

to raise more beef animals by sending their cream to the creamery and using their skim-milk for the calves. In any event it may be well to take a look here at the cheese situation.

#### THE CHEESE TRADE

The cheese trade in Canada is likely to suffer the most severely of any. As far as the tariff is concerned, however, it is going to suffer indirectly rather than directly. The reduction in the United States duty on cheese from 6 to 2½ cts. a lb., is not going to encourage the shipment this year of much cheese. The placing of milk and cream on the free list, however, is going to draw away from many factories so much of their raw material, it promises to spell disaster to many factories.

Except in seasons of over production cheese will not cross the border even with the reduced duty standing at only 2½ cts. a lb. At present, for instance, cheese is selling in Canada at approximately 13 cts a lb. By the time the duty of 2½ cts. a lb. and shipping charges, are added to this, this cheese would cost the wholesaler laid down in New York, about 16½ cts. a lb., which is higher than the prices now ruling over there. Another factor that must be considered is the fact that our cheese is not of the character generally preferred across the border and the size of the cheese is about double that which is in demand in the States. We will have to make several changes in such respects as these before our cheese will become popular on the other side.

#### THE SHORTAGE IN MILK

The main effect of the new situation on the cheese market is going to be caused by the difficulty of obtaining enough milk at the factories. "At the opening of the season this year," said Mr. R. M. Ballantyne, of Lovell & Christmas, Montreal, to one of our editors, "scores of cheese factories in Ontario were on the verge of closing their doors. They kept on in the hope that there might be an improvement in conditions. Instead of their being an improvement the new tariff situation is going to make conditions worse than they have been for years and many of these factories will have to close. In the Brantford district and all along the St. Lawrence front, where farmers are already commencing to ship their milk and cream across the border, it is going to be difficult for many factories to obtain the milk they need. Some factories in the Huntingdon

and Cowansville districts of Quebec will be affected in the same way. The shortage in the supply of milk and cream that will be caused by the new United States demand, will probably force our cities to increase their prices for both products. Other farmers will be induced thereby to ship their products to the cities, thus affecting still more factories.

#### THE GREATEST DANGER

"The greatest danger I see, however," said Mr. Ballantyne, "lies in the fact that buyers from the western States are now competing with buyers from western Canada for dairy heifers and milk cows. Car loads of dairy animals have already gone across the border and the country is being scoured for all that are left. It is true that many culls are being sold, but many good young animals are also going out, and this promises to make a great shortage in the supply of milk next season."

Mr. James Alexander, the well known cheese exporter of Montreal, verified what Mr. Ballantyne had said. He stated that one man had recently shipped 16 cars of dairy animals from eastern Ontario in the vicinity of Alexandria, to the west, and 25 cars to New York State. Mr. D. Drummond, of the Dominion Department of Agriculture, pointed out that dairy animals were going over to the States in considerable quantities, even before the duty was removed. Last April a train load was taken out of the Huntingdon district, Quebec, by a large company in New York City, handling certified milk. This company paid as high as \$200 a head for a couple of choice grade heifers. Now that the duty has been removed our Ontario and Quebec supplies of dairy animals are likely to be still more rapidly depleted. What the effect on next season's supply of milk will be can only be guessed. However, the situation is not as bad as it might be in view of the fact, as was pointed out by Dairy Commissioner Ruldick, that the animals that are going across the border will increase the supply of milk and cream on the other side of the line and thus tend to decrease to that extent the demand from there for our milk and cream.

#### OUR EXPORT TRADE

Mr. R. M. Ballantyne expressed his belief that within another four or five years our export trade in cheese may entirely disappear. "Up to 1903-04," said Mr. Ballantyne, "our exports of cheese

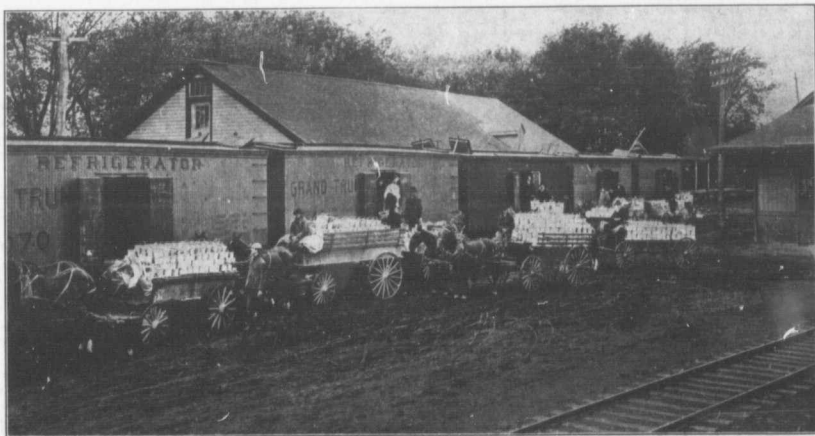
increased rapidly and established a record never equalled before or since, of approximately 3,000,000 boxes. Since then, owing to the increased home demand for milk, cream and butter, our exports have fallen off each year. This year they have shown a decline of about 300,000 boxes. This has been caused in part by the home demand, and in part by the unfavorable season. The fact remains, however, that our exports will not exceed about 1,650,000 boxes."

"If we take into consideration the fact that one box of butter is equal to 1½ boxes of cheese and that during the same period our exports of butter have decreased from 650,000 packages until we are now importing vastly more butter than we export, it will be seen that during the last nine years we have lost about two-thirds of our export trade in cheese and butter. Owing to the new conditions now prevailing I will not be surprised if our manufacture of cheese next season shows a further decrease of 400,000 boxes, and I anticipate that our whole export trade in cheese may disappear within the next four or five years. This does not, of course, mean that our farmers are going to suffer. Instead, they are going to receive higher prices for their milk and cream than ever before. It is unfortunate, however, that many factory men who have invested their all in their factories, are going to suffer heavy losses, and that the channels of trade that it has taken so many years to establish, are likely to be seriously interfered with. The change, however, seems inevitable as it is of exactly the same nature as the change that took place in the United States with the increase in the home demand in that country."

#### GREAT BRITAIN'S SUPPLIES

When asked where Great Britain would likely turn for its supply of cheese, Mr. Ballantyne expressed the view that New Zealand and Siberia between them would probably be able to supply it. He understood that inquiries were already being made for bright Canadian cheese makers to go to Siberia and help introduce the manufacture of cheese in that country. "In 1904," said Mr. Ballantyne, "New Zealand sent only 66,000 boxes of cheese to Great Britain. Last year she sent 900,000 boxes and this year she will send about 1,000,000 boxes. This great increase is not quite equal to our decline in exports but the price of

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A Busy Scene on a Border Point that Will Take Advantage of Lower Duties and Wider Markets

This scene is at the warehouse of the St. Catharines Cold Storage and Forwarding Co., the oldest cooperative fruit growers' organization in Canada. This year, part from this district were sold on the United States market. Gluts on Canadian markets will often be avoided in future by Niagara fruit growers diverting their produce south of the line. Such is the effect of wider markets. They are steadier markets.

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