

The Grain Growers' Guide

Winnipeg, Wednesday, April 29th, 1914

FOSTER AND FLOUR PRICES

In the House of Commons last week, in the budget debate, Hon. Geo. E. Foster endeavored to convince the House that Canadian flour was not being sold more cheaply in Great Britain than in Canada. He quoted figures from a publication of his own department, but was soon corrected and shown that his figures were not on the same weight basis and therefore were of no value for comparative purposes. Mr. Foster should have quoted his figures from the weekly North-Western Miller, the leading authority on flour prices on the American continent. In the North-Western Miller of April 15, we find flour prices quoted by cable from Glasgow, Liverpool and London, on April 15, and in the same issue we find prices of flour in Montreal, Toronto and Winnipeg quoted on April 13. The Glasgow, Liverpool and London prices are preceded by the following statement:

"The following c.i.f. (cost, insurance, freight) prices per sack of 280 pounds are approximate quotations asked by mills for deferred shipment:"

The following prices are then quoted:

GLASGOW	
Canadian Spring Patent	... 24s. 6d. @ 26s. 6d.
Canadian Winter Patent	... 25s. @ 26s.
LIVERPOOL	
Canadian Spring Patent	... 24s. @ 25s.
LONDON	
Canadian Spring Patent	... 23s. 6d. @ 24s. 6d.

It will be noted that these prices are for 280 pounds. By reducing these prices to Canadian currency for 196 pounds, which is the weight of a Canadian barrel, these prices are found to be as follows:

GLASGOW		Per barrel.
Canadian Spring Patent	.....	\$4.13 to \$4.50
Canadian Winter Patent	.....	\$4.25 to \$4.42
LIVERPOOL		
Canadian Spring Patent	.....	\$4.07 to \$4.25
LONDON		
Canadian Spring Patent	.....	\$3.99 to \$4.13

Toronto prices are quoted as follows:

	Bbls.
"Spring Patent, firsts	..... \$5.50
Spring Patent, seconds	..... 5.00
Spring Patents, first baker's	..... 4.80
Spring Patents, second baker's	..... 4.20
Winter and Spring blends, 90 p.c.	..... 4.80
Blended Straights	..... 4.60
Winter Straights	..... 4.50

"Spring wheat flours in jute, cotton 10c per bbl. extra; winters and blends in jute; all delivered in wholesale quantities Ontario points."

Montreal prices are quoted as follows:

"Spring wheat patent firsts were quoted last week at \$5.60, Seconds at \$5.10, and Strong Clears at \$4.90 per bbl. in bags, and 30c per bbl. more in wood."

Winnipeg prices are quoted as follows:

"The net figures on flour to Manitoba points, in cotton bags, delivered to the retail trade, are: Best Patents, \$5.30 per bbl.; Seconds, \$4.70; First, Clears, \$3.90@4.00; Common Grades, \$2.90@3.00. Flour in jute bags 40c per bbl. less."

Thus we find that the best Canadian flour sells at:

Winnipeg	.....	\$5.30
Montreal	.....	5.60
Toronto	.....	5.50
Glasgow	.....	4.50
Liverpool	.....	4.25
London	.....	4.13

In the face of this unanswerable evidence, it is difficult to say upon what grounds the Government can refuse to place wheat and flour on the free list, and give the western farmers the advantage of the higher prices on the American markets. When next Mr. Foster quotes flour prices in the House of Commons we trust he will secure his figures from a reliable source.

THE OCEAN COMBINE

In this issue we publish an article on the Ocean Combine which should command the serious attention of every farmer in this country. The facts given by the writer of the article mentioned demonstrate clearly that the man who grows wheat is at the mercy of the Ocean Combine as to the cost of transporting the wheat to the foreign markets. The price of wheat in Liverpool practically regulates the price of wheat on the Winnipeg market, and if between these two markets the Ocean Combine is able to levy an additional toll of three or four cents per bushel, the farmer must accept just that much less for his wheat. An investigation made last fall by the chairman of the Railway Commission resulted in no definite action. The opinion expressed at the time by prominent Government officials was that the regulation of ocean freights could only be secured by international agreement. Such agreements are generally very slow in coming about and not very effective in results. In order to show the power of the Ocean Combine to levy toll upon the Western farmers, we reproduce herewith from the report of the Saskatchewan Grain Markets Commission, just published, the average freight rate on wheat from New York to Liverpool in cents per bushel from 1879 to 1912 inclusive:

1879	.....	12 3/4 cents
1880	.....	11 3/4 cents
1881	.....	8 1/4 cents
1882	.....	7 3/4 cents
1883	.....	8 3/4 cents
1884	.....	7 cents
1885	.....	6 3/4 cents
1886	.....	6 3/4 cents
1887	.....	5 cents
1888	.....	5 1/4 cents
1889	.....	7 3/4 cents
1890	.....	4 3/4 cents
1891	.....	6 1/4 cents
1892	.....	6 1/4 cents
1893	.....	5 1/4 cents
1894	.....	4 3/4 cents
1895	.....	3 3/4 cents
1896	.....	5 1/4 cents
1897	.....	5 3/4 cents
1898	.....	6 1/4 cents
1899	.....	6 3/4 cents
1900	.....	4 3/4 cents
1901	.....	6 3/4 cents
1902	.....	2 1/2 cents
1903	.....	2 3/4 cents
1904	.....	2 1/4 cents
1905	.....	3 1/4 cents
1906	.....	2 3/4 cents
1907	.....	3 3/4 cents
1908	.....	3 3/4 cents
1909	.....	3 3/4 cents
1910	.....	3 cents
1911	.....	4 cents
1912	.....	7 3/4 cents

As a great deal of Canadian wheat goes via New York these figures are quite applicable and are approximately the same as from Montreal. These figures show that in the early days the cost of carrying a bushel of wheat from New York to Liverpool was 12 3/4 cents per bushel, while in 1904 it fell as low as 2 1/4 cents per bushel. These figures, it should be remembered, are the annual average for the whole year. In 1911 the charge was 4 cents per bushel, but in 1912 it jumped to 7 3/4 cents. It was in 1912 that the Ocean Combine was organized and became effective. The result was that in that year the Western farmer was charged 3 3/4 cents additional on every bushel of wheat that was shipped to Europe, and, as the export price regulates the home price, every farmer in Western Canada who sold wheat during 1912 lost 3 3/4 cents per bushel, which on the whole crop would mean a total of about \$6,750,000 taken out of the pockets of the Western farmers and placed in the pockets of the magnates in control of the

Ocean Combine, in which organization the C.P.R. was a most important factor. The freight rates charged on wheat during 1913, taken from the report of the Grain Markets Commission also, are given in cents per bushel from New York to Liverpool by months as follows:—

January	.....	9.37, 10.12
February	.....	9.75, 10.12
March	.....	9.00
April	.....	8.62
May	.....	8.62
June	.....	7.50
July	.....	8.25
August	.....	7.50
September	.....	7.87
October	.....	6.75, 7.50
November	.....	6.00, 6.37
December	.....	6.00

It will be noted that the 1913 rates are slightly lower than the 1912 on the average, but are far above 1910 and 1911. Not only is the toll of the Ocean Combine felt in the price of wheat, but it is also being felt in the price of other articles upon which the Combine have raised the freight rates in varying amounts to as high as 100 per cent. The British preferential tariff was inaugurated for the purpose of encouraging the importation of British made goods into Canada, but the exaction of the Ocean Combine in many cases has practically eliminated the benefit which the preferential tariff rate would give. The toll of the Ocean Combine is levied not only upon the Western wheat growers but upon every citizen of Canada, and it is becoming a very serious increase in the already high cost of living. The idea of having the Ocean Combine regulated by international agreement will not be taken seriously by the Canadian people generally, but will be regarded more in the nature of an excuse to evade the issue as long as possible. There can be no great advantage secured from reduced railway freight rates if the same corporations who own the railways are allowed absolute freedom in regulating ocean freights. It would be impossible to control ocean rates by legislation, as any restriction placed upon shipping from Canadian ports would simply drive our shipping to American ports. The writer of the article on another page makes a strong case for a government owned line of steamships, which would afford real competition and not entail a large expenditure of money. Other countries have found state owned steamers the only method of securing relief from private steamship lines. There is a very strong agitation in Canada today for government ownership and operation of all railway lines for the benefit of the people. If Canada is to develop a large and profitable export business it can only be done by having low ocean freights, and these freights, it is evident, can only be secured thru a state owned line of steamers. The Dominion Millers' Association has been urging the Dominion Government to establish such a line of steamers, and other Eastern interests are coming to realize that they cannot expect to secure adequate relief in any other way. We believe that the Western farmers can well afford in this case to join hands with the Millers' Association in urging the Government to establish a state-owned line of steamers to ply between Canada and Europe. The expenditure of money would not be great and such competition would force all the big steamship lines to reduce their rates to an equitable basis. This would be a good subject for discussion at the meetings of the local associations, and it would be advisable to have any resolutions that are passed forwarded at once to the local representative at Ottawa, as well as to the Prime Minister.