

The Commercial

WINNIPEG, AUGUST 31, 1896.

WOOL PRICES.

The low price for wool is just now attracting attention. Wool is perhaps no lower, comparatively, than many other commodities, but it is considerably lower this year than last. The Commercial has from time to time this season reported information about wool from other markets, showing why prices were low here. A western paper, the Moosomin Spectator, intimates that there is a combine among the Canadian dealers to bear down prices, and gives this as the reason for the low prices. The Commercial does not believe that any such a combination can exist. If it does, it must of necessity include the United States as well as Canada, and it is extremely improbable that any such combination could exist and not be known.

Wool is low because there is an over-supply on hand and the demand is slow. In leading United States markets stocks are very large, and consumption has been very limited for some time back, as many of the factories are closed. Buyers have been very backward about taking hold of the new clip, on account of the large stocks of old wool, and besides this there is the silver question and the unsettled financial and political situation which all combine to depress prices. The Commercial has several times repeated these facts in connection with our wool reports. The price of wool in Canada is governed very largely by the situation in the United States, and prices in Canada are no worse than in the United States. In fact, United States markets are lower on several grades than prices here.

The Spectator further refers to the statement made in a Winnipeg paper that a Manitoba woolen mill concern had paid 14 to 15 cents per pound for its supply of wool, inferring therefrom, that if the mill could pay this price, the dealers were not paying enough. At the time this statement was published about a mill paying 14 to 15c for wool, The Commercial corrected the report by stating that the price represented the value on a basis of washed wool. The usual quotations here are for unwashed wool and the price reported to have been paid by the mill for washed wool would be about equal to the value of unwashed wool on a basis of Winnipeg quotations.

Local mills would not be obliged to pay 100 per cent. advance on the price offered by dealers, as the Spectator offers, to keep the wool from going out of their districts. About half a cent per pound, or less, over the price offered by shippers, would be sufficient to enable a mill to secure all the wool in the neighborhood. Besides, they could go to a dealer and buy all the wool they wanted in bulk at about one cent advance over the price paid by the dealer, and get a selected quality, more suitable to their wants than they could secure by buying in small lots from farmers. The story of a mill paying 100, or 50, or even 25 per cent. more for wool than the dealers were offering, is absurd.

HAIL INSURANCE.

The country press of Manitoba seems to be largely in favor of a government system of hail insurance, of a compulsory nature. Several of these papers have elaborated a system of insurance on this basis. The Commercial has in previous issues referred to the question of hail insurance, but not to the extent of elaborating any practical plan upon which a system could be carried into effect. The first thing to be decided upon is the advisability or otherwise of introducing a government system of hail insurance. If the question should be decided in the affirmative, it would be an easy matter to work out a system, and we leave that for the proper authorities to do. There is nothing impractical or indeed difficult in devising a government system of hail insurance which could be easily and inexpensively operated. The question is simply, is it expedient?

Most of those who have proposed a provincial government system of hail insurance, take the ground that a fund should be raised by an assessment on all property of say about two mills on the dollar. A little consideration will show that any system on this basis would be altogether unreasonable. Hail insurance is a purely business matter. It is good business principle for all people to protect their property by insurance, whenever they can do so to reasonably good advantage. It would be good business principle for the farmers to protect themselves by hail insurance, if they could do so on a fairly reasonable basis, the same as it is for the merchant to cover his property with fire insurance policies. Hail insurance should not be thought of as a philanthropic matter, but purely as a business affair, for such it is. It is therefore plain that only those who receive the protection, should be made to pay for it. If it is agreed that hail insurance is to be a philanthropic affair, then of course it might be reasoned that it would be policy to tax everyone for the benefit of those who grow crops. Our sturdy and independent farmers, however, do not want charity. No reasonable person, we believe, will wish to consider the question as other than a purely business matter. No one has yet proposed a system of fire insurance, or life insurance on the basis of a general tax on all property. Such a proposition would be declared as absurd on all hands, but it is really no more absurd than it would be to apply the same principle to hail insurance. One is just as much a business matter as the other, and if a provincial, compulsory system of hail insurance is adopted, it should be only on the basis that those who are protected thereby should be taxed, and taxed also in proportion to the protection afforded. The only way to arrive at this, is to make the tax on the cultivated area. It would be unreasonable to tax a man who held a large property for stock-raising purposes, for the benefit of another who devoted his acres to the growing of wheat. If those who grow large areas of grain want protection against hail, on a provincial plan of insurance, they should have it on a purely business basis, the same as the stock-raiser has to secure insurance on his stock from lightning and fire, on a business basis.

If those who are agitating for a compulsory provincial government system of hail insurance will just reduce the matter to a business basis, it will simplify the situation very much, as regards either the advisability of adopting such a system or the mode of carrying it into effect. The only arbitrary feature of the case is the question of compelling many persons to unwillingly protect themselves against loss from hail. It would be somewhat arbitrary to compel each farmer to pay a tax on his cultivated area, as a protection against loss from hail, but it might be for the general public good. But when we propose to tax all property for the protection only of those who grow crops, then we propose something which is not only arbitrary, but absolutely unjust. It would be arbitrary but perhaps justifiable to force some to protect themselves; but it would be a scandal to force some to pay for the protection of others. The only reason to urge a government system of hail insurance is to reduce the cost of the insurance to the farmers. All notions of placing it on a philanthropic basis by taxing all to benefit some, should be abandoned at once.

The existing act of the provincial legislature, which provides for a plan of municipal hail insurance, is faulty in two respects. It first makes it a local system, by allowing any municipality to go into the hail insurance business. Hail storms are usually local, and to be of any value a system of hail insurance should be general. By distributing the tax over the cultivated area of the whole province, it would scarcely be felt in any ordinary year, while a single small municipality might suffer severely from hail for two or more years in succession. The existing act is faulty in another respect, because it allows municipalities to tax all land within their authority for the benefit solely of those who grow crops. It is therefore not on a business basis, and no good reason can be urged why those who grow grain should not pay for their own protection, the same as the stock-raiser, dairyman, or other owner who devoted his land to other purposes than growing grain. By assessing the cultivated area, each one would contribute, in approximate proportion at least, to the protection afforded in each individual case, and this is the only reasonable basis for hail or any other class of insurance.

CUTTING PRICES.

Cutting prices is one of the evils of business in almost every line of trade. The manufacturer, the jobber, and the retailer alike suffer from this unbusinesslike practice. Of course, there are times when it is necessary to cut prices on certain lines of goods in order to clean them out. This applies to perishable commodities, or to lines which are going out of season or out of style. Cutting to close out goods of this class is sometimes permissible. But when cutting prices is resorted to as a habit, to draw trade or harass a competitor, it is one of the most demoralizing features of trade. Many business men are ruined through this habit, and we have seen the entire trade of a town in a given branch of business, utterly demoralized for an entire season through a war of