

NA-DRU-CO HEADACHE WAFERS

The Buying Price of Hogs

THE WILLIAM DAVIES COMPANY, LIMITED

It is probable that the practice of sending out weekly the price which packers will pay for hogs the following week, has been the chief cause for the widespread impression that the price named is fixed through arrangement and understanding between the packers. In view of the recent attack made upon packers, a statement which will explain why a price is thus sent out, and the conditions associated with it, may serve a useful purpose.

For the most part the cattle and small stock (sheep, lambs and calves) which come to the Cattle Markets in Toronto are bargained for on arrival. If the market is favorable, the drovers make a profit. If the market is unfavorable, they suffer a loss. The price of cattle and small stock, therefore, is determined each market day by the ordinary competitive conditions prevailing upon public markets. The price which the drover pays in the country the next week is determined by his view of what he hopes to receive when the stock is offered for sale by him upon either of the markets in this city or in Montreal.

The hog situation is entirely different. After the manner of well recognized market conditions, there has been no public market in Ontario upon which hogs have been offered for sale. For thirty years 80 to 90 per cent. of the hogs on the Toronto Cattle Market have been delivered on the market for one buyer, and at a price agreed upon before the hogs were shipped. Five-sixths of the packing houses in Ontario have not only not bought hogs upon the Toronto Cattle Market, but they have not bought hogs upon any public market, because there have been no markets upon which hogs have been offered for sale. The Union Stock Yards Company at Toronto Junction are now endeavoring to establish a competitive open market upon which hogs will be offered for sale. Time only will determine the success or failure of this effort.

As, therefore, there has been no open market for hogs, the price which the packer pays for his hogs has had to be determined by a different method, and under different circumstances than the open market conditions have established for cattle and small stock.

The pressure of these circumstances has developed the practice which causes each packing establishment to depend chiefly for its supply of hogs weekly upon drovers who ship regularly to it. To establish this regularity, the respective houses have found it necessary, at the end of each week, to advise drovers the price they would pay for hogs shipped to them the following week. This custom is followed in Denmark and Ireland, the weekly price, however, being sent to farmers in place of drovers.

In accordance with these conditions, the officers of this Company determine on Friday afternoon of each week the price they will name to drovers for shipment the following week. This advice covers a price free on cars at the shipping point, or delivered into the yards at our factory, or fed and watered hogs delivered on the Toronto Cattle Market. In reaching this determination we are governed by our reading of the domestic and export markets, by cable advices covering Danish and Irish killings, and cable advices telling of the quantity of American products which have been landed at the various ports in Great Britain. We also have to interpret from these conditions, which are common to the trade, how the judgment of our competitors will be affected by them, and what conclusions they will likely reach as to the buying price they will name for the following week.

Having decided the price we will name, we communicate it to drovers by telephone or telegram, to points East as far as Montreal, West as far as Oshawa, and North as far as hogs are raised in sufficient quantities to give weekly deliveries.

In all the foregoing we have neither conference, understanding nor arrangement, directly or indirectly, with any other packer, nor have we had any such connection at any time during the past twenty years.

If other packers offer a higher price, we learn of it through telegram or telephone communications from drovers in various parts of the country, who advise they are unable to buy at the price we have named because drovers from competitive houses are paying a higher price. Each packer in the trade doubtless has similar advices when the circumstances warrant it.

When such advices reach us, we determine our conduct by a variety of considerations, and we will, as will other packers similarly placed, refuse to follow the lead set by others, or accept such lead as inevitable, as we may have a favorable or unfavorable view of the market.

The effect of the decision either way is reflected in the volume of deliveries. If we or others similarly placed refuse to advance, while other packers are active, there will be a shrinkage of from 10 to 50 per cent. from the normal receipts of hogs. If we follow the advance, we will secure our normal quantity, with possibly some surplus added.

It is alleged that the trade generally await information as to the buying price named by this Company before sending out their own advices. On reflection it will be recognized that this is not an unnatural course to follow. By reason of the extent of our operations, the price named by this Company is known in every part of the Province, and authoritatively establishes the minimum price which can be paid. For necessitous reasons no other house can buy at a lower price. Inasmuch, however, as the aggregate purchases by other packers represent 70 per cent. of the total deliveries of hogs in Ontario and Quebec, there is no reason why, after our price is known, a higher price should not be named by some or all of our competitors, if their reading of the market differs from ours. As a matter of fact, this is precisely what occurs, and probably there are as many weeks in the year when our price is exceeded and we must follow others, as when our price is accepted and others follow us.

We would welcome conditions which would establish the purchase of hogs upon public markets on an open competitive basis. If packers could buy hogs after the same manner as cattle are now bought, they would always have the measure of their competitors, whereas under existing conditions we have to guess at their measurement. Moreover, when we desired to take hogs freely, we could do so, and when we desired to step aside from the market, we could do so. Under existing conditions no packer can afford to break with his regular shippers, and frequently has to take stock when he would prefer to leave it alone.

The tendency under the present method is for packers weekly to estimate how high a price they dare pay, rather than how low a price they will name, for it must be borne in mind that the aggregate capacity of the houses greatly exceeds the supply of hogs, and that practically the profit or loss of the operations of a packing house are determined by the volume of business secured. Therefore, when we are seeking to determine each Friday evening the buying price we will name for the following week, back of all else is the pressure which demands quantity of hogs, and the anxiety felt that if we do not name a price high enough to command quantity, we may find our supplies cut off.

The popular view of commercial sagacity would suggest that the remedy for such difficulties would be found in an understanding being reached by agreement between the packers. The significant fact is that the packers have refused to do so. Probably no business in Canada is more completely free from either the letter or the spirit of what is known as a Trust, than this much-abused packing business. The real relation of the packers to the hog industry has been an honorable one of high merit.

The William Davies Company, Limited
TORONTO.

Two-thirds of the tin used in the world is supplied by the Malay States. Every man hugs the delusion that sooner or later he will invent something that will make him rich.

HOW ITALY LOST ABYSSINIA

AND EMPEROR MENELIK WON HIS INDEPENDENCE.

It Is Fifteen Years Ago Since the Disastrous Italian Defeat At Adowa.

Italy's last attempt at conquest in Africa was disastrous, and the final campaign in Abyssinia will long be remembered, for it involved, in the rout at Adowa, the worst defeat ever sustained by a European army in Africa.

To go back, an advance by Italians from Massawa had been represented by King John of Abyssinia, and in 1887 a force of over 500 was wiped out, except one man, who reached the coast, stripped and wounded. The Italians had fought until their ammunition was gone. A large reinforcement was despatched from Italy, and during the "war of succession" following the death of John, took possession of Keren and the Asmara country. The Italian Government supported Menelik II., who had always befriended Italian explorers.

Menelik became Negus, or Emperor of Ethiopia, in 1889, under a treaty which virtually made Abyssinia an Italian protectorate. Menelik, however, had ideas of his own. By Italian intervention he obtained arms and ammunition from Belgium, and soon organized an army of 70,000 men, abundant war stores, and 20 cannon, as well as having the support of numerous feudal lords, who paid tribute to Menelik, and had troops of their own.

ITALIAN CLAIMS.

The Italian Government, in pursuance of its own aims, claimed possession of the Red Sea littoral from Cape Kasar to the strait of Bob-el-Mandeb. The Sultan of Obbia, on the Somali coast, and another Somali ruler were, by their own desire, under Italian protection, and by an arrangement with Britain the protectorate extended along the coast of Somaliland to the Juba river. Brandage was repressed, commerce, and tillage encouraged, and native troops organized, who were devoted to the Italian officers. In 1894, after a warfare with Derwishes, the western frontier of the Italian colony was extended 250 miles inland from Massawa.

MENELIK MOVES.

Menelik, meanwhile, was entreated by the feudal princes, to act against the Italians, who had, they asserted, occupied Kassala in order thereby to attack Abyssinia. Gen. Bartieri, an old Garibaldian, who commanded the Italian troops in Abyssinia, when informed in 1894 of the intrigues, sent out troops, who defeated the rebels in the field, and concentrated for the defence of Massawa, at the same time occupying Adowa. He had hundreds of spies, who kept him well informed of the Abyssinian movements. The marching and counter-marching among swamps, passes, and tangled thickets were very arduous.

At last Bartieri, in January, 1895, with 4,000 natives and 100 Italian officers and men, took up a position at Coatit and awaited Ras (or Prince) Mangascia, who had been told by Menelik to "go and drive out the Italians first," when he had prayed to be made "King" of Tigre. Mangascia had 12,000 men.

A VICTORY.

At sunrise on Jan. 13 the Italian battery opened fire on the native



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camp at the foot of the mountain, who then occupied the lofty hills to the north. Fighting was resumed next day, and Mangascia sent a priest asking for terms, which Bartieri, informed that the Abyssinians had suffered great losses and were running out of ammunition, refused. In the night the enemy fled, and Bartieri disbanded his troops. In September, 1895, Mangascia took the field with a new army, and was again defeated, and his territory promptly annexed by Italy.

A DEFEAT.

In November Mangascia declared his intention of recovering the lost provinces. Orders sent to Major Tosselli, who had 2,400 troops at Makella, to retire to Adigrat were not received, and though his force repulsed an attack of 8,000 men, 12,000 reinforcements for the enemy came up next day, and in the attempt at retreat the army was almost wiped out, Tosselli shooting himself. The prisoners taken were not harmed, and the wounded were cared for. After this defeat the Italian Government decided to attempt no further extension of territorial influence in Africa. An immense force of Abyssinians, under Menelik himself, beleaguered Makella, which was defended by 1,500 natives under Italian officers, who finally surrendered and were allowed to go to Adigrat with arms.

PEACE EFFORTS FAILED.

There was an understanding that the King of Italy was to treat for peace and pay a sum of money as ransom for the officers. Menelik, with his 70,000 men, were to be free to march on Adowa, while Bartieri, who had 30,000 men, was to abandon Adigrat. But the peace negotiations failed because Italy refused to abrogate the clauses in the old treaty, by which Menelik was to recognize an Italian "protectorate," and to treat with foreign powers only through the medium of Italy.

BATTLE OF ADOWA.

Then those native princes who had been friendly to Italy joined Menelik, the conquered provinces were roused to revolt, and Bartieri found himself surrounded, his caravans seized and his troops unprovisioned. In February, 1896, he decided to retreat, but was induced by a majority of his officers, most of whom were new to Africa, to attack the enemy.

On March 1st three columns advanced. One reached a wrong point, and was utterly crushed. A second, marching to the rescue, was overwhelmed. A general rout followed. Two generals and over 200 officers were killed or wounded, and nearly 10,000 native troops slain. Sixty cannon were captured.

The people of Italy resolved to have no more sacrifice of men or money in Africa, and the King was forced to accept the resignation of the Crispi-Ministry, who had roused the utmost indignation by acting in defiance of Parliament.

In October of the same year Italy recognized the independence of Abyssinia.

SMART COUNSEL.

An eminent King's Counsel, in the course of a learned argument, rested his case entirely on one reported decision, which, he claimed to be of paramount importance.

But, when he had finished, his opponent, being asked by the judge what he had to say, replied:

"I will not trouble your lordship with any further argument. I only wish to say that my friend has forgotten to inform your lordship that the case on which he relies has been taken on appeal to the House of Lords and the decision absolutely reversed."

Upon that the eminent K. C. turned to his colleagues round about and whispered:

"Good heavens, what a liar that man must be! Why, there never was such a case."

"Oh! yes; he's a very intellectual man." "What makes you think that?" "I judged so from his talk." "Why, what does he talk about?" "He's forever talking about how intellectual he is."

MAKING SAFE INVESTMENTS

FARM MORTGAGES AS INVESTMENTS HAVE SOME VERY WEAK FEATURES.

The Personal Element Which Investors Often overlook Makes the Payment of Interest Sometimes of Doubtful Certainty—The Danger of Having a Conscience.

The articles contributed by "Investor" are for the sole purpose of guiding prospective investors, and, if possible, saving them from losing money through placing it in "wild-cat" enterprises. The impartial and reliable character of the information may be relied upon. The writer of these articles and the publisher of this paper have no interests to serve in connection with this matter other than those of the reader.

Turning from generalities to the application of the principles of investment laid down in the earlier articles of this series to classes of securities we will take up in turn the chief points to be considered in connection with the various forms of "Promise-to-pay" investments.

Readers will remember that investments are divided into two general classes—equities and promises to pay. Equities consist in shares and stocks of various companies. These are never repayable. Promises to pay, on the other hand, are securities which represent a sum of money borrowed by the person, municipality, state or company issuing them, and are repayable after a definite period of time. Under this head are bonds, debentures, mortgages, etc.

In this class, the most important in Canada are real estate mortgages, municipal, industrial company bonds and railroad equipment bonds, and provincial and Dominion loans.

The best known, of course, are real estate mortgages. It is quite superfluous to enlarge here on the details of the form of a real estate mortgage. Its usual form consists of a promise to pay the amount of the loan at maturity together with a certain amount of interest on certain dates. It includes also a transfer of the property mortgaged, which, however, is non-effective, unless some detail of the conditions of the mortgage is not fulfilled—such, for instance, as the payment of the interest.

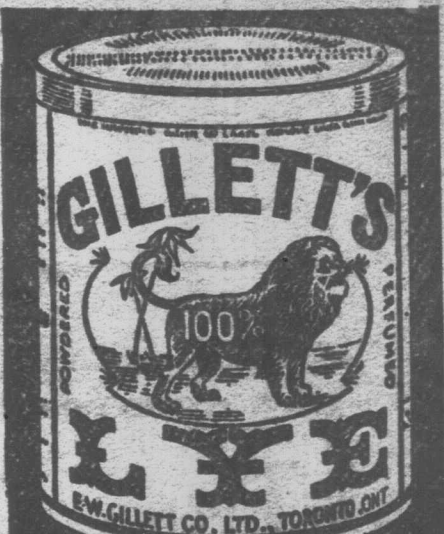
The question of real estate mortgages as investments, however, is a matter which relatively very few investors have approached in a full enlightened manner. The average man figures in some such way as this: "Will Smith wants me to lend him \$1,000. His farm is worth \$3,000 so it now stands and the interest at 7 per cent. comes to such a small amount that there is no danger that he will not be able to pay it. I certainly don't stand to lose anything," and makes the investment.

Now, probably his estimation of the matter is quite correct. He did not, however, look on the matter in a broad manner. First, as to the safety of a mortgage. Like everything else, it depends on the amount of margin between the sum loaned and the value of the property. Almost as important, it depends on the character of the person making the mortgage.

It must always be borne in mind that a mortgage to be of any real value requires that the property be kept up to its value by the work, as a rule, of the individual to whom the money is loaned. If he is a careful, progressive man, who has borrowed, perhaps to improve his farm in a manner which will make it more productive, this question need not be enquired into further. If, however, he is a man whose carelessness has got him into financial difficulties, he may let his farm run down, in a few years, to such an extent that, even if one were to foreclose the mortgage, there would be a very small value, and even that might not be got in the event of a forced sale.

The safety of interest does not depend altogether on this point. A bad year may result in the farm being run at a net loss and the farmer may find it difficult, or impossible, to meet the interest. This point is where the rural "note shaver" makes his money. The average investor, however, is not eager to profit by forcing a man to the wall. Perhaps he is a personal friend. At all events it is a cold-blooded thing to do to foreclose a mortgage just because a year's interest is in arrears. And so, perhaps, you find it easier on your conscience to forego the interest until next year, when in all probability the mortgagee will be able to catch up his arrears. Perhaps the man comes to you personally and puts his case in a strong way, persuades you to let him drop his payments for several years. You probably will come out all right in the long run, but the certainty of your interest in this way sometimes doubtful.

INVESTOR.
Next week Investor will deal with other points in connection with mortgage investments.



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A CITY OF ROMANCE.

Tripoli is a Maze of Narrow-Winding Streets.

Tripoli, which has just suffered bombardment, possesses little natural wealth, which accounts for its having escaped the European influences so noticeable in Cairo, Tunis and Algiers. Archaeologically it has little to show with the sole exception of a Roman triumphal arch, solitary relic of a previous occupation, alongside of a barrel organ and a loud gramophone wailing Arab dirges in a wayside cafe.

The triumphal arch has now lost its pristine glory. Delicate carvings adorn the marble capitals and panels; but the sand of centuries blown from the Sahara has swallowed up the lower half, leaving visible little more than the circular arch. An enterprising tradesman has carefully boarded up the apertures, and a first-rate dried fish provision shop is the result.

The capital is crescent in form, being about two miles from tip to tip; and one mile wide. The inside of the crescent is bounded by a magnificent bay and the outside enclosed by huge ramparts except to the south-east, whence lead the principal routes to the Sahara.

Here, if anywhere, is a city of romance. Pirates and corsairs, doomed by obsolete Turkish gunboats and modern progress to idleness, still throng the marine cafes. In blue zouave jackets and loose, baggy trousers, faced with brilliant touches of gold and red embroidery, they remain at heart untamed.

A maze of narrow, winding streets leads from Customs House and ramparts to the business quarters. High whitewashed public buildings, quaintly corbelled projections, and perforated casements, whence the harem ladies see themselves unseen, combine in riotous fantasy of street architecture. Here and there the street burrows through a house or underneath a series of arches, built apparently to keep the houses from collision.

So, by devious and marvelous ways, do all streets lead to the business centre. Suk-il-Turo (street of the Turks) is half a mile in length and some fifteen feet to twenty feet in width. Shops and bazaars occupy both sides. Overhead latticed roof densely overgrown with vines runs from end to end. Brilliant splashes of light flicker down on a moving mass of Orientals.

Every race from Stamboul to Morocco is represented—Jews, Armenians, Sudanese, Arabs and Bedouins bargain and barter in the cool twilight. Donkeys nose their way through the chattering crowd while beggars appeal silently for alms.

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