

The Commercial

A Journal of Commerce, Industry and Finance, especially devoted to the interests of Western Canada, including that portion of Ontario west of Lake Superior, the Provinces of Manitoba and British Columbia and the Territories.

Tenth Year of Publication
ISSUED EVERY MONDAY

SUBSCRIPTION, \$2.00 PER ANNUM (in advance.)

ADVERTISING RATES.

1 month weekly insertion	\$0 80 per line
3 months, do	0 75 "
6 " do	1 25 "
12 " do	2 00 "

Transient advertisements, 10 cents per line each insertion.

Fine Book and Job Printing Departments.

Office, 186 James St East

JAMES E. STEEN,
Publisher.

The Commercial certainly enjoys a very much larger circulation among the business community of the country between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. By a thorough system of personal solicitation, carried out annually, this journal has been placed upon the desk of the great majority of business men in the vast district designated above, and including northwestern Ontario, the provinces of Manitoba and British Columbia, and the territories of Assiniboia, Alberta and Saskatchewan. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, MAY 2, 1892.

Prices Received by Wheat Farmers.

In Bradstreet's a week ago some attention was paid to an extended review in the St. Paul Pioneer Press of prices of wheat at primary, intermediate and seaport markets in the United States and at Liverpool, in which a measure of dissent was expressed with respect to the conclusion reached by our western contemporary. That conclusion was in substance that the farmer does not receive as much for his wheat as he should, because transportation and transfer charges between the primary and foreign markets aggregate about 10c less than the difference in wheat prices between the extreme points referred to. Within the week we have seen two other references to the subject, which, in view of the importance of the question discussed, may well be summarized and collated. The first appeared in the New York Commercial Bulletin.

The theory that the price of wheat "at the elevator nearest the farm is far less than the price of it in the principal markets of the world, less the cost of transportation from the field to the point of final sale," and that "if there is any great variation between these prices," at the farm and at the point of final sale, "over and above an amount sufficient to cover the expense of moving the grain, then somebody is securing an unjust profit," says the New York paper named, is a "false assumption, for if the farmer is ignorant, and sells his wheat for less than he might have obtained for it, there is no unjust profit when the buyer sells for what the wheat is worth in a distant market. So at every point in the movement." And right here follows a very important point, which seems to have been completely overlooked by our St. Paul contemporary. "Each market is made, not always by those who buy or sell with the best judgment and knowledge, but largely by those who use the least: And this is true

of elevator rates, freight rates, and all other charges. The ordinary shipment, which is not governed by exceptional knowledge or judgment, is that which rules in the long run. If an elevator can induce most of the shippers to pay 10c per bushel, it will hardly sell its services for 1c per bushel.

It is then asked if the difference in the price of wheat between Crookston and Duluth is so much more than the railroad charges, why does not the Crookston farmer sell his wheat himself in Duluth, and get the benefit of the higher prices at the latter point? "There are wires and there are eager brokers." Then follows the inquiry that if the farmer "chooses not to take the risk or to wait, and prefers to sell as he does sell at the elevator," who shall decide that "the services of the man who does take the risk and wait are not worth to the farmer all the difference in the price?"

In short the man who buys wheat at Crookston assumes risk and labor, and relieves the farmer to that extent. He has to make the contracts necessary to get the wheat to Duluth or elsewhere, and he risks rates rising, that shipments may be long delayed, and that wheat prices may meanwhile go down. "When his wheat gets to Duluth he charges as much as he can for the risk and labor. So the man who ships from Duluth to New York has first to pay out his good money, taking a risk that the prices may decline. If he chooses to ship rather than to sell, it is because he hopes to get a better profit, and he charges what he can for his services."

It seems strange to have to write such a truism as the following, but it does not appear out of place: "From the time the grain has been sold by the farmer to any honest purchaser it is in the hands of men who are interested in getting all they can for it, and who have a right to all they can get. Their profits may be large at times, but so are their losses at other times. They cannot move wheat for nothing, and do not engage in the business for fun."

The New York Evening Post also takes issue with the conclusion of the Pioneer Press that the farmer is unjustly treated of from 8 to 10c per bushel. It will be recalled that the Pioneer Press contented itself with attributing this alleged loss of 10c per bushel, etc., in a general way,

1. To elevator manipulation at primary markets, or to
2. Extortion by railway companies, or to
3. Elevator manipulation at terminal points, or to
4. "bear" speculation.

The Post lets light in through a cloud of words by the perfectly true statement that no such "loss" as that just referred to exists—because "if there was an extra profit of 10c per bushel to the middleman in sending wheat to Liverpool that city would be buried by the grain which would flow in upon it."

In addition to points already covered in replies by Bradstreet's or the Commercial Bulletin, the Post points out that in the calculations as to wheat prices at various markets the Pioneer Press "lost sight of the fact that English quotations are for special and choice old wheat, which is not to be explained away by allowance having been made for grading, as there are differences in values between wheats in the same grade." This difference, it is said, will account for "five cents of the discrepancy per bushel." The 10c per bushel referred to by the Pioneer Press as lost to the farmer "is figured out after allowing 3c per bushel on the Duluth grade, to make it correspond with the New York Standard grade known as No. 2 red winter. Since 1891 quotations for the two grades have crossed each other, so that No. 2 red winter, instead of being worth 3c less than the Duluth grade (known as No. 1 northern) is actually now selling 3c higher, a total difference of 6c in relative values as compared with 1891." Such changes in the two standards "render worthless any statistical conclusions drawn from comparing prices and grades which are essentially dissimilar," and

the Post therefore concludes that "there is no difference between Liverpool quotations and Minnesota prices which cannot be accounted for by transportation, insurance and incidental expenses, including a profit to the middleman for making the long transfer."

As for the silly notion so widely held among many educated people that "short" sales of grain make prices low, that speculators "make the market," it is plainly explained—and we commend the sentences particularly to the generally clear-headed St. Paul newspaper—that "speculative sales, to have any permanent effect upon prices, must be based upon business conditions; they are not, therefore, causes of a rise or decline, but outward expressions of trade forces. Their only original feature is to register the results of those forces more rapidly. A puzzling fact stated by the Pioneer Press is that there should be a great discrepancy between prices at Fargo and at Duluth, two home markets. How can we account for this otherwise than by saying that farmers who sell their wheat at Fargo lose several cents a bushel under the Minneapolis or Duluth market, simply because at Fargo there are no speculative sales to keep up a proper balance in prices." —Bradstreet's.

Northwest Ontario.

A company has been formed at Fort William for the manufacture of brick and tile. They intend putting in machinery and will have the yard in operation in about two weeks. P. H. Austin is the manager.

The Duluth and North Eastern Terminal company proposes to construct a line from Minnesota Point to the Canadian boundary in Oak county, probably to connect with the Port Arthur, Duluth & Western road now being built to a point near the boundary on the Canadian side.

A deputation headed by C. W. Chadwick, president of the board of trade, Rut Portage, was introduced to the minister of fisheries at Ottawa recently by Mr. McDonnell, M.P., of Algoma, to urge upon the minister the necessity of granting fishing licenses in the Lake of the Woods. Hon. Mr. Tupper consented to issue a limited number of licenses to fishermen and to set apart for the food supply of Indians certain portions of the lake adjacent to the Indian reserve. This met with the approval of the deputation.

An important deal is being put through here, says a Montreal telegram of April 25, looking towards the amalgamation of the big live stock shippers of Montreal, to control the trade of the Dominion. John Crow, Robt. Bickerdyke, W. E. Bowell, Delorme and Frank Lynch have applied for the charter of the Bickerdyke & Crowe Cattle Company. It is understood a couple of large western shippers and more of the Montreal men, in all controlling about 60,000 cattle will comprise the company. The idea is to combine and be able to make rates with the steamship companies the same as is done in the States.

Robert Kilgore, of Bascoia, Georgia, was in Montreal recently on his way to the northern section of St. Maurice, where he intends to establish a reserve for breeding beavers. Kilgore's father has already a similar establishment in Georgia, where there are at present nearly two hundred of these interesting animals, but he believes that the climate of this province is more advantageous for the carrying out of this industry, which should be a paying one considering that beavers have now become very scarce, and that their furs bring high prices.

The steamers Fremont and Charrington, direct from the Mediterranean have arrived at Montreal. The former has 64,000 packages of oranges and lemons, and the latter 23,000 packages. The Escalona and Dracona will soon follow, bringing the total up to 113,000 boxes.

(OVER)