being established.⁴⁷ Successful firms soon found and tapped sources of outside capital. Only those entrepreneurs who wished to remain small businessmen refused to share their equity interests with outsiders.⁴⁸ Bissell's reluctance after the firm was established to borrow for new capital projects or to bring in partners derives both from his farmer's repugnance of unnecessary debt and risk, and from his small business ethic: he had expended great effort and a large portion of his personal savings in singlehandedly establishing the business, and was repulsed at the idea of sharing the rewards with someone who merely provided additional funding at a later stage.⁴⁹ Bissell never abandoned this ethic. At times it could even be a virtue, particularly in the volatile implement industry. It saved Bissell from the

unpleasant repercussions of overexpansion during positive business cycles.⁵⁰

The accumulation of a large financial surplus in the mid-1920's did not change Bissell's attitude to money. On the contrary, it served to reinforce his obsession with security. Here again, T.E. Bissell's actions resemble those of the small American businessmen studied by Roland Robinson. The more successful of these often placed their surplus capital in investments other than their own businesses.⁵¹ With Bissell the process began when the profits of the war years were applied to the purchase of Victory Bonds. In 1919 the firm held \$31,000 of these bonds. Over the next nine years the investment portfolio was increased to \$240,000, with the purchase of city and provincial bonds and debentures. By 1928 these assets represented over half the assets of the firm.⁵²

Clearly, the financial capacity of the firm had far exceeded Bissell's aspirations for it. Funds which might have been applied to plant renewal, market expansion or new product development instead were hoarded. From the point of view of entrepreneurship, Bissell had become a maximizer of his own personal security, perhaps at the cost of the future viability of the firm.

Bissell's actions may be better understood by examining some of the counterfactual strategies open to him in the 1920's. It must be remembered that he acted not from an historical

perspective, but from his own interpretation of the economic climate as it unfolded. First of all, more modern factory facilities could have been built, and at least a railway siding could have been built to the plant. Despite the favourable cash position of the company in 1918 and 1919, the rebuilding following the 1918 fire perpetuated the sprawling complex of recycled buildings, additions and make-shift facilities. Few new operating efficiencies were realized.⁵³ It is obvious that Bissell believed such investments would not provide adequate financial returns. Secondly, the firm might have purchased competing or complementary implement companies during the depression of the early 1920's, when many such firms were experiencing financial difficulties. This would have given the Bissell company a diversified product line and a larger and more secure position in the Canadian farm implement marketplace. T.E. Bissell's obsession with control, and his inability to establish anything more than a rudimentary corporate bureaucracy, militated against such a course. It would also have meant abandoning the policy of single product specialization, which in the past had been a principal strength of the firm. Thirdly, he might have diversified his investments into common and preferred stocks. Bissell's fear of loss cautioned against this strategy. Considered against these alternatives, Bissell's investment policy does not seem so irrational. He behaved like the owner of a mature company

whose prospects for further growth were limited.

The nature of the relationship between the entrepreneur and society has perplexed observers since the beginnings of business history.⁵⁴ The evolution of T.E. Bissell's business attitudes demonstrates that not only did his family, community and culture provide the foundation for his entrepreneurial role, but that the relationship was continuous and interactive. The cultural characteristics of particular times and places are conducive to the development of particular types of entrepreneurs and entrepreneurial behaviour.⁵⁵ The rural culture and the small town of the 1890's, which had fostered T.E. Bissell's entry into business enterprise, were much changed by the 1920's. To all of Ontario society the First World War was a major cultural watershed.⁵⁶ The changes in attitudes and values distressed Bissell far more than the material ones. His workers became less cooperative. There was less deference to him in the community. The whole marketplace had assumed an ambience of crassness.

Most importantly, Bissell had grown up in a society with a fixed system of moral values.⁵⁷ The breakdown of this system under various assaults, of which behaviourism and relativism were only two, was a powerful threat to a man of Bissell's strong religious beliefs. What bothered Bissell was not so much the decline in the influence of theology (his brand of religion was rather secular to begin with), but the

loss of fixed points of reference. For Bissell, the church and its values were the central institution of the community. Perhaps what was most distressing was that these views came to be opposed not by the hostility of others in the community, but by their indifference.

Entrepreneurs possess a variety of motivations other than the mere accumulation of wealth.⁵⁸ T.E. Bissell, among other things, sought status and recognition, financial security, a sense of accomplishment and worth in his efforts, and the perpetuation, partially through his leadership and guidance, of the values of late nineteenth century Ontario. Of these, only the pursuit of financial security retained any real viability to a man of Bissell's sentiments in the 1920's. Wealth became the defence against all the threats, both real and imagined, that he had confronted since his younger days.

Nothing distressed T.E. Bissell more in the 1920's than his relationship with his nephew, Lloyd Bissell. Lloyd joined the firm before 1920 as a salesman and soon was given assignments elsewhere in the firm. In 1920 he received two shares of stock and became a director.⁵⁹ He became something of a surrogate son to Bissell, and it was generally believed in the community that he was being groomed to take over the business on his uncle's retirement.⁶⁰ However, Lloyd was not a younger version of T.E., and the two men had frequent disputes, over both personal and business matters.

The situation reached a crisis in 1924 when T.E.

intervened to end Lloyd's engagement to a woman he perceived as an unsuitable wife. Lloyd eventually deferred to his uncle's wishes. The engagement was broken off, and Lloyd lost a breach of promise suit which resulted. Naturally, the affair dominated the attention of a village as small as Elora for months. In the end, T.E. Bissell's attempt to act the nineteenth century patriarch was a failure, and it eroded some of his personal prestige in the village.⁶¹ Lloyd Bissell never again posed in a role of filial reverence, and there was no smooth generational transfer of the business into new hands.

T.E. Bissell, in his personal brand of entrepreneurship, sought to put the values of family, farm and small shop into an industrial context. An obvious question is whether T.E. Bissell was of a type of entrepreneur that might be found elsewhere. The preliminary evidence suggests that he was. For example, J.H. Fairbank was the leading entrepreneur in the Petrolia oil boom. He remained firmly attached to the values of small business, refused to become involved in the large oil companies, and in his later years became an obsessive security seeker.⁶² There is also the example of Bissell's old partners and associates, the Beatty Brothers firm of Fergus, who were spectacularly successful after 1910, while exhibiting a set of values and behaviour similar to those of T.E. Bissell.⁶³

A major difficulty in studying these men, apart from

the relative obscurity of their activities, is the fact that they did not work with one another as a group or class.

Normally the sole or dominant voice in their firms, these men suffered no corporate restraints on what might be viewed, in larger businesses, as irrational or idiosyncratic behaviour; that is, behaviour not directed to the maximization of profit and growth, and the furtherance of the firm as a corporate entity. The common characteristic of small business entrepreneurs, like Bissell, is that they saw their entrepreneurial activities as a vital part of the economic and moral life of their communities.

REFERENCES FOR CHAPTER VII

¹Entrepreneurship, as considered here, was first defined by J.A. Schumpeter, The Theory of Economic Development (New York, 1934); and N.S.B. Gras, Business and Capitalism (New York, 1939). Gras developed a series of stages of entrepreneurship which, although influential, was eventually rejected by most business historians.

²See Thomas C. Cochran, "The Entrepreneur in Economic Change," Behavioral Science, 9, 2 (Apr. 1964).

³Louis Galambos, "Business History and the Theory of the Growth of the Firm," Explorations in Entrepreneurial History, 2nd. Series, 4, 1 (1960): 3-16.

⁴An extreme example is the William Durant administration of General Motors. See John B. Rae, "The Engineer-Entrepreneur in the American Automobile Industry," Explorations in Entrepreneurial History, 1st. Series, 8 (1955): 1-11.

⁵See Harold Livesay, "Lilliputians in Brobdingnag: Small Business in Late Nineteenth Century America," in Stuart W. Bruchey, ed., Small Business in American Life (New York, 1980).

⁶Alfred D. Chandler, Jr., Strategy and Structure: Chapters in the History of Industrial Enterprise (Cambridge, 1962). Chandler refined his analysis of the relationship of strategy and structure in the business firm in The Visible Hand (Cambridge, 1977), in which he examines Piere Du Pont's efforts to expand the Du Pont firm while retaining majority family control.

⁷See Leland H. Jenks, "Role Structure of the Entrepreneurial Personality," Change and the Entrepreneur (Cambridge, 1949).

⁸For example, Gilbert Holland Montague, The Rise and Progress of the Standard Oil Company (New York, 1904).

⁹Livesay, op. cit., p. 340.

¹⁰The work of this group of historians was based at the Research Centre in Entrepreneurial History at Harvard University. Their basic concepts appeared in a compilation of short papers, Change and the Entrepreneur, published in 1949. Arthur H. Cole, Leland Jenks, Bert Hoselitz, John B.

Rae and Alfred D. Chandler, Jr. were among the members of this loose group. Their further researches were published in the journal Explorations in Entrepreneurial History between 1949 and 1958. The journal was resumed in 1963 by the University of Wisconsin, but the orientation was changed to reflect the interests of those researchers employing econometric models and other aspects of the 'new economic history.'

¹¹Jenks, op. cit.; Fritz Redlich, "The Origin of the Concepts of 'Entrepreneur' and 'Creative Entrepreneur,'" Explorations in Entrepreneurial History, 1st. Series, 1 (Feb. 1949): 1-7; and Fritz Redlich, "The Business Leader in Theory and Reality," American Journal of Economics and Sociology, 8 (1949): 223-238. A strong distinction was made in the early 1950's between entrepreneurship and mere business management, the essential quality of the former being innovation.

¹²For example, Hal Bridges, "The Robber Baron Concept in American History," Business History Review, 32, 1 (1958): 1-13; Edward Chase Kirkland, Dream and Thought in the American Business Community (Chicago, 1956). There was generally a pro-business tone to the writing of the 1950's: for example, Chandler, Strategy and Structure, op. cit.; and Allan Nevins, Ford: The Times, The Man, The Company (New York, 1954).

¹³Arthur H. Cole, "Meso-Economics: A Contribution from Entrepreneurial History," Explorations in Entrepreneurial History, 2nd. Series, 6 (Fall 1968): 3-33.

¹⁴The biographical treatment of entrepreneurship has remained a particularly strong tradition in Canada. In addition, many Canadian historians prefer to view entrepreneurship as a characteristic of a class or group; For example, David Walker, ed., The Human Dimension in Industrial Development (Waterloo, 1980); Lewis R. Fischer and Eric W. Sager, eds., The Enterprising Canadians (St. John's, 1979).

¹⁵The development of approaches under the 'new economic history' are considered by Peter D. McClelland in Causal Explanation and Model Building in History, Economics and the New Economic History (Ithaca, 1975), pp. 175-78. Important and valuable studies based on older methodologies continue to be written. See, for example, Wayne G. Broehl, John Deere's Company (New York, 1984).

¹⁶Thomas C. Cochran, "Cultural Factors in Economic Growth," Journal of Economic History, 20 (Dec. 1960): 315-330.

¹⁷Francis E. Hyde, "Economic Theory and Business History: A Comment on the Theory of Profit Maximization," Business History, 5 (1962): 1-10. Hyde argues that profit maximization cannot explain fully the actions of entrepreneurs, and that such qualities as security and leisure, and even political influence, were maximized by entrepreneurs.

¹⁸K.A. Tucker, "Business History: Some Proposals for Aims and Methodologies," Business History, 14 (1972): 1-16.

¹⁹The most important collection of papers on this theme is Bruchey, op. cit.

²⁰Census of Canada, 1891; 1931.

²¹For example, W.G. Philips, The Agricultural Implement Industry in Canada (Toronto, 1956); E.P. Neufeld, A Global Corporation (Toronto, 1969).

²²This view was taken by J.A. Schumpeter in Theory of Economic Development (Cambridge, 1934), and it was widely held until the 1960's as central to the study of business history.

²³For example, Frank Knight, Risk, Uncertainty and Profit (Boston, 1921).

²⁴Yale Brozen, "Invention, Innovation and Imitation," American Economic Review, 41 (1951): 239-257; H.G. Barnett, Innovation: The Strategy of Economic Development (New Haven, 1958).

²⁵Bissell suffered no bad debts in 1894 and 1895. Data for subsequent years is incomplete, except for 1913-1915. In these years overdue accounts were insignificant relative to sales.

²⁶Edit Tilton Penrose, The Theory of the Growth of the Firm (New York, 1959), p. 38.

²⁷John B. Rae, "The Engineer as Businessman in American Industry: A Preliminary Analysis," Explorations in Entrepreneurial History, 1st. Series, 7, 2 (1955): 94-104.

²⁸Philips, op. cit., p. 38.

²⁹For example, T.E. Bissell was a leader in the development of the offset disk harrow. This refinement did not appear as an invention, but as a series of experiments by a number of manufacturers including Bissell between 1910 and 1920. O.W. Sjogren, "The Development of the Offset Disk Harrow," Agricultural Engineering, 17, 12 (1936), p. 503.

³⁰T.E. Bissell's home in eastern Ontario was a hotbed of Patron activity in the early 1890's. See John D. Smart, "The Patrons of Industry in Ontario," unpublished M.A. thesis, Carleton University, 1969; S.E.D. Shortt, "Social Change and Political Crisis in Rural Ontario: The Patrons of Industry, 1889-1896," in Donald Swainson, ed., Oliver Mowat's Ontario (Toronto, 1972): 211-235. Bissell's views are revealed in comments and drafts of advertising messages in his diary notebooks, Bissell Papers. See also Chapter VI, supra.

³¹Livesay, op. cit.

³²Livesay, op. cit., p. 347.

³³The inability of the Massey--Harris firm to develop and produce a successful tractor was the chief engineering problem for the firm in the early 1920's. Philips, op. cit., p. 66. Development and start-up costs could be immense: General Motors spent \$33,000,000 on a tractor that proved a commercial failure. Chandler, Strategy and Structure, op. cit., p. 129.

³⁴An analogous situation existed in the automobile industry before 1920. Manufacturers did not need to develop a market for cheap automobiles; their problem was to make them profitably at a price the public could afford. See Rae, "The Engineer-Entrepreneur," op. cit., p. 9.

³⁵T.E. Bissell Co. Ltd., Directors Minutes, Mar. 3, 1916, Bissell Papers.

³⁶John W. Atkinson and Bert F. Hoselitz, "Entrepreneurship and Personality," Explorations in Entrepreneurial History, 1st. Series, 10 (1957): 107-112.

³⁷Rae, "The Engineer-Entrepreneur," op. cit., p. 8.

³⁸Ibid., p. 2.

³⁹T.E. Bissell Co. Ltd., Minutes of Annual Meeting, Jan. 5, 1925, Bissell Papers.

⁴⁰Broehl, op. cit., pp. 360-63.

⁴¹Neufeld, op. cit., p. 380.

⁴²Thomas H. Johnson, "Early Cost Accounting for Internal Management Control: Lyman Mills in the 1850's," Business History Review, 46 (Winter, 1972): 466-474.

⁴³Michael Bliss, A Canadian Millionaire (Toronto, 1978), pp. 119-120.

⁴⁴James H. Soltow, "Origins of Small Business and the Relationships between Large and Small Firms," in Bruchey, op. cit. Soltow first explored small business in Origins of Small Business (Philadelphia, 1965).

⁴⁵Roland I. Robinson, "Financing of Small Business in the United States," in Bruchey, op. cit.

⁴⁶Philips, op. cit., p. 60.

⁴⁷Thomas C. Cochran and William Miller, The Age of Enterprise (New York, 1961), p. 186.

⁴⁸Robinson, op. cit., p. 287.

⁴⁹The exception in the Bissell company is the equity interest of Robert Ewing. However, Ewing was never even close to a position where he could control the firm. While the working capital he provided was needed by the firm, its withdrawal would not have been a disaster for the company. This may also be a case of entrepreneurship on the part of Ewing--he may have made this a condition in accepting the position of sales manager.

⁵⁰Paul Wilkin, Entrepreneurship: A Comparative and Historical Study (Norwood, 1979), p. 208.

⁵¹Robinson, op. cit., p. 290.

⁵²T.E. Bissell Co. Ltd., Ledgers, 1919-1924; Directors Minutes; Misc. Financial Statements, Bissell Papers.

⁵³T.E. Bissell Co. Ltd., Minutes of Shareholders Meeting, June 20, 1920, Bissell Papers.

⁵⁴The key early work is Max Weber, The Protestant Ethic and the Spirit of Capitalism, originally published in 1904-1905.

⁵⁵Wilkins, op. cit., p. 214.

⁵⁶See Daphne Read, The Great War and Canadian Society (Toronto, 1978), especially Ch. 8.

⁵⁷Cochran, "The Entrepreneur in Economic Change," op. cit. Cochran notes strong differences in attitude between those entrepreneurs who attended school before and after 1920.

⁵⁸Wilken, op. cit., p. 217.

⁵⁹T.E. Bissell Co. Ltd., Minutes of Shareholders Meeting, June 26, 1920, Bissell Papers.

⁶⁰Interviews, Mrs Mary Clarke; Mrs Muriel Towriss; Mrs Elizabeth Hayes, Elora, Ont.

⁶¹Interviews, Mrs Joan Bosomworth; Mrs Marjorie Dow, Elora, Ont.

⁶²Edward C. Phelps, "John Henry Fairbank of Petrolia (1831-1914): A Canadian Entrepreneur," unpublished M.A. thesis, University of Western Ontario, 1965. This is the best study of an Ontario small town entrepreneur. See also J.H. Fairbank, "To Our Stockholders," message to the shareholders of the Crown Saving and Loan Co., Feb. 6, 1913, Fairbank Papers, University of Western Ontario.

⁶³The Beatty firm was much more successful than Bissell in adapting to the circumstances of the 1920's, and to larger forms of business organization and management. Nevertheless, the firm remained a preserve of the older values as far as this was possible. See Stephen E. Thorning, "Financing Small Town Industry in Southern Ontario, 1870-1930," paper presented at the Urban Studies Conference, University of Winnipeg, Aug., 1985. See also R.T. Averitt, The Rural Economy (New York, 1968). Averitt views the small town business as part of the 'peripheral economy' in contrast to the 'centre economy' of corporate capitalism. This view contradicts the observations of historians such as Livesay, Robinson and Soltow, who place these industries in niches within the mainstream of business activity.

CHAPTER VIII

T. E. BISSELL AND HIS COMMUNITY

To determine the tone and tenor of life in a village of sixty and more years ago and the place of a particular industry within it is to embark on a frustrating search for the elusive: many of the essentials were unwritten and undocumented. Nevertheless, the parameters can be sketched, if crudely and incompletely. The memories of some old-time residents do go back into this time, but not back far enough to remember the early years of the Bissell firm in Elora. Moreover, one old-timer's remembrance of his childhood, or even a dozen of them, can only hint at the way this particular village functioned in this time on a day to day basis.

The Elora of T.E. Bissell's time was a victim of a generation of costly failures in efforts to industrialize. As a consequence, the leading citizens in the 1890's displayed a disinclination to industrialization and a fixation on commercial activity. Prosperity came to be equated with a vital retail sector.¹ The statements of the civic leaders holding these views can be found in newspaper accounts of public meetings and those of particular organizations.² What is not evident in these sources is the dynamics of power and influence. Who commanded the most ears

in the barbershop, the post office and the street corner? Were power, influence and status congruent? Who among the leaders was privately reviled? Who, if anyone, actually called the shots? How did this society change to accommodate T.E. Bissell and his firm, and what place did Bissell himself carve for himself within it?

Villages such as Elora have long been subjects of literary treatments and of studies by social scientists. Strong arguments, both aesthetic and logical, can be raised against the historical usefulness of works of fiction, even when these take for their subject a particular community.³ Certain writings of economists and early studies of urban sociologists are a sounder basis for generalizations and a sense of context, against which turn-of-the-century Elora can be placed. From the broad satire of Thorstein Veblen⁴ to more specific and empirical community studies of the 1920's,⁵ this literature points to basic similarities in small town dynamics across North America. When the sketchy data on Elora seems to fit these general patterns, it is reasonable to hypothesize, in the absence of evidence to the contrary, that the generalization can apply to Elora.⁶

The town which was to become Bissell's home was neither dynamic nor ambitious; it was perhaps more like North Augusta than Prescott in his native Grenville County. Three decades of industrial failures had debilitated much of the spirit of Elora, and had resulted in the emigration

of the more ambitious young men in the 1880's and 1890's. As a result of the weak local economy, there were probably fewer class distinctions than in other towns of a similar size, although economic strata and social groupings definitely existed.

Dominating the affairs of the village, as much by default as by their own energies, were the merchants.⁷ Of the 23 men who held public office between 1895 and 1901, 18 could be grouped into this category.⁸ These same names recur with regularity among the officers of the social and fraternal organizations that were active at this time. These years were a low point for such societies, a considerable change from the cultural renaissance that characterized Elora during the 1860's and 1870's.⁹ There were few professionals in the village in 1901, and only one, a doctor, took much interest in public affairs.¹⁰ None of the teachers in Elora's schools remained in town long enough to establish themselves socially.¹¹

The handful of men who might be called manufacturers did not form any distinct group. Few involved themselves with public affairs, and most did not even join the ineffectual Board of Trade when it was revived periodically. John C. Mundell, the most important manufacturer, was something of a recluse by the turn-of-the-century.

Several men from this period do stand out individually. Mundell's opinions were probably reflected by James Archibald,

the private banker, and Archibald's office manager, Henry Clarke. J.M. Shaw, editor of the Elora Express, published the obligatory (for this period) booster editorials, but his were more restrained and intelligent than most of this genre. Shaw had been involved in Elora newspapers since the 1860's, and had been a close witness to all that had passed over the previous four decades. The most notable of the merchants was Alex Kerr, youthful and fiery, whose opinions were outspokenly progressive in the then current sense of the term, and outspokenly unfashionable among his fellow merchants. Brooding over the village was the figure of Charles Clarke, former M.P.P. and a former merchant, who had been a force in Elora's political life since the spirited Clear Grit days of the 1850's. Clarke had uttered not a public word on village affairs since the railway battles of the 1870's, but this is not to say he was without influence in local issues.¹² Henry Clarke (who was Charles Clarke's nephew), Alex Kerr and J.M. Shaw were T.E. Bissell's first supporters and acquaintances in Elora, and Henry Clarke, as reeve and later village clerk, served the role of Bissell's sponsor into Elora society.

After moving to Elora, Bissell immediately became involved with the Methodist Church. Over the next thirty years the association would strengthen; he eventually held most of the lay positions in the congregation and consistently contributed money. In 1901, though, his first interest and loyalty was to his workers and factory. A half-dozen men

had come with him from Fergus, and at least two had been with him since his brief residence in Preston. Among these men were Martin Seves, the head blacksmith, and Fred Hunt, the future plant superintendent.¹³ By 1902, Bissell had hired some fifteen men from the Elora labour force. His habit of rolling up his sleeves and doing actual work in the factory created a favourable impression among the workforce, as it did in the community. On Dec. 30, 1902, his workers gave a dinner in Bissell's honour, thanking him for his concern and attention to their wellbeing.¹⁴ This became an annual event until at least 1910. There were many other examples of the high regard of the labour force for Bissell. For example, Torrance Hunt, the son of Fred Hunt, was named after T.E. Bissell.

On the upper side of the social spectrum, Bissell was soon initiated into the local lodge of the Masonic Order.¹⁵ Irvine Lodge, traditionally the most prestigious of Elora's social and fraternal groups, had suffered from the depressed local economy in the 1880's and 1890's, but it had survived.¹⁶ The officers included, over time, most of the industrial and professional men in Elora, as well as the elite of the merchant class. These were the same men who dominated the village's politics.¹⁷ The Bissell firm provided something of a revival for Irvine Lodge. D.B. Miller, Bissell's father-in-law, moved to Elora in 1903 and immediately established himself in the local ranks of

freemasonry. Over the years many of the senior Bissell personnel were initiated into Irvine Lodge, and one, T.C. Wardley, served at higher levels in the organization.

Membership in the Irvine Lodge was not obligatory for a businessman in Elora: Joseph Walser, for example, established a successful furniture factory in 1911 and was never a member. Rather, the lodge provided a shortcut to gaining contact and friendship with local leaders and moulders of public opinion. In other words, the lodge provided instant respectability.

Of T.E. Bissell's beliefs and activities, none was as consistent through his life as his work in the cause of temperance. He had assisted temperance activities in Prescott in the early 1890's.¹⁸ In Elora he made his influence and help available to Elora's prohibitionists as soon as he had settled himself into the village, chairing a temperance rally as early as Nov. 2, 1902.¹⁹ Temperance campaigns in Elora dated back to the early 1850's. Activity tended to centre around the Methodist Church and its members, although the Presbyterian Churches and their ministers often lent their assistance. The popularity of temperance measures was variable. Elora supported the Scott Act in 1886 and a prohibition plebiscite in 1894, but the village had voted wet in 1877 and in the 1898 federal plebiscite.²⁰ Similarly, individual temperance societies came and went in continuous succession. In Bissell's time, organized activity centred in

the local chapters of The Royal Templars of Temperance and the Women's Christian Temperance Union, both dominated by Methodists.

Although T.E. Bissell supported both societies, he concentrated his own efforts on plebiscite campaigns. Three of these took place after he came to Elora, in 1902, 1909 and 1913, all for the purpose of establishing the local option. Despite Bissell's influence, personal prestige, and campaign efforts (he brought B.H. Spence to Elora for a rally in 1909 and paid for full-page ads in the Elora Express), the measure failed to carry each time.²¹

Unlike many of Elora's citizenry, T.E. Bissell favoured the use of legislation to enforce his ideas of social progress and morality. To secure these ends, he formed, with the help of the Methodist minister, the Committee on Temperance and Moral Reform. Through meetings, representations to council, and letters to the local newspaper, T.E. Bissell and Rev. Robb pressed for prohibitory measures, the licencing of tobacco sellers, and the close regulation and supervision of pool halls, dances and other amusements.²² Although in the progressive spirit of the age, these somewhat heavy-handed proposals were not in keeping with the traditional spirit of government regulation in Elora, which was to treat problems as they occurred on an ad hoc basis. Bissell's committee never achieved widespread support in the village, and it served to separate him slightly from other leaders in

the village with its implicit tone of moral superiority. The other leading men of Elora rarely took such strong stands, in public at least, on these issues. On the other hand, Bissell's extreme temperance and moralist views seem to have generated few enemies. It would seem that his activities were regarded in the community as earnest but slightly eccentric.

T.E. Bissell did not seek elective office in order to advance his views. Nevertheless, he soon developed a reputation as a man interested in politics and, considering the success of his business, a man qualified to hold elective office. In 1908, although he had conducted no active campaign, he placed a close second for the provincial Liberal nomination in Centre Wellington.²³ There is every possibility that his cause was advocated by his friend Henry Clarke, who was secretary of the riding association.²⁴

The issue that brought Bissell into active partisan politics was not moral reform but hydro-electricity. In 1912 he was elected to council, partially on the promise that he would petition the provincial government to build a flood control and electric power generation system on the Grand River. Bissell led the poll with 218 votes, against 175 for his nearest rival. In the same election, Alex Kerr was elected reeve by a vote of 159 to 147, on a platform similar to that of Bissell.²⁵

In early September of 1912 T.E. Bissell headed an

Elora delegation to Toronto to visit Premier James Whitney. The arguments advanced by Bissell in favour of the Grand River project were convincing: within a month the Hydro-Electric Commission commenced surveying the river and measuring water flows.²⁶

The hydro and flood control issue of 1912 and 1913 involved much more than the possible construction of dams and generating stations. First of all, Elora was in great need of any type of reliable electrical service. Since 1892 the village had been supplied from a private plant in Fergus. The service was plagued by intermittent supply, high rates and poor voltage regulation. In addition, it operated only in the evening. As reeve in 1908, Alex Kerr had attempted to involve Elora in the provincial hydro-electric scheme, but his efforts had cost him his office in the following election. At the time only a handful of residents had electric service, and many, particularly retired farmers, could see no advantage to a proper electrical system. Their fear, of course, was the cost: a debenture issue of about \$20,000, higher mil rates for more streetlights (Elora had only four at the time), and no benefit to themselves.²⁸ In 1912 there was a new twist: the Fergus plant faced imminent closure, leaving Elora with no electrical service of any kind.

For T.E. Bissell, the electricity and flood control issue combined self-interest with his philosophical views of social reform. There were palpable economic benefits to his

business. His buildings were the most vulnerable in the village to the annual spring floods of the Grand River. Bissell also desired additional electrical energy for his factory. The dam and generator he had installed in 1909 were intended primarily for lighting. This facility could not entirely power his plant. There was also the danger of complete shutdown of the generator in summer due to low water. His own calculations had shown the provincial hydro-electric system to be his cheapest alternative for additional electricity.²⁹ He also had to consider his workers. The most valuable and skilled employees were in danger of being lured away by more attractive living conditions in other towns.

For T.E. Bissell, the proposed hydro-electricity/flood control scheme was at once progressive, defensive, and profoundly conservative. Participation in the provincial power grid would provide Elora and its industries with a competitive tool to fight those in larger centres. In addition, electric power could serve to keep the population from drifting into the cities, which, in Bissell's mind, were the embodiment of the immoral forces in society. He outlined his arguments most clearly at a public meeting on the hydro question on Aug. 28, 1913. On a platform he shared with reeve Alex Kerr and Adam Beck, head of the provincial hydro-electric commission, Bissell pointed out:

the unreliable nature of the present Grand River power, which could be improved by storage dams, if this were

found feasible. The town without power and light at any hour of the day is, under modern conditions, labouring under a serious handicap. This would be corrected here by hydro-electric, which is 24 hour power for 365 days in the year. It should also be noted that local manufacturers at Elora could use the electricity profitably for several months of the year, especially during the summer when the river is low and the electricity is not needed for light during working hours. This would give a good average power consumption the year round.³⁰

Bissell went on to point out the advantages of electric power to agriculture and the farmer:

such as pumping water, sawing wood, chopping grain, washing, milking, ironing, cooking, heating, and dozens of other ways that would suggest themselves. Something should be done to stop the disproportionate drift to the cities, and to keep people on the land. About three-quarters of our immigrants go to the cities and towns, and only about one-quarter to the farms. Lightening the farm and rendering it more attractive and remunerative, also bringing to the agriculturist the advantages of the city without its drawbacks, should be the aim, and along this line nothing would be more potent than the advent of electricity on the farm. The questions of particular interest, I presume, are how to obtain the power, and at what cost.³¹

In other words, T.E. Bissell saw technological innovation (provided the financial costs were not too high) as a means of preserving the fixed economic and social values of the village and countryside.³²

Bissell cannot be acquitted entirely of the charge that his leadership of the pro-hydro forces was an extension, in the broadest sense, of his managerial activities. That is, he was attempting to make secure his sources of power and labour. To him more than any other Elora businessman, the hydro issue could be addressed in purely economic terms. Reeve Alex Kerr's support was focused on the general and vague

arguments of civic improvement. Udney Richardson, a feed mill and saw mill operator, was also vague in his thoughts, speaking of the occasional unreliability of Elora's water power at the time, and "the necessity of getting in line with modern development."³³

The anti-hydro forces were even more unfocused. Much of the force of their position was taken away by the part of the plan that called for the building of dams and generating stations along the Grand River. The under-utilization of the river's water power had been the consistent theme of civic boosters of every stripe for seventy years. There was also the fear, fed by periodic rumours, that Bissell might sell out or move his factory, should he be lured by better advantages elsewhere. This eventuality alarmed the low tax advocates, a populous class in Elora, who feared the loss of Bissell's substantial assessment. Paradoxically, these were the same people who opposed new industries for fear that they would produce a greater demand for more municipal services.

In the end, the opposition to the hydro scheme seemed to evaporate. The vote on the debenture issue to pay for the installations in Elora carried by a vote of 200 to 8.³⁴ It was a case of well-reasoned singlemindedness prevailing over an opposition that was unled and over ideas that were neither carefully reasoned, nor, in many cases, strongly held. Bissell's victory in the hydro issue was not

dissimilar to that of Henry Clarke in 1901, when Clarke convinced the village to support the original Bissell bonus bylaw. Bissell had the additional advantage of considerable economic clout to back up his position of natural leadership in the community. The hydro scheme itself proved to be another in the long series of economic disappointments for Elora. The village was wired and connected to the provincial grid in 1914,³⁵ but the dams and generating stations on the Grand River were never built. The war, cost escalations, and the power surplus resulting from the huge Queenston generating station all conspired against this part of the plan.

T.E. Bissell was involved in local politics for another five years, but his activities during this period were anticlimactic compared to the hydro affair. He served as a member of the first local Hydro-Electric Commission, and was elected president of the newly reorganized Board of Trade in 1916.³⁶ Like its predecessors, this body proved to be largely ineffective, but it did have one advantage. The merchants had formed their own Retail Merchants Association, leaving the Board of Trade briefly in the dominion of Elora's industrialists and professional men. Between 1916 and 1919 the board campaigned for a new Grand Trunk railway station, and petitioned the provincial government to have Elora included in the system of provincial highways. As late as 1919 Bissell and the Board of Trade were still pushing for the hydro-electric development of the Grand River. They also

supported the construction of electric railways to Guelph and Kitchener. Talk of these radial lines mortified Elora's merchants.³⁷

In 1917 and 1918 T.E. Bissell was reeve of Elora. He was unopposed both times, and had declined the nomination in 1916 and would decline again in 1919. There is no indication that he actively sought the office. His decision to stand may have been in part to dispel a fresh round of rumours that his firm was planning to leave Elora. His terms as reeve were undistinguished. There were no new directions to policy and no new capital projects, although it must be admitted that wartime conditions prevailed. In his inaugural address to the council in 1917 he sounded like a typical Elora old boy:

While our present industries are healthy and progressing, there is room for others, and any initiative in the way of adding to our factories or increasing the diversity therein will be fully appreciated. We have entered a year which should be characterized by thrift and sacrifice, and as a Council we must endeavour to contribute our full part.³⁸

For his part, Bissell supported the war effort by assisting with the local Victory Bond campaign. The \$171,000 raised in Elora and vicinity indicates that there was a large pool of idle capital in the village, and that its owners were unwilling to invest in local industries or other entrepreneurial endeavours.³⁹ On behalf of local farmers, Bissell petitioned several tractor manufacturers to secure tractors for loan or rent locally to alleviate the

farm labour shortage. He was also sympathetic to the anti-conscription sentiments of many farmers.⁴⁰ At times Bissell could be critical of the war effort. For instance, he was outraged at what he saw as inept leadership and poor planning by the Canadian government in 1915. At public meetings and in the local paper, Bissell charged that inadequate supplies to the army were prolonging the war unnecessarily. He also claimed that on several occasions he had written to the government to offer part of his factory for the manufacture of war materials, but had received no reply of any kind.⁴¹

Bissell was not without his own critics. Most vocal was Harry Card, a conspicuous opponent of electricity in Elora and tax concessions to industrialists. He was the epitome of the small town character who is the foe of everyone at a higher economic level than himself. In late 1917, Card launched a scathing attack on Bissell's public and private business activities, denouncing him as a war profiteer.⁴² Bissell responded immediately, claiming that disk harrows made a great contribution to the overall war effort. In Elora's battle of the low versus the mighty, Bissell was supported by his friend Richard Mills, editor of the Express, whose words are an indication of Bissell's status within the upper circles of the community:

His time per hour is worth more than ours or Mr. Card's per day, and if he choses to give part of it freely to the public he deserves our thanks, not our censure.⁴³

However numerous they might have been, Bissell's critics were silent following the fire of Nov. 19, 1918, which destroyed much of the Bissell factory. The instantaneous and genuine response of Bissell's fellow businessmen, and the community as a whole, to what the Express described as "the most disastrous event in the history of the village," served to cement his relationship with Elora.⁴⁴ To have removed the factory at this point would have violated the basic moral sentiments of the man. In any case, there were very sound financial reasons for turning down the offers of various towns which desired to secure the Bissell plant.

To the point of obsession, Bissell always adhered to a policy of minimizing capital expenditure. It was far cheaper to remain in Elora and rebuild the plant, even if it meant being tied to an obsolescent facility. Materials shortages and inflation made the winter of 1918-1919 a poor choice for a rebuilding program. New buildings or extensions could be made at a later date--Bissell already had sufficient land, as well as a considerable investment in a dam and generating facilities. Elora itself could be viewed as a resource. The relative absence of competition for workers, and the generally low housing costs in the village, provided a distinct labour cost advantage over firms in other centres. Bissell took seriously his role as a major economic force in the community, and his role in the general stewardship of the village. His personal views on temperance, religion and morality could have

an influence in Elora that would not be possible in a larger town. His statements during the hydro debates clearly show his attachment to small town values: Bissell's enthusiasm for electrical service and other municipal services was a defensive action to help preserve these values by introducing modern material comforts. Altogether, T.E. Bissell valued Elora's small town virtues, and his sentiments were reinforced, rather than threatened by, financial considerations.

The harmonious relationship between Bissell and his workforce was a binding force between the firm and the community. Even so, it was a relationship that changed with time. The spirit of camaraderie between Bissell and his men in the early years did not persist after 1910, falling victim to the growth of the company and Bissell's conflicting roles of liberal paternalist and capitalist manager. The increasing distance between Bissell and his men was offset to some extent by the attitude of the men: it was Elora's factory as much as it was Bissell's. Further, most of the men had relatives, in-laws and close friends on the payroll. Social interaction in the community continued into the plant.

Wages and working conditions in the Bissell factory were inferior to those in factories in larger centres, but there was never a hint of labour trouble during the years that Bissell controlled the business. In the 1920's the 59-hour week was reduced to 55 hours, which was still above the industrial average for the time. For several months in

1916, Bissell toyed with the idea of a profit-sharing scheme, but he never brought forward a plan for implementation.⁴⁵ It is entirely possible that Bissell may have been responding to incipient stirrings in the labour population. In the 1917 federal election, a Social Democratic candidate polled 63 votes in Elora, or 22% of the total, on a platform that proclaimed that working men were not receiving the benefits of new machinery and technology, and that the nation's industries should be run by government.⁴⁶ It is not unreasonable to assume that at least a few of these votes were cast by Bissell employees. These ideas promised to bring about the sort of labour-management confrontation that Bissell sought to avoid: they would force T.E. Bissell, unfairly, into the camp of the exploitive capitalist class. Although an Independent Labour candidate polled 66 votes in Elora in the 1921 federal election, no labour movement in the village emerged in the 1920's.⁴⁷ Nevertheless, tensions and resentment of Bissell's wealth existed beneath the gloss of labour harmony.

T.E. Bissell's basic attitudes to labour did not change, despite the new attitudes in the village and in society as a whole in the 1920's. He was a man who would have shown pride in the label of enlightened paternalism. Seasonal layoffs occurred often in the summer months, and a number of the men were forced to seek temporary work on farms.⁴⁸ There is evidence that Bissell avoided layoffs as

long as possible. Large inventories of partially finished components and unsold implements were frequently carried. When there was little work in the factory, men would be assigned to painting details, general maintenance of the plant, and outdoor work, such as improvements to driveways. Men were sometimes hired when they were not required immediately. For example, a place was found in the plant for A.B. Fraser in 1926 so that he might play for Elora's hockey team; he was transferred to the office in 1928 when an opening occurred there.⁴⁹ As a consequence productivity in the plant varied greatly. The men willingly speeded up to meet production requirements when this was necessary. In effect, the workers set the pace of production. T.E. Bissell deserves no special credit for this system; it characterized many small industries in the early twentieth century.⁵⁰ Similarly, labour turnover was not significant. For example, of the 52 men on the payroll in the spring of 1919, all but four were still in the plant eighteen months later.⁵¹ As business historian David Brody has argued, the human dimensions of small business are a powerful advantage, and can compensate for reduced wages, poor benefits and reduced opportunities for advancement.⁵²

The Bissell Company was always prepared to make time for odd pieces of work other than implement manufacturing. In this respect the firm resembled an old fashioned blacksmith or machine shop. This work extended not only to repairs to

all makes and types of farm equipment, but to the repair and even the manufacture of custom pieces of machinery and tools for farmers, other businesses and employees. The list extends from stove grates and stove parts to bookshelves. Although of questionable profitability, such work could be welcome during slack periods, and it provided a useful service to the community and to the company's employees. The company made available at cost such materials as paint and lumber, and occasionally small quantities of coal and coke. The accounts also show a few sales of fuel at a nominal charge; these are obviously examples of charity.⁵³

The factory itself was a major local attraction, and a source of pride to those who worked there. Friends and relatives wandered freely in and out of the premises, and a tour of the factory was obligatory when employees entertained out-of-town visitors.⁵⁴ These employees behaved as though they had a personal interest in the business akin to ownership; it was their factory as much as Bissell's.

It was T.E. Bissell's practice to monitor the performance and circumstances of all his employees. For example. A.B. Fraser recalls that some months after he was hired in 1926, Bissell informed him personally that his work was satisfactory and that his pay would be increased from thirty cents to thirty-three cents per hour.⁵⁵ Each Christmas, Bissell gave his married employees a turkey, and the single men a less costly pair of gloves. He made an exception to this

rule for a single man who supported a widowed mother.⁵⁶

Trivial in themselves, these examples nevertheless show that Bissell devoted a portion of his energies to personnel matters that, in other firms with 70 to 80 employees, would be delegated.

Even so, there is an inevitable gulf between employer and employee, owner and worker. In the 1920's this gulf widened palpably. Some of the men began to resent Bissell's habit of watching over their shoulders and giving advice. Bissell's own role and place in the community was changing. By the 1920's he was no longer a vocal advocate of material improvements to the village's services. He involved himself only with matters of religion, temperance and morality. His public duties were confined to membership on the library board,⁵⁷ where he could supervise the selection of books for public circulation, and to his duties as Sunday School superintendent in the Methodist Church. Never a gregarious man, by the mid-1920's Bissell had no close friends in Elora outside church circles. Instead, he began to socialize with Guelph people, and his wife Emma made regular shopping trips to Guelph and developed her own circle of friends there.⁵⁸

Bissell alienated some members of the community when he opposed the granting of a poolroom licence to a crippled war veteran. In the climate of moral certainty of previous decades, most of the community would have supported Bissell's position. However, in the new social climate, with its

relativistic tendencies, many residents could be opposed to poolrooms in general, but be supportive of the poolroom of a man they knew personally to be of high moral fibre, and who was incapable of more strenuous work. This was a position that T.E. Bissell could not embrace. He was of the opinion that the young men of the village would be better occupied listening to one of his temperance lectures in Elora's Armoury Hall. Significantly, his opinion carried little weight and the licence was granted. Personally, Bissell continued to be regarded with respect and esteem, while his social and moral views were greeted not with opposition but indifference. Bissell had approached his role in the community with a missionary zeal.⁵⁹ This role was now, in effect, being repudiated by the community. The situation was imperspicuous to Bissell; it was transforming the progressive entrepreneur into a reactionary.

REFERENCES FOR CHAPTER VIII

¹Elora's merchants believed that they were under constant threat. A persistent complaint was unfair competition from Fergus and Guelph, and from Toronto mail order houses. See Elora Express, Apr. 22, 1886; Jan. 31, 1895; Fergus News Record, Dec. 20, 1894. The major effort to boost the village in the 1890's was the construction of cement sidewalks in the downtown area. See Village of Elora, Council Minutes, Oct. 24, 1895. See also Chapter II, supra.

²A disadvantage of newspaper sources is that Elora had only one paper, the Express, after 1877, and it deliberately played down controversies, much in contrast to the newspapers of the 1860's and 1870's. Even the News Record in rival Fergus seldom attacked either Elora or its paper in the 1890's.

³A novel based on turn-of-the-century Elora is Fred Jacob, Day Before Yesterday (Toronto, 1925). Jacob was the son of an Elora lawyer and a nephew of George Drew, whose grandson and namesake was premier of Ontario. Jacob left Elora as a young man.

⁴Thorstein Veblen, "The Country Town," in Absentee Ownership and Business Enterprise in Recent Times (New York, 1923).

⁵See, for example, Albert Blumenthal, Small Town Stuff (Chicago, 1932); Brunner, Hughes and Patten, American Agricultural Villages (New York, 1927); Newell L. Sims, The Rural Community (New York, 1920). Single town treatments are represented by Jean Burnet, "Town-Country Relations and the Problem of Rural Leadership," Canadian Journal of Economics and Political Science, 13 (1947):395-409; and Vidich and Bensman, Small Town in Mass Society (Princeton, 1958).

⁶Regrettably, there are no Ontario small-town monographs that are useful in this context. For example, M.D. Smith, "A History of Palmerston, Ontario," unpublished Ph.D. Thesis, University of Cincinnati, 1980, is essentially descriptive and attempts no economic or social analysis. However, even if such studies were available, there would still remain problems in determining what was typical and what was unique about particular towns. It is difficult, given the small populations of villages, to speak of classes and groups, when single individuals can and did play such large roles in shaping events.

⁷The prominence of merchants in small town circles of power seems to have been the norm in North America in the first decades of the twentieth century. See Vidich and Bensman, op. cit., pp. 108-132; Burnet, op. cit.; and Edmund deS. Brunner, Village Communities (New York, 1927), pp. 48-50.

⁸Village of Elora, Council Minutes, 1895-1901.

⁹See Gerald Killan, David Boyle: From Artisan to Archaeologist (Toronto, 1983), pp. 78-87.

¹⁰This was Dr James Nairn, who served on council and was reeve in 1898 and 1899.

¹¹Pierre LePage, School Days, 1849-1970 ([Elora, 1973]), pp. v-vi.

¹²The existence of small town 'invisible governments,' composed of men of higher status than those in active local government, and who were frequently former local officials, has been noted by several commentators. See, for example, Vidich and Bensman, op. cit., p. 115.

¹³Fergus News Record, Feb. 10, 1898.

¹⁴Elora Express, Jan. 7, 1903.

¹⁵Ibid., Jan. 21, 1903.

¹⁶Elora once supported two Masonic lodges: Irvine Lodge No. 203 and Royal Arch Lodge No. 19. The latter did not survive the depression of the 1870's. See Elora Express, June 30, 1892; Elora Observer, Dec. 26, 1872; Jan. 12, 1877.

¹⁷Although Masonic lodges tend to be composed of the elites in small towns, the roles and exclusiveness of these groups can vary considerably. At one extreme, they are merely social and mutual aid fraternal groups (see Vidich and Bensman, op. cit., pp. 23-24). At the other extreme they are close, tight-knit groups which, in practice, control the economic destinies of their communities (see Burton W. Folsom, Urban Capitalists (Baltimore, 1981), pp. 72-75.

¹⁸Bissell's notebooks contain frequent reference to temperance functions and drafts of temperance speeches. One of these begins, "Let us begin with a universally accepted truth and see wher it leads us. Temperance is a moral virtue..." T.E. Bissell, Diary Notebook No. 1, Bissell Papers.

¹⁹Elora Express, Nov. 5, 1902.

²⁰Lightning Express, Nov. 29, 1877; Elora Express, May 6, 1886; Fergus News Record, Feb. 1, 1894; Oct. 6, 1898.

²¹Elora Express, Nov. 5, 1902; Sept. 15, 1909; Dec. 29, 1909.

²²Ibid., Sept. 11, 1907.

²³Ibid., Apr. 22, 1908.

²⁴Ibid., Apr. 15, 1908. The Liberals were looking for a high profile candidate who could reclaim the riding, which had elected a Conservative for the first time since Confederation in 1905.

²⁵Elora Express., Dec. 27, 1911.

²⁶Ibid., Sept. 4, 1912; Oct. 2, 1912.

²⁷Ibid., May 6, 1908. All these points were raised in a letter over the signature "Property Owner."

²⁸Ibid., Sept. 19, 1913; Power Cost Analysis, Misc. Items, Bissell Papers.

²⁹Elora Express, Sept. 10, 1913.

³⁰Ibid., Sept. 3, 1913.

³¹Ibid.

³²There was nothing original in Bissell's proposals to make rural life more attractive. See, for example, Peter H. Bryce, "The Problem of Rural Depopulation: Its Meaning in Relation to Health and a Possible Solution," Canadian Journal of Medicine and Surgery, 34 (1913): 218-224; and Adam Shortt, "The Meaning and Economic Significance of the Movement from the Country to the City," Canadian Club of Montreal, Speeches, (1912-13): 62-71.

³³Richardson spoke these words at the same meeting that featured addresses from Bissell and Adam Beck. Perhaps in response to the sentiments expressed by Bissell, Kerr and Richardson, Beck devoted a large part of his two-hour speech to the origins of the whole hydro scheme as defence by smaller centres against large cities and monopolies. Elora Express, Sept. 3, 1913.

³⁴Ibid., Nov. 5, 1913.

³⁵Ibid., Mar. 4, 1914.

³⁶Ibid., July 12, 1916.

³⁷There were numerous separate proposals for such lines, including one by Beck's Hydro-Radial system. See, for example, Elora Express, Oct. 6, 1913; Mar. 26, 1919; and Stephen E. Thorning, "Streetcars in Guelph: The History of the Guelph Radial Railway," Historic Guelph (1983): 5-40.

³⁸Elora Express, Jan. 10, 1917.

³⁹Ibid., Mar. 19, 1919.

⁴⁰Ibid., Apr. 25, 1917.

⁴¹Ibid., Sept. 8, 1915.

⁴²Ibid., Dec. 19, 1917; Dec. 26, 1917. Card, an uninhibited letter writer, probably voiced comments that other residents would be reluctant to state publicly.

⁴³Ibid., Dec. 26, 1917.

⁴⁴Ibid., Nov. 20, 1918.

⁴⁵Directors Minutes, *op. cit.*, Jan. 14, 1916.

⁴⁶Elora Express, Dec. 5, Dec. 12, Dec. 19, 1917.

⁴⁷Ibid., Nov. 2, Dec. 7, 1921.

⁴⁸Interview, Mrs Muriel Towriss, Elora. Mrs Towriss's father, a skilled foundryman, on several occasions accepted farm work for \$1 per day in the 1920's.

⁴⁹Interview, Mr. A.B. Fraser, Elora.

⁵⁰Bissell's labour practices seem to have been consistent with those in small steel fabricating industries in Massachusetts, for example. See David Brody, "Labour and Small Scale Enterprise during Industrialization," in Stuart W. Bruchey, ed., Small Business in American Life (New York, 1980).

⁵¹T.E. Bissell Co. Ltd., Payroll, 1919-1920. This is the only payroll record that has survived. The existence of a low turnover in the labour force was supported by oral evidence.

⁵²David Brody, op. cit., p. 253.

53 T.E. Bissell Co. Ltd., Cashbook, Bissell Papers.

54 Interview, Mrs. Muriel Towriss, Elora. Mrs. Towriss recalls that the paint dipping process and iron pouring were the most popular attractions.

55 Interview, Mr. A.B. Fraser, Elora.

56 Interview, Mrs. Muriel Towriss, Elora.

57 Bissell was appointed to the library board in 1919 and served as long as he was resident in Elora. Village of Elora, Bylaw No. 607, Jan. 13, 1919, et.al.

58 Interview, Mrs. Elizabeth Hayes, Salem, Ont. Mrs. Hayes was the Bissells' maid in the early 1920's.

59 This attitude was present as well in Bissell's daughter Muriel, who organized a club of younger children so that she might direct their playtime activities along constructive lines. Interview, Mrs. Muriel Towriss, Elora.

CHAPTER IX

THE FIRM IN ITS LATER YEARS

By an agreement approved by T.E. Bissell and the board of directors on June 26, 1928, the factory, inventory and receivables of the T.E. Bissell Company Limited were sold for \$255,245.¹ The purchasers were a group of Toronto investors, represented by H.G. Pepall and Thomas A. Welch. Both men were associated with Toronto General Trusts, with whom Bissell had been dealing for some years regarding his firm's investment portfolio. The sum paid was \$30,000 over the conservative book value of the assets, but \$71,000 less than the appraised value of the new owners.²

Bissell had given no outward indication of his intention to sell before the spring of 1928, when the firm's chartered accountants were instructed to prepare evaluations and statements. No formal discussion of the sale appears in the minutes of the firm until the meeting when the sale was approved. One argument that the sale had been planned for some time can be based on the extremely low inventory level of \$42,600 at the sale date. Spring inventories had run between \$130,000 and \$140,000 in the early 1920's. Through improved planning T.C. Wardley had succeeded in reducing these levels to some extent in the mid-1920's, and 1928 was

a year of brisk sales, which would have the effect of depleting inventories. These factors, though, cannot account for all of the inventory reduction. There is a strong suggestion that Bissell was putting as many of the assets as possible into liquid form. After 35 years in the farm implement business, T.E. Bissell was familiar with the cyclical nature of the industry. In the spring of 1928 the firm was well into the third year of a positive cycle. At this time the Bissell company was the largest manufacturer of disk harrows in Canada. It was an advantageous time to sell. There was no public announcement of the sale until the July 4 issue of the Express, but by this time numerous rumours were current in the village. The official announcement stressed that the factory would remain in Elora, and that there would be no immediate change in management.³

The change in ownership resulted in the formation of a new firm, the T.E. Bissell Company, to carry on the manufacturing functions. The new directors were S.R. McKellar, R.W. Gowanlock and E.W. Wright, all of Toronto. A public stock offering was made of shares in the new firm, and it was handled by the investment firm of S.R. Gowanlock, one of the directors. Shares in the T.E. Bissell Company opened for trade on the Toronto Stock Exchange late in 1928.⁴ The new owners stated that the business would remain "under the managerial control of T.E. Bissell,"⁵ but most of the business decisions were made by T.C. Wardley, who bore the titles of secretary and general manager. T.E. Bissell held the title of president,

but his duties in actual practice were restricted to advice and long-term planning. The Toronto directors took little interest in the activities of the firm,⁶ although they issued a vague announcement that the company would "operate on a considerably larger scale."⁷

The old T.E. Bissell Company Limited changed its name to Bissell's Limited, becoming an investment holding company. It retained ownership of the cash assets and bonds, amounting to some \$244,000. The factory had been sold for cash, and these funds were also invested in government bonds and debentures. Interest earned on these investments provided T.E. Bissell with a rather comfortable retirement income of over \$16,000 per year.⁸

The most curious part of the sale is that the purchasers, particularly E.W. Wright and H.C. Hatch, were closely associated with the Hiram Walker--Gooderham and Worts liquor interests.⁹ T.E. Bissell proved to be quite capable of setting aside his strong temperance sympathies when he was presented with an attractive business proposition. Apart from the usual fear in Elora that the plant might be closed, neither the involvement of liquor men nor the sale itself seems to have aroused much censure from the community. What outraged Elora's residents was T.E. Bissell's decision to move to Guelph. The prevailing opinion was that Bissell's money had been made in Elora, and that it should remain, in some form, in the community.¹⁰ The collective claim of the village on the Bissell fortune had been betrayed.

T.E. Bissell was to enjoy his prosperous retirement for only three years. In November of 1931 he was badly injured when he stepped in front of a moving car at a service station. He suffered a paralyzing stroke while recuperating, and died at his Guelph mansion on Dec. 4.¹¹ Newspaper editors, in reflecting on his career, considered his greatest achievement to have been his successful penetration of the American market. "Mr. Bissell had a knack for manufacturing economically and was able to sell at a profit even in the United States," noted the Fergus News Record.¹² The funeral was held in Elora's United Church, where Bissell had been the leading lay member of the congregation for thirty years. The three officiating ministers stressed his spotless character, his nobility, and his manner, which was "not aggressive but attaching." "He had a winsomeness," was the summation of his friend, Rev. Dickie.¹³

Winding up Bissell's Limited, and settling T.E. Bissell's estate by the executor, Toronto General Trusts, took more than three years. Some of the safe investments in the investment portfolio proved to be not so safe as a result of the depression. The market value of these assets was written down from \$495,000 to \$391,000 in 1932.¹⁴ In his will, Bissell for the first time played the role of philanthropist. There were bursaries for ministers' children in Alberta and Saskatchewan, and sums for missions and "non-Anglo-Saxon work." The largest amount was set aside to thank western farmers for the large volume of business that had played such a major role

in his prosperity. This money was set aside for the construction of a string of Bissell Memorial United Churches across the prairies.¹⁵ Interestingly, there was no legacy for any kind of public memorial in Elora.

Succeeding Bissell as president of the T.E. Bissell Company was one of the kings of the Canadian whiskey trade, Harry C. Hatch, who was also a major shareholder. He visited Elora a week after Bissell's funeral, pronounced himself satisfied with the administration of the company, and left the running of the firm to T.C. Wardley.¹⁶

Under its new owners the firm had enjoyed only a short period of prosperity. The 1928 annual statement (which included only two months under the new regime), showed a net profit of \$79,200.¹⁷ For the year ending July 31, 1929, the net profit was down to \$30,200, an amount insufficient to cover dividends.¹⁸ It was the beginning of another downward cycle in the implement business, and it was affecting other manufacturers as well: Cockshutt suspended its 1929 dividend and Massey-Harris closed its Brantford plant for a lengthy layoff.¹⁹ In 1931 the depression hit the firm with a vengeance. The operating loss that year was \$12,000, and the firm paid the last dividend it would declare in the 1930's. The total loss for 1931, including the operating loss, a revaluation of inventory and the dividend payment, was \$35,000.²⁰ Still, it was a far better showing than other firms in the industry. The Massey-Harris Co., which averaged about 35 times the sales volume of the Bissell firm, suffered losses of over \$3,000,000

annually in the early 1930's, and accumulated losses of \$16,000,000 between 1930 and 1935.²¹ The comparable figure for the Bissell firm was \$53,900.²²

As in the early 1920's, T.C. Wardley was able to scale the operations down to correspond with the reduced sales volumes of the depression years. Some of the management policies of earlier years continued. There were layoffs, but a great deal of time was spent in rehabilitating equipment and buildings, rather than paring the workforce to the absolute minimum. The firm was well prepared for the eventual upturn in the implement business. By 1935 the worst was over. Sales that year increased 41% to about \$200,000, and there was a further increase to \$225,000 in 1936.²³ These were respectable figures, but well below the record years of the late 1920's. In August of 1936 the firm introduced its first new models in over a decade: a new mulcher-packer and a spring-toothed harrow. By late summer the factory was working overtime to fill orders on hand.²⁴

The restoration of sales volumes did not mean that the firm was again profitable. Intense competition in the implement industry meant that unit profits were greatly reduced. As well, the new Bissell company did not have the large reserves enjoyed by the old ownership. There were also administrative inefficiencies. The new owners knew little of the farm implement business and did not take a detailed interest in it. On the other hand, T.C. Wardley was a skillful and perceptive general manager, but he had no authority

in matters of finance or long term planning. Most importantly, the break-even point of the firm was now at a much higher level. The capitalization of the firm consisted of 2,018 preferred 7% shares of \$100 par value, and 10,165 common shares of no par value.²⁵ The guaranteed dividend on the preferred shares placed an annual charge of \$14,165 against the income of the firm, and when dividend payments were suspended in 1931 the preferred dividend was carried on the books as an accumulating charge which totalled, with compound interest, \$60,035 in 1935 and \$95,400 in 1937.²⁶ By contrast, the old firm had paid 5% or 6% dividends on \$113,300 of par value shares, and the dividend was suspended or reduced in years of poor financial performance.

From an operating point of view the company had recovered from the depression by the 1936-1937 fiscal year. Even though there were new product development costs and repair expenses as a result of a severe winter flood on the Grand River,²⁷ net earnings that year were \$16,100 on sales of \$250,000, giving an operating ratio of 6.5%. Financially, though, the firm was being crushed by the accumulating charge for preferred dividends. The balance sheet showed a deficit of \$11,400, and this amount was understated by \$27,000 in deferred depreciation from the years 1931-1934.²⁸ No realistic increase in business could resolve this financial quagmire. As early as 1935 president Harry Hatch had stated that a corporate re-organization would be necessary,²⁹ but nothing was done until two more years had elapsed.

TABLE 14

T. E. BISSELL COMPANY
STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1937

Assets:

Cash	\$ 1,636
Accounts Receivable	83,953
Inventory	57,602
Fixed Assets	168,796 ^a
	<hr/>
	\$311,987

Liabilities:

Accounts Payable	\$ 16,223
Bank Loans	10,000
Preferred 7% stock (2,018 shares)	201,800
Accumulated dividends with interest	95,351
Deficit	(11,387)
	<hr/>
	\$311,987

^aDeferred depreciation charges of \$27,083 were outstanding against these fixed assets.

Source: Elora Express, Oct. 13, 1937

In the fall of 1937 Harry Hatch and his colleagues made an attempt to solve the financial problems of the firm by merging it with another implement manufacturer. They purchased the assets of J. Fleury's Sons Limited of Aurora, a firm that specialized in ploughs, with minor lines of feed grinders, harrows and manure spreaders. This company was roughly the size of Bissell's, and had been a family-run concern since it was established in 1859. The original purchase price was \$270,000,³⁰ but this was subsequently reduced by some \$42,000 due to overvalued inventory.³¹ The Fleury family received \$34,500 in cash, \$65,000 of mortgage bonds, 1,000 preferred shares, and 3,000 common shares in the new firm.³² This arrangement minimized the cash outlay, but permitted Harry Hatch and his colleagues to retain full shareholder control.

The consolidated firm was to be known as Fleury--Bissell Limited, and it was formally organized by way of supplementary letters patent issued on Nov. 10, 1937 to the T.E. Bissell Company. The capital of the re-organized firm consisted of about 3,500 shares of 5% preferred stock of \$100 par value, and about 15,000 common shares.³³ There were also the \$65,000 of first mortgage bonds, which were held by Toronto General Trusts.³⁴ The accumulated preferred dividend of \$95,400 was written off.

Under Hatch's re-organization scheme the Fleury plant in Aurora became a branch plant. The head office of the firm was at Elora, and Bissell men continued to hold all the top

TABLE 15
 FLEURY--BISSELL LIMITED
 STATEMENT OF ASSETS AND LIABILITIES
 OCT. 31, 1937

Assets:

Current Assets	\$336,120 ^a
Fixed Assets	246,100
	\$582,220

Liabilities:

Current Liabilities	\$ 54,563
Preferred 5% stock (3,572 shares)	357,200
Mortgage Bonds	65,000
Surplus (Represented by 15,163 shares of common stock)	105,457
	\$582,220

^aThis figure was subsequently reduced by \$41,887 in the revaluation of the inventory of J. Fleury's Sons Ltd.

Source: Financial Post, Nov. 6, 1937

administrative positions. T.C. Wardley continued as general manager, and Lloyd Bissell, who had served on the sales staff since the sale of the Bissell firm in 1928, became a director of the firm and general sales manager. Harold Arthur, who had joined T.E. Bissell as an office boy in 1913, became treasurer, and Gilbert Mains, with Bissell's since the early 1920's, was named shop superintendent with responsibilities for both factories.³⁵ The board of directors was expanded with the addition of H.W. Fleury.³⁶

Harry Hatch had established his business reputation with a hugely successful corporate re-organization of Gooderham and Worts in 1923,³⁷ and he sought to repeat the performance with Fleury--Bissell. The major problem that came with the Fleury firm was excess inventory. When apprised of the situation by his managers, Hatch negotiated a reduction in the purchase price by deducting the book value of obsolete and unsalable goods, while the balance of the excess was reduced by attrition over the course of several years.

The new firm was able to offer farmers and dealers a fairly complete range of tillage equipment. The market for Fleury ploughs was extended into Quebec, while in the west the Bissell disk harrow continued to be distributed by the John Deere Co. of Winnipeg.

It was Hatch's intention ultimately to consolidate all manufacturing operations at the Elora plant. Serious planning for this move began in the fall of 1939. The stress of an increasing and demanding workload proved to be too much for

T.C. Wardley: his health broke down, and he was given a three-month leave early in 1940. His illness was eventually diagnosed as cancer, and he never returned to full-time duties.³⁸ Lloyd Bissell temporarily assumed the duties of secretary, and a new man was brought in as general manager, with the additional title of vice-president, to supervise the consolidation of the manufacturing facilities at Elora.

The new man was Ross McKinnon, and he was the first outsider to be brought in to a position of responsibility in the management of the Bissell firm. His resumé was impressive: he had been with General Motors for twelve years, and had then served for a time with Massey--Harris. From 1932 until 1939 he was Canadian sales manager and a vice-president of the Hudson--Essex Motor Car Company. For years Harry Hatch had advocated more aggressive marketing efforts by the firm, and the elevation of Lloyd Bissell and Ross McKinnon to senior positions can be seen as a move to make the firm more sales oriented. Curiously, Ross McKinnon, although an active Liberal, was an outspoken critic of the low tariff policies of the Mackenzie King government, which he held responsible for the closing of the Hudson plant in Tilbury, Ont. McKinnon's priority was the domestic market, even though export sales were in large part responsible for the recovery of Bissell's sales figures in the late 1930's.⁴⁰

As general manager, McKinnon radiated an infectious enthusiasm for the planned extensions and modernization of the Elora factory. He explained the company's plans for Elora as

part of a general pattern of the decentralization of industry to smaller towns. He saw advantages for both the company and its employees in being located in Elora. He regretted that there was no Board of Trade or Chamber of Commerce in Elora to promote the advantages of the village.⁴¹ A major constraint on a large expansion of the Bissell plant was the supply of housing in Elora. McKinnon assisted the village in forming a housing committee which, during March and April of 1940, made several proposals for the construction of low cost and row housing which involved various combinations of investment by the village, by the company and by local individuals.⁴² None of these schemes ever advanced to the construction stage, but the housing committee persuaded several local contractors to build a dozen houses. In addition, some rental units were created by alterations to existing buildings. This new housing, combined with existing vacancies, was considered sufficient to accommodate the 35 families expected to migrate from Aurora after the closing of the Fleury plant.⁴³

Ross McKinnon scheduled the construction program for the factory additions to begin as soon as the frost was out of the ground in 1940. The new work, like T.E. Bissell's rebuilding program of 1918-19, involved the refurbishing and rebuilding of older facilities as well as new construction. New foundry, forge and plough shops were built, and a model shop, specifically for the design and development of new models, was added to the complex.⁴⁴

The decision to expand and consolidate at Elora was

based on the fact that the Elora plant was more modern than the one at Aurora, and that a large amount of land was available around the Elora plant. Some of the citizenry of Aurora were convinced that the Elora council had offered tax concessions and other incentives to the firm. (Only assistance with the housing problem had been offered.) Aurora was also outraged because the public announcement of the closure of the Fleury plant was delayed until Apr. 1, 1940, providing little time or opportunity for a protest campaign.⁴⁵ The result was a brief but intense municipal feud between the two towns that was reminiscent of the bitter inter-town industrial rivalries of a half century before.

For once in its history Elora had reason to gloat. Reeve William Duncan did so, but cautiously:

Elora can indeed sympathise with Aurora in its loss of an established business. Some years ago we lost the big Alabastine plant with its 50 or more employees. Before that the village lost the C.P.R. terminal facilities, and long, long ago a carpet factory, a malt house, a brewery and peg factory (in suburban Salem) and a great grist mill business. So why should we shed crocodile tears over Aurora's plight? Elora has taken its knocks. It now hopes that its magnificent water power will restore its old industrial glories. But if not, we can always capitalize on its scenic assets, which are unsurpassed in Ontario.⁴⁶

Although he welcomed the expansion of the Fleury--Bissell plant, Duncan was prepared to accept results which fell short of the promises. The opinions that Duncan voiced expressed the wariness of Elora's residents toward the absentee ownership of the company, and to industry in general.

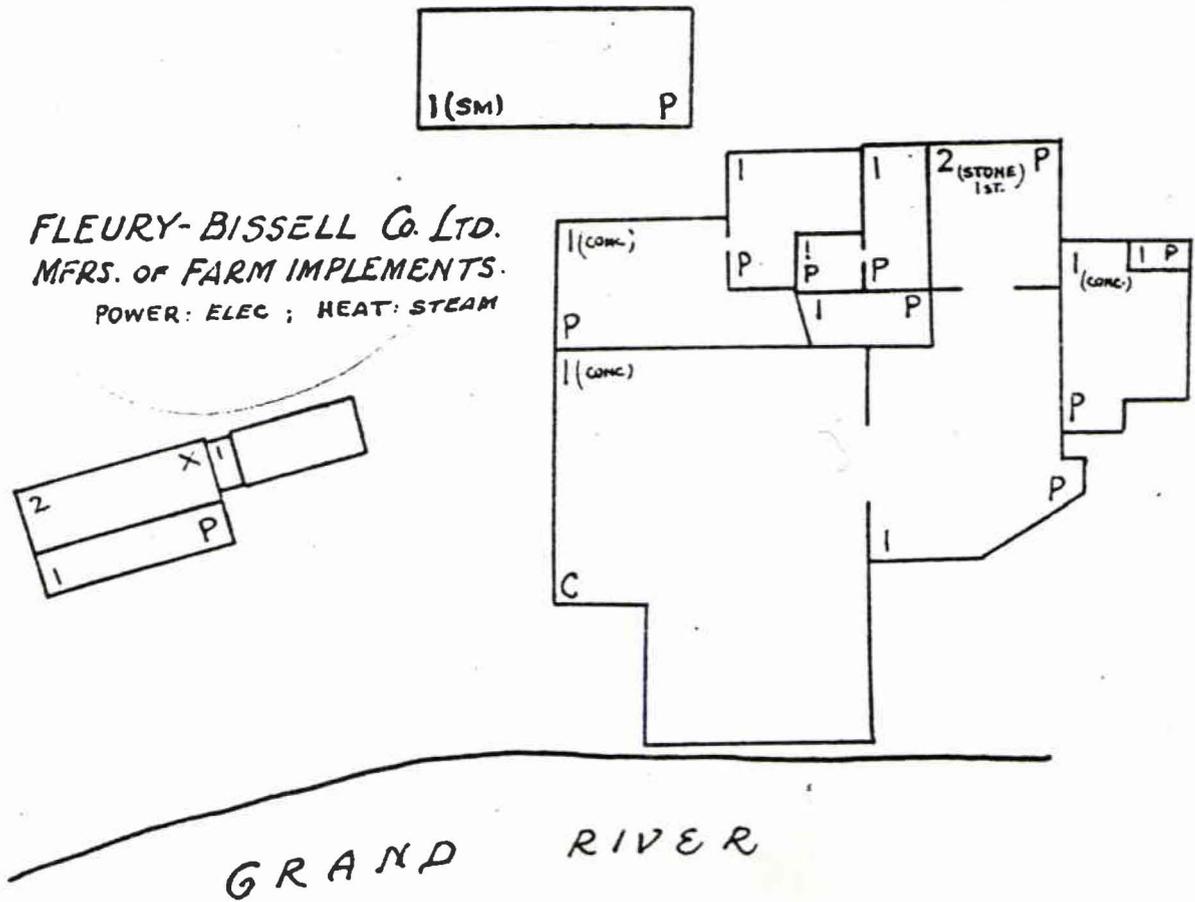
The underlying corporate strategy behind the consolidation at Elora and the refurbishing of the facilities

there was, of course, to place the firm in a profit-making position. Four years elapsed from the time of the merger in 1937 until all facilities were operating in Elora in 1941. This period of turmoil created internal problems of management-- it probably was the prime reason for the breakdown in T.C. Wardley's health--and it failed to create the financial viability hoped for by Harry Hatch. The firm's president had issued bold promises of dividends at the time of the merger in 1937, but within months it was obvious that Hatch was hopelessly optimistic. Fleury--Bissell shares were approved for trading on the Toronto Stock Exchange in January of 1938.⁴⁷ The \$100 par value preferred shares were soon trading at about half their face value, while the common share hovered near \$5.⁴⁸

Fleury--Bissell shares were never traded in large volumes on the open market, but nevertheless the share prices can be seen as a rough measure of outsiders' opinions of the profitability of the firm. The consolidation of manufacturing facilities did not produce major operating efficiencies. In May of 1940, when reconstruction work at the Elora plant was well under way, Fleury--Bissell shares were quoted at \$23 preferred and \$.75 common. Two years later, with no prospect of a dividend, they had dropped to \$9 preferred and \$.20 common. It was not until 1944, when increased production volumes had improved the prospect of a dividend, that the preferred shares recovered to the \$25 range and common shares passed the \$1 mark.

FIGURE 14

FLEURY-BISSELL LIMITED
 PLAN OF FACTORY, 1944



FOR LOCATION
 SEE KEY SHEET



The final layout of the Fleury-Bissell factory, as depicted on an insurance map dated November, 1944. These buildings incorporate the major reconstruction work of 1919 and 1940, plus numerous smaller projects.

Source: Collection of Mr Hugh Waind

Many of the problems of the firm can be traced to the inattention of absentee owners and the lack of an effective or consistent corporate strategy. Ross McKinnon died in the August, 1940, after only eight months on the job.⁴⁹ At this critical time for the company, the position of general manager remained open for several months, being filled only with the appointment of Lloyd Bissell in 1941.⁵⁰ Harry Hatch was preoccupied with his other business interests and his race horses, and could not devote much of his energy to his duties as president. He eventually resigned in favour of E.R. Deeks, who had impressive credentials as an accountant and business consultant, but knew little of the farm implement industry.⁵¹ Like Hatch, he was resident in Toronto, and was not familiar enough with the operations of the company to provide effective and appropriate long-term direction.

Although prospects for the firm improved beginning in 1944, there was no major increase in business until 1947, and this was as much a result of the cyclical pattern of the industry as the individual efforts of the Fleury--Bissell firm. The production volume in 1947 was the largest in the company's history, exceeding the previous year's total by some 56%. In addition, two representatives were sent to South America to develop new markets, and the experimental department, first established in 1940, was finally producing "most satisfactory" results. In the spring of 1947 the firm signed an agreement to distribute small tractors, rotary tillers and mowers made by the Cunningham Company of Rochester,

New York.⁵² The strategy being employed at this time was to make available to distributors a much more complete line of implements than had been produced traditionally by the firm.

Another record year was set in 1948, with an increase in sales volume of 83% over 1947. Despite the success of the late 1940's, the firm was plagued with a constant turnover of senior personnel. Lloyd Bissell retired as general manager, and was replaced with Clayton Guest, who was also given the titles of comptroller and assistant to the president. Guest was another newcomer to the implement industry, having been with the Longlac Pulp and Paper Co. previously. Of the numerous men who passed into and out of senior positions between 1947 and 1950, only the new sales manager, Bertram Bell, a 25-year Fleury man, had an intimate knowledge of the workings of the firm.⁵³ The orientation of the new men was toward matters of finance. In 1948 they negotiated a loan of \$135,000 with the Industrial Development Bank.⁵⁴ Part of this money was used to acquire some new capital assets (machinery and a small extension to a building), but \$100,000 of it was used to augment the working capital of the firm. Low working capital had been a problem for the firm since the sale of 1928, and the situation had become critical in the late 1940's with increase in business and the maturing of the \$65,000 mortgage bond issue of 1937. In 1948 the earnings reached the level of \$17,800 for the fiscal year.. This was the first time since the merger of 1937 that the preferred dividend of 5% had been earned.⁵⁵ It was also an ominous sign for the

future of the company: even with the plant operating near capacity, the operating ratio was less than 4%.

The owners and new managers neither appreciated nor anticipated that the farm implement industry would continue to operate in cycles. By 1950 the supply of implements in the marketplace was beginning to overtake demand. The owners responded with yet another corporate re-organization and take-over. This time they purchased the Canadian Transformer Company of Waterloo and moved its operations to the Fleury--Bissell plant in Elora.⁵⁶ The re-organized firm was known as Elora Industries Limited, and the Canadian Transformer and Fleury--Bissell operations were administered as separate autonomous divisions, but with a common office staff, some common factory space and employees who moved from one to the other as necessary. The principle was to reduce fixed costs, make better use of working capital, and smooth out seasonal fluctuations.⁵⁷ To help finance this re-organization, the firm borrowed a further \$135,000 from the Industrial Development Bank.⁵⁸

The directors attempted to effect many of their economies by using a common office staff to manage both divisions. The result was an administrative nightmare. The farm implement lines received less attention than formerly, and middle management personnel struggled with aspects of the transformer business that were completely foreign to them. Problems were particularly severe in March and April, when the time of year when there was always frantic activity in

TABLE 16

SHARE PRICES - ANNUAL RANGES
 T. E. BISSELL COMPANY (1928-1937)
 FLEURY--BISSELL LIMITED (1938-1949)
 ELORA INDUSTRIES LIMITED (1950-1954)

Year	Preferred \$100 Par	Common
1928	\$ 102.00	\$31.50-35.00
1929	101.00-150.00	32.00-51.00
1930	88.00- 97.00	14.50-32.00
1931		2.00- 4.00
1932		1.50- 4.00
1933		2.00- 4.00
1934	25.00- 29.00	2.00- 6.00
1935	25.00- 35.00	3.25- 4.00
1936	32.00- 50.00	3.00- 5.00
1937	45.00- 70.00	8.25-13.00
1938	30.00- 43.00	3.00- 5.00
1939	25.00- 33.00	1.00- 3.25
1940	23.00- 25.00	.75- 1.00
1941	10.00- 15.00	.75- 1.50
1942	9.00- 10.00	.25- .50
1943	12.00- 24.75	.25- 1.00
1944	19.00- 24.00	1.00- 1.50
1945	20.00- 25.50	1.00- 2.00
1946	22.50- 35.00	1.50- 3.00
1947	11.00- 12.00 ^a	4.50- 8.00
1948	13.75- 16.75	3.25- 7.00
1949	9.00- 17.00	3.00- 6.25
1950	6.00- 12.50	1.00- 3.25
1951	8.50- 9.50	1.00- 3.00
1952	5.00- 8.00	.10- 1.00
1953	4.00- 6.00	.20- .25
1954	3.00- 4.00	.20

^aEach \$100 preferred share exchanged for four \$20 shares.

rush orders from farmers and dealers for disk harrows needed for spring cultivation.⁵⁹

Almost immediately there was a need for further working capital. This was effected through a \$300,000 debenture with the Bank of Montreal.⁶⁰ Between 1950 and 1953, employment hovered in the region of 200, a number of them women who were occupied in low-paid positions winding transformers. Nevertheless, the company was unable to produce and sell at a profit. Orders declined early in 1954, necessitating major layoffs. These employees never returned. That summer the Industrial Development Bank initiated foreclosure proceedings when the firm was unable to make loan payments.⁶¹

The factory never re-opened, but the bankruptcy was not the end of the Fleury--Bissell implement line. The inventory of the firm was purchased by Ben London of Toronto, and in partnership with A.B. Fraser, who had been purchasing manager, a new firm, operating as London--Fraser Sales, was established for the sale of replacement parts to owners of Fleury--Bissell implements.⁶² The new firm used the old Fleury--Bissell dealer network, and employed former Fleury--Bissell men.⁶³ A number of dealers soon reported requests from farmers for complete Bissell disk harrows, and under this pressure from dealers, the London--Fraser firm resumed production of a limited line of Fleury--Bissell implements beginning in 1955. These included several models of small and medium sized disk harrows, a spring toothed harrow and a

FIGURE 15

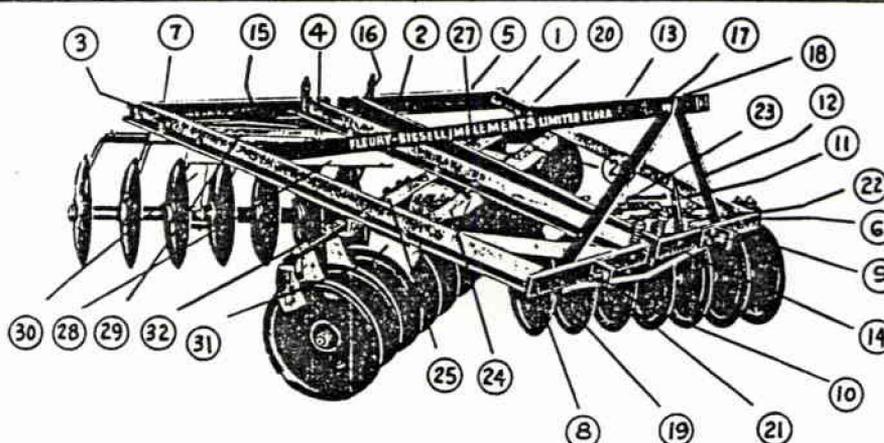
FLEURY-BISSELL IMPLEMENTS LIMITED
LIFT-TYPE DISK HARROW, 1961

FLEURY-BISSELL
IMPLEMENTS LIMITED

ELORA
ONTARIO
CANADA

PARTS LIST

LIFT TYPE DISK HARROW



MAIN FRAME ASSEMBLY

ILL. Ref.	DESCRIPTION	PART NO.	ILL. Ref.	DESCRIPTION	PART NO.
1	Outer Frame Angle - Left	830100	16	Tension Spring	830115(4)
2	Inner Frame Angle - Left	830101		Bolt for Tension Spring	830116(4)
3	Outer Frame Angle - Right	830102		Bushing for Tension Bolt	830117(4)
4	Inner Frame Angle - Right	830103		Pressure Cup for Tension Spring	830118(4)
5	Rear Frame Angle - Left	830104		STEEL BUSHINGS	
6	Front Frame Angle - Left	830105	17	Spacer for Long Braces	830119
7	Rear Frame Angle - Right	830106	18	Thru Upright and Long Braces	830120(2)
8	Front Frame Angle - Right	830107	19	Thru Lower End of Upright Braces	830121(2)
9	Draw Pin Angle Bracket - Left	830108	20	Thru Bottom End of Long Braces	830122(2)
10	Draw Pin Angle Bracket - Right	830109		MACHINE BOLTS	
11	Front Corner Brace - Left or Right	830110(2)		Angle Corners and All Braces to Frame	1/2x1 1/2 (12)
12	Front Upright Brace - Left or Right	830111(2)		Thru Upright and Long Braces	3/8x4 1/2
13	Long Brace - Left or Right	830112(2)		Thru Draw Pin Angle and Front Frame Angle	1/2x1 1/2 (4)
14	Centre Connecting Bar - Front	830113		Lockwashers With All the Above and 2 Flat Washers Thru Upright and Long Braces	
15	Centre Connecting Bar - Rear	830114	21	Draw Pin - With Nut and Washers	830123

This type of disk harrow, attached to the three-point hitch of tractors, was a product of the design work of the late 1940's. This is the last version of the implement, as built by Fleury-Bissell Implements (London-Fraser Sales) in the 1960's.

Source: 1961 Catalog,
Collection of A.B. Fraser

land packer. Sales of these implements was based in large part upon the reputation for simple, sturdy construction that had been built up by Bissell disk harrows over several generations. The concentration of the firm was on the parts business, and there never were any plans to resume production on a large scale. The London--Fraser operation was strictly an assembly plant. Component parts were purchased from other firms, including the patented Bissell disk plate, which continued to be imported from the United States. London--Fraser continued to manufacture Fleury--Bissell implements until the late 1960's.

REFERENCES FOR CHAPTER IX

¹T.E. Bissell Co. Ltd., Directors Minutes, June 26, 1928, Bissell Papers.

²The new owners also assumed some \$13,000 in accounts payable. T.E. Bissell Co. Ltd., Balance Sheet, June 1, 1928, Bissell Papers. Land, buildings and machinery carried a book value of \$75,905; they were valued for sale purposes at \$86,399. Land Registry Records.

³Elora Express, July 4, 1928.

⁴Financial Post, July 13, 1928.

⁵Ibid.

⁶Interview, Mr. A.B. Fraser, Elora.

⁷Financial Post, July 13, 1928.

⁸The share distribution for Bissell's, Ltd. was almost identical to that of the old company. All shares were held by T.E. Bissell, his daughter Muriel, and wife Emma, except for a nominal one share held by T.C. Wardley. Bissell's, Ltd., Minutes, Sept. 28, 1928, Bissell Papers.

⁹B.M. Greene, ed., Who's Who in Canada, 1928-29 (Toronto, 1929), pp. 446; Ibid., 1934-35, p. 498. E.W. Wright, K.C., was a member of the legal firm of Rowell, Reid, Wood, Wright and McMillan, and was a director of the Chartered Trust and Executor Co., Standard Paving and Materials, Canada Malting Co., Langley's Ltd. and Benson and Elliot Ltd. Harry C. Hatch was chairman of Hiram Walker--Gooderham and Worts, chairman of Hiram Walker and Sons, vice-president of Canada Malting Co. and a director of the Canada Industrial Alcohol Co. Hatch made a fortune in the mail order liquor business between 1916 and 1921. The Hatches became a minor establishment family. See Peter C. Newman, The Canadian Establishment (Toronto, 1975), pp. 199, 200, 339.

¹⁰Interviews, Mrs. Mary Clarke; Mrs. Muriel Towriss, Elora.

¹¹Elora Express, Nov. 18, 1931; Nov. 25, 1931.

¹²Fergus News Record, Dec. 10, 1931.

¹³Elora Express, Dec. 9, 1931. A lengthy obituary also appeared in the Fergus News Record, Dec. 10, 1931.

¹⁴Financial Statements, Bissell's, Ltd., June 29, 1932, Bissell Papers.

¹⁵Elora Express, Aug. 21, 1935. Church related legacies totalled over \$100,000.

¹⁶Elora Express, Dec. 16, 1931. The new regime was far more open than Bissell had been regarding the release of financial information. Financial statements were often published in the Express during the 1930's. T.E. Bissell had always been closed-mouthed about the financial affairs of the firm.

¹⁷Financial Post, Sept. 26, 1928.

¹⁸Ibid., Oct. 2, 1929.

¹⁹Ibid.

²⁰Financial Post, Oct. 3, 1931. The total loss for the 1930 year had been about \$5,000.

²¹E.P. Neufeld, A Global Corporation (Toronto, 1969), p. 30.

²²Elora Express, Oct. 13, 1937. This figure is understated because no allowance was made for depreciation in several of the years.

²³Ibid., July 10, 1935; July 22, 1936; Dec. 8, 1937.

²⁴Ibid., Aug. 26, 1936.

²⁵Financial Post, July 13, 1928; Elora Express, Oct. 13, 1937.

²⁶Elora Express, July 10, 1935; Oct. 13, 1937.

²⁷Ibid., Feb. 24, 1937. Elora old-timers recalled that the 1937 flood was the worst since the 1899 flood which resulted in the closure of the carpet factory.

²⁸Ibid., Oct. 13, 1937.

²⁹Ibid., July 10, 1935.

³⁰Ibid., Dec. 8, 1937.

³¹Ibid., Aug. 31, 1938.

³²Financial Post, Nov. 6, 1937.

³³Ibid., Nov. 6, 1937; Elora Express, Jan. 5, 1938. Holders of the old Bissell 7% preferred shares received $1\frac{1}{4}$ of the new 5% preferred shares and one common share for each old share held. The new preferred shares were both redeemable and convertible into common shares.

³⁴Deed Trust Mortgage, Fleury--Bissell Ltd. to Toronto General Trusts, July 1, 1937, Land Registry Records.

³⁵Elora Express, Dec. 8, 1937.

³⁶Financial Post, Nov. 6, 1937.

³⁷Greene, Who's Who in Canada, 1928-29, op. cit., p. 446.

³⁸Wardley was only 47 when he left active duty in 1940. Mr. A.B. Fraser recalls that Wardley's health was further strained by the amount of time he devoted to his Masonic duties (he became Grand Master of Ontario). There is no evidence that he was forced out by the Toronto directors.

³⁹Elora Express, Jan. 10, 1940.

⁴⁰Ibid., Aug. 7, 1940.

⁴¹Industrial decentralization was a popular theme in management studies in the 1930's. See, for example, Daniel Creamer, Is Industry Decentralizing (Philadelphia, 1935).

⁴²Elora Express, Feb. 21, 1940; Mar. 13, 1940.

⁴³Ibid., Apr. 3, 1940.

⁴⁴Ibid., June 5, 1940.

⁴⁵Newmarket Era, Apr. 3, 1940.

⁴⁶Elora Express, Apr. 10, 1940.

⁴⁷Ibid., Jan. 5, 1938.

⁴⁸All stock quotations are taken from listings in the Financial Post for the relevant dates.

⁴⁹Elora Express, Aug. 7, 1940.

⁵⁰Ibid., Jan. 5, 1949.

⁵¹Deeks was formerly with Midland Securities, and at various times was president of Modern Business Methods Ltd., Visa Record of Canada Ltd., and a director of Harding Carpets. Toronto Star, Feb. 1, 1962.

⁵²Financial Post, June 21, 1947. In 1949 the firm hired its first qualified engineer, R.W. Schwanbeck. There were some experiments with hydraulic mechanisms, and other trials, but little of this work seems to have found its way into production models.

⁵³Elora Express, Dec. 10, 1947; Oct. 13, 1948.

⁵⁴Land Registry Records.

⁵⁵Elora Express, Jan. 19, 1949.

⁵⁶The capital structure of the firm was re-organized after the merger. It now consisted of \$100,000 in 20 year 5% debentures, 17,000 shares of \$20 par value 5% preferred shares, and 97,000 common shares. There were also mortgages totalling \$270,000. Financial Post, Oct. 28, 1950.

⁵⁷Elora Express, Sept. 22, 1950; Sept. 29, 1950.

⁵⁸Land Registry Records.

⁵⁹This interpretation is shared by Mr A.B. Fraser, who joined the Bissell firm in 1926, and was purchasing manager at the time. Interview, Mr. A.B. Fraser.

⁶⁰Land Registry Records. It is probable that a large portion of this debenture was used to restructure an operating loan. The Bank of Montreal took a second mortgage on the property, subject to the first mortgage of the Industrial Development Bank.

⁶¹Land Registry Records. The problems of the firm were aggravated by a fire in the blacksmith shop in early March of 1954.

⁶²Elora Express, Sept. 18, 1954.

⁶³Interview, Mr. A.B. Fraser, Elora.

CHAPTER X

CONCLUSION

THE T. E. BISSELL COMPANY AS A SMALL TOWN INDUSTRY

The role of the T.E. Bissell Company within the local economy and society of the village of Elora is comprehensible with few difficulties, but the placement of the firm within the larger economic system of early twentieth-century Ontario is, at best, a problematic task. It is clear, even in the most superficial way, that T.E. Bissell and his company showed qualities that differed distinctly from what might be termed the mainstream of economic trends of the period. His was both a small industry, and an industry located in a non-industrial small town. The obvious question here is whether T.E. Bissell might be adjudged an archetype of a small town industrialist. In fact, it is misleading to view the small town industrialist or entrepreneur as an individual category; it is, rather, an amalgam of several. Firstly, there is the small industrialist, with his limited aspirations and owner-dominated management, as described by Livesay, Soltow, and others. This was a type who could thrive in a city, and frequently did, though there were sometimes financial reasons for locating in small towns, principally low labour costs and the availability of cheap real estate.¹ For some of these same reasons, there were industries which were merely located

in small towns, but which were owned and controlled by non-residents. Thirdly, there were industrialists who, for their own reasons, preferred to remain in a small town. These men rejected the forces of urbanization in favour of the moral and social virtues they saw in the small town and in a close relationship to the agricultural sector. The management structures and labour relations of these firms set them apart from the growing forces of finance industrialism in the early twentieth century. It would not be out of place to describe their style of business as industrial agrarianism. On the other hand, these industrialists did not necessarily restrict their aspirations. Bissell's old allies and partners, the Beatty Brothers of Fergus, built up a national chain of plants and a world-wide distribution system, while remaining fixed to the values of their hometown.² T.E. Bissell, on the other hand, had much narrower ambitions, even though his social and moral values were similar.

Matters of entrepreneurial personality, when considered apart from business activities, offer little to distinguish the small town industrialist. T.E. Bissell possessed no traits that were not shared by the most prosperous industrialists of his time. He disliked big cities and banks, but so did Henry Ford. He devoted considerable energies to the Methodist Church; so did Hart Massey. Bissell shared a number of traits with the senior Canadian implement manufacturer: both men served as Sunday School superintendents; both provided generous

gifts and endowments to the Methodist Church,; both adhered to "old New England values of agrarian liberalism."³ In addition, both developed well-deserved reputations for petty meanness and excessive frugality.

The differences between Bissell and Massey bring the argument back to the qualities inherent in small industry. Massey was able to assemble a group of men , instill his ideas in them, and then let them manage the company with a minimum of interference.⁴ Bissell was not able to do this. Massey could accommodate his values with those of big business; Bissell could not.

It is useful to make distinctions among management, ownership and control of a firm. These are often obscure in business firms. They overlap to a considerable degree, particularly in small businesses, and in the case of T.E. Bissell, they are congruent. With such a structure, the Bissell firm soon reached an optimal size beyond which further expansion and growth was impractical, if not counter-productive. After the sale of the firm in 1928, a large degree of the old management style persisted under the administration of T.C. Wardley. It was not that this style was in direct conflict with the values and policies of the new owners, but rather, that the two were directed toward incompatible goals.

Bissell's corporate goals, which were perpetuated as much as possible by Wardley, were for the long term stability

of the firm and for financial security. The goals of Harry Hatch and the new owners were primarily financial, and tended to maximize short-term profit. Divisions between management and ownership became accentuated after the departure of Wardley from the firm in 1940. Control, ownership and senior management became divorced from one another, and the formulation of effective long term strategies was impossible. The situation was aggravated by the junior management of the firm, many of whom were trained by T.E. Bissell and most of whom retained his ideals, in their hostility and resentment of the financial men, all ignorant of the farm implement business, who were sent in to administer the firm.

The paradox of the firm is that T.E. Bissell, a rustic and former drummer, was an entrepreneurial success, while Harry Hatch and E.R. Deeks, two of the brightest and most successful Toronto businessmen of the 1920's and 1930's, were failures. A cynic might characterize Harry Hatch as a high-class bootlegger who ran into a streak of luck, but his skill in the Hiram Walker--Gooderham and Worts reorganization cannot be denied. In defence of Hatch and Deeks, it must be admitted that general economic conditions during their control were difficult, and that neither man was able to devote a great deal of time to the Bissell firm.

On the other hand, T.E. Bissell also encountered difficult cycles in business. The cyclical nature of the

farm implement business is the key factor in the history of this firm. T.E. Bissell managed the factory to take advantage of these cycles, which existed not only over periods of years, but also within each year. Activity in the plant and the utilization of capital were managed to accommodate the particular ordering and payment practices of farmers.⁵ To Hatch and his financial men, cycles were to be minimized and eliminated if possible. They were associated with an inefficient employment of working capital, and they indicated an underutilization of the plant and manufacturing facilities. The mergers with the Fleury Company and with the Canadian Transformer Company were undertaken chiefly for these financial reasons. The former failed to produce a recognizable improvement in the performance of the firm, and the latter led to its downfall. Few industries are as prone to severe cyclical fluctuations as the farm implement business, and the fluctuations are accentuated in firms that are single-implement specialists. The merger with the Fleury firm destroyed the Bissell company's inherent advantages in being a single-line producer, but did not provide in its stead a fully diversified product line. The latter was a necessity if the firm were to abandon its complementary role in the marketplace to become a fully competitive member of the Canadian farm implement industry. By these criteria, the later merger with Canada Transformer, while logical financially, was absurd. The consequent operating inefficiencies resulted in a firm which

FIGURE 16

ADVERTISING MESSAGE - 1927



They show on the following pages a few of the styles of Disk Harrows manufactured by us, but if there is anything in Disk Harrow construction not shown, about which you would like to inquire—kindly feel free to communicate with us. We will give you prompt and courteous attention. For years we have pioneered, experimented and developed our Disk Harrows from the time when the two horse Harrow was the only size manufactured until today we are furnishing Harrows in many sizes and styles, for use with horses or with farm tractors.

We make them as small as 4 feet wide for use behind one horse and as large as 32 feet wide in Double Action form for use behind the largest tractors.

We are specialists in Disk Harrow Construction, and as a verification of this, would refer any and all who may be interested, to thousands of prominent Agriculturists and Horticulturists in the United States and Canada. We will furnish the names on application.

Times change, and experience, the great teacher, changes many of our ideas, and of late years it has been proven, that, while the Plow is an essential part of farm equipment, it has also been shown in many instances BISSELL DISK HARROWS can supersede the Plow, and are so doing in many conditions of soil cultivation.

In the Canadian West, thousands of acres of Wheat are "put in" without plowing—BISSELL Disk Harrows being used to prepare the Seed Bed, and in many localities BISSELL Disk Harrows, are effectively pulverizing dry, hard soil where it has been impossible to use a Plow.

It would be foolish for us to claim that the Disk Harrow would actually make the plow unnecessary, but we do claim that BISSELL Disk Harrows will give even more efficient tillage than plows can give under certain conditions.

Our greatest asset is that the name BISSELL means actual worth to the Farmer, and quick sales and a successful business to the Dealer, and our energies are bent in the direction of making it sure that every machine that leaves our works maintains and enhances the reputation and character which are a part of the BISSELL implements.

No matter where you go or the price you pay, you cannot get a more suitable variety or a more serviceable or satisfactory Disk Harrow than the BISSELL.

Make certain that the name BISSELL is on each Disk Harrow. This name is registered and cannot be used by others.

"When Tillage begins, other arts follow. Farmers therefore, are the founders of human civilization." Daniel Webster.

The peculiar business attitudes of T.E. Bissell are evident in this message from the firm's 1927 Catalog. The tone is rustic, but it avoids condescension. The emphasis on name and reputation is no exaggeration. Thirty years later, London-Fraser Sales resumed production of Bissell disk harrows in response to requests from dealers and farmers. In modern advertising terms, the Bissell harrow was pre-sold.

Source: 1927 Catalog,
Bissell Papers.

was unable to produce and sell at a profit, even when the facilities were operated close to capacity. In the 1920's, T.E. Bissell was content to exist with a relatively constant segment of the market, which was slightly less than 1% of farm implement sales in Canada. The primary efforts to smooth out business cycles was by the geographic extension of the market area. The profitability of such extensions are invariably characterized by declining marginality. This was but one of the constraints on the growth of the firm.⁶ T.E. Bissell operated within a rather safe niche in the marketplace. Larger firms might have wished to buy out his firm, but they were unprepared to devote their energies and capital to a disk harrow war.

These characteristics describe the small manufacturer of the early twentieth century, but not necessarily the small town manufacturer. As a small business, the T.E. Bissell Company could have thrived in virtually any locality in southern Ontario. Both his suppliers and buyers were widely dispersed, negating any transportation advantages that a particular town might offer. He located in Elora in part on the basis of the price and availability of real estate, but similar facilities could have been found in towns of a wide range of sizes.

What made T.E. Bissell a small town manufacturer was his identification of himself and his firm with the village of Elora, and the values of the community he found there.

This was manifest in a number of ways: by Bissell's paternalism in the factory, the church, and the village; by the flexible and non-confrontatory relationship with his labour force; and by his agrarian liberalism and his belief that cities were inherently evil places. As the large fish in a small pond, Bissell was able to exert an influence in the community that would not have been possible in a larger centre. The industrial agrarianism exemplified by Bissell was atavistic: the values of deference and free-market liberalism that it embodied became increasingly anachronistic in the 1920's. Even so, these values persisted in the factory's middle management, in the community, and among the firm's customers. Further, they complicated the problems for the new owners in the 1930's and 1940's. Profit maximization, despite Bissell's great financial success, was not his primary goal. Security and the stability of the community were at least equally important, provided the firm could produce implements and service its market at a profit rather than a loss.

In the overall economic system, T.E. Bissell is not accommodated well in the centre-periphery dichotomy. A firm which had grown to be the largest in its field can scarcely be categorized as peripheral.⁷ The fact that Elora was a small town bears little significance to the complex economic system of which Bissell was a part.⁸ For example, Bissell's bankers, first the Merchants Bank and later the Traders' Bank, were headquartered in Montreal and Toronto. Operationally, though,

Bissell's account was handled no differently in Elora than it would have been in a downtown Toronto branch. This might have been different had capital funds been involved, but Bissell relied on self-generated capital. It is even possible to interpret the record of the new owners of the firm as an example of a failure of Toronto's financial metropolitanism. In Bissell's time, the firm did have strong linkages with other communities, but Toronto and Montreal were among the less significant of these. The links that were established, with Winnipeg, with distributors in several American regions, and with suppliers in such cities as London, Hamilton, Pittsburgh, Warren and Gary, were based upon the ease of communication and the low cost and accessibility of transportation.⁹ The trend of the twentieth century, of course, was against firms such as Bissell's, and the advantages of communications and transportation that Bissell exploited often worked to greater advantage to firms in larger centres which could achieve lower marginal costs, and which had transportation advantages which accrued to their cities as a whole. Nevertheless, in particular circumstances, small town manufacturers could and did prosper under these circumstances.¹⁰

T.E. Bissell possessed neither the impulse nor the need to co-operate with other manufacturers or businessmen in professional associations to effect pricing agreements or combines, or to petition for government actions such as

tariff revisions. In truth, he never confronted the suicidal competition of certain other industries, and the milieu of his community was incompatible with strident unionism and the social polarity that characterized some other towns, to the alarm of their businessmen. Still, Bissell's solitary isolation as a businessman is worthy of comment: he was not on close terms with any of Elora's other industrialists or businessmen. He behaved as though the market operated in a state of perfect competition.¹¹ He was the independent manufacturer to the extreme.

The economic and business system of the early twentieth century provided a sorting function. Over time it concentrated those manufacturers with traditional views, such as Bissell, in the small towns, while those who desired to aggregate with one another and with financial and other mediaries, and who desired constant growth in their businesses, located in the larger foci of the city system. The structure and orientation to financial matters which characterized the latter firms provided them with a built-in system of generational succession. This was a notable deficiency in owner-dominated small firms such as the T.E. Bissell Company, which often could not provide family members to take over the business. It should be further noted that those men who desired careers in business as managers naturally gravitated to the greater opportunities in cities.

It is a paradox that those technologies in communications and transportation which permitted Bissell

to become a major manufacturer with a international market, were the same ones that destroyed much of the uniqueness of small town life, making it congruent with life in cities. The economic trends of the twentieth century provided decreasing opportunities for the small town' manufacturer in Ontario, but a much greater dimunition in entrepreneurs of Bissell's temperament to take advantage of them.

REFERENCES FOR CHAPTER X

¹Harold Livesay, "Lilliputians in Brobdingnag: Small Business in Late Nineteenth Century America;" in Stuart W. Bruchey, ed., Small Business in American Life (New York, 1980), pp. 339-347; James H. Soltow, Origins of Small Business (Philadelphia, 1965).

²An account of the latter years of this firm appears in Pat Mestern, ed., Looking Back (Fergus, 1983).

³Merrill Denison, Harvest Triumphant (Toronto, 1948), pp. 140-41.

⁴Ibid.

⁵Ibid., p. 125.

⁶Internal constraints, resulting from the nature of T.E. Bissell's entrepreneurship and the structure of the firm, are discussed in Chapter VIII, supra.

⁷R.T. Averitt, The Rural Economy (New York, 1968), defines the centre economy as large, diversified and integrated firms located in cities, while peripheral firms are in smaller centre, are small in size, with narrow horizons and limited financial and technical resources.

⁸Alan Pred, Urban Growth and City-Systems in the United States, 1840-1860 (Boston, 1980), pp. 168-71.

⁹Alan Pred, City-Systems in Advanced Economies (London, 1977), pp. 94-95.

¹⁰Alan Pred, The External Relations of Cities during 'Industrial Revolution' (Chicago, 1962).

¹¹The collective activities and attitudes of the business community are discussed by Michael Bliss in "The Protective Impulse," in Donald Swainson, ed., Oliver Mowat's Ontario (Toronto, 1975), and A Living Profit (Toronto, 1978).

BIBLIOGRAPHY

A. Unpublished Materials

i. Manuscript Sources:

Bissell Papers, Collection of Stephen E. Thorning, Elora, Ontario.

Fairbank Collection, Regional Collection, University of Western Ontario.

Mundell Collection, Wellington County Archives, Fergus, Ontario.

Turner Collection, Macdonald Stewart Room, University of Guelph.

ii. Government Sources:

County of Wellington, Land Registry Records, Guelph, Ontario.

Village of Elora, Council Minutes, Bylaws and Assessment Rolls.

iii. Theses and Dissertations:

Acheson, T.W. "The Social Origins of Canadian Industrialism." Ph.D. Thesis, University of Toronto, 1971.

Clark, Kenneth Lloyd. "Social Relations and Urban Change in a Late Nineteenth Century Southwestern Ontario Railroad City: St. Thomas, 1868-1890." M.A. Thesis, York University, 1976.

Gillis, Peter. "E. H. Bronson and Corporate Capitalism: A Study in Canadian Business Thought, 1880-1910." M.A. Thesis, Queen's University, 1975.

- McConkey, Oscar. "Dry Farming." B.S.A. Thesis, Ontario Agricultural College, University of Guelph, 1917.
- Phelps, Edward C. "John Henry Fairbank of Petrolia (1831-1914): A Canadian Entrepreneur." M.A. Thesis, University of Western Ontario, 1965.
- Rudin, Ronald. "The Development of Four Quebec Towns, 1871-1914." Ph.D. Thesis, York University, 1977.
- Smith, M.D. "The History of Palmerston, Ontario." Ph.D. Thesis, University of Cincinnati, 1980.
- Snyder, A. "Traction Ploughing in Western Canada." B.S.A. Thesis, Ontario Agricultural College, University of Guelph, 1910.
- Stapells, H. "The Recent Consolidation Movement in Canadian Industry." M.A. Thesis, University of Toronto, 1927.

iv. Personal Interviews:

- Mrs. Mary Clark, Elora, Ontario.
- Mr. A. B. Fraser, Elora, Ontario.
- Mrs. Elizabeth Hayes, Salem, Ontario.
- Mr. J. J. O'Toole, Elora, Ontario.
- Mrs. Muriel Towriss, Elora, Ontario.

v. Other Sources:

- Insurance Maps of Elora, Ontario, 1891; 1904, 1944. Collection of Mr. Hugh Waind, Elora, Ontario.
- Thorning, Stephen E. "The Model Village: A History of Elora, Ontario." Unpublished Manuscript.

B. Published Materials

i. Government Sources:

Census of Canada, 1881; 1891; 1901; 1911; 1921; 1931.

Revised Statutes of Ontario.

ii. Newspapers and Periodicals:

Agricultural Engineering.

Canadian Banker.

Elora Express.

Elora News.

Elora Observer.

Fergus News Record.

Financial Post.

Grain Growers' Guide.

Industrial Canada.

Lightning Express (Fergus and Elora).

Monetary Times.

Weekly Mercury (Guelph).

iii. Articles:

Atkinson, John W., and Hoselitz, Bert F. "Entrepreneurship and Personality," Explorations in Entrepreneurial History, 1st. Series, 10 (1958): 107-112.

Bloomfield, Elizabeth. "Municipal Bonusing of Industry: The Legislative Framework in Ontario to 1930," Urban History Review, 9, 3 (1981): 59-76.

- _____. "Building the City on a Foundation of Factories: The 'Industrial Policy' in Berlin, Ontario, 1870-1914," Ontario History, 55 (1983), 207-243.
- Brozen, Yale. "Invention, Innovation, Imitation," American Economic Review, 41 (1951), 239-257.
- _____. "Determinants of Entrepreneurial Ability," Social Research, 21 (1954), 339-364.
- Burnet, Jean. "Town-Country Relations and the Problem of Rural Leadership," Canadian Journal of Economics and Political Science, 13 (1947), 395-409.
- Chandler, Alfred D., Jr. "The Beginnings of 'Big Business' in American Industry," Business History Review, 33 (Spring, 1959), 1-31.
- _____. "'Entrepreneurial Opportunity' in Nineteenth Century America," Explorations in Entrepreneurial History, 2nd. Series, 1, 4 (1964), 106-124.
- Cochran, Thomas C. "Entrepreneurial Behavior and Motivation," Explorations in Entrepreneurial History, 1st. Series, 2 (1950), 304-307.
- _____. "The Entrepreneur in Economic Change," Behavioral Science, 9 (Aug. 1964).
- Cole, Arthur H. "An Approach to the Study of Entrepreneurship," in "Tasks of Economic History," supplement to Journal of Economic History, 6 (1946), 1-15.
- Dales, John H. "Approaches to Entrepreneurial History," Explorations in Entrepreneurial History, 1 (1949), 10-14.
- Galambos, Louis. "Business History and the Theory of the Growth of the Firm," Explorations in Entrepreneurial History, 2nd. Series, 4, 1 (1966), 3-16.
- Hoselitz, Bert F. "Entrepreneurship and Traditional Elites," Explorations in Entrepreneurial History, 2nd. Series, 1, 4 (1964), 36-49.
- Hosmer, Arnold W. "Small Manufacturing Enterprises," Harvard Business Review, 35 (1957), 111-122.
- Hyde, Francis E. "Economic and Business History: A Comment on the Theory of Profit Maximization," Business History, 5 (1962), 1-10.

- Ingersoll, S. C. "The Development of the Disk Plow," Agricultural Engineering, 7 (May 1926), 172-175.
- Johnson, H. Thomas. "Early Cost Accounting for Internal Management: Lyman Mills in the 1850's," Business History Review, 46 (Winter 1972), 466-474.
- Livesay, Harold C., and Porter, Patrick G. "Vertical Integration in American Manufacturing, 1899-1948," Journal of Economic History, 29 (1969), 494-500.
- McClelland, D.C. "Achievement and Entrepreneurship: A Longitudinal Study," Journal of Personality and Social Psychology, 1 (1965), 389-392.
- McKibban, E.G. "A Study in the Dynamics of the Disc Harrow," Agricultural Engineering, 7 (Mar. 1926), 92-96.
- Noble, E.J. "Entrepreneurship and Nineteenth Century Urban Growth: A Case Study of Orillia, Ontario, 1867-1898," Urban History Review, 9 (June 1980), 64-89.
- Norcliffe, Glen B. "Nonmetropolitan Industrialization and the Theory of Production," Urban Geography, 5 (1984), 25-42.
- Pomfret, R. "The Mechanization of Reaping in Nineteenth Century Ontario: A Case Study of the Pace and Causes of the Diffusion of Embodied Technical Change," Journal of Economic History, 36 (1976), 399-415.
- Rae, John B. "The Engineer as Businessman in American Industry: A Preliminary Analysis," Explorations in Entrepreneurial History, 1st. Series, 7, 2 (1955), 94-104.
- _____. "The Engineer-Entrepreneur in the American Automobile Industry," Explorations in Entrepreneurial History, 1st. Series, 8, 1 (1955), 1-11.
- Redlich, Fritz. "The Business Leader in Theory and Reality," American Journal of Economics and Sociology, 8 (1949), 223-238.
- _____. "The Origin of the Concepts of 'Entrepreneur' and 'Creative Entrepreneur,'" Explorations in Entrepreneurial History, 1st. Series, 1,2 (1949), 1-7.
- Reid, Richard. "The Rosamond Woolen Company of Almonte: Industrial Development in a Rural Setting," Ontario History, 75 (1983), 266-289.

- Sjogren, O.W. "Development of Offset Disk Harrows," Agricultural Engineering, 17 (1936), 503-505.
- Tucker, K.A. "Business History: Some Proposals for Aims and Methodology," Business History, 14 (1972), 1-16.

iv. Books:

- Andrews, George Henry. Rudimentary Treatise on Agricultural Engineering. London: John Weale, 1852.
- Ardrey, Robert L. American Agricultural Implements. New York: Arno Press, 1972. Originally published 1894.
- Averitt, R.T. The Rural Economy. New York: W.W. Norton, 1968.
- Barnett, H.G. Innovation: The Strategy of Economic Development. New Haven: Yale University Press, 1958.
- Bernstein, Irving. The Lean Years. Boston: Houghton-Mifflin, 1960.
- Blandford, Percy W. Old Farm Tools and Machinery. Fort Lauderdale: Gale Research Co., 1976.
- Bliss, Michael. A Living Profit: Studies in the Social History of Canadian Business, 1883-1911. Toronto: McClelland and Stewart, 1974.
- _____. A Canadian Millionaire. Toronto: McClelland and Stewart, 1982.
- Blumenthal, Albert. Small Town Stuff. Chicago: University of Chicago Press, 1932.
- Boorstin, Daniel J. The Image. New York: Atheneum, 1962.
- Bruchey, Stuart W., ed. Small Business in American Life. New York: Columbia University Press, 1980.
- Brunner, Edmund deS., Hughes, G.S., and Patten, William. American Agricultural Villages. New York: Doran, 1927.
- Brunner, Edmund deS. Village Communities. New York: George H. Doran, 1927.
- Caves, Richard E. Intraindustry Differences in Conduct and Performance. New York: New York University, 1980.

- Chamberlain, N.W. Enterprise and Environment: The Firm in Time and Place. New York: McGraw-Hill, 1968.
- Chandler, Alfred D., Jr. Strategy and Structure: Chapters in the History of Industrial Enterprise. Cambridge: M.I.T., 1962.
- Change and the Entrepreneur: Postulates and Patterns for Entrepreneurial History. Cambridge: Harvard University Press, 1949.
- Cochran, Thomas C., and Miller, William. The Age of Enterprise. New York: Harper and Row, 1961.
- Cole, Arthur H. Business Enterprise in its Social Setting. Cambridge: Harvard University Press, 1959.
- Collins, O., and Moore, D.G. The Organization Makers: A Behavioral Study of Independent Entrepreneurs. New York: Appleton-Century-Crofts, 1970.
- Creamer, Daniel. Is Industry Decentralizing: A Statistical Analysis of Locational Changes in Manufacturing Employment, 1899-1933. Philadelphia: University of Philadelphia Press, 1935.
- Davidson, Jay Brownlee. Farm Machinery and Farm Motors. New York: Orange Judd, 1908.
- Denison, Merrill. Harvest Triumphant. Toronto: McClelland and Stewart, 1948.
- Dubofsky, Melvyn. Industrialism and the American Worker, 1965-1920. New York: Crowell, 1975.
- Easterbrook, W.T., and Aiken, Hugh G.J. Canadian Economic History. Toronto: Macmillan, 1956.
- Fischer, Lewis R., and Sager, Eric W., eds. The Enterprising Canadians: Entrepreneurs and Economic Development in Eastern Canada, 1820-1914. St. John's: Memorial University, 1979.
- Fussell, George Edwin. The Farmers' Tools, 1500-190: The History of British Farm Implements. London: A. Melrose, 1952.
- George, Roy Edwin. A Leader and a Laggard: Manufacturing Industry in Nova Scotia, Quebec and Ontario. Toronto: University of Toronto Press, 1970.

- Gras, N.S.B. Business and Capitalism. New York: A.M. Kelly, 1971. Originally published 1939.
- Gray, Andrew. The Plough Wright's Assistant. Edinburgh: A. Constable, 1808.
- Gutman, Herbert George. Work, Culture and Society in Industrializing America. New York: Knopf, 1976.
- Hareven, Tamara. Amoskeag: Life in an American Factory City. New York: Pantheon Books, 1978.
- Hoselitz, Bert F., and Moore, W.E., eds. Industrialization and Society. Paris: U.N.E.S.C.O., 1966.
- Jacob, Fred. Day Before Yesterday. Toronto: Macmillan, 1925.
- Joyce, Patrick. Work, Society and Politics. New Brunswick: Rutgers University Press, 1980.
- Kepner, Robert Allen. Principles of Farm Machinery. Westport: Avi Publishing, 1972.
- Kirkland, Edward Chase. Dream and Thought in the American Business Community, 1860-1900. Ithaca: Cornell University Press, 1956.
- _____. Industry Comes of Age: 1860-1907. New York: Holt, Rinehart and Winston, 1961.
- Kranich, F.N.G. Farm Equipment for Mechanical Power. New York: Macmillan, 1923.
- Leavitt, W.H. History of Leeds and Grenville. Belleville: Mika Publishing, 1972. Originally published 1862.
- Massey-Harris, An Historical Sketch, 1846-1926. Toronto: Massey-Harris Co. Ltd., 1926.
- McKenzie, Ruth. Leeds and Grenville. Toronto: McClelland and Stewart, 1967.
- Naylor, Tom. The History of Canadian Business, 1867-1914, 2 vols. Toronto: James Lorimer, 1975.
- Neufeld, E.P. A Global Corporation. Toronto: University of Toronto Press, 1969.
- Penrose, Edith T. The Theory of the Growth of the Firm. New York: Oxford University Press, 1959.

- Philips, W.G. The Agricultural Implement Industry in Canada. Toronto: University of Toronto Press, 1956.
- Porter, Glenn, and Livesay, Harold C. Merchants and Manufacturers: Studies in the Changing Structures of Nineteenth Century Marketing. Baltimore: Johns Hopkins Press, 1971.
- Rohrer, Wayne C., and Douglas, Lewis H. The Agrarian Transition in America. Indianapolis: Bobbs-Merrill, 1969.
- Schumpeter, J.A. The Theory of Economic Development. New York: Oxford University Press, 1961. Originally published 1934.
- Slight, James, and Burn, R. Scott. The Book of Farm Implements and Machines. Edinburgh: W. Blackwood, 1858.
- Smith, Harris Pearson. Farm Machinery and Equipment. New York: McGraw-Hill, 1929.
- Soule, George. Prosperity Decade: 1917-1929. New York: Holt, Rinehart and Winston, 1964.
- Stewart, Robert E. Seven Decades that Changed America. St. Joseph, Mich.: American Society of Agricultural Engineers, 1979.
- Swainson, Donald, ed. Oliver Mowat's Ontario. Toronto: Macmillan, 1972.
- Thomas, John Jacob. Farm Implements and Farm Machinery and the Principles of their Construction. New York: Orange Judd, 1879.
- Traves, Tom. The State and Enterprise: Canadian Manufacturers and the Federal Government, 1917-1931. Toronto: University of Toronto Press, 1979.
- Veblen, Thorstein. The Theory of Business Enterprise. New York: Kelley, 1965. Originally published 1904.
- Vidich, Arthur J., and Bensman, Joseph. Small Town in Mass Society. Princeton: Princeton University Press, 1958.
- Wallace, Antony. The Social Context of Innovation. Princeton: Princeton University Press, 1982.

- Weber, Max. The Protestant Ethic and the Spirt of Capitalism. New York: Scribner's, 1958. Originally published 1930.
- Wilken, Paul H. Entrepreneurship: A Comparative and Historical Study. Norwood: Ablex Publishing, 1979.
- Wilson, Barbara. Ontario and the First World War. Toronto: Champlain Society, 1977.
- Woods, J.D., and Gordon Ltd. The Canadian Agricultural Machinery Industry. Ottawa: Queen's Printer, 1956.