

With regard to the views of the millers, some of them have communicated their views to me, and in the course of the correspondence we have interchanged I have arrived at a fair idea of what they want. One of them says—I will not quote *verbatim*, but give the general drift of the letters. One of them says, in answer to the question as to whether the abolition of the duty on American hard spring wheat or the increase of duty on flour to 75 cents a barrel would be most in the interest of the millers:

"We think it would be better for the millers to have the duty removed from hard wheat or, if possible, from all grades of American wheat, for, in our opinion, the increase of duty to 75 cents a barrel will make very little difference to the millers. We think it would require a duty of \$1 a barrel to entirely stop the importation of American flour. We think it would be best to take duty off all grades of American wheat for milling purposes, but if there are serious objections against that by removing it from the different grades of hard spring it would help us greatly at some seasons."

In answer to a question as to whether wheat of a similar character to that imported was grown in Ontario, he said:

"We believe we grow better fall wheat here in Western Ontario than can be got from any American market—there is no competition in fall wheat—but no country produces so good a quality of hard wheat as the American North-West, except Manitoba. Nothing better can be grown in Ontario than fall wheat. It is far better for flour than any spring wheat raised here."

I asked if they could not import Manitoba wheat of the same character as the American wheat more cheaply than the American wheat and paying the duty, and was told:

"We have never yet been able to do so (import Manitoba wheat) and compete with the American flour made from the same quality of wheat (nor do we here especially in the west of Ontario ever expect to do so) as freights and other things are against us. Some of those millers who are situated so they can get Manitoba wheat by water might do so at some seasons, but even then it would not help the milling of the choice fall wheat of Ontario by our own mills."

I think this makes it very clear that, so far as our millers in Western Ontario are concerned, the duty on wheat does not inure to the benefit of Manitoba by inducing our millers to use Manitoba wheat; because, even with the discrimination against American wheat afforded by the duty, it does not pay our millers to import Manitoba wheat instead of American wheat. In answer to another question in respect to the effect the abolition of duty on United States wheat would have on the prices paid for Canadian wheat he said:

"At certain times the abolition of the wheat duty might affect the price paid to farmers for home grown wheat, but it is quite impossible that it should affect it permanently, as all are now aware that prices are regulated by the Liverpool market. We should only use American wheat when other wheat could not be got, as was the case last season."

They had explained in a former letter that the impossibility of getting wheat enough to keep their mills going compelled them to close them for part of the year.

"Ogilvies and some others may arrange to run their mills on Manitoba wheat, but the great majority must depend on the wheat that they buy at their mill doors. In regard to the views of the farmers on the wheat duty, they would hardly notice it. They look at the matter very much in this way, namely, that wheat is generally higher across the river or lake than in our own markets."

Bearing out the figures I produced to the House on the last occasion on which I spoke.

"We have very little faith in increase of duty to an extent to do good, and would sooner have the wheat duty off. It might often make things better for millers here."

Then he goes on to refer to certain improvements in freight rates that have been lately given to the western millers in the States. I will give also the effect of another letter from another firm of millers, which puts the case very clearly. They say:

"We do feel a great injustice is done the Canadian millers under the present duty and bonding arrangement on wheat, probably more grievous to some millers who are not so well situated for obtaining wheat as we are."

"You will see by this that the duty on wheat handicaps us in such a way that we find it very hard to obtain wheat and keep the mill running on full time, and require to stand still. It is utterly impossible for us to purchase wheat in Detroit or Chicago (which we would like to do

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at the present time) even without the duty, and export the flour and make anything more than a living out of the transaction. Take for Example No. 2 Red Winter which is same wheat as raised here in Chicago is worth to-day 78½c, 77½c., and 78c., per bushel. We cannot expect to have it delivered here for less than 7c. per bushel, that will make the cost delivered here, say 85c. per bushel. We are paying the farmers here from 80c. to 85c. per bushel. Now add 15c. per bushel duty would bring it to \$1 per bushel. We could not ship any flour at such a cost of material, so the result is we stand still when we cannot purchase wheat from the farmers."

Now, this is a remarkable statement of practical men, engaged in milling and wishing to import wheat for milling purposes. They evidently did not take the duty into account at all when comparing the rates between Detroit and my constituency. They say it is as dear in Detroit or Chicago, with the freight added, as it is in my own neighborhood, so the duty has not raised the price of wheat in that part of the country, though it has prevented the importation of a certain amount of American wheat. It has had the effect of shutting down the mills for a certain time in the year without increasing the price to Canadian farmers, and appears to be mischievous to the manufacturing class in that part of the country without being of the slightest use to the agricultural class. They say:

"The expression of the duty benefitting the farmers is a fabulous theory, and won't hold water, for, when wheat gets over a certain cost, we do no business unless there is a general advance in breadstuffs. We have noticed the markets very particularly since 1878, and we have never yet seen the price of wheat in this section exceed the prices of wheat figuring the price in Chicago with freight to this point."

I gave you some figures the other afternoon for the past autumn. These gentlemen have watched the markets since 1878, and have found that to be true during all that time which I found to be true during last autumn.—

"This," he says, "I believe to be universal."

Then he goes on to point out the reason why they cannot compete in the eastern provincial markets. He says:

"As for perfection in machinery, the most of the mills in Ontario have the latest and best improved machinery, and can manufacture and finish the flour equal to anything in the United States, and those millers who could not would soon advance. There is a grade of flour known as strong bakers and high grade Minneapolis flour, which is meeting with purchasers in our cities, and it is used by the bakers. Now, if we could obtain the Manitoba wheat at a reasonable price, we could supply this trade ourselves. The cost of the wheat delivered here is too much."

They feel the pressure of heavy freight rates on Manitoba wheat as much as the Manitoba farmers do.—

"We do not believe much American flour has found its way into this market"—

This is, the Western Ontario market.—

"since the harvest of 1884. The writer did not approve of the Millers' Associations idea of an advance of duty on flour of 50 cents per barrel so as to make it \$1. . . . Now we feel the greatest boon to the millers would be, get the duty on wheat removed, and you will soon find there will be no American wheat find its way into Canadian market, as the millers would arrange to supply this trade."

Then he goes on to point out that there are six first class mills in that county, with capacities varying from 150 to 350 barrels for every 24 hours, making a total production of 1,200 barrels daily, which are now running on half time, and hardly that for the last three months, the cause being that they cannot obtain wheat. He afterwards states that they employ an average of fifteen men each, so that ninety men are thrown on half time, and that there is a capital invested amounting to \$270,000 in these mills, which is lying idle half the time. I think this is not a pleasant showing. It shows beyond doubt that the millers have grievances, it shows that the way in which the tariff is arranged is not favorable to their industry, and that something ought to be done for them. In what direction this something ought to be is a question for the Government to decide. It is for them to say whether they will remove a tax that does not seem to do much good to the farmers, or will reduce it, or whether they will increase the duty on flour. I do not know what the feeling of the farmers of