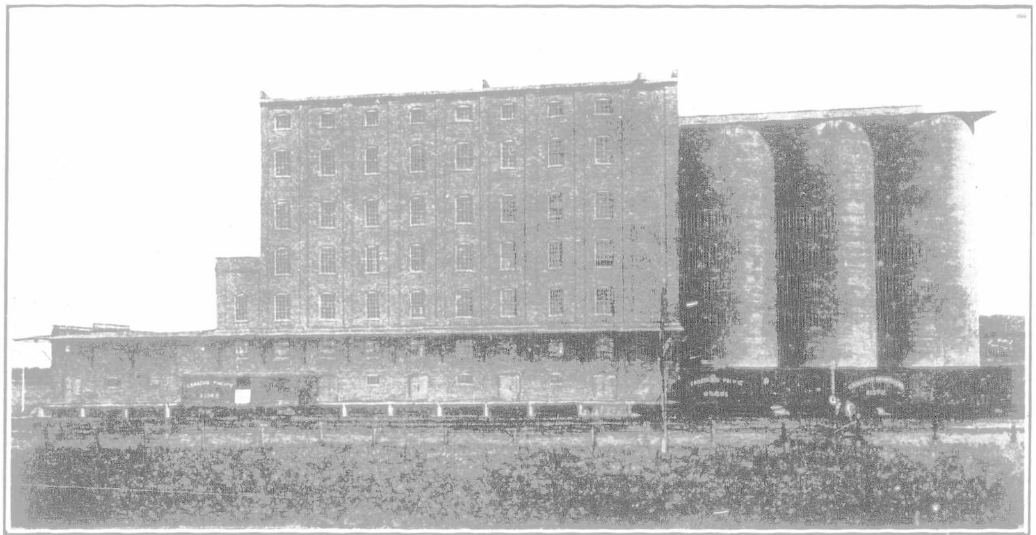
There is still another question raised on inspection of the above figures, which sooner or later will have to be dealt with and settled. The reader will notice the discrepancy in the rates on grain and flour, which in reality means the creation of a handicap of from 2 to 4 cents per hundredweight in favor of the British or foreign miller and against the Canadian milling industry. In other words an English or German miller, for example, can buy Canadian wheat, grind it into flour and save on his freight bill say 3 cents per hundred weight, or at least 10 cents per barrel of flour ,compared with what his competing brother, the importer, has to pay for flour obtained direct from Canada. There is an agitation to have the freight charges on flour and grain placed by the transportation companies on an equal footing.

We have dwelt at considerable length upon the export trade for the reason already stated, that is, because more and more as time goes on, a larger proportion of the Dominion's flour product will have to be consumed in other countries. Great Britain at present takes the bulk of that shipped out of this country but other markets are already important factors. Such are South Africa, Australia, Finland, etc. Germany and France, too, are likely to increase their demands, while the great Oriental markets of Japan and China are as yet scarcely touched, though their potentialities are becoming yearly more fully recognized. In the latter two cases of course we have to realize that before any really great trade can be done in flour, the dietary habits of these enormous populations will have to change; but this is a revolution that is already well started. One of the most promising of markets is that of the West Indies, which already buy large quantities of flour from Canada. Since the inauguration of the preferential trade agreement between the Islands and the Dominion, the prospects for a vastly increased market in the former have correspondingly increased and American millers already foresee practically the end of their regime there. One thought which has already been suggested may well be repeated in this connection; namely, the absolute necessity for giving customers uniform products of the style and grade asked for.

This applies not only to quality but to the methods by which goods are packed and shipped. A dealer in the West Indies, for instances, knows the habits and requirements of consumers in those Islands much more intimately than a Canadian shipper can possibly hope to do. The former's instructions therefore, with regard to the grade of flour, whether to pack into barrels and so forth, should be followed most rigorously. Many a promising connection has been nipped in the bud, so to speak, because a man living in Canada, thought he knew what a customer in Trinidad needed better than the latter himself knew.

A large proportion of the flour which is shipped out of Canada to Great Britain and other countries abroad is manufactured in great mills of from two to five thousand barrels' daily capacity and for which Canada has become famous. Until comparatively, recent years with a few noteworthy exceptions, the bulk of Canadian milling was carried on in small mills scattered throughout the country at spots adjacent to where the wheat has been grown. Undoubtedly the development of these mammoth establishments has injured the growth of what is called the "old-time small mill" and indeed a considerable number of the latter have gone out of business. In this respect, the tendency of the times in Canada has been similar to experience in Great Britain, where the large "port mill" as it is there known has thrown a good many old-timers out of existence. The fundamental idea underlying this development in both countries—indeed, the same experience has been felt in the United States as well—is that shipping facilities, this term including both the grain receiving and the flour shipping end, are more important than mere proximity to the grain-growing fields. In a way, this is of course true. To be located in Montreal for Fort William for instance, at the head of navigation, gives a great advantage. But the advantages are not all on the side of the big port mill. A miller located in a town or village almost surrounded by his growing raw material can pick just the wheat he requires and can have it delivered at his door; he saves in labor costs and frequently in power; and can build up a local trade, which compared with its size, may be intrinsically more valuable than a market thousands of miles away. But he has to carry on his business in a business-like way, and move with the times, must reckon with depreciations in his machinery and cease to expect good results from a worn-out mill. These points granted there is no reason why the "small mills" scattered throughout the length and breadth of Canada should not give a good account of themselves and make money for their proprietors. And, indeed, many of them do. Throughout the rapidly growing western provinces, more especially new mills are going up all the time, and, judging from past experience and present indications, there is no reason why others should not be built in many places, with brilliant prospects for satisfactory success.

As in all other industries, the great problem is one of costs of manufacture. In the case of the large mills producing hundreds of thousands of barrels of flour daily, cost per barrel is a matter which is studied with



Ontario and Manitoba Flour Mill at Sudbury, Ont. Capacity 2000 bbls. per day