

The Commercial

WINNIPEG, NOVEMBER 25, 1886.

THE BREADSTUFF TRADE.

Mr. Henderson, of the firm of Henderson & Greenwood, grain and flour merchants, London, England, has recently visited this province for the purpose of looking into the breadstuff trade here, and to see what may be done by his firm in the way of handling Manitoba wheat and flour. From what could be learned from a conversation with Mr. Henderson on the subject, it would appear that the British flour trade is at present in anything but a flourishing condition, and that the prospects for an immediate commencement of an export flour business from Manitoba to Great Britain are not at all hopeful. In the present demoralized state of the British markets, there would seem to be but little opportunity for Manitoba millers to develop a lucrative trade in that direction.

In Great Britain the main demand is for low grades of flour, and it is said that the Minneapolis millers are supplying this demand at prices which will hardly pay for the cost of production. British markets are said to be flooded with cheap American low grade flour, and the competition from this source is proving terribly destructive to British millers, who claim that they are unable to compete with profit to themselves, whilst the Minneapolis manufacturers continue to crowd the markets with stuff which they are offering at less than the cost of production. The Minneapolis men rely on their domestic trade for their profit, the demand for their high grade flours always being good from the New England and Eastern States. Thus they are enabled to crush out competition by using Great Britain as a slaughter market for their low grades. To compete with Minneapolis, Manitoba millers would have to sell also at a loss, which in the present condition of the milling industry here they are not in a position to do. Our millers would also be at a disadvantage in regard to freight rates, as compared with Minneapolis.

At home Manitoba millers are having a spirited contest with Minneapolis manufacturers for our domestic markets. Aided by favorable freight rates, Minneapolis high grade flours continue to sell

in Montreal and Eastern Canadian ports, in competition with the Manitoba product. Of course, the quantity of American flour now consumed in Eastern Canada is not large, and this season with the excellent quality of wheat grown in Manitoba the Minneapolis millers have had a struggle to maintain their hold upon such Canadian markets as they have been in the habit of doing business with. During the past few weeks this struggle for supremacy has become keen, and has been made apparent by the reported announcement from the Minneapolis men that they would hold out, even if they were compelled to slaughter their flour at less than cost. From their attitude in connection with their competition with the British millers, it is not unlikely that they would adopt this course, though as to the final outcome there is no reason to doubt but that the home millers must eventually come out ahead. What advantage it would be to the Minneapolis men to slaughter their high grades, it is hard to see, when they have a good market at home for such qualities. In British Columbia Manitoba millers are also having a contest with the Oregon manufacturers for the markets of that province, but in this direction the result will be easily decided in favor of Manitoba, as the flour made from our No. 1 hard requires only to be introduced to assert its superiority over the product of the soft wheat of the Pacific coast. Whilst, therefore, the Manitoba milling industry, yet in its infancy, is engaged in driving out the foreign product from our domestic markets, it is not likely that an attempt will be made to export to Great Britain, in the present demoralized condition of the flour markets there.

In connection with the exportation of wheat to Great Britain, the long haul and high freight rates must also operate greatly against such a trade. Mr. Henderson also intimated that in Britain there was a well-founded scepticism in regard to receiving the grain the same as graded here. The belief seemed to be general that Manitoba wheat shipped from the Atlantic ports, becomes materially reduced in quality, being mixed with other grains, and that this mixing is not always purely accidental. Indeed, Mr. Henderson expressed his belief that it becomes mixed in much the same way as the milk sold in London by the Middlesex dairymen, who on their road to town along the bank of the Thames, stop at

sundry convenient places along the route for the purpose of inspecting the river, such inspections usually resulting in increasing the quantity, but not the quality of their milk. The finding of a live minnow occasionally in the milk, is said to more fully account for the popularity of the river road among the milkmen.

Mr. Henderson was quite enthusiastic in regard to the Hudson's Bay route. He thought that, even with navigation limited to five months in the year, it would be sufficient to give British millers and grain dealers a strong hold upon our wheat and flour markets. By the opening of this route the length of haul by rail would be cut down over one-half. Besides, wheat shipped direct from here by such a route could not become deteriorated by a mixture in transit with eastern qualities. British millers would thereby be enabled to obtain an ample supply of our high grades of hard wheat by a short and direct route. This wheat could be mixed with their cheap Indian and other soft wheats, and enable them to compete to better advantage with the Minneapolis millers, by turning out a better article of flour than they can now do with the material they are compelled to work with.

The opening of the Hudson's Bay route would undoubtedly have the effect of bringing British millers and grain dealers directly into our markets. For instance, could we ship wheat from Winnipeg to Liverpool via Hudson's Bay at 7s per quarter, or 21c per bushel, this rate of freight, deducted from 33c per quarter, the lowest price No. 1 hard has ever reached in London, would leave say 75c per bushel for the wheat at Winnipeg. This would enable us to supply British millers with choice wheat at hard-pan prices, and still give our farmers a much better price for their grain than they are now getting. In the above calculation the allowance for freight is placed at a liberal figure, whilst the price of wheat is calculated at the lowest record for a quarter of a century. The depression in breadstuffs may soon pass away, and when that takes place, the present low range of values may not again be reached within the lifetime of the existing generation. One dollar per bushel for wheat may, therefore, be the standard of value at Winnipeg before many years have passed.

The opening of the Hudson's Bay route