

THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including the news of the far west of Lake Superior, the Province of Manitoba and British Columbia, and the Territories.

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Advertisements purporting to be news matter, or which profess to express the opinion of this journal, will not be inserted.

The Commercial certainly enjoys a very much larger circulation among the business community of the west region (King, between Lake Superior and the Pacific coast) than any other paper in Canada, daily or weekly. The Commercial also carries the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

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NEW YEAR.

The Commercial wishes its readers, one and all, a

HAPPY NEW YEAR.

RAILWAY SITUATION SOUTH OF THE BOUNDARY.

The wonderful "boom" in Northern Pacific railway stock last summer is still fresh in memory as one of the most remarkable movements ever experienced in the stock markets. President J. J. Hill, of the Great Northern, has recently made a statement which explains fully the cause of this remarkable incident. When the Northern Pacific was reorganized by J. F. Morgan & Co., the Hill interests purchased \$20,000,000 of Northern Pacific bonds. Later the Union Pacific became a menace to the Northern Pacific, and Great Northern by the purchase of auxiliary lines of railway throughout the territory in which these roads were interested. This policy led to a struggle for the possession of the Burlington and Quincy road, which road was finally secured by the Northern Pacific and Great Northern, acting jointly. The Union Pacific then launched out into a remarkably bold policy, by actually undertaking to obtain control of the Northern Pacific, through the purchase of stock of the latter road in the open market. About \$20,000,000 of Northern Pacific stock were purchased in that way by the Union Pacific. When this move of the Union Pacific was discovered, there was a struggle for the remaining outstanding stock of the Northern line, and fabulous prices were paid for some blocks. What saved the Northern Pacific from falling under the control of the Union line, was the existence of a contract made with the preferred stockholders, which provided that the holders of common stock could pay off the preferred stock at par on the first day of January in any year until 1917. This contract was made at the time the company was reorganized.

The result, says Mr. Hill, was—"That Messrs. Morgan & Co. and ourselves owned forty-two out of eighty millions of the Northern Pacific common, with the privilege of paying off the seventy-five millions of Northern Pacific preferred. The Union Pacific people owned thirty-seven millions of the common, and about forty-two mil-

lions of the preferred, which was a clear majority of all the stock of the Northern Pacific, and claimed the exclusive control of the Northern Pacific railway and through that ownership control of one-half of the Burlington. When it was discovered that these preferred shares could and would be paid off, and before the annual election, mutual negotiations resulted in Mr. Morgan giving them a representative in the Northern Pacific board."

From this it is evident that the Union Pacific was fooled in its attempt to corner the two northern trans continental lines, and decided in the alternative to endeavor to work in harmony with these lines. The situation now is, that the three great Pacific lines south of the boundary are largely mixed up together, so to speak. The Great Northern and the Union Pacific each holds a large interest in the Northern Pacific. The two northern lines have been combining their interests to prevent complete control of the Northern Pacific by the Union Pacific. This fight led to the formation of the Northern Securities Co., the immediate object of which was to finance and pay off the preferred shares of the Northern Pacific. The Northern Securities, however, is to be made a permanent organization, "to deal in high-class securities, to hold the same for the benefit of its shareholders and interests of the corporations whose securities it owns. Its powers do not include the operation of railways, banking, mining nor the buying or selling of securities or properties for others on commission; it is purely an investment company and the objects of its creation was simply to enable those who hold its stock to continue their respective interests in association together, and to prevent such interests from being scattered by death or otherwise, and to provide against such attacks as have been made upon the Northern Pacific by a rival and competing interest."

Mr. Hill has made this long public statement in answer to the agitation in the northwestern states against a railway combination. The people in these states have been greatly agitated over the formation of the Northern Securities Company, as they thought it to consolidate the interests of these great Pacific railways. In reply, Mr. Hill explains at length the causes which led up to the formation of the company. He points out that he and his friends might have made enormous profits by letting their Northern Pacific shares go, instead of holding and preventing the road from being absorbed by the Union Pacific. Mr. Hill concludes:

"Had we sold our twenty millions of Northern Pacific stock as \$100 a share (the stock sold at high as \$150 per share), amounting to sixty million dollars, or nearly forty millions more than its present value, and transferred the Union Pacific control of the entire country between Canada and Mexico, what law of Minnesota would we have violated? Could we not legal have put them in our pockets and let the country learn what it was to be dominated by a parallel and competing railroad?"

PRICE OF PAPER.

A considerable agitation has been worked up recently in the eastern provinces in newspaper circles particularly regarding the price of paper. The paper of the past year or more has advanced on book papers for instance amounting to nearly one cent

per pound. Recently the trade was notified of another advance of 1/4 cent. According to the tariff law where there is evidence of a combination of manufacturers to keep up prices, the government is empowered to strike off the duty. The newspapers claim that such a combination exists among the paper manufacturers and they are pressing this matter upon the government. One thing beyond dispute is the systematic advance of prices by all the manufacturers which would indicate a very general understanding among paper makers.

The manufacturers claim that these advances have been necessary, owing to the increased cost of pulp and other materials which enter into the manufacture of paper. To some extent this is undoubtedly true, though possibly not to the full extent of the advance in papers. There were possibly other features which led to the formation of the association of paper manufacturers and the subsequent systematic advance in prices.

One thing peculiar about the Canadian paper trade is the importation of paper from the United States. Right here in Winnipeg a quantity of imported paper is sold in book, print and wrapping qualities. It seems strange that with the tariff of 25 per cent ad valorem in their favor the Canadian paper manufacturers find it necessary to advance prices to a point which admits large quantities of imported paper. It has been supposed that paper is one of the things which can be manufactured to the best advantage in Canada. We produce the raw material in abundance. In fact we supply United States mills with raw material in vast quantities. It has even been claimed that Canada could close up many of the United States pulp mills and control the paper trade, by refusing to sell them the raw material. Yet we find the United States mills importing their raw material from Canada, paying duty on the pulp, and sending their finished products here to us against a tariff of 25 per cent ad valorem in favor of our paper makers. There is evidently something wrong somewhere about the Canadian paper trade.

A DECEPTIVE NOTE.

A great deal of dissatisfaction is expressed among business men regarding the new Dominion \$4 note. Dominion notes are issued in denominations of \$1's, \$2's and \$4's for general circulation. The \$1 note is most frequently met with and this denomination circulates much more generally than the two others. The new \$4 note so closely resembles the \$1 bill, that it requires close scrutiny to detect the difference. The fact that the \$4's are so frequently handled, combined with the \$1's, makes this similarity very annoying. At a glance the comparatively scarce \$4 denomination is taken for the freely circulated \$1 bill, and is handed out in making change for \$1. The back of the bill appears as a perfect \$1 paper paid at the first glance, while the face is not much better. This previous Dominion note is also said to contain a view of the United States Canal on its face. The intention was evidently to give the Canadian look, but in keeping with the general character of the production, which appears to have been a series of blunders all the way through, a picture of the Yankee canal was given. This note should be recalled and a new issue printed which would look less like a \$1 bill now in such general circulation.

Heavy Increases in the World's Wheat Supplies.

As predicted a week ago, the revised figures for European supplies on December 1, enabled to show a large increase, so heavy a one, in fact, as to indicate a total increase in the world's wheat stock in the month of November a record breaking one so far as any year as yet concerned, says Bradstreet's. In only two preceding years that there are records for, in the world's wheat stocks, did the total increase in the month of November prove to have been in October. In the former year the world's supply increased by the record breaking amount of 35,000,000 bushels, while in 1897 the gain was about equal to that shown this year, namely, 27,000,000 bushels.

The total world's supply on December 1, this year was 170,500,000 bushels, a gain of 27,000,000 bushels over November 1, and comparing with a gain of only 2,627,000 bushels a year ago, of 4,000,000 bushels in 1890, and 17,863,000 bushels in 1897. This gain was accounted for primarily by the increase of 21,151,000 bushels shown in American supplies.

The European supplies on the first day of December compared with preceding months of the year, are as follows:

| | (000,000 omitted) |
|-------|-------------------|
| Jan. | 197,488,180 |
| Feb. | 79,216,019 |
| March | 70,240,682 |
| April | 70,240,682 |
| May | 55,910,165 |
| June | 55,910,165 |
| July | 55,910,165 |
| Aug. | 38,048,613 |
| Sept. | 38,048,613 |
| Oct. | 57,379,000 |
| Nov. | 104,819,714 |
| Dec. | 70,544,711 |

The combined American and European supplies for the year are as follows:

| | (000,000 omitted) |
|---------|-------------------|
| Jan. 1 | 169,107,117 |
| Feb. 1 | 117,132,195 |
| March 1 | 102,102,118 |
| April 1 | 102,102,118 |
| May 1 | 109,101,121 |
| June 1 | 128,102,116 |
| July 1 | 128,102,116 |
| Aug. 1 | 115,128,116 |
| Sept. 1 | 115,128,116 |
| Oct. 1 | 135,105,117 |
| Nov. 1 | 135,105,117 |
| Dec. 1 | 162,104,117 |

The American and European supplies for the year 1901 showed a gain of 28,100,000 bushels, a gain of only 4,000,000 bushels a year ago. In other words, the increase this year was seven times as large as a year ago, four times as great as in 1890, and 10,000,000 bushels larger than the increase in November, 1898. The grand total world's supply, despite these increases, is however, less than a year ago, 379,000 bushels less than a year ago on December 1, and 3,925,000 bushels less than in 1899, but is 61,771,000 bushels larger than on December 1, 1898.

The shortage of soft coal is causing a number of foundries to be closed and one or two in Toronto to close their doors.

The members of the Montreal board of trade had a lot of fun out of an auction sale of the past year's magazines and newspapers in their rooms. Some of the more popular publications brought ridiculously high prices. There were many offers for them among the brokers, and much brisk bidding for the choicest offerings.

Piano-makers to the number of 450 went on strike in Toronto on Monday. The firms affected were the Heintzenberg Co., Gerhard & Heintzenberg, Man, Plano Co., Gerhard & Heintzenberg, Mason & Risch, and the Palatine Pianos. These factories were expected to meet the demands of the men, which were for a nine hour day and a better wage.

A Rosser, Man, correspondent says: "The profits of the poultry business have been brought forcibly to the front by a young man, a member of the firm of Rosser, Man, & Co., of Detroit, who has close on \$100 worth of fat chickens this fall, and these fowls were only raised on corn, clover, or spare moments. Mr. Preston, who is in the chicken farming business on a large scale, would not have made more from this branch of his farm than from any of the other departments. He has raised and sold \$16 a week for fresh-laid eggs, clear of all expense."