

# The Grain Growers' Guide

Winnipeg, Wednesday, April 25, 1917

## FREE WHEAT AT LAST

The big news of the day for the grain growers is that the Ottawa government has acceded to their persistent demands and have negotiated with the United States by which there is now reciprocal free trade in wheat, wheat flour, semolina and other wheat products. For the past four years the United States has had a standing offer for free trade with Canada in these products. Now it has been accepted. This will be a great boon to the grain growers of Western Canada because it gives them an additional market of 110,000,000 people for their wheat. The effect cannot be other than to maintain a higher level of prices and bring greater prosperity to Canadian grain growers. The chief benefit will come on the lower grades for which there is an immense market in the eastern states. Wheat for the eastern states will be routed via Fort William and across the Great Lakes as usual, thus not interfering in any way with railway traffic. Undoubtedly a considerable quantity of the higher grades will go direct to Minneapolis for milling. The full benefit of free wheat will not be apparent until after the war when prices go back to normal. Minneapolis prices have ruled from five to ten cents over Winnipeg for many years, but now they are certain to be equalized. No doubt the Minneapolis prices will drop somewhat and the Winnipeg prices come up somewhat, but under any circumstances advantage will come to the Canadian West. It will give permanence to the wheat growing industry and will attract immigrants to this country.

The adoption of free wheat by the Dominion government is a decided tribute to the organized farmers and their work. Various reasons will be advanced as to why free wheat was granted, but it may be taken as a fact that the real reason is that the great bulk of the grain growers in Western Canada have demanded free wheat and have determined to get it by the use of their votes. They have largely ceased being Grit or Tory and have decided to stand together for their just rights regardless of the two old political parties. This same process which has forced the Dominion government to grant free wheat will bring other benefits also. If the farmers of the West maintain a united front and poll their votes together for candidates who can be depended upon to support the farmers' platform they will get free implements also and a reduced tariff on the necessities of life. If the West were given a square deal in legislation it would be one of the most prosperous countries on the face of the earth because of its great natural resources and possibilities. Free wheat will undoubtedly result in giving the Western farmers an average increase of at least five cents per bushel year in and year out on the price of their wheat. This figures out at about \$65 per carload on wheat. No other legitimate industry will be injured and the farmers will get what is their just due. It will mean millions of dollars extra in the pockets of Western farmers, all of which they are entitled to. The Ottawa government is to be congratulated on having awakened to the fact that the Western farmers mean business. A Dominion election is in sight and both the Grit and Tory parties will be appealing for the Western votes. The government has already made a good step by granting free wheat, now if it were to put agricultural machinery on the free list it would have a record of achievement unequalled by any previous government on tariff matters. There will be forty-three members in the House of Commons from the three prairie provinces after the next election. If the organized farmers will make sure that most of these members are supporters of the farmers' platform they will get free implements also.

## SAMPLE MARKETS ASSURED

With the opening of the American market it is a practical certainty that a sample market will be established in Canada, at Winnipeg and possibly in Port William also. In fact, Sir George Foster has already announced that intention. The Minneapolis and Duluth markets are both sample markets. There are undoubtedly advantages in selling wheat, particularly the lower grades and other grain, on sample. The Minneapolis buyers will be keen competitors for Canadian wheat. A considerable quantity of our lower grades have been going south all winter, and after paying ten cents duty have brought more than Fort William prices. Canadian dealers are not accustomed to buying grain on sample and are not wheat experts. The change will cause considerable readjustment in operation of the Winnipeg Grain Exchange. Furthermore, a sample market cannot be conducted with any degree of efficiency unless it is accompanied by the operation of mixing houses. Grain bought on sample becomes the property of the buyer and he can only afford to pay a premium upon it when he is allowed to mix it with other grades for milling purposes. There are already a large number of mixing houses at Fort William which are operating in violation of the Canada Grain Act, but by permission of the Canada Grain Commission and with the approval of the Canadian Council of Agriculture. The establishment of a sample market will no doubt mean that these mixing houses will be legalized and strictly regulated.

## HISTORY OF FREE WHEAT

Now that the last chapter has been written in the history of the free wheat controversy, it is well to recall the main points in the struggle. The organized farmers of Western Canada more than ten years ago realized the necessity of having the widest possible markets for the ever increasing volume of wheat being produced in Western Canada. The Laurier government then in power at Ottawa was urged to secure reciprocal free trade with the United States in grain and implements and a number of other articles. The government however declined to make any move, feeling secure in power and not wishing to antagonize Eastern interests.

In the summer of 1910 Sir Wilfrid Laurier with some of his cabinet ministers toured the West and at every point where he spoke in Manitoba, Saskatchewan and Alberta, he was met by a delegation of grain growers who told him in unmistakable terms that they wanted tariff reduction and wider markets for their grain. At the first meeting in Brandon Sir Wilfrid Laurier was very jovial and treated the matter rather lightly. As he progressed through the West, however, the grain growers talked to him so plainly and gave him so many unvarnished facts that he began to think more seriously. Before he got through Saskatchewan he declared that protection was "a great wrong" and by the time he reached Alberta he had decided upon a tariff commission. The first announcement of the tariff commission however aroused antagonism among the grain growers as they knew from past experience that a tariff commission meant nothing. They told Sir Wilfrid Laurier they did not want any tariff commission, they wanted tariff reduction. Sir Wilfrid Laurier went back to Ottawa a wiser man.

In December, 1910, the great "Siege of Ottawa" occurred. Five hundred farmers from Western Canada representing the grain growers' associations of the three Prairie Provinces went to Ottawa by special train. They were there joined by three hundred farmers from Ontario. On December 16, 1910, they presented their case to the government demanding

reciprocal free trade with the United States in agricultural products and a considerable volume of other products and agricultural machinery as well as lower tariff upon the necessities of life. Other demands at that time were public ownership and operation of the Hudson Bay Railway, public ownership of terminal elevators, a chilled meat industry and lower freight rates. The presentation took place in the Commons Chamber and occupied over four hours. Sir Wilfrid Laurier as premier received the delegation. Sir Robert Borden was also present. As a result of the pressure from the West, Sir Wilfrid Laurier and his government decided that action must be taken and entered into negotiations with the United States, resulting in the famous reciprocity agreement which was announced in the House of Commons on January 26, 1911.

Both political parties had long been committed to reciprocity with the United States. When the agreement was first announced most of the Conservative members and the Conservative press favored it. Suddenly however, they realized that an election was in sight and if they gave no opposition to the reciprocity agreement they would have no grounds on which to fight an election. They therefore opposed the agreement in the House of Commons chiefly on patriotic grounds. They claimed that the reciprocity agreement which would make free trade in grain, would deflect our traffic to the South, make Canada an adjunct of the United States and dismember the Empire.

In the summer of 1911 the House of Commons adjourned for two months to allow Sir Wilfrid Laurier to attend the Imperial Conference in London. During the recess Sir Robert Borden (then Mr. Borden) and some of his colleagues toured the West and everywhere were met by the grain growers with the same demand as was presented to Sir Wilfrid Laurier. Mr. Borden stood to his guns and opposed reciprocity everywhere. He, however, declared for public ownership of terminal elevators and Hudson Bay Railway, and a few other things which the Laurier government had refused.

The record of the Laurier government was bad and the majority of the people of Canada were tired of it. The Conservative party received extraordinary financial support from the big interests who were opposed to free trade in anything. The combination was too strong and reciprocity and the Laurier government were defeated in September, 1911. The organized farmers continued their demand for lower tariff and wider markets and presented their case to the new Borden government, but received no encouragement whatever.

In 1913 Woodrow Wilson became president of the United States and a part of the Democratic platform was tariff reduction. He made good his promises in the American Tariff Act of October 3, 1913. This act placed livestock on the free list and thus opened the American market to Canadian cattle, which gave the livestock industry of Canada a wonderful boost and did no damage either to the transportation companies or the Empire. Another clause in the same act made a standing offer to Canada for free trade in wheat and wheat products. This is known as the famous "free wheat" proposition. If at any time Canada put wheat and wheat products on the free list, automatically they would go on the free list in the United States and Canada would have free entry for her wheat to the American market. The organized farmers steadily pressed the government to accept the free wheat offer, but it was persistently rejected by the Borden government. It was contended that free wheat would be of no advantage to the Western farmer, that it would ruin the railway companies and dis-