

the minor limit. The lesson taught by the recent inflation cannot but result in having a salutary effect on the future of the business of the country. The rapid expansion of credit and the abuses to which it led needed a check, and it has come in good time.

PAPER MANUFACTURE.

It has on previous occasions been pointed out in the columns of THE COMMERCIAL that the field presented in the Northwest for the manufacture of the coarser qualities of paper is an excellent one. Already a large quantity of paper is used in this country for purposes of wrapping, and the demand is rapidly increasing. So far, with the exception of what is supplied by the mill at Portage la Prairie, all that is used has to be imported. There is any amount of wheat straw in the country which can be had at many points for the cost of hauling; there is also any amount of poplar wood in various sections, and these are now two of the principal articles used in the manufacture of all paper, with the exception of the very fine qualities. The use of these articles has been resorted to on account of the increasing scarcity of the various substances formerly employed in the manufacture of paper, and enormously increasing demand all over the world. Pressed and dried pulps procured from wood especially by appropriate means and appliances is now a staple article of commerce marketable in almost any country. The material on which most of the newspapers are printed is made from wood pulp, and it is also extensively used in the manufacture of wall paper. The immense quantity required for these two purposes alone suggests the almost illimitable demand for either the manufactured paper or the pulp in its merchantable condition. There need, therefore, be no fear of overstocking the market, as there could be no difficulty in disposing of the dried pulp not required to work up into paper to supply the near at home demand for the finished article. The process of pulp manufacture is simple and does not require expensive or elaborate machinery. Of course to convert it into paper involves a much heavier outlay, but still not so great as many suppose. It is proposed to establish a number of pulp manufactories in the Maritime provinces, and a movement in that direction is also on foot in British Columbia. Why should the

Northwest not have a share of the trade. We have abundance of the raw material, and all that is lacking is the necessary capital and enterprise to convert much of what now goes to waste into an article of commercial value. We summarize some figures in reference to the chemical wood pulp market, which were given by a gentleman about to embark in the enterprise in Nova Scotia, will be of interest. The manufacture of paper now ranks sixth among the great industries of the world, the annual consumption for all purposes being over a million tons a year. Newspapers and other printers alone consume full half of this. The pulp is worth \$80 per ton at European ports, and the cost of manufacturing is \$35 per ton, thus leaving a handsome margin of profit. In this country where the raw material is cheaper the cost of the manufactured article would be less.

Last season companies were organized to operate in the Northwest, but the matter seems to have been allowed to drop. We trust that what is said above will have the effect of infusing new energy and thus add very materially to the manufacturing interests of the country.

PROSPECTIVE WHEAT PRICES.

There is a great diversity of opinion at present regarding the prospective prices of wheat, and many parties, not at all posted on the subject, are furnishing gratuitous and worthless opinions to farmers and others having grain on hand.

The surest method of reaching a reliable guess (for it can only be a guess after all) upon prospective wheat prices is to view the amount in store, and probable resources of the coming winter. Reports of the quantity in store on this continent near the close of October place the figures near to 30,000,000 bushels compared with less than 15,000,000 about the same time last year. The extra quantity held this year is due to the large surplus which had to be carried over from the crop of 1882. Added to this large quantity in store must be the balance of last year's wheat still held by farmers and parties in the country districts, and this is unusually heavy owing to prices having been so much lower during the past summer than the previous winter and spring. The most moderate estimates fix the old crop carried over at over 50,000,000 bushels, while some go as high as 70,000,000. Take a medium estimate and we have to

admit that about one seventh of the whole wheat crop of 1882 had to be carried over into the season of 1883. But this takes into account only wheat in an unground condition, while the flour in store figures as heavy in proportion as the wheat. During the whole of last winter and spring a combination of bulls carried this load and held prices up in defiance of the natural law of supply and demand, but continued dullness in European markets, and glutted markets there have at last weight down markets, until lately in Chicago the lowest point since the summer of 1880 was reached. Since then a firmer feeling has set in, but the hope of any permanent firmness or great advance is very slight. The work of absorption of old stock goes on very slowly, and seems as tedious across the Atlantic as it is here. Buyer everywhere are settled in the opinion that holders are carrying a load, and act with tantalizing shyness as soon as an attempt at any material advance is made believing that leisure in such a case is profitable. In short the bears after nearly a year of a fight in which they have suffered severely, are at last on top of the heap and masters of the situation, and they may be expected to hold the same tenaciously. Bulls may publish reports of damage by frost throughout the Northwestern States, and a corn crop largely lost there, and predict a sympathetic rise in wheat, but while stocks remain as heavy as at present, and foreign demands no heavier their efforts are not likely to accomplish much.

Fortunately for grain holders in Canada the load has been light throughout the Dominion. Instead of having a heavy stock to carry over from 1882 millers and shippers were hungry for the crop of 1883, and thus the high prices paid in the markets of Eastern Canada compared with those of the United States during the past six weeks. Two weeks ago good hard wheat in Winnipeg sold a shade higher than No. 2 in Chicago, a state of affairs that the present generation may never see again. It is therefore plain that at present and for some time to come Canadian markets must hold their former tone, and by the time the home demand is supplied, and they get on a level with those of the United States it is not at all likely that prices all over the continent will have advanced sufficient to equal the advantage now held. For once a tariff has been a benefit to the farmer, and if that all important item of society acts wisely, he will sell while local markets have an advantage, and not trust too much to a general rise further on in the season.