

## MILLING CRISIS IN N. W. STATES

in many years has anything occurred. It remarks that the Northwestern Miller of Minneapolis, who has caused as much general alarm as any man in the close-down of the American spring wheat mills which went into effect last week, has a long and honorable record of a high degree of business integrity and continues throughout the northwestern states. The action to close the flour-milling conditions was obviously sudden, yet its suddenness came as a shock to the general public and the grain and transportation interests which have some way come to believe that the patient millers can be dealt with burdens and handicapped conditions to an unlimited extent and still manage somehow to get on grinding. The prompt cessation of activity, the complete paralysis of an important industry employing thousands of men and touching in innumerable instances allied interests created a profound sensation in trade circles both in America and abroad.

Operations of the great food-products factories were still, wheels nearly ceased to turn and the vast output of flour from the mills was stopped. Where had been a mass hum of useful activity, was now a hush which caused people who rely for their food upon the steady operation of the mills to grow restless and anxious. Friends on the activity of the millers; that merchants who, when all is said and done, are dependent upon the millers to maintain a demand for the raw material, and the transportation lines to carry a considerable portion of the traffic to come from the millers, still imposing unjust discriminations on the very trade which they themselves depend upon. And many other allied and interested interests suddenly awoke to find that something serious had happened and a feeling of anxiety and alarm was in the air, something which would be transmitted through a ship when the hum of the propeller which has been leaving port suddenly stops. Something was wrong in the industrial machinery of the northwestern states and they wanted to know what it was, the possibilities of doing it, and the prospect of a return to the usual and normal action.

The first time in thirty years the mills of Minneapolis capable of outputting 100,000 barrels of flour were all down and not a wheel turned. The operatives were relieved and the population on the streets; the factory and the cooper shop were closed and the streets were empty. Never before did the people see an object-lesson showing the effect of a city's dependence upon the flour mills. But the millers were not the only place affected. Within a few hours, as if on a prearranged signal, throughout every city, town and village throughout the northwest in a merchant mill was situated, and the same alarming phenomenon. The flour mills closed down were released from indefinitely. Thousands were out of employment and idle and where the towns were dependent on the operation of the millers, the flour mill being the industry in many places, the mills left in darkness. It would probably have been absolutely possible to have arranged before such an almost universal stoppage of last week. Not even in the northwest contemplating a possibility when he went to bed last evening morning that he would issue orders to shut down the mill any day for grinding and were receiving flour when they suddenly found themselves in a deplorable condition which hedged them in on

every side, they must yield to the inevitable and summarily and without preparation cease making flour. Despite argument and protest and appeal, the web which was making their industrial existence an impossibility was being woven closer and firmer by the great transportation combinations, the control of which was remote, in different and ruthless. The communitarian interest in the railway and steamship business, ignoring the welfare of the fourth largest industry in America and the only important one had almost completed the strangulation of merchant milling.

The blind goals of the hoarding in their hands the welfare of the west, had continued their work of destroying a great industry until only the finishing touch was necessary. It came on Thursday last and so close is the relation between production and sale was instantaneous. The noise was tightened one too often around the miller's neck, the climax was reached and within a few hours every interested merchant mill in the northwest

of the United States by selling flour abroad. This will give an idea of the immensity of the industry which the discriminating policy of the carriers is slowly but surely destroying. The situation in the northwest, which the stoppage of the mills last week emphasized, is not confined to that section of the milling field, it is practically universal throughout the United States.

Of the 8,000 merchant mills, it is safe to say that not one per cent have been able to make any profit during the last four months; that no more than 10 per cent has been able to make a bare living during 1902 and that ever since 1901, when the transportation lines, by carrying wheat out of the country at nominal rates of freight and holding flour to high tariff rates, dealt a blow to the exportation of flour from the west, it has never recovered, few, if any, of these mills have made fair returns on the capital invested in them. In full possession of all the facts, with an entire appreciation of the gravity and seriousness of the situation, the Northwestern Miller unhesitatingly lays the responsibility for this state of affairs— which means ultimately the complete destruction of the merchant milling business, and the consequent cutting off of foreign trade amounting to 18 million dollars annually—at the door of the transportation interest of this country; the organized, eastern-centered, group-controlled, reactionary and rate-raising compelling transportation interest.

ated the opening of the season by carrying wheat from Duluth at 2 cents a bushel. It is useless to contend that "tramp" boats inaugurated this cut. This is a mere subterfuge, for the boats were not eager to emulate their tramp competitors and while rigorously held up in flour, if they entered into a scramble for the wheat and actually passed over flour offered which was sold by the consignees and delivery orders. In 1901, the year when the transportation interests carried wheat abroad as ballast—still holding flour at 2 cents a bushel—season opened by carrying wheat at 3 1/2 cents a bushel, the millers realized promptly that if 2 cents was the beginning of the season this year the cut would be even worse than in 1901 and therefore the sooner they could get to make flour the better off their stockholders would be.

A few comparative figures, which are admittedly correct, will be sufficient to prove to even the uninitiated that no merchant miller can do a normal and healthy business under the conditions imposed and controlled by the transportation interest. In 1901, the average export rate on flour, lake and bay, was 17 cents a 100 pounds; it is now 23 cents. The increase of 6 cents a 100 pounds or 12 cents a barrel, on foreign meale rates the increase has been 12-16 cents a barrel. In 1901, the rate on wheat opened at 2 1/2 cents a bushel, this year it opened at 2 cents, a reduction of 1/2 cent per bushel. For carrying flour, the lake lines export a rate of 3-4-10 cents a 100 pounds, equivalent to 3-4-10 cents a bushel; while wheat, as already shown, is carried at 2 cents; a discrimination of 3-4-10 cents against flour or 15 cents a barrel. When it is understood that 10c is regarded as a large profit on a barrel of flour, it will be clearly seen that to attempt to make a profit on a barrel of a discrimination which is large enough not only to overcome the face of the discrimination, but to succeed in closing the mills and until it reverses its policy the mills can not run with any degree of success. The millers have acted wisely in thus saving themselves from ruin. The time has finally arrived when it is imperative to insist that either he will be allowed something for his labor or he will cease to work. It has been long enough in his own grasp as he can stand it. He has at last gone on a strike.

## CABBERRY BOARD OF TRADE.

The annual meeting of the Carberry board of trade took place in the municipal hall on Friday evening, 17th inst. There was a good attendance of members present. President Manville occupied the chair. The minutes of the last annual meeting were read by Secretary Neilson and adopted. A large number of communications and memoranda were read. One of the number was one from the London chamber of commerce, inviting a representative from the Carberry board to the International Chamber of Commerce to be held in Montreal in August next and submit a report on the important trade questions that would be presented for discussion.

After favorable reports from Messrs. R. M. Harrison and G. B. Murphy were appointed to represent the board.

The election of officers resulted as follows:

President—Wm. Walker.  
 Vice-President—Wm. Smale.  
 Secretary—Treasurer—J. M. Neilson.  
 Council—A. A. Manville, D. Pearson, B. Stewart, J. D. Hun Messrs. R. M. Harrison, G. H. Haslam, R. E. Marshall, C. Shannon, F. E. Arkell.

The Carberry board of trade to write the C. P. R. a point out the members present. The local freight sidings, the present siding being so tight, getting too small for the steadily increasing freight business done at this point, and urge the immediate extension of the siding and also suggest the advisability of erecting a watering tank at this point.

The question of street watering was next discussed and a resolution was adopted by the town council to take control of the same was passed and also a motion requesting the board to increase the pedlars' or hawkers' license to such a figure that cloth pedlars will contribute to the revenue of the town. N. N. McDougall was proposed and elected a member of the board.

## GRAIN ELEVATORS AT INDIAN HEAD, ASSA.

realized that he must cease to make flour or suffer such a serious ultimate loss that he would be involuntarily forced to the same end later and would merely have added to his losses in the meantime. He wisely and sensibly decided to quit at once and save what he could. At least 100,000 barrels of flour daily capacity ceased instantly, and the four days the contribution of the northwest to the nation's production of flour value has been reduced at least \$400,000 a day. At this writing, a few and faint returns of operations in order to grind out wheat on hand and fulfill contracts entered into previously which are in honor bounds to keep, although it entails a loss. It is safe to say, however, that under conditions materially improve, this assumption can be but temporary and there will be no permanent activity in milling until the powers that be, who are in full control of the situation have finally decided whether or not merchant millers in the United States is to be allowed to exist as an independent, non-trust-controlled industry.

There are probably 8,000 separate merchant milling concerns in the local mills, not counting the purely industrial ones, and the total capacity is over 17,000. These merchant millers, when in 1900, according to the census, nearly 800 million bushels of wheat, paid the American farmer over 300 million dollars, and produced 100 million barrels of flour, valued at \$100 million dollars. In 1902, 600,000 merchant mills contributed 88 million dollars to the balance of trade in favor

of the United States. This is the fact that comparatively few of these 8,000 merchant millers do an exporting business; nevertheless, upon the preservation and extension of the whole. By their senseless discrimination in favor of wheat and against flour, the carriers have turned the export trade dependent on the millers, otherwise go abroad back into the hands of the United States. This would ordinarily find a market for the surplus across the water, to crowd their products into the domestic market, crushing the life out of the less powerful mills and destroying their own profits even if they were not handicapped others. Struggling with each other for supremacy, forced by the commercial barriers to fight their mutual competition on the home field, they have been beaten down to a condition of almost unprofitable effort, and the result is a total loss. The miller can no longer continue to make flour and sell for less than cost. His condition has become intolerable, with this is the reason for the general strike of flour mills at which the public marvels.

Since January first milling conditions have been utterly hopeless and totally discouraging. The millers, however, have struggled on to the end, day hoping against hope for an improvement. In the northwest they were making a brave fight and might have kept on combating the inevitable throughout the season, but a climax in their affairs was reached on Thursday last, when the lake lines inaugu-