

The Grain Growers' Guide

Winnipeg, Wednesday, November 30th, 1910

THE PRICE OF FLOUR

The announcement was made last week that Ogilvie's and the Lake of the Woods Milling companies had reduced the price of flour five cents per sack, or ten cents per barrel in Winnipeg. The fact that the wheat market is somewhat firmer causes astonishment that the milling companies should reduce prices, but one of the officials of a milling company is credited with the following remark: "The lower price of flour is not due to the condition of the wheat market, but to a cutting of prices by the companies." This remark certainly has a good sound but our readers should not be misled to think that the price war in flour will cause any substantial reduction in the cost to the consumer. It is also interesting to note that an advance in price of \$2.00 per ton in shorts and bran was announced at the same time. At the present time there are four big flour milling companies in Canada, Ogilvie's, Lake of the Woods, Western Canada, and the Maple Leaf Milling Company. These milling companies have their plants scattered from Portage la Prairie to Montreal, and handle a large portion of the western wheat crop. The flour made by these mills is second to none in the world, and holds its own with all comers in the markets of the Old Country. It seems strange to the average observer that flour manufactured in Winnipeg from wheat grown in Saskatchewan or Manitoba, sells cheaper in Nova Scotia than it does in Winnipeg, but if this is in any way astonishing, it may be carried further than stated with the utmost truth, that the same flour is sold even more cheaply to the British consumer. Yet our Canadian milling companies assure us that they are conducting their business so as to sell their flour at the lowest possible cost to the Canadian consumer. It would hardly seem fair to the consumer in the West that the advantages bestowed through the natural fertility of the soil should be so completely offset by the millers in placing their produce upon the British markets cheaper than upon the home markets. Canadian wheat at Winnipeg sells at ten cents per bushel lower than American wheat in Minneapolis. Yet flour from the Minneapolis mills and from the Canadian mills compete openly on the British market. Does this show that the Minneapolis cost of manufacturing is lower than the Canadian, or does it show that the Canadian millers are getting a much larger profit upon their products? No person will suggest for a moment that the Canadian millers sell their produce on the British market at a loss. If then the British trade is profitable, how much more profitable is the Canadian trade? Further facts of importance in connection with the milling industry are the reports of the annual meetings of the milling companies, showing extraordinary profits that are made. The capital stock of the milling companies in Canada does not all represent actual cash invested by a great deal. The milling companies understand the watering business as well as do other manufacturing institutions, and it is also notable that the leading men in the milling industry are closely connected with other large businesses. Among them are railway directors, bank directors and directors of other large corporations. If there is no combine among the flour milling industries, then appearances are deceitful. Perhaps the fact that the Canadian millers are protected by a duty of twelve cents per bushel on wheat and sixty cents per barrel on flour might explain in part why they can charge a higher price

in Canada than in Free Trade England. If this does not bring sufficient explanation then an investigation of the capitalization might assist some.

SASKATCHEWAN ELEVATOR COMMISSION

A careful consideration of the summarized report of the Saskatchewan elevator commission published in our last issue indicates considerable study on the part of the commissioners. They have examined various schemes presented to them but have practically dismissed them all as unworkable and have evolved a new scheme which they consider to be suitable to the needs of Saskatchewan. The finding of the commission will meet with some favor as well as opposition among Saskatchewan farmers. Undoubtedly the ideal system would be that of state ownership with proper provisions for a sample market with full protection being given to the grain of the individual farmer from the time it is harvested till it reaches the Liverpool market. Of course it would depend entirely on the farmers themselves whether such a system as outlined by the commission would be a success, and it places on the farmers the whole burden of responsibility. We do not think the farmers are averse to taking their share of responsibility, but the government is merely a committee of the people's representatives to carry out their wishes, and if the Grain Growers of Saskatchewan prefer government-owned elevators to the scheme outlined by the commission, they have a perfect right to demand that the government should inaugurate such a system. The report of the commission is not binding either upon the Grain Growers or upon the government. The matter is still open and it is the duty of the Grain Growers to decide which course they will pursue. The Saskatchewan Grain Growers' Association have been unanimous for government ownership for several years, and if they are still of the same mind they should know more of their own needs than any commission. There is one phase of the report of the Saskatchewan commission which we think was a most unwarranted attitude to be taken by the commission, that is their remarks about the elevator system in Manitoba. The following is the paragraph to which we refer:

"The Commission are unanimous in holding that a scheme similar to the Manitoba scheme would not be satisfactory to the farmers generally on the one hand, and on the other would probably end in financial disaster by various conceivable devices of bookkeeping the facts may be more or less concealed for a while, but if there is anything of a business character that can be forecasted, such a scheme runs the greatest possible financial risk."

The commission dismissed the whole thing with the sweeping inference that the Manitoba system will probably end in financial disaster. With all due respect to the Saskatchewan elevator commission we do not think their information was sufficient to warrant such a statement. The Manitoba system is as yet untried. We do not think the Manitoba system is what it should be, but we believe that it will be a complete success if certain amendments are made to the act along the lines suggested to the government by the Manitoba Grain Growers. Again, the Saskatchewan commission assumes that certain crooked work will be done to keep the books of the Manitoba commission from showing the true facts of the situation. We think it would have been wise and courteous for the Saskatchewan

commission to have allowed Manitoba to work out her own problems without interference. The Saskatchewan problem is enough without adding Manitoba's troubles as well. The Saskatchewan commission said either too much or too little. If they have information warranting their statements regarding Manitoba they should have given it in detail for the benefit of the public.

THE WEEK AT OTTAWA

Our report from Ottawa for last week shows that the members spent most of their time squabbling over political matters which were of little interest and certainly of no benefit to the country. It will be noted that Sir Wilfrid Laurier says that a tariff commission will investigate the implement question in the West. If the government insists upon appointing a tariff commission it will be doing just what the farmers of the West do not want. There is no more need of a commission to investigate the iniquity of the implement tariff than there is need of a commission to ascertain that the Ottawa government is not doing its full duty towards the people of Canada. Both are self-evident truths and need no investigation. There is undoubtedly a strong element in the House of Commons in favor of the "Stand Pat" attitude which is nothing more or less than the attitude of the Canadian Manufacturers' Association. Both parties in the House of Commons are still talking to enjoy the sound of their own voices, but there is nothing yet being done of definite character. The speech of W. J. MacLean in favor of protection would be amusing if it were not serious. Our readers will recollect that a few weeks ago we published a letter from the editor of The Toronto World, of which paper Mr. MacLean is the proprietor, asking the Canadian Manufacturers for contributions to support their paper. Thus the Canadian manufacturers have an organ in the Toronto World and an organist in its proprietor. Mr. MacLean is on the right track, however, when he is dealing with the railway question as well as the telegraph, telephone, express company and cable business. The trouble with protectionists is that they are never consistent. They are protectionists when it affects their own pockets, and free traders when it affects anybody else. Mr. Monk's bill respecting co-operative credit societies should be able to get through the House this session if members will get down to business and quit party politics. There is considerable to be said in favor of the scheme of submitting the naval question to the people, because it is following out the principles of Direct Legislation, without which no people can rule their own country. The amendment introduced to the Bank Act is a wise one. At the present time there is no government inspection of the banks. Of course the banks do not want any government inspection. They prefer a monopoly over which there is no control. Another amendment to the Bank Act should be one that would leave the Bank Act open to revision at the will of parliament instead of every ten years as at present. The Bank Act is something that should be framed for the good of the people and not for the special benefit of the bankers.

Something should be done with those travellers from the old country who take a three weeks trip through Canadian Clubdom and then go home and pose as authorities on Canadian sentiment.

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