

The Commercial

WINNIPEG, JULY 1, 1888.

MILLERS IN CONVENTION.

The convention of the Millers' National Association, of the United States, lately held at Buffalo, N. Y., formed one of the most important commercial gatherings of recent date. From a miller's standpoint, it is said to have been the largest and most important meeting ever held in America. Many questions were discussed which are of interest not only to millers the world over, but to all business men. There are few industries in which competition has become more keen than milling. Flour milling is being reduced to a science, and the miller who would succeed, must understand his business. The days of large profits and crude milling have passed away. Every possibility in the direction of economical milling is rapidly being taken advantage of in this great industry, in order to keep up with the procession, and systematic and economical milling means as a rule high class milling. The acting chairman referred in his opening address at the convention, to a new enemy with which the millers would have to contend, and which would be the chief matter for consideration. This new enemy is described as follows: "Large output, quick sales, keen competition, and small profits." The chairman intimated that while bread was the great necessity in every condition of life, yet it was becoming a grave question to millers whether they would have bread for their own families. In the great race for supremacy, one hundred barrel mills have been succeeded by one thousand barrel mills, and these again have been doubled. As the output increased, the profits have become smaller, and now the question with millers is. How to maintain their position? Though there is no industry in which the requirements of the country can be more accurately gauged than in flour milling, yet the laws of supply and demand have been ruthlessly neglected. The difficulties which confront the millers are therefore of a serious nature.

The report of a committee appointed to prepare papers on the foreign and domestic trade, with the object of correcting abuses in both, was read before the convention. The first feature dealt with in the report was as to the cause of milling

frequently being unprofitable. The stereotyped answer of over-production the committee did not think satisfactory. All the flour manufactured, it was pointed out, is consumed and this is inconsistent with the theory of over-production. The committee were of the opinion that the stimulus given to milling by the introduction of improved methods, and the better profits realized by millers who had first adopted these improvements, had no doubt led to an excessive extension of the milling capacity of the country. Of late, however, fewer mills have been built and increasing consumption had overtaken production. This view of the case, in connection with the increasing export trade, had led the committee to conclude that over-competition, rather than over-production, was the cause of so much unprofitable milling. Says the report: "The mill that never stops and never piles up any flour awaiting a better demand, is what forces unprofitable prices for itself and for every other mill within the influence of such competition." The custom of forcing flour upon crowded markets was condemned, and should give place to a system of allowing buyers to some extent to seek the producer. This may be all very right in theory, but in an industry of such wide distribution as milling, with competition from many different countries, the idea of waiting for purchasers will hardly be found to work. A combination might be formed to secure less competition in the domestic trade, but it could not be made to work in connection with the export trade. If the United States were the only flour-exporting country, it would be very well to talk of making buyers seek the millers, but as matters now stand, the idea is apparently impracticable. Undoubtedly, however, the custom of forcing flour upon overloaded markets, has been carried too far, as is seen in the case of consigning flour to British markets. But if this is not a feature of over-production, it is difficult to see what else it is. Indeed, the over-competition described by the committee, would seem to be an outgrowth of over-production, and the hint that millers should close down their mills, and pile up their flour to await an advance in prices, would point clearly to over-production.

The remarks made in the report of the committee with reference to the credit system, will apply to nearly all lines of business. The growth of the credit system in handling flour, has been steadily

increasing, notwithstanding that millers are obliged to pay cash for their material and labor, and credit is now the rule, cash the exception. Buyers who could not borrow a dollar in cash from the seller, are given goods on time, and this is done on such close prices as hardly to return a fair rate of interest. Regarding the practice of making consignments, the committee says:

"Send your flour from the mill or warehouse direct to buyers at fixed prices, or keep it until buyers are found. The practice fills up your flour markets, putting the product directly under buyer's control, where it usually remains unsalable until prices have gone down to the bottom, and you are glad to get out, even on those terms. It also depletes your home supplies of wheat, forcing up prices, and is a complete double-ended club, whacking you on the head."

The committee concluded by advising the formation of associations in the different states, and these to form a national association, the membership fee in the latter to be \$5 per annum for mills of 100 barrels or less capacity, and \$5 additional for each additional 100 barrels capacity. One vote would be given for each \$5.

A lengthy discussion followed the report of the committee, which was concluded by the passing of a series of resolutions. The convention did not fall in with the idea that there is no over-production, and passed a resolution in the direction of attempting an organized effort, to limit production, under the direction of the association. An effort will be made to obtain an agreement, representing three fourths of the milling capacity of each state, to an arrangement to put the control of flour production in the hands of the association. No attempt will be made to regulate prices, but only to control production. The last resolution passed by the convention, was one in favor of the removal of the duty upon wheat. This will be of special interest to Manitoba, and will be favorably received here.

THE PROVINCIAL ELECTION.

It is with a feeling of relief, that patriotic and non-partisan Manitobans look forward to the eleventh of this month, as the day which will settle the present political contest. To such people a contest, in which two parties, borrowing their principles or alleged principles from eastern party bigotry and rancor, mutually abuse each other, is at no time entertaining or even amusing, and now just after the efforts of a united people have secured so much for the province, a