

MILLERS SEEK LOWER WATER RATES

Minneapolis and interior mills of Minnesota, with Dakota and Wisconsin, in their complaint to the Interstate Commerce Commission, make highly interesting points as to the relative rates made from Minneapolis eastward on wheat and flour.

They charge unfair and destructive discrimination against northwestern flour, in favor of wheat, and that this discrimination works to the advantage of eastern and foreign mills which use spring wheat.

NAMES OF MILL COMPLAINANTS.

The complainants, 41 in number, and representing a daily capacity of 103,823 barrels, are:

W. J. Jennison Co., L. G. Campbell Milling Co., Farmers' Milling Co., Pelican River Mill Co., Dwight M. Baldwin, Jr., Seymour Carter, Jennison Bros. & Co., Tennant & Hoyt Co., Northwestern Milling Co., C. S. Christensen Co., Hubbard Milling Co., Marshall Milling Co., Melrose Milling Co., Barber Milling Co., George C. Christian & Co., Russell-Miller Milling Co., Montevideo Roller Mill Co., James Quirk Milling Co., Big Diamond Milling Co., New Prague Flouring Mill Co., Gverett, Aughenbaugh & Co., Eagle Roller Mill Co., New Ulm Roller Mill Co., Wells Flour Milling Co., Bay State Milling Co., Tileston Milling Co., L. Christian & Co., Sleepy Eye Milling Co., Minnesota Flour Mill Co., Wabasha Roller Mill Co., Wells Flour Milling Co., Bay State Milling Co., Chaffee-Miller Milling Co., Grafton Roller Mill Co., Missouri Valley Milling Co., Park River Milling Co., Listman Mill Co., Pillsbury-Washburn Flour Mills Co., Ltd., Northwestern Consolidated Milling Co., and the Sheffield-King Milling Co.

THE COMPLAINANT.

After specifying the lines operating on the lakes, it cites that their boats are operated in connection with certain of the defendant railroads doing an interstate business. The traffic so transported includes flour manufactured by complainants, which shipments originate in the state of Minnesota, North Dakota and Wisconsin, and are destined and carried to points on the Atlantic seaboard, including New York and Boston.

The flour is carried by defendant lines and their connections to the lake ports of Duluth, Chicago, Milwaukee and Gladstone, and there delivered to the defendant lake carriers for transportation by water to Buffalo and other Lake Erie ports, from which ports it is transported to New York, Boston and other points upon the Atlantic seaboard by the railroad named in the complainant.

CARRIERS' ORGANIZATION.

After naming the railroads having lake line connections, the complainant explains as to the roads that are represented in the "Western Trunk Line Committee" and the "Northern Committee."

All rates for the through transportation of flour of complainants, it states, are based upon the through rates from Minneapolis to Atlantic seaboard points, of 25c. per 100 lbs. all-rail, and 23c. lake-and-rail. These rates are the regular ones participated in by all the defendants, divided by methods of division agreed upon by themselves.

The defendant lines having membership in the Trunk Line Association, the Central Freight Association and the Association of Lake Lines are named and to these associations and committees is credited the function of supervising the making of tariffs.

THE SPRING WHEAT CROP.

The complainant sets forth that the complainants are manufacturers of flour from hard spring wheat, the entire crop of such wheat being grown in the states of Minne-

sota, North Dakota and South Dakota. The average annual crop is about 170 million bushels. In 1907 it was about 160 millions. The capacity of the mills in the three states is greatly in excess of the total crop, the capacity of the mills in Minneapolis alone being equal to 68 per cent. of the average crop.

Of the wheat grown in the three states 80 per cent. takes the same rate to Minneapolis and Duluth. Lake-and-rail shipments of flour from Minneapolis to the Atlantic seaboard, via Duluth pay a higher rate than like shipments from Duluth to the same destination. The proportional rate from Minneapolis to Duluth is 5.8c. per 100 lbs. The location of the two cities in relation to the wheat fields, and the fact that the market price of wheat in these cities is the same, places lake-and-rail shipments of flour taking or based upon the Minneapolis rate, at a disadvantage as compared with like shipments originating at Duluth; such disadvantage being represented by a reasonable proportional rate from Minneapolis to Duluth.

An important group of mills at Buffalo, New York, is in direct competition with complainants, selling in the same domestic and foreign markets, flour made from the same kind of wheat which is grown in, and drawn from the same territory, and shipped from Duluth via the Great Lakes to Buffalo and other Lake Erie ports. Mills located east of Buffalo manufacture flour for domestic and export trade, from wheat shipped by lake from Duluth. The product and business of all these mills is competitive with the product and business of the mills of complainants.

MILLS IN NORTHWEST AT DISADVANTAGE.

The difference in rates charged for carrying wheat and flour, by water from Duluth to the same eastern ports, places these complainants at a disadvantage, as compared with the millers at Buffalo and other eastern points. Flour made from wheat carried by water from Duluth to Lake Erie ports, there milled and the product carried by rail to Atlantic seaboard points, reaches destination at a final cost much less than flour ground at the complainants' mills, when carried by water from Duluth to the same Erie ports, and thence to destination, by the same railroad, the origin of the wheat and destination of the product being the same in both cases.

Eastern millers can buy wheat at Duluth or Minneapolis, at the same price paid by complainants, ship it from Duluth to Buffalo by lake, grind it into flour, forward the flour to New York by rail at local flour rates, and sell it in the same common market at prices with which the complainant cannot successfully compete, because of the difference in the ultimate cost of transportation between flour ground in Minneapolis and flour ground in Buffalo; the raw material and manufactured product originating at the same point, and being carried over the same route, to the same destination.

SHIPMENTS OF SPRING WHEAT.

The comparative cheapness of water transportation, and the advantageous location of the eastern mills drawing from the northwestern wheat fields has established a large and steadily increasing shipment of hard spring wheat from Duluth to Buffalo and other eastern milling points, causing a shortage in the wheat supply for the complainants' mills, and a substantial increase in the cost of wheat; complainants being obliged to pay Duluth prices for wheat, and also proportionate rate for the transportation of flour to that port.

The cheapness of lake transportation has increased the export of wheat for milling in foreign countries, with a consequent diminution of the wheat supply for complainants' mills.

Lake shipments of wheat from Duluth have increased