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**TORONTO.****The Journal of Commerce****FINANCE AND INSURANCE REVIEW.**

MONTREAL, SEPTEMBER 24, 1880.

**THE ROYAL AGRICULTURAL COMMISSION.**

The report of Messrs. Clare S. Read and Albert Pell, M.P., assistant commissioners to inquire into the agriculture of the United States, has been published. Beyond a week's stay in Manitoba, the whole of their time was spent in inquiries in the United States, but their report has as much interest for this country as for our southern neighbors. If the basin of the Mississippi contains, exclusive of inland seas, 800,000,000 of acres, our "fertile belt" in the North-West covers 600,000 square miles of the finest wheat land on the American continent; and the advantages accruing to the American farmers as well as the disadvantages which they have to contend with are equally common to us. The report is consequently of much importance to settlers in our North-Western prairie lands.

The difficulties in the way of American farmers are stated by the commissioners with commendable detail. They may be briefly summed up as follows: (1) The cost of growing; (2) The cost of freight to Chicago; (3) The cost of freight to New York and thence to Liverpool. To this, the commissioners add for the future, (1) an increased compensation to the farmer for his present excessive labor; (2) the cost of renewing the perishable farm machinery; (3) the exhaustion of the soil and the cost of annual manuring. The cost of production of a quarter of wheat and its delivery to Liverpool are estimated by the commissioners at 47s. 9½d. The details of the various items

entering into their calculation will show the care taken to make it accurate.

The price paid per acre of prairie land, the cultivation required, the cost of manual labor, horse and steam power are set at a sum of \$10 per acre, including rates and cost of conveying the crops six miles to the local railroad depot or elevator. The yield of wheat in the United States over a long series of years appears to have just exceeded 12 bushels per acre. With that yield, the western farmer can deliver from his waggon at the depot without loss at 3s 6d a bushel of 60 pounds, or a quarter of 480 lbs. at 28s. The transportation of the crop from the local depot or elevator to a shipping port on the lakes, Chicago for instance, is estimated by the commissioners at 6s. 8d. on an average per quarter. Coming next to freight, account has been taken of the terms on which grain can be moved inland by lake and canal or by "all rail." The difference between these two modes of transportation is considerable, being, on an average of five years. 3s. 5d. by water, lake and canal, and 6s. 10d. by rail, for a quarter of 480 lbs. The water route being closed by ice from November to April, about 5s. 2d. is the average of the two rates. The difference between the cost of transportation by sail or steam has been on the average of the last five years inconsiderable, and may be placed at 4s. 9½d. In addition to the above charges, those for handling and weighing have to be taken into account, as well as the lake insurance, dock and town dues, and portorage at Liverpool, shortage, marine insurance, commission, and interest on money. The sum of all these particulars is as follows:

	£	s.	d.
Cost of growing a quarter of wheat (480 lbs.) in the west, including delivery to local depot.....	1	8	0
Freight to Chicago.....	0	6	8
Chicago to New York.....	0	5	2
New York to Liverpool.....	0	4	9½
Handling in America.....	0	1	1
Liverpool charges.....	0	2	1
Total.....	2	7	9½

According to the commissioners' report, the difficulties in the way of American competition with European markets may be said to be insuperable if wheat cannot be landed in Liverpool at less than 48 shillings per quarter, yet last year 15,000,000 quarters of wheat were shipped to England, and the average of their sale was much below 48 shillings. The difficulties in the future are not discouraging. The increased compensation to the farmer for his present excessive

labor will be found in the enhanced value of his land when new population settles around him. The cost of renewing the perishable farm machinery is not peculiar to the United States; English farmers have similar expense to incur. The exhaustion of the soil and the cost of annual manuring will of course increase the expenses of growing wheat; but, as the commissioners themselves say, it cannot come immediately. The accumulated vegetable deposits of centuries, and the untold number of grass crops that burn or rot upon the prairies, are not to be exhausted in a few years.

Of the cost given in the report as to landing wheat at Liverpool, more than half is put down for transportation. The supposition on which this cost rests is that the figures given are to remain permanent, if not to be increased. When we compare the actual cost of transportation with what it was fifteen years ago, we find an indication of what the cost will be in the future, becoming always cheaper in consequence of new improvements in labor-saving machinery, &c.

Ten years ago, before the introduction of steel rails, the cost of transporting grain by rail from Chicago to New York was 30 cents per 100 pounds, that being the expenditure made by the railroad company for that service on roads laid with iron rails. At that time the cars could not be loaded with more than ten tons of grain each. In the meantime the steel rails, of which the cost is no greater now than was the cost of the iron rail ten years ago, have come into general use, and the railroad company can move on steel rails cars containing a greatly increased weight of grain 1000 miles at an actual cost of from 15 cents to 20 cents per 100 pounds. The railroad company, therefore, can now carry 100 pounds of grain at a profit of 50 per cent., and charge no more per 100 pounds than it cost them to perform the same service ten years ago.

At the close of 1881 the Welland Canal will be completed, and propellers will be launched adapted to the transportation of cattle from Chicago to Montreal, thence to be transported to ocean vessels. In like manner for six months in the year the same great water route will be open for the transportation of breadstuffs and grain delivered alongside the ocean steamer at a rate not exceeding 8 to 10 cents per 100 pounds. Whatever may be the rate to which the lake and canal navigators will lower their freight, the great railroad interest will not hesitate to perform the same service at the same rate. The cost of internal transportation,