



## NOTICE TO CORRESPONDENTS

This department of The Guide is maintained especially for the purpose of providing a discussion ground for the readers where they may freely exchange views and derive from each other the benefits of experience and helpful suggestions. Each correspondent should remember that there are hundreds who wish to discuss a problem or offer suggestions. We cannot publish all the immense number of letters received, and ask that each correspondent will keep his letter as short as possible. Every letter must be signed by the name of the writer, though not necessarily for publication. The views of our correspondents are not of necessity those of The Guide. The aim is to make this department of great value to readers, and no letters not of public interest will be published.

## RECIPROCITY AND WHEAT

Editor, Guide: Reciprocity is an issue which has been very much in the limelight during the past few months both in Canada and the United States. The newspapers have been full of it, public men have all voiced their opinions upon the question, deputations for and against have been waiting on the respective governments and resolutions have been passed, favorable or unfavorable, by every board of trade and by every Grain Growers' organization in the two countries, yet we find no question of like importance, broached in the past several years, upon which there has been greater diversity of opinion.

It was my privilege to be present some days ago at a conference on "Canadian Reciprocity," held in Chicago under the auspices of the Western Economic Society, at which addresses were delivered and papers read by some of the most eminent economists of the United States, by President Taft and others, all of whom have made this reciprocity issue the subject of careful and systematic research. Believing that it may be of interest to your readers and may help to throw some light on the question from the Canadian viewpoint, it shall be my intention to present, in as brief a manner as possible, a few of the more relevant points there discussed and in particular to attempt a solution of that most elusive of problems, the effect of the passage of the agreement upon Canadian wheat prices.

To one coming lately from Canada two things were particularly striking (they were conspicuous by their absence). During the nine hours of the session never once was used that word so hateful to all true Canadians, "Annexation." Again, in no single instance was there any prophecy or implication that the ratification of the agreement would in any way result to the detriment of Canada. On the contrary it was stated by supporter and opponent alike that from such ratification Canada could derive nothing but the greatest benefit.

"How shrewd was Wm. Patterson and how cunning that Mr. Fielding! Those Canadians outwitted us at the last reciprocity treaty, else why did we find it necessary so soon to abrogate it, and now they have beaten us again"—this from a prosperous Illinois farmer.

To the American the great feature of the agreement, as emphasized by several of the principle speakers, including the president, appears to be that it is but the first step in a great series of such reciprocity arrangements with the nations of the world, the first outwork to be won in the citadel of "Special Privilege." The return to freer trade relations on the part of the United States is highly commendable, even the implement manufacturer endorses it (why not, it is in his interest), but the farmer will notice that they are beginning on farm produce. The American farmer has voted the protectionist ticket for many years, with a view to building up a home market and now, at the moment when he was about to claim his reward in real protection, for America is fast ceasing to be an exporter of wheat, his protection, previously a bait now becoming a reality, is to be thus rudely snatched away from him. "It would be preposterous," says Professor Laughlin, "that the laborer and consumer generally should be forced to pay high prices for his food products in order to benefit the farmer," and yet it has not been and is not now so preposterous, a thing to force the laborer and consumer, including, of course, the farmer, to pay enhanced prices to the Stock Trust, the

Beef Trust and a hundred other similar corporations for the major portion of the goods which he buys.

Passing now to that vexed question, the effect of free trade in wheat upon its price and taking for granted what has been so well established of late, the fact that the Dakota farmer has been getting on an average from 6 to 12 cents per bushel more than his neighbor just across the line and that a similar difference had consistently appeared between Minneapolis and Winnipeg quotations, let us make inquiry, in the first place, into the conditions upon which such differences are based. An explanation offered by Professor Robinson of Minnesota University was in substance thus:

Since Canada and United States are both exporters of wheat and since there is for that commodity a world market, its price should roughly correspond, whether in one country or the other, to the Liverpool price minus the cost of transportation. Variations from this normal must be explained by the influence of local conditions, of which there are two sets.

(1) Hard wheat is not grown in United States in sufficient quantities to meet the demand of the millers who mix the hard and soft wheats in the production of certain brands of flour, consequently under the influence of competitive buying it is paid a premium.

(2) The price of wheat while roughly determined on the world market is subject to local speculative corners and manipulation at the hands of the grain dealers. This statement made by Professor Robinson was substantiated by Mr. Merriam, a grain dealer of Chicago (and he ought to know). There are, it appears to me, two further conditions which through lack of specific knowledge were not mentioned, these being:

(3) The C. P. R. and other Canadian roads charge even more extortionate rates than do the railways south of the line. In confirmation of this I need only refer you to the articles which have appeared in the Free Press during the past few weeks; and,

(4) No reader of The Guide need be reminded of the fact that the Western farmer loses at least 3 or 4 cents on every bushel he sells as a result of "mixing" at the lake terminals.

Knowing then the conditions which are responsible for this difference in price, it remains to say what shall be the character of the re-adjustment on the removal of the tariff. At this point, the exposition of Professor Robinson failed entirely, through lack of terminal knowledge. He, naturally enough, construed "Winnipeg cash price" to be the price of wheat stored at Winnipeg instead of being the price on the Grain Exchange of wheat at the lake front and so was led to the incorrect conclusion that the removal of the tariff would, have, beyond a re-adjustment at the border, no effect whatever upon the general level of prices in either of the two countries. But let us look into the question a little more closely. By a comparison of the grading systems of the two countries it will appear that Canada requires for grades, similarly named in the United States, wheat better in color, quality and weight, than does the latter country. A case has been recently reported, I believe, in this paper, of a sample of wheat grading No. 3 Northern in Winnipeg and No. 1 Northern in Minneapolis. The inference is obvious. Canada can grow better wheat than United States. Here is what an American farmer has to say concerning this point:

"The fat plump berry of wheat (and barley) will be put into competition

against our wheat which, because of the depletion of our soils, is miserable and shrivelled in comparison." This being the case, it is a safe hazard that the American miller will be desirous of securing our grain in preference to what he is now getting and, what is more, he is prepared to buy it on sample market. In so far, then, as our railways have charged higher rates than the American, in so far as the Winnipeg Grain Exchange acting as an imperfect and temporary combination, has succeeded in depressing prices, and in so far as the practice of "mixing" has in the past prevented the farmer from getting the true export value of his grain, by just that much must prices be inevitably raised to the grain grower. I do not wish it to be implied that such results could not be obtained in any other manner than by the establishment of free trade in that commodity. I merely wish to point out that such will be the effect. But further, since our wheat will be preferred by the American for milling purposes he will have to pay something more than the export value to get it, for it is not easy to subvert a long-established trade, and the Canadian railways will not give up their haul nor the grain dealers their profits, without a struggle to retain them.

Considering all the evidence then, we are driven to the conclusion that the Canadian prices will rise, but that they should rise to the full extent of the difference between Manitoba and Dakota prices is impossible, for we have seen that the Dakota farmer gets a premium because of the relative scarcity of hard as compared with the soft wheat, a scarcity which will be non-existent under conditions of free trade.

I might go on to tell about the attitude of the president and others with regard to lumber, pulp, fruit, etc., but already I have taken too much space. Let me merely add that the people in this country have now awakened to the fact that Canada is not, as at first supposed, an annex to the Arctic, but a nation already to be reckoned with in the affairs of the world and destined to be the mainstay of the British Empire.

CHAS. K. GUILD.

University of Chicago, Chicago, Ill.

## CANADIAN PRODUCE IN BRITAIN

Editor, Guide: As Mr. Borden is now touring the West, and after hearing him at the Grain Growers' meetings express himself opposed to free trade and will not have reciprocity at any price, I thought I would like to call attention to the prices in free trade England and our own prices here in the West. Having been in England all last winter I made a careful study of the prices paid there for Canadian products and found them in every case lower there than here and also a far better article. First, I found my brother living eight miles out in the country, and his coal oil delivered to his house for 8d. per gal. or 16c. Now this was far better oil than we buy here for 35c. per gal. Second, I bought cheese in Austin the day I left for England and paid 18 cents per pound for it; when I arrived in Bristol I could buy Canadian cheese for 12 to 14 cents per pound for the very best. Third, bacon 20 to 22 cents here and 12 to 13 cents there. Fourth, I found beef about the same price there to the consumer, being from 10 to 20 cents per pound, but I found the fat cattle for the Christmas market sold by auction brought the owner 65s. per cwt., the cwt. being 112 lbs. Now at that time our fat cattle were bringing on an average to the farmer about 18s. per cwt. Fifth, apples were 82 per barrel cheaper there than here, and I tell you, we never see such apples here in the West. Among my friends over there it was all the talk, what beautiful apples you raise in Canada. Now, Senator Melvin Jones on different occasions has stated that there is very little, if any, difference in the price of a Massey binder in England. This is not true. I visited the Bristol Wagon Works and the prices on their books were £28 10s. cash, or £29 in the fall for a six-foot binder. At Moor Street, Birmingham, the price was £30 for a six-foot binder with sheaf carrier. Now those of us who saw Mr. Borden in Brandon city hall heard him try to tell us that fence wire and binder twine were very little, if any, cheaper than they were when the duty was on. But he soon found out that he had to admit that the farmers knew more about that than he did. It seems to me it looks bad for the leader of the Opposition at Ottawa to have to admit that the farmers of the West, at the first meeting where they met him, made him admit that

he did not know what he was talking about.

JOSIAH BENNETT.

Austin, Man.

## INTERNAL ELEVATORS

Editor, Guide: I read in my issue of The Grain Growers' Guide, May 31, of government owned elevators which have not proved a success in our country. The reason farmers are down on them is because they will only buy carlots at a time, and a good many of us farmers who hadn't a car load of wheat to sell were up against it. There was no option for there is only one other elevator in our town and they can pay us what they like. Some of us banded together and made a car but this does not always prove satisfactory, for there is no way of weighing it or grading it and the grade is not the same. There are a dozen and one things more which a man can mention which makes it difficult.

Some farmers have granary room and have to sell from the machine at threshing time. Living close to town it is convenient to do so. Other men want to hold their grain and are able to keep it, but a poor man has to sell right from the machine to pay his debts, and others want to sell from the machine to save handling. Now, I have heard one side explained about fifty times and what interests me now is if they would please explain what the farmer in the condition I have stated can do.

E. E. SNIDER.

Plumas, Man.

## AWFUL COMPETITION

Mr. Borden, the leader of the opposition in Canada, in beginning his campaign against reciprocity at Winnipeg yesterday, argued to the astonished Canadian farmers that they would be injured by getting a new market in the United States. The proof seems to be the same on both sides of the frontier. It has been demonstrated to the satisfaction of the demonstrators that the American farmer would be ruined by the Canadian agreement, but he did not know till Mr. Borden spoke, and till Senator Gore reproduced some of the Canadian wails the other day that his Canadian brother would be in the same miserable company. That all this talk is taken seriously on either side of the line is not very probable. Seemingly more to the point is what Mr. Borden had to say about the disadvantage to Canada which would result from her being compelled to give to other countries the same tariff concessions she makes to us. This follows from the application of the most favored nation doctrine, as held by all the world, except the United States. But Mr. Borden omitted to state that this very matter was under earnest discussion at the Imperial conference, and that steps were taken to release the self governing colonies from the obligations of a commercial treaty in force in the rest of the Empire. This, of course, relates only to the future, yet we fancy that even in the present the farmers of the Western provinces of Canada will not be dismayed by the picture which Mr. Borden drew of their being exposed in their own homes to the dire competition of Argentina. New York Post.

## GAME LICENSE

The chief game guardian has sent out a circular calling the attention of the residents of cities, towns and incorporated villages to the necessity of procuring game bird licenses before the commencement of the shooting season. All applications are to be sent direct to the Department of Agriculture and Immigration, Winnipeg. A copy of the Game Protection Act, including the amendments of last session of the legislature, has been received at The Guide office. A map is included showing the boundaries of the new game preserves established within the forest reserves. Some hunters have been under the impression that the first announcement of the establishment of these preserves, was unauthorized, but the publishing of the Act removes all doubt in the matter, and hunters will have to regulate their conduct accordingly.

## CORONATION SOUVENIR

The International Harvester Company of America has published a coronation souvenir. This souvenir contains cuts of the English sovereigns from the time of William I till George V, our present king.

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