

THE FALL IN GRAIN, AND WHAT IT WILL LEAD TO.

THE important news from England of the failure of grain firms, many of them with extensive American firms, is likely to still further depress the breadstuffs trade in this country. These failures are, no doubt, the result of unsuccessful efforts made on both sides of the Atlantic to check the decline in grain, which has been steadily falling for some time. As England is the largest importer of our surplus crops, the quotations there rule the whole market, and every Western farmer must feel the consequences of a probable continuance of the present low rates in Liverpool and London. The recent failures must discourage any operations for a rise for some time to come, as there are no present indications of an immediate cessation of the causes that produced the decline.

The causes of the low price of grain are to be principally attributed to the largely increased yield of the present year. Our total cereal product in 1888 is estimated at 1,405,490,000 bushels. Of these, 217,083,000 bushels were wheat. The measure of wheat this year will reach 50,000,000 bushels. Probably a total of 250,000,000 bushels would be an entirely safe estimate for 1889. This increase, with the large surplus of last year's crop, would go far to account for the decline in prices. But besides the increase of wheat we have had heavy crops of all kinds of food. Even corn, in spite of reports to the contrary, will equal, if it does not excel, last year's crops. This large surplus of other kinds of produce must, of course, exercise a depressing influence on cereals.

Another cause of the decline in prices is to be found in the blunder of the farmers in holding back their crops last year. This policy resulted in the loss of the export trade last season thus accumulating a surplus which produced a fall in prices. The farmers this fall rushed into the opposite extreme, and hurried forward their crops on a falling market. The artificial scarcity of currency produced by the September gold panic did the rest. The result is that prices, in currency, are now below the average rates in gold before the war, and breadstuffs are cheaper, so far at least as the producers are concerned, than at any period for ten years, except in 1862. Wheat is now so low that in many districts in the West farmers find it more profitable to feed it to hogs than to send it to market. This course will result in an increase of production that will soon bring means down to rates corresponding to the price of cereals.

The following table shows the receipts at, and exports from, New York from September 1 to November 20, 1889, as compared with the corresponding period last year:

	RECEIPTS.		EXPORTS.	
	1889.	1888.	1889.	1888.
Flour, brls.	1,140,900	1,683,800	422,100	267,900
Wheat, bus.	8,689,000	6,496,900	5,946,100	1,805,500
Corn, "	3,668,900	4,994,200	58,200	671,600
Oats, "	3,214,000	4,718,200		
Rye, "	91,700	455,800		
Barley, "	1,889,900	1,552,900		

The receipts of cereals at this and the lake ports are considerably in excess of the quantity last year. During the week ending November 18, 1889, the receipts of wheat and flour at the lake ports were equal to an excess of 1,066,000 bushels of wheat over the same period last year.

The stocks of wheat in store at the close of last week in Chicago and Milwaukee were as follows:

	1889.	1888.	1887.
Chicago, bush.	1,515,000	1,282,100	502,700
Milwaukee, "	1,028,000	158,000	365,000
Total	2,543,000	1,330,100	867,700

The stock of grain of all kinds in store in this city, November 18, amounted to 4,002,954 bushels, including 2,440,993 bushels of wheat, against a total of 7,680,485 bushels of grain at the corresponding period in 1888, and 6,978,092 in 1889. The increased stocks at the lake ports and the reduction of the amount held at this port, as compared with former years, show the activity of the export trade this year. The quantity in transit on the canals for tide water November 20, 1889, as compared with the same period last year, were:

	1889.	1888.
Flour, brls.	5,200	6,100
Wheat, bush.	1,837,800	880,100
Corn, bush.	254,700	692,900
Oats, bush.	484,500	841,700
Rye, bush.	38,100	77,500
Barley, bush.	579,600	323,900

These various returns show the great activity of the breadstuffs trade this season as compared with former years. They also go far towards explaining the reduction at this port in White Michigan of \$1.40 to \$1.10 in \$2.45 to \$2.00 this time last year, with corresponding reductions in inferior grades.

The average of 90c in currency equal to 73c in gold, per bushel of No. 1 wheat at Chicago, leaves a very narrow margin for farmers, after deducting the cost of transportation from the interior to that port. In Iowa the prices range from 86c currency, at Dubuque to 80c, at Independence gold at 130 makes 50c in currency worth 38c in specie, so that the average gold price of wheat in Iowa is about 40c. This is the selling price, it should be remembered, at the railroad station, and covers the expenses of time and cartage in transporting it from the farm to a market.

The majority of farmers live from five to ten, many of them twenty, miles from a railroad depot, and must spend a couple of days and employ a two-horse team in conveying a load of 30 bushels to market. In fact, if the farmer could obtain the grain by merely shovelling it off the ground it would scarcely pay him to carry it to market. The condition in Iowa applies

equally to Minnesota, Michigan and other States. When we come to compare the time and expenses of cultivation and transportation with the actual price of grain received by farmers the difficulties attending Western collections will be sufficiently accounted for. We do not anticipate that this extreme depression of Western interests can be more than temporary. And it will not be unattended by favorable results. The low price of grain will go far towards recovering the export trade to England, which has lately been falling into the hands of Russia. But to ensure this result our tariff must be revised so as to permit the advantageous interchange of commodities. England will not in fact cannot, buy our grain unless we take a fair proportion of her manufactures in exchange.

No fallacy can be greater than the idea that an expansion of the currency can ameliorate the condition of affairs in the West. Grain is now at gold prices. What the Western farmers want, and must obtain, is the privilege of buying on the same terms as they are compelled to sell. They cannot pay inflated currency prices for clothes, farming utensils and the numerous commodities of every day life. They must produce as cheaply as other competing nations or be driven utterly from the market. The fall in grain then means a reform in our currency, tax and tariff laws, the overthrow of monopolies and a stringent economy in national expenditures. It brings us back to first principles in finance and government, secures a speedy return to specie payments, and threatens the immediate and utter extinction of any party that may stand in the way of these pressing reforms.—U. S. Economist.

OCEAN STEAMERS.

THEIR EARNINGS—WHAT AMERICANS SHOULD DO

A CORRESPONDENT of the New York Times, who seems to be thoroughly familiar with this subject, gives a history of the different North American lines and British-built steamers, from which we learn that in the twenty-five years of the existence of the celebrated Cunard line, not one life has been lost in it by shipwreck or disaster at sea. Concerning the Inman line, we are informed that it is entitled to the credit of having started without a subsidy, and having successfully worked its way into a position which is second only, if indeed, it is second—to the Cunard line by sheer good management, and against the opposition of the Cunard and Collins subsidized lines. The Inman steamers have long carried the United States mails, to the entire satisfaction of the Post Office Department at Washington, and the British Post Office has been forced to acknowledge that its claims for mail compensation are fully equal to those of the Cunard Company. The Inman Company now receive £35,000 per annum for a weekly mail service to New York, exclusive of its arrangement with the United States Post Office for the conveyance of mails from New York to Queenstown and Liverpool. For the last named service it receives a part of the ocean postage on the mail matter carried by its steamers.

The line conducted by Williams & Gulton makes its profits upon freights and steerage passengers. Their steamers are more profitable freighting vessels than either of the others. The National Company started under unfavorable circumstances, paying exorbitant prices for its steamers, yet the success of this and the Liverpool and Great Western Company is assured. The first mentioned is building a new steamer near Glasgow named the *Haly*, which will cost \$85,000. The earnings of a vessel of this class are reckoned thus:—

Giving her a full freight of passengers and cargoes both ways, at the current rates, say 1,500 emigrants at \$6 per head—\$9,000; cargo 4,000 tons at 25 shillings per ton—£5,000; cabin passage money £8,000; total out, £14,000; freight home, 7,000 tons at £1 per ton, £7,000; cabin and passage money home, £1,000; total receipts for the round voyage, £22,000; excess over expenses, £18,000 per voyage; and on eight voyages, or one year's work, £144,000 per annum. At this rate of profit the *Haly* can pay for herself in six months.

As a matter of course, to insure success, cargoes must be secured both ways at current rates. It will surprise some people to learn that at the present time, steamers capable of carrying 5,000 tons cargo are earning fifty per cent on their cost. An instance is given where one vessel that cost £70,000 paid for herself in eighteen months. We are informed that the disbursements of this class of steamers have been reduced to £5,000 sterling for the round voyage, and it is not an unusual occurrence for them to stock £12,000 sterling on a voyage. They only require to average \$9,000 per voyage to leave \$4,000 for profit, and on the five two voyages which six steamers can make in the twelve months, the earnings reach £204,000, or about fifty per cent upon the cost of the six vessels.

This exhibit is calculated to mortify the pride of all true Americans, simply because it shows that, in this enterprise at least, American perseverance and pluck have given out before that of the British merchants and builders. It is all the more mortifying to be told that \$3,000,000 in currency would build six steamers that would find fully as much as they could attend to

After many ineffectual attempts on the part of the co-operative collar establishments in Troy to induce the New York merchants to buy their goods, they are now successful. The New York Times announces that Mr. Alex. T. Stewart has contracted to take all the collars the girls can make, and pay for them as received. It is stated that the society can undersell any manufacturer, the members not caring about profits if they can sell enough to keep themselves employed at regular wages. Mr. Stewart, with his keen eye for business, no doubt appreciates this point. The adage, "the god's help those who help themselves," is very applicable in this case. Co-operation is better than striking.

CROP REPORTS.

THERE are continued indications of a light crop of spring wheat. A few farmers, whose letters we find in our agricultural exchanges, report a yield of from twenty to twenty-five bushels to the acre; but a large majority range from fifteen bushels down to five, and in some sections a portion of the crop was not harvested. Heavy losses from storms, bad weather, rust blight and other causes are reported. In all the principal markets the receipts and stock of spring wheat is unusually light nor is the stock of winter very large. The stock of wheat in this market is almost all winter wheat, and the amount on hand has considerably diminished during the past two weeks. The farmers are not selling freely at the present rates, and it is probable that the principal markets will have a light stock of wheat and flour to begin the winter with. California has sold more freely than any other State, but recent advices report that the receipts of wheat at San Francisco show a considerable falling off as compared with September. It is said many farmers have made arrangements to hold their wheat through the winter, and various difficulties have prevented others from sending their wheat forward. As to the amount still on hand, it is thought to be as large as last year, though of inferior quality; but to draw it out better prices must be paid.

The news from the English wheat market is little more than a confirmation of previous reports. The yield of wheat on threshing is generally unsatisfactory, and farmers, it is said, are disposed to hold on to wheat; with the light yield they are dissatisfied with present rates, and look for a higher range of prices. But with moderate sales by English farmers, it is said prices are kept down by heavy receipts of foreign wheat and flour, a large proportion of which comes from America. With our present light stocks and moderate sales, there must soon be a falling off in receipts from this country. The present high prices of freight, and the difficulty in obtaining transportation, will also tend to cut short supplies and thus lessen exports.

With reference to the corn crop, it is now definitely ascertained to be a failure to the extent of one half the usual yield. A letter from Washington, published in the *Practical Farmer* estimates the crop at 906,627,000 bushels. Dry produce is also light. Cheese is firmer and higher in England, while in this market holders are figuring on light stocks and look for a rise in prices. The present quotations for factories and dairies are, for factory prime, 17 to 18½; do fair to good, 16 to 17½; dairies, prime, 16½ to 17½; do fair to good, 15 to 16½; do common, 14½ to 15. Butter is dull and lower on all but best East state which is quoted at 45 cents.

Of wool it is reported that the supply of the low grades is nearly exhausted. The stock of all grades is nearly exhausted. The stock of all grades remaining on the principal markets is only 13,000 lbs. The falling off in the clip in 1889 is now estimated at about 40,000,000 lbs. The present inactivity and low price of wool is ascribed to monetary difficulties. A more active demand, however, is expected, and it is said that before the next shearing there may be a strike among the mills for those lots remaining on the market longest. It cannot be expected that pulled wool will again break down the market next Spring.

Concerning the sugar crop the New Orleans *Times Current* of the 6th inst. says that the season, as a whole, "has not been favourable to the cane culture, and the expectations at one time indulged in of a very large increase in quantity over the product of last year will not, we regret to say, be realized. One feature of this season is, that, while on some plantations the cane exhibits a fair growth, on others in the same neighborhood it is not only small in size, but unusually short also. This peculiarity holds good, we learn, throughout the State. The sugar made so far is of fine quality, but the yield to the acre is small, and, owing to the dryness of the cane, there is a very limited yield of molasses. One planter, a portion of whose crop of cane looks very fair, informs us that he is not obtaining more than one hoghead of the weight of 1,150 pounds to the acre from his very best plant cane, and that he anticipates no such yield generally from his fields. Another informs us that 800 pounds to the acre is all which his ratoon cane is yielding. In consequence of such unsatisfactory returns, many planters are not cutting their cane, preferring to run the risk of freezing weather, and with the hope that it will improve in quality as the cane yield is generally better between the fifteenth and twenty-fifth of this month than at either an earlier or later period of the season. In the meantime planting is generally pressed forward very vigorously. Any estimate of the crop under these circumstances would be premature."—N. Y. Com. Bulletin.

TO THE LUMBER TRADE—We would draw the attention of the Canadian lumber dealers to the fact that if a company be formed, with \$10,000 to \$12,000 capital, for the purpose of manufacturing lumber in this neighbourhood for the supply of the settlement, a large and paying business can be done. Lumber is now selling at \$40 per 1,000 feet, and any company who will manufacture upon the eastern shore of Lake Winipeg and sell it here for any reasonable percentage below that price will command a ready sale for any amount they may produce. The most part of the lumber now sold here, is made in that locality and brought in a schooner to the settlement. It is sawn by steam power. Good timber can also be found in other localities, and good water power can be found on the eastern shore of the lake. Even the present limited demand cannot be supplied under present circumstances, and we trust that this notice will meet the eyes of some men with enterprise enough to embark in a business not only so necessary for the growth of this place, and so remunerative to themselves.—Nor. Western.