

Looking at the question from this standpoint there may be exceptional reasons for granting aid in establishing flour mills in a country like Manitoba, where wheat and flour must continue for some time at least to be the leading support of the country."

Whilst therefore holding to the belief that the bonus system is wrong in principle, occasional innovations of the rule may be found to prove satisfactory in practice; and in no respect is this more likely to be the case than in the establishment of flour mills in Manitoba. Therefore under certain conditions, a moderate bonus given to a good local man, may not be found a bad investment for a municipality as a whole. In cases where actual and direct return is made to the rate-payers in consideration of receiving a bonus, as in the arrangement offered by Mr. Rutherford, the objections to the same are minimized, though even here an injustice may be done to some, who, though having no wheat to grind will be compelled to pay their share of the additional taxation; and just here lies one of the greatest objections to the whole bonus system.

### THE GREAT PROBLEM.

Almost everybody in the Northwest is interested in the price of wheat, either directly or indirectly. Wheat is the great source of income to the province of Manitoba, and therefore the value of this cereal is a most important matter to all classes of our people. A good price for wheat means a better profit for our farmers directly as a return for their labors of cultivating the soil. Next the country merchant will feel the benefit in the more liberal supply of cash which will find its way to his till. Then wholesalers will share in the returns of the country dealer, and so on through every line of business. Seventy-five cents for wheat at Chicago when it should bring a dollar per bushel there, just means twenty-five cents per bushel less for the Manitoba farmer. Estimating that our exports of wheat of this season's crop will reach 6,000,000 bushels, Manitoba farmers will lose something like one and a half million dollars through the low prices now ruling for the leading cereal, or nearly one-half the amount they will realize from their entire exports of this grain at present values. From the foregoing it will at once be seen what an important question the price of wheat is to the whole Northwest, and what a great advantage it would be to

this country to have the old basis of values once more established.

Unfortunately ever since Manitoba entered the arena as a wheat-exporting country, the prices for this cereal in the markets of the world have been low. During this time wheat has continued to decline in price, and although "public opinion" at leading wheat centres has numerous times announced that the bottom had been reached, still the price kept sliding down, till one would think that the wheat market, like the conjurors box, has many bottoms.

There is probably no other commercial commodity upon which half so much is written as this wheat question. The country editor prognosticates the future prices for wheat as freely as the sage looking village weather prophet foretells the rains and droughts, and storms and calms, which are to come upon this mundane sphere, and in the one case there is as much likelihood of an accurate forecast as in the other. Even the political editor of the city organ pauses in the heat of a party discussion to elucidate his readers upon the outlook for wheat prices, and this he does with as much apparent self-assurance as he would undertake to foretell who will be the successful candidate for Way Back. General Managers of banks and corporations of all kinds predict at their annual meetings the price of wheat for a whole year in advance. The host of speculators great and small who infest the boards of trade and chambers of commerce all issue their circulars regarding the situation in wheat, and friends are advised to buy or sell according to the views or desires of the writer, each one proving to his own satisfaction at least, the future course of prices. Where so much is written there must of course be a great diversity of opinion, and to the untutored individual, an attempt to arrive at any definite conclusion in regard to the probable course of the wheat market, if persisted in, might end in bringing the subject into an undesirable intimacy with the internal arrangements of a lunatic asylum. The opinions expressed are as varied as the writers themselves and the same statistics are made to do duty to prove that wheat will go up or down, according to the bearish or bullish propensities of the writer. In fact the whole question of probable future wheat prices is one of chaos and to find a parallel of contradictory representation one can only go to the columns of the politi-

cal party organs, and there read the different accounts given of the political doings of the times, inspired according to the party stripe of the writer.

To arrive at a tolerably clear idea of the present situation in wheat one would require to study carefully the causes which have led to the long-continued depression in this cereal, and just here opinions are as varied and contradictory as they are in regard to the probable future course of prices. However, there are two points which have been pretty well established as having considerable to do with low prices for wheat. The first is, that the past few years have been remarkable for low values in nearly all commercial commodities, and that wheat has been sympathetically low in keeping with the times. This is a very plausible argument, and one worthy of more attention than it has generally received. Many statisticians have been so busy figuring up visible and invisible supplies that they have lost sight of every other influence. From the figures in their possession in regard to the supply and demand they have been wondering why wheat kept low in price, and have failed to note low values in most other commodities. It is quite reasonable to believe that in a time of generally depressed values, wheat should also be similarly influenced, unless such influences should be overcome by an extraordinary shortage in the world's supply. Another generally admitted cause for low prices of American wheat during the last few years is found in the competition of several new wheat exporting countries. Whilst American exports have been steadily declining year by year, other countries have come into existence as exporting countries, and are now formidable rivals. Although the surplus of wheat available for export in Canada and the United States is small in comparison with the total production, yet it is large enough to keep prices down to an export value. We cannot compel the British and European consumers to take our wheat at our own prices so long as they can make their purchases from other countries at lower values. We are therefore under the necessity of selling at current export prices, or holding, which latter means the encouragement of wheat-growing in other exporting countries.

Therefore, though American markets may and do exert an influence over prices ruling at importing markets, yet American dealers cannot wholly dictate prices to the importers. The price which the foreigner will be willing to pay must always be taken into consideration, and this will generally be a better one in flush times than during seasons of low values, always allowing for the influence of supply and demand.