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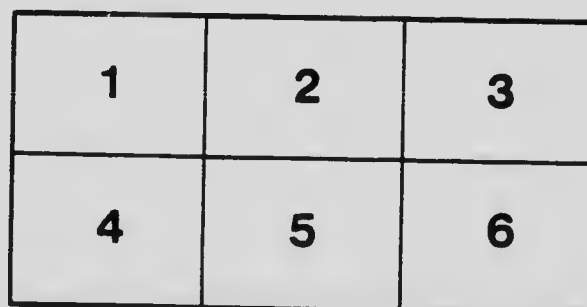
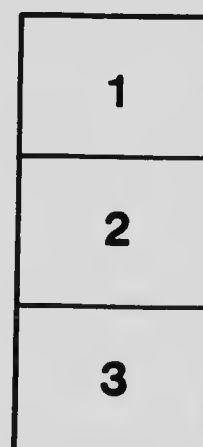
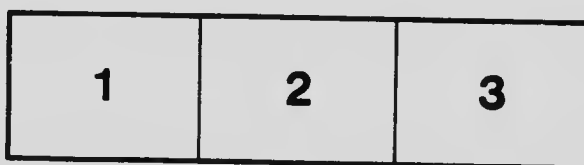
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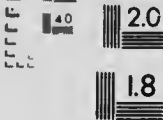
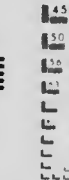
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**DEPARTMENT OF AGRICULTURE**

**LIVE STOCK BRANCH**

**OTTAWA - CANADA**

**Production and Markets**



**ANMER — KING'S GIFT TO CANADA**

BY

**JOHN BRIGHT**

LIVE STOCK COMMISSIONER

AND

**H. S. ARKELL**

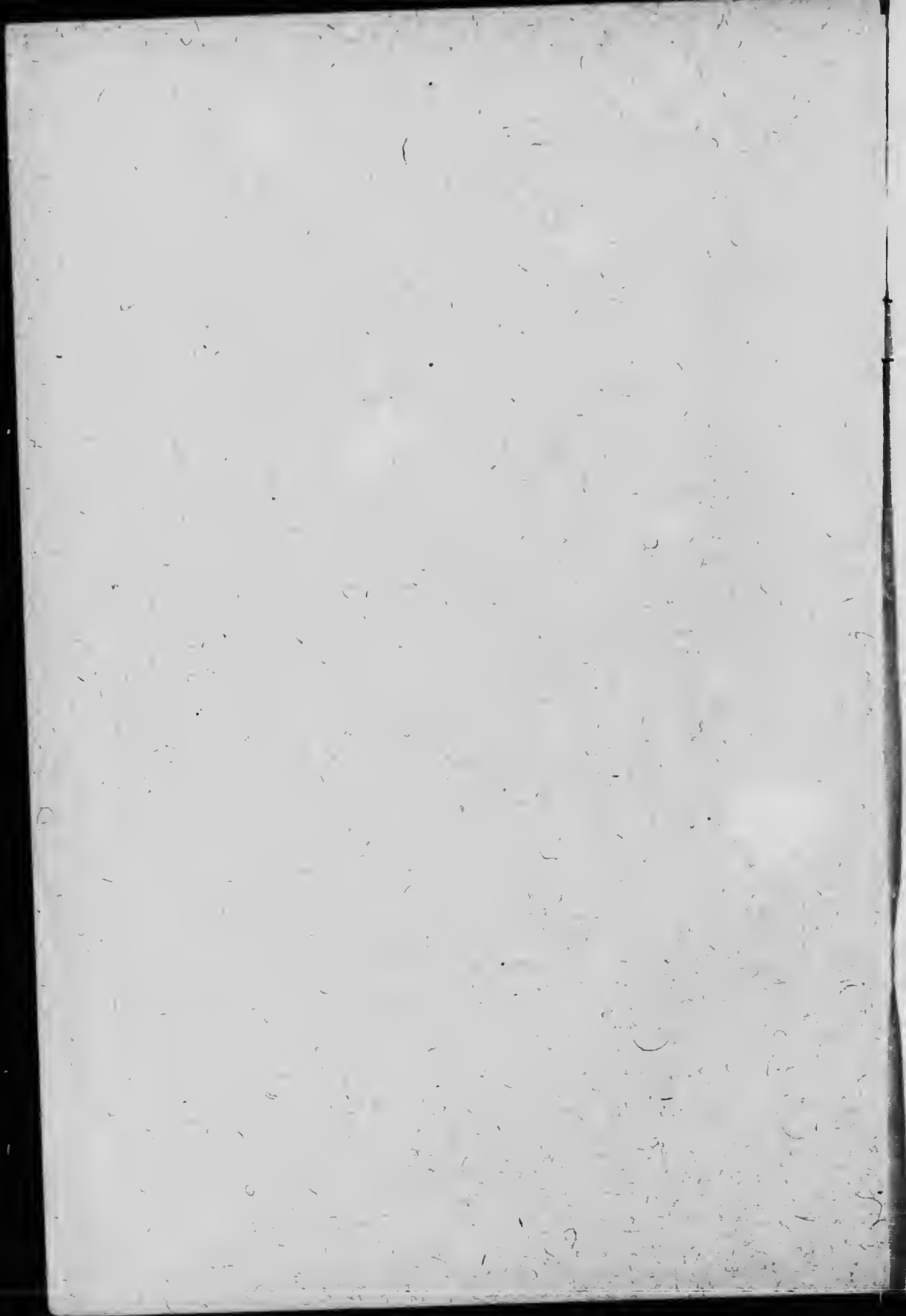
ASSISTANT LIVE STOCK COMMISSIONER

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**PAMPHLET No. 19**

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**MAY, 1916**



# DEPARTMENT OF AGRICULTURE

LIVE STOCK BRANCH

OTTAWA - CANADA

## PRODUCTION AND MARKETS

BY

JOHN BRIGHT

LIVE STOCK COMMISSIONER

AND

H. S. ARKELL

ASSISTANT LIVE STOCK COMMISSIONER

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Is the farmer justified in believing that the firm tone of the horse market and the present high prices for live stock rest upon a secure foundation? May he look forward with any confidence to the next season's or next year's market? Should he prepare, as against an advertised shortage and high prices for all classes of farm animals, horses, cattle, sheep, hogs and poultry? We are confident that the farmer has never been in a more secure position than the present, as regards the extension of his breeding operations, but, to enable him to form more easily his own conclusions, the following facts are submitted:

### HORSES

Since the outbreak of the war, the British Remount Commission has purchased in Canada 15,000 horses. 8,000 have been bought by French contractors and 25,000 by the Canadian Department of Militia. The Department of Militia is now engaged in buying an additional thousand head. The British Remount Commission has purchased over 700 since March and is buying daily in Montreal. French contractors are anxious to obtain supplies and are arranging to buy all that are available both in the East and in the West. It is understood that, as a result of the purchases already made, army buyers are finding it increasingly difficult, both in the United States and in Canada, to readily secure the number of horses which they require, particularly of the type suitable for heavy cavalry or heavy artillery.

In addition to the purchase for army account, commercial activity from two distinct quarters has exerted a very evident influence upon the Canadian horse market during the past three or four months. Since the beginning of the year, 6,000 horses reached the Winnipeg Stock Yards from Eastern Canada and 5,917 were shipped from the same yards westward, mostly to Saskatchewan. During the months of January, February and March, 1,805 horses were exported to the United States. A few hundred more went forward to the same market in April. The horses exported were good farm chunks weighing from

1,300 to 1,500 lbs. As high as \$500.00 a pair was paid for animals possessing extra quality and conformation. This new movement in the horse market is having its effect upon prices all over Canada.

Buyers report that the better classes of drafters and farm chunks are getting scarce and hard to buy. The same holds true of good big roadsters and saddlers. The noticeable scarcity of good horses of these descriptions illustrates the fact that demand has already overtaken supply and makes it very evident that all the really good sound mares in the country should be bred this year. It cannot be too strongly emphasized, however, that they should be mated only with strictly high class sires. The number of horses rejected by army buyers clearly indicates that there is no place for the unsound horse or for the misfit. Such animals have been, are now and always will be a drug on the market. Breed to the best if you would have the best. Unsound or malformed mares are just as bad as unsound stallions. It is easier to raise a good animal than a poor one. Manage the work this spring in order that the best mare on the farm may be regularly returned to the horse. Next year, a good crop of sound, healthy colts will be as good as a bank account. Canada is likely to enter shortly the commercial export market and that market will require all you can produce.

## CATTLE

A very competent authority estimates that, having reference to last year's trade, average prices current for beef on the Smithfield market in London, England, for 1915, show an increase of 40%, since the outbreak of the war. The last English produce report to hand quotes Irish beef at 19 to 20c. per lb. for sides wholesale and English at 20 to 21c. per lb., as against a price of 15½ to 16¼c. for Irish and 15½ to 16¼c. for English, during the last week in December, 1915. It further quotes South American chilled fore-quarters at 16¼c. and hind-quarters at 19¼c., as against 12½ and 16c. respectively for fore-quarters and hind-quarters in December. "Supplies of frozen beef are practically exhausted, only a few small odd lots of bull beef being obtainable. These, in view of the strong demand ruling for all classes, realize high prices. The absence of frozen supplies has again forced buyers on to the chilled article, with the result that values have advanced sharply."

The general beef situation, from the standpoint of the home and foreign market, further emphasizes the shortage of supply. One feature is particularly noteworthy. It has never been indicated from any country that there is an undue accumulation of beef in storage or a congestion of cattle going forward to market. Present prices and present demand fully confirm this fact. The position in Europe is well known. The Argentine output has been absorbed for army supply to such an extent that very little frozen Argentine beef is available for civil consumption in Great Britain. Australia has passed through a severe season of drought and her exportable surplus has been greatly diminished. Moderate supplies of cow beef are going forward from New Zealand but these are not of first-rate quality. Canada and the United States have not appreciably increased their cattle population and are clearly able to find a remunerative market in Europe for any of their product available for export. The steady and continuous rise in price definitely reveals the condition of the world market for beef and emphasizes the fact that the situation is growing worse with the progress of the war.

The position is different with regard to grain. It is understood that enor-



mous stores of wheat are tied up in Russia. The length of the war will determine what these accumulations may be. With their release it is possible that there would be a considerable drop in price and with such conditions and a pronounced under-supply of cattle, the farmers of Canada should have little difficulty in making up their minds as to what their policy shall be for the future.

One warning, however, should be given. We must emphasize quality before quantity. On the British market, Canadian beef does not equal in quality the beef exported from United States or from the Argentine. Unless we can improve our cattle, both as regards quality and as regards finish, we need not expect to be able to effect sales at Smithfield but shall be obliged to seek a market in France or Italy. Even our best grass fed cattle, when offered on the Chicago market last year, yielded disappointing returns. In Canada there is any number of good beef cows but we can never develop a beef trade by breeding these to dairy bulls, to grade bulls, or even to pure bred bulls of inferior type. A really good pure bred sire is an asset to any community. He should have the patronage of all the farmers in the neighborhood. The maintenance or use of a scrub bull, under the present circumstances, should be deemed an unpatriotic act.

One other non-progressive practice should be eliminated or, at least, superseded by a better one. Reference is to the sale and purchase of stocker and feeder cattle, whether for finishing in the stable or on grass. In the case of the farmer who sells, this practice, unless in exceptional circumstances, is a mistaken one. He should feed and finish his own stock. On the part of the farmer who buys, a speculative and non-productive enterprise is continued and encouraged, which has neither an economic nor a practical argument in its favour. He should grow his own feeders, or a part of them at least. Trading of this nature has done as much as any other one factor to destroy the beef cattle industry in many parts of Canada. It can only be built up by a change of system.

A good herd of milking beef cows will bring in a return as regular as the change of the seasons. If labour is not available to milk all of them, two calves may be put on a single cow, possibly followed by a third, and better calves reared than if fed by hand. The feeding of these calves until fit for market, whether as baby beef or as butcher or export stock, will insure a steadier income than can possibly be obtained by the continuance of the old methods. No practice will so tend to conserve female stock nor so speedily and steadily add to our available supply of beef.

### SHEEP

Lamb and mutton are dear all the world over. Scotch mutton is now selling on the Smithfield market at 22 to 22½c. per lb. and English at 21 to 22c. per lb. Both Australian and New Zealand frozen lamb on the same market are selling at 17½c. Yearling lambs in Canada have reached the record price of \$14.00 per cwt., while in the United States they have been fetching as high as \$11.80. By way of comparison, these prices considerably exceed the advance in values for other live stock but no appreciable reduction need be expected except through a rapid and general expansion in production.

The wool situation needs little comment. While it is probably true that the mills in Canada have, at the present moment, sufficient stocks of Canadian grown wool to meet their requirements for the current months, such is only a temporary condition and is not similarly the fact as regards their requirements

for wools not grown in Canada. The position of the world wool market is very firm indeed. To quote from the report of the wool sales held in London on the 11th April: "Competition was thoroughly strong and well distributed. The demand for cross breeds has been lively." There is no indication from any quarter that the market for wool will be overstocked or that prices will recede. The contrary, rather, is the case. Russia and France are purchasing heavily in Great Britain, while United States and Canada are not easily able to obtain their requirements. Farmers unquestionably, are in a very strong position as regards the sale of their wool this year.

The maintenance of present prices can have only one result. Already renewed interest is being evidenced by farmers who have not kept sheep for years. Ram sales were particularly good last fall. More sheep are being bred in many of the provinces. We believe that this year will show a further extension of the business. As a matter of fact, no farm animal can be made more profitable, at the present time, to its owner. The keeping of sheep for the sake of the wool alone may become an economic necessity. With grade lambs selling on the open market for more than pure breeds brought two or three years ago, a revival of the sheep industry in Canada may confidently be anticipated.

### HOGS

As is well known, hogs have also reached an unprecedentedly high level—\$11.65 per cwt. being paid for fed and watered, on the Toronto market. The fact that, even with live hogs at this figure, shipments of bacon are regularly going forward to England, will serve to illustrate very clearly the demand for that product on the British market. Without doubt, Canada stands in a better position today to develop a permanent bacon trade with Great Britain than has ever been the case before. To do this, however, there must be a volume of supply. There is very good reason to believe that, although prices cannot be expected to remain at the present high level, the demand for bacon, in the face of the supply that can be obtained, will be such as to hold the market in a very firm condition, both during and for a considerable period following the war.

Great Britain's imports of bacon in 1915 amounted to £25,441,460. From Canada she obtained only £3,324,511. The fact that Canadian bacon has been selling at an advance of from 10 to 12s. per cwt. above American and at not more than 12s. under the nominal quotation of Danish, illustrates very clearly to what extent Canada could increase her export trade, had she a sufficient quantity of hogs to make this possible. The English merchant and the British consumer will buy Canadian bacon today, quality being equal, in preference to that from any other country in the world, with the possible exception of Ireland. Not only so, but an enormous market exists also for hams, frozen pork and pork cuts of various descriptions. This market is as remunerative as the bacon trade, although it is not likely to prove as constant. The West is producing a great quantity of rough grain this year. As compared with wheat it will probably be relatively low in price. It should, therefore, be a sound business proposition to breed as many sows as would provide each farm, with such a number of feeding hogs as can be conveniently handled and suitably finished. They should, however, be so selected and mated as to maintain the approved bacon type. Unless this be done, we cannot compete with Ireland and Denmark and will lose status on the British market.

The development of our bacon trade is a purely commercial undertaking and we must early recognize that we cannot sell to the British merchant unless we give him what he wants. This granted, thrifty management and good feeding should yield a return this year which will more than compensate for all the labour involved.

## POULTRY

To anyone who has not carefully followed the direction of poultry development in Canada, an understanding of the status which the poultry industry has now reached must constitute a distinct surprise. Whether viewed from the standpoint of the farmer or of the produce trade, it is now one of the best organized and most progressive of any of our live stock industries. Co-operation amongst farmers in marketing is improving the product and realizing for them a higher price than they have hitherto been able to obtain. The re-organization of methods by the trade is providing a saving in handling, is assuring to the consumer a better article and establishing our export business upon a firm basis.

It is estimated that Canada and Cuba, during the last twenty years, received from the United States about three-fourths of all the eggs exported by that country during that period. This situation, however, has now changed. As against an importation in 1913 of 13,240,111 dozen, we imported in 1915 not more than 3,783,952 dozen. On the other hand, while in 1913 we exported only 147,149 dozen, in 1915 we exported 7,898,322 dozen. This constitutes a net increase in production, in two years, of at least 17,100,000 dozen. Practically all of these exports went to the United Kingdom.

Notwithstanding the surplus in Canada which these figures indicate, prices during March and April have remained at an extraordinarily high level. For the first quarter of the year 1916 the price to producers, selling co-operatively, has been at least 4c. in advance of the price received, for the same period, in 1915. For the month of March, it was at least 5c. in advance and for the month of April at least 3c. in advance of last year's price for these respective months. The demand for eggs for local consumption, for storage purposes and for immediate export, has rarely been so keen as at the present moment. This situation is clearly reflected in the prices just quoted. Heavy domestic consumption in the face of high price for meats, partly explains this condition. Confidence in the export demand, on the part of the produce trade, confirms it in another direction. Notwithstanding increased production, the egg and poultry business in Canada is in a very strong position at the present time.

Under these circumstances, we believe that it will be a very wise practice to hatch as many chickens, as it is possible or practicable to handle. Early hatched chickens make good winter layers. Rough grains will probably be produced in abundance in Canada this year and the feeding of poultry at a profit should be materially assisted from this source. Eggs at winter prices are a paying proposition in any event. Poultry, alive or dressed, under present and prospective market conditions, can unquestionably be reared and finished at a profit. A good flock of poultry, if carefully handled, will serve to prevent waste on the farm and promote economy in living expenses, such as is particularly necessary when all farm products are becoming so marketable and so dear.

# OUR EXPORT TRADE

Report of an Investigation of the British and French Markets in  
January, 1916\*

By

H. S. ARKELL,

Assistant Live Stock Commissioner.

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If the science of psychology may be applied to a country's commerce, the one conclusion which can be reached is that the opportune moment has arrived for Canada to assume a very important place in the world's market. In the words of one very well known London produce man, "Canada can now sell to Great Britain and France anything she can produce." The most important fact, however, in this connection and one that cannot be too strongly emphasized, is that full and permanent success depends not only upon volume of supply, not only upon commercial enterprise but, as well, upon the integrity and the scientific intelligence which may characterize our business operations in all their related phases, during the period of the war.

In a list of the articles, in connection with which we may expect to do export business, there may be included—eggs, poultry, bacon, hams, pork cuts, frozen pork, beef for mincing purposes, frozen beef, chilled beef, beef offal, including hearts, livers, tripe, etc., canned corn beef, potted meats, pork and beans and army rations.

It may also be of interest to note, although the matter is not within the purview of our live stock trade, that there exists a very important demand, as having reference to articles which Canada can supply, for canned and dried vegetables, canned fruits, fruit jams, butter and cheese.

## EGGS

Of this commodity, as of many others, Great Britain is the largest importing nation in the world. She imports very heavily from Russia, Denmark and other countries, but, as is well understood, her normal supply has now been very seriously interfered with on account of the war. In 1913 her exports from Russia amounted to the value of £4,745,229 while in 1915 her export from that country had decreased to £1,748,822. Great Britain's total imports of eggs, which in 1913 amounted to the value of £9,590,602, in 1915 fell to the low level of £6,122,970. These figures tell their own story. Because of this deficiency

\*This investigation was undertaken by instruction of the Minister, The Hon. Martin Burrell

Canada was able to export last year, to the United Kingdom, eggs to the value of £584,234.

### **Opening of the Market.**

As the export business developed, particularly during the fall months, the Canadian trade was able to realize that, notwithstanding difficulties and costs of transportation, it might become a lucrative one for this country. There is good reason to believe also that, despite some losses which have occurred on a falling market at the end of the season, British wholesalers have been able to obtain a useful profit upon their Canadian purchases. In sympathy with the export market, Canadian prices have considerably stiffened as against normal values since August last. Moreover, it is already apparent that the extent of the purchases which will be made to meet the demands of this trade may, with some confidence, be depended upon to hold prices to producers at a gratifyingly high level during the current year. An examination of British values, with respect to new laid stock, fresh Irish, as also Russian, Dutch and American supplies reveals the fact that a satisfactory revenue to the producer, wholesaler and the British produce merchant may be obtained by the enterprising prosecution of this business.

It is generally expected that, during the period of the war, while free supply of Russian eggs is interfered with, Canada may be able to continue the exportation of large quantities at remunerative prices. The head partner of one influential importing firm, after discussing the matter very freely in London, has already visited Canada, with the view of making large purchases for April, May and possibly fall delivery.

### **Continuance of Trade.**

Following the war the continuance of our export trade in eggs will be seriously challenged by Russian competition. Viewing the matter carefully, however, from both the British and Canadian standpoint, it does not appear improbable that this trade can be maintained, provided that, in the meantime, it is safeguarded against dishonourable dealing, unsatisfactory quality in the produce forwarded and the practice of ineffective or inefficient business methods either here or in England.

### **Holding the Position.**

Whatever steps, therefore, can immediately be taken to ensure uniformity and high quality will be of inestimable advantage to the trade later on. It may not be generally understood that the admission is freely made by Great Britain, that in comparison with local conditions the egg trade as a produce business is more highly developed and more skilfully organized, in Canada and the United States, in the methods which have been devised to standardize grades, safeguard quality and educate the consumer to the advantage of buying a first class product. If Canada should be able to transfer this system and this organization to the British market in the sale of our product, such would, without doubt, become of permanent and material assistance to her in her competition with other countries.

## BACON

The situation which exists with respect to the supply and sale of bacon on the British market, illustrates very clearly the upheaval in trade relations caused by the war. It, however, suggests the opportunity now presented to Canada, applicable not only in the case of bacon, but of many other products as well, of initiating and developing a trade on practically equal terms as against the competition of other nations. Countries which have been engaged in the business for years, now possess no particular advantage over their younger rivals. Commercial connections and other trade assets which they formerly possessed, have been largely broken down and nullified within the last eighteen months. A new trade era is being established. This, stated concisely, is one of the most important and significant features to be borne in mind in any propaganda which may be entered upon, looking toward the extension of our business abroad.

### The Danish Supply.

Danish bacon has hitherto and even yet continues, nominally, to set the standard for all bacon consumed in the United Kingdom. Denmark has been obliged, however, for various reasons, to very appreciably reduce her killings and the swine industry in that country has been seriously interfered with. Proximity to the war and her inability to obtain American corn and Russian barley, have operated to reduce the pig stock of the country. Moreover, sales to Germany, which country, it is understood, is paying forty cents per pound for Danish bacon, have opened up the promise of a new market and may result, temporarily at least, in a gradual discontinuance of shipments to the United Kingdom.

Notwithstanding the greatly increased value of the 1915 product, Denmark exported to England considerably less than in 1914, while for the month of December, 1915, the value of her exports to Great Britain amounted only to £703,704 as against £912,614 for the similar period in 1914. The wholesale price of Danish bacon is at present one hundred and five shillings per hundred weight. Although this price is twelve shillings in excess of that for any other bacon offered, it is in some sense but a nominal quotation, the supplies being so short as not seriously to affect the market. People who have used Danish bacon for years have now been obliged, owing to the short supply, to fill their weekly order from supplies available from other sources.

### Increase in Imports.

One other fact is noteworthy. Great Britain has enormously increased her imports of bacon since 1913, the values being as follows: for 1913—£17,428,881 and for 1915—£25,441,460. This increased importation is attributable to two causes—First, the very heavy purchases by the British War Office for Army use; Second, the increased home consumption of meat due directly to the high wages offered and paid in the most important classes of employment in the United Kingdom. It is confidently expected that, even after the war, the meat consumed in Great Britain per capita, will considerably

exceed the amount previously eaten, inasmuch as the habit of meat eating, once acquired, is not easily broken.

### **General Supplies.**

Not only are the supplies of bacon from the continent decreasing, but the local production as well is being materially reduced, on account of the extra demand for fresh pork, caused by the high price of beef and mutton. It should be noted that, while Irish bacon is becoming an appreciable factor in the trade, the output is not at all commensurate with the increased demand. Practically the only other sources from which Great Britain can draw her supply are to be found in Canada and the United States. The latter country has more than doubled her exports to the United Kingdom, since 1913, and in 1915 forwarded an amount exceeding in value that supplied by Denmark by £3,623,987. Canada has also increased her exports from £863,139 in 1913 to £3,324,511 in 1915, but at the present moment is exporting about one-quarter only of the amount furnished by the United States. This latter consideration must be recognized notwithstanding the fact that Canadian bacon is selling at an advance of from ten to twelve shillings per hundred weight above American, and is admitted to be of generally superior quality. The Canadian hog is of a type from which Wiltshire bacon can be successfully produced, while the fat hog of America cannot easily be adapted to the fastidious requirements of this trade. With the stimulus given to all sales and the high prices resulting from War Office orders, there may easily be seen the opportunity that is now presented to Canada to develop a very remunerative bacon trade with Great Britain.

### **Quality of the Output.**

This opportunity undoubtedly exists and, if properly safeguarded, can be fully realized. It must be pointed out, however, that while Canada clearly holds the favourable position above outlined, this position can be established only by commercial enterprise and strict integrity, coupled with volume of supply.

From another point of view, it should be noted that lack of information with respect to the niceties of the trade, a faulty cure, even ineffective advertising may be just as fatal to the future of our export business as are dishonesty or fraud. In this enterprise Canada will be faced by the keenest competition of wit, business acumen and intense application, which capital and brains can furnish and we cannot hope to get very far, unless we create such an effective system as may enable us to meet such competition on its own ground.

### **FROZEN BEEF.**

A somewhat complicated problem presents itself as regards the sale of this commodity. The price of frozen beef is practically and effectively controlled by the British War Office. This control, it is generally admitted, has prevented a monopoly price being realized by the packers, has provided against any undue rise in value, except from widely operating causes and has even resulted in a depression of the market in comparison with prices which might have been expected to obtain, owing to greatly increased demand as against a bare

continuance of normal supply. The War Office has been able to attain this pre-eminent position in relation to the meat trade, through its control of the transport service, and while this control remains intact, the price of frozen beef in Great Britain, France and Italy will, undoubtedly, be materially affected by the activities of the Imperial authorities.

### **Effect of British Control.**

The general tendency of the facts just noted is to hold the price of frozen beef at a level approximating that which obtained during times of peace. As will be understood, this level parallels, fairly accurately, the price at which beef can be supplied by the Argentine, Australia and New Zealand, where the costs of production, both on the farm and in the packing houses, are considerably lower than in Canada. Notwithstanding, therefore, all the good will that Great Britain may have toward this country, Canada will remain somewhat at a disadvantage in the way of securing contracts and in her ability to sell her beef in Europe during the period over which the Imperial Government continues its activities.

### **Future Demand.**

Another factor, operating in the same direction, is the increased demand which is now being created for frozen beef. It has been demonstrated to France by her use of this product for army purposes that it is a thoroughly wholesome article of food. Unless, therefore, the agrarian interests in the country again regain control of the situation, it is expected that France, for a period of years, will open her market to foreign supplies; if not generally, at least from the allied countries. This new European market, together with the increased consumption of meat which it is believed will continue after the war, should probably serve to create a general rise in price for beef supplied through the export trade. This price, as compared with prices formerly existing, will continue at least until supply is able to cope with the demand.

### **Future Supply.**

Prior to the war, the available sources from which beef could be obtained were able only to furnish the quota required by the United Kingdom. No appreciable surplus was apparent. Heavy purchases from the Argentine, resulting from War Office orders, together with a severe drought in Australia, are resulting in the shrinkage of the current output from these countries. So true is this fact that, notwithstanding War Office purchases, current prices have risen considerably and to a figure at which both United States and Canada have been able with limitations to compete for business. It was learned, in fact, that, as a result of the conditions just referred to, an additional rise in the price of the imported article might be expected to occur during the current year. Furthermore, the pressure of army requirements has been such as to necessitate several emergency purchases, the general tendency of which has been to appreciably lift the level of the market. From a general survey of the whole situation, it may be concluded that Canada will be in a better position



during the coming months to obtain sale for her product than she has been able to secure for herself during the past year. As having reference to last year's trade it may be stated, on the best of authority, that average prices current on Smithfield market in 1915 show an increase of 40% since the outbreak of war.

### **Market in France.**

It should now be pointed out that the market for Canadian beef or, at least, for the quality which is being produced, lies in France and in Italy rather than in Great Britain. The beef hitherto furnished by Canada has not been such, generally speaking, as to find favour on the Smithfield market nor for war office contract. The British public demand fat meat or at least meat that is prime fed and well finished. The supply furnished by the Argentine, Australia, New Zealand and even by the United States is able to meet these requirements. Our cattle, as compared with the product of the above mentioned countries, are not prime and lack finish. Canadian grass fed bullocks cannot stand against this competition and even our stall fed stock, at least such of it as is available for export across the Atlantic, takes second place. We shall be obliged to greatly improve our method and manner of feeding before we can expect to secure a firm foothold on the British market.

On the other hand, France and Italy will take and, in some respects, prefer Canadian beef. This is true whether the meat is intended for consumption by the civil population or for army supply. A comparatively lean quality of beef is demanded by the French and Italian people and for this trade our Canadian cattle are likely to find favour.

### **Live Stock in France.**

The situation in France needs to be explained. Owing to the elimination of the herds in Belgium and Northern France and the reduction of the stock elsewhere in the country, the French market for Canadian cattle may be expected to continue for a considerable period after the war. At the beginning of the conflict, during the period before the supply of frozen beef became available, it is stated that about one-fifth of the national herd was utilized to make good the requirements of the army. It may be noted, further, that, during the past eighteen months, the numbers of hogs in the country have been very greatly reduced. From a consideration of these facts the national necessity becomes easily apparent.

### **Live Feeding Cattle.**

The demand for frozen beef, present and prospective, has already been referred to. In France a market exists, also, for live feeding cattle. As regards living animals, Canada is practically the only available source from which France, from the standpoint of bovine health, will consent to draw a supply. These would be placed on the rich pastures of Normandy and Brittany and other departments and, when finished, would be slaughtered for domestic consumption. It is the intention of the Government, as well as the desire of the people, to preserve, as far as possible, the breeding cattle of the country. The French are anxious to maintain and develop their own stock rather than

mix it with the blood of foreign breeds. For this reason, cattle for feeding purposes only will be required. It is altogether unlikely, for the same reason, that a market for Canadian breeding cattle will be realized.

### **Prospective Market for Canada.**

It will now be apparent that, while certain complications exist as regards the sale of our beef on the European market and while the prices which prevail do not suggest profits equivalent to those offered in other directions, there can be absolutely no reason to prevent us from finding a comprehensive export outlet in that direction for our product. In fact, there are many indications which suggest that, as the war advances and possibly for a very considerable period following the final declaration of peace, the price or market tendency will be upward rather than downward. From this it may be inferred that the development of an export beef trade with Europe rests upon a firm economic foundation.

It is quite true that a careful policy will have to be pursued in the means taken to effect this development. It is absolutely essential also that every contributing market movement should be watched with the greatest care, in order that, while all the advantages which it is possible to secure from this trade may be fully assured, losses to our producers shall be provided against as resulting from the competition of other countries or the glutting of the market, which, at any time, oversupply would create. For the present, Canada ought to be able to sell to advantage all her surplus product. If, later on, our farmers and packers may be content with lower prices and willing to secure their profits by operating on a narrower margin with a larger output, I am satisfied that a lucrative trade may be built up to last through a period of years.

### **CUMBERLAND BACON, HAMS AND PORK CUTS.**

Cumberland bacon is cured in practically the same manner as a Wiltshire side. It is, in effect, a side of bacon minus the ham. Cumberland cut bacon is usually made from lighter hogs than are used in making Wiltshire and is, therefore, scarcely of as high standard as the latter product. It finds, however, ready sale on the British market.

Cured hams are also selling freely both in the United Kingdom and in France, while cured pork cuts of other descriptions are being imported in quantity into the former country. Fresh pork cuts, however, cannot enter British ports, entry being prohibited under the British sanitary regulations. Were it possible to have these regulations made less restrictive, or should a mutually satisfactory arrangement be worked out between the Canadian Sanitary Service and the Imperial Authorities, a very useful market would be opened up for grades of bacon, export sale of which is at present either restricted or practically prohibited. In 1915, Great Britain imported hams to the value of £5,296,689 as against £3,068,251 in 1913. Of this 1915 importation Canada furnished £434,485 while the United States supplied £4,859,895, or more than ten times as much as the Dominion.

### FROZEN PORK.

Owing to the high price of mutton and beef, the demand for fresh pork has increased very greatly during the past year. Large quantities of fresh pork are consumed, being supplied both locally by the United Kingdom and by importation from the Netherlands. The frozen article, is now, however, finding ready sale. Light pigs are preferred. Carcasses weighing as low as 90 lbs. each are popular. While the war lasts and possibly for some time afterward, large quantities of pork may be shipped to Great Britain in a frozen condition and disposed of at an advantageous price. In 1915, the importation of this commodity amounted to £435,908, of which the United States supplied £288,524. The total importation in 1913 amounted only to £43,255.

### CANNED GOODS.

Under this head may be enumerated, canned corned beef, pork and beans, army rations, canned fruits and vegetables, dried vegetables and fruit jams. Enormous quantities of these articles are being purchased by the British War Office. From what I could learn, for such requirements as are needed, Canada will receive every consideration in the contracts placed, although of course she will be expected to parallel the price quoted in tenders offered by competing countries such as the United States and the Argentine. The importation of preserved and canned beef amounted in 1915, to £10,315,653 as against £2,692,443 in 1913.

### MISCELLANEOUS.

Under this category are included frozen beef for mincing purposes, frozen beef cuts, hearts, tongues, livers, tripe, etc. Meat for mincing has a special market and for such supply as is required reasonable returns are obtained. Offal of all descriptions can be sold to excellent advantage at Smithfield. The sale of the latter product, if put up carefully according to market requirements, may be made to yield such a revenue as to assist greatly in securing a remunerative return in the handling of carcass beef. It was freely stated, however, and was in fact very apparent, that in the condition in which material of these descriptions arrived from Canada, much improvement would have to be effected before anything better than mediocre prices could be expected.

## ORGANIZATION OF THE EXPORT BUSINESS

The successful development of our export trade will be dependent primarily upon the following factors: Enterprise in seeking the market, efficient organization, uniform and high quality of the product, volume of supply, together with adequate transportation facilities at reasonable rates. Other factors will, no doubt, contribute materially to the success of the undertaking, but achievement to the extent of our opportunity is definitely dependent upon these considerations. It must be recognized at once that unless Canada goes after this market in a thorough-going, business-like way, she may expect to fall very far behind in the race.

This is no place to discuss or to outline the measures which may be needed to promote the development of this trade. A few observations, however, respecting features in which improvement should be effected, may serve to bring about a better understanding of the situation.

### TRANSPORTATION

During the period of the war, transportation will constitute one of the most difficult problems connected with our export business. Not only is there an insufficient supply of ships, but present rates are excessive, and in some instances almost prohibitive. The commandeering of such a considerable number of boats for naval use, the changing of the routes of ships, together with the losses which have occurred in the mercantile marine, will make it very difficult to secure normal service to this or to other countries either during or after the war. Adequate transportation facilities, it may be taken at once for granted, furnish one of the most effective weapons in competing for and establishing an export trade. With this understanding of the situation, the need for a co-ordination of interest between the shippers and the transportation and shipping companies, is easily apparent. To allow such an important matter as this undoubtedly is, to adjust itself under present circumstances as accident or caprice may dictate, is but to invite disappointment and defeat in the realization of our ambition to secure recognition and a national reputation in the development of a comprehensive commercial policy, in association with Great Britain, her Allies, and our Sister Colonies. Neutral nations are taking up this problem and it is essential that we, at the very beginning, endeavour to secure for ourselves, the advantages in this direction which the exercise of foresight, careful judgment and aggressive action may so easily obtain. The problem involves a consideration of the volume of our supply, the extent of our market and the permanence of our trade. Producers, produce merchants and shipping companies have each wide interests at stake in the sale of our goods through an export channel, and it is necessary that the interests of all be co-ordinated into a policy which shall permanently safeguard the future of our export market.

## NATIONALIZATION OF THE TRADE

As has already been intimated, the Dominion is now in a particularly favourable position in all our dealings with the Mother Country to trade upon the term "Canadian." If, however, Canada and Canadian shippers are content to have the product of the Dominion exported without such supervision or organization as shall secure uniformity and high quality in the material forwarded, we may expect to find the trade hampered and restricted in every direction, not only by dishonourable dealing but, as well, by the inability of the British consuming public to depend upon the quality or grade of Canadian goods. Danish bacon, Irish eggs, New Zealand butter and Canadian cheese have been able to set a standard on the British market, because of the organization established in these different countries to direct the manufacture, regulate the grade, improve the quality and control the export of these different commodities. An inspection of the display advertisements in the windows of wholesale and retail produce houses in Great Britain very clearly demonstrates the methods used to catch the attention of the British consuming public. They very definitely suggest, also, the enterprise and efficient organization in these countries in that they have been able to secure for themselves such a distinct national recognition for their product on the British market. "Finest Irish," "Best Danish," "Prime New Zealand," these are illustrations of the phrases which confront one on the display placards used by English grocers in selling their wares. It was not difficult or surprising to ascertain that such advertising was backed up by an organization in the respective countries which make trade under such a basis possible.

If Canada sets herself to the task, we can secure the same national recognition for Canadian eggs, Canadian bacon, Canadian canned goods and Canadian meats. Canadian produce should always be advertised by having trade brands, trade advertisements and display placards appear under the term "Canadian." This term should precede any firm brand and should be made to secure for itself a clearly defined recognition amongst the British public. So far as I was able to learn, the export produce business to Great Britain has never amounted to anything for any country nor for any product except in such instances as those noted where the article exported has been made to conform to a practically standard grade, both as regards uniformity and quality. The distinctive national designation under which such products can be sold, when this position is reached, very rapidly becomes a commercial asset which itself definitely tends to extend business and develop trade. How much more of an asset such a distinction might become to this country, through the reputation which has been made for Canada by our participation in the war, may easily be surmised. Granted volume of supply it remains only to attain this end that we effect an organization which shall nationalize our product both in its production and in its sale.

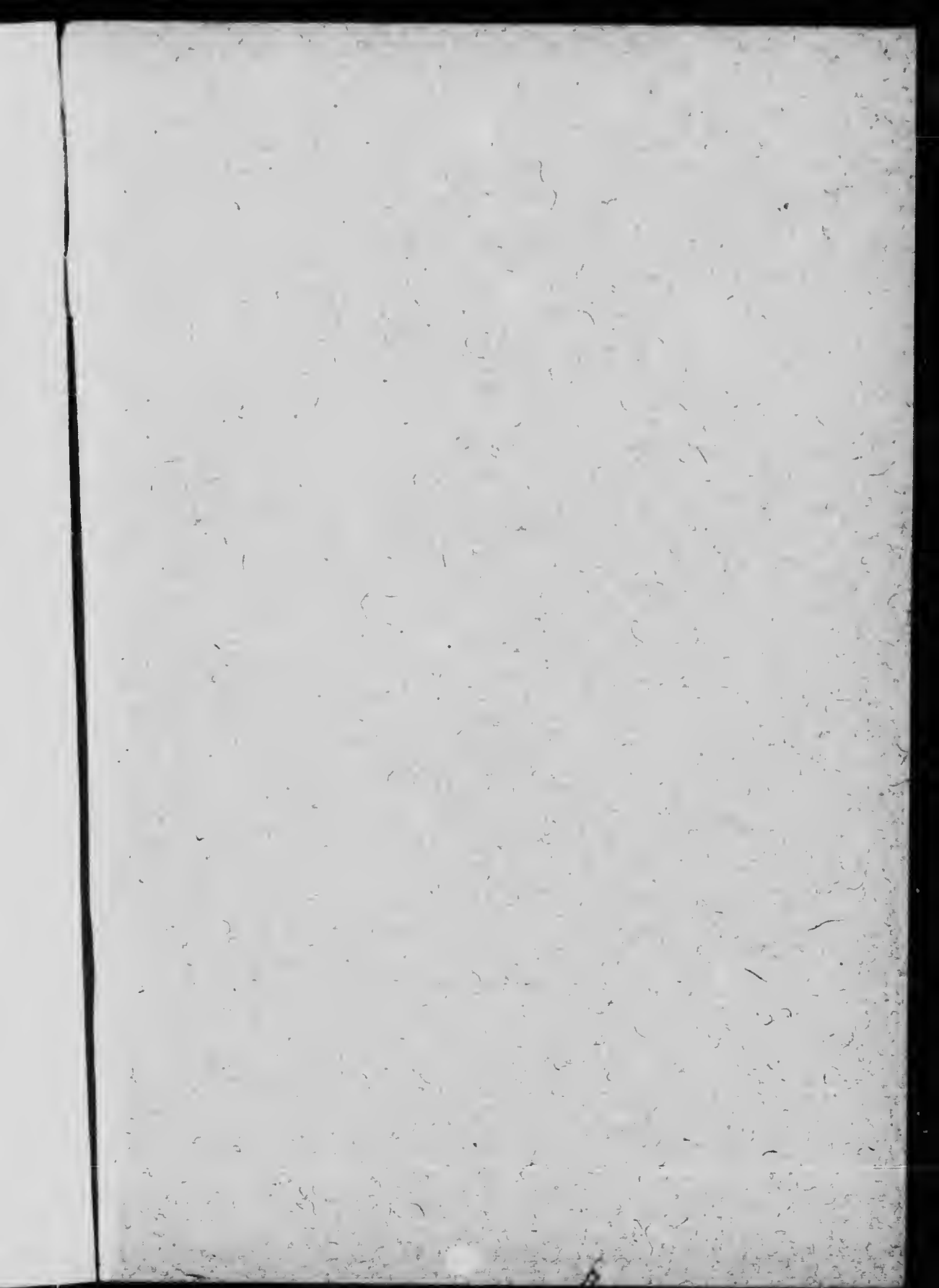
## PRODUCTION

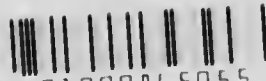
Hitherto in this article, consideration has been given chiefly to the importance to this country of securing an export market and to the measures to be taken in the improvement or creation of facilities for the building up of our

export trade. Action in this direction, however, presupposes a volume of supply which will make this trade worth while. Emphasis upon the one urges the importance of the other. Organization in marketing, therefore, should be paralleled by equally effective organization in production, and only by co-operation between these two great lines of effort will the future of our Canadian Live Stock Industry be assured.

We have reason, then, to set our hands to this task in a more careful manner than that in which we have ever before entered upon any undertaking. We must lift production to a level which shall permanently secure for us a comprehensive surplus, available for export. We must promote an organization which shall obtain for our produce such recognition as is now given to Argentine beef, Danish bacon, New Zealand butter, or Dutch cheese.

To achieve this end, we must have a better understanding, a more complete co-operation, between the producer and the middleman. We must secure a co-ordination of interest between production and transportation. We must endeavour to link up the financial institutions in this movement in such a manner as shall secure their support to every phase of its development. The interests of these great industrial bodies must be clearly allied in attaining the end in view. Each unit has a particular and important part to play in the common programme, and each must recognize that, only as this function dovetails completely and satisfactorily into those of the others, may real and final success be achieved. Only thus may we hope to compete successfully in the great commercial war soon to be engaged in by all the important nations of the world. Only thus may we expect to build up a business in Canada commensurate with our natural resources and worthy of our national ambition.





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