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EDWD. TROUT, MANAGER.

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THE WHEAT SYNDICATE.

Last year the complaint was made that there was a lack of wheat buyers in the North-West and that prices were in consequence abnormally low. When a considerable surplus of wheat for exportation is suddenly and for the first time raised, at any distant point, the question of handling it satisfactorily, is one of capital and enterprise. Capital not required before has to be found to do a necessary work. In the case of the North-West, a special effort became necessary to raise the capital required to move the surplus and to hold it over at Port Arthur till spring; and for this purpose a syndicate was formed, which included some members, past and present, of the C. P. R. Company. If the grain had been sent over American railways to the seaboard during the winter, the cost of transport would have been greater and the difference must have been deducted from the price. As it is, the *Winnipeg Free Press* reports that "everywhere along the railway [C. P. R.] Manitoba and North-West farmers are receiving the highest possible prices in the existing state of the wheat market, and much higher ones than are prevailing in the northern parts of Dakota and Minnesota, Manitoba prices being only two cents lower than Duluth, which is less than cost of transportation."

The way in which the business is done is this. Local buyers post the prices for different grades, at the chief points of purchase, from day to day; delivery to be made and the grade to be determined at Port Arthur, the posted price on the day of purchase being paid. To the posted price is added three and a half cents a bushel for elevator, shipping and commission charges. The syndicate has no buyers of its own, though its general business is managed by Mr. Alexander Mitchell. Farmers may occasionally grumble when their wheat fails to obtain the grading they expect; but on the supposition that the grading is fairly done they have no real ground of complaint.

There is more or less connection between the wheat syndicate and the railway company, in which, if this were a permanent arrangement, there would be material for objection; but as a temporary expedient the arrangement is undoubtedly in the farmer's interest. If it did not exist he would get less for his wheat. This every one can under-

stand; and to the arrangement between the syndicate and the railway company there cannot, on public grounds, be any objection. To a permanent arrangement of this kind very great objections might arise. The effect might be, in and that case could not well help being, to create and perpetuate something in the nature of a monopoly. When the trade becomes developed, the best thing will be competition among grain buyers with whatever choice in the means of communication there may be. If at present the wheat syndicate prevents competition it is because it gives prices which no one thinks it safe to overbid, and which no one could overbid without something like a certainty of losing by the traffic. It would be better if the grain were graded at Port Arthur by a public officer, and not by a servant of the syndicate. Not that injustice is perhaps likely to be done, under the present system; but an official grading which left no pretext for a suspicion of favoritism would remove any possible cause of dissatisfaction. The change is one which in the ordinary course of things is likely to come about; and in the meantime it is satisfactory to learn from an authority so little likely to be prejudiced in favour of the syndicate as the *Winnipeg Free Press*, that the farmers are getting the highest prices for their wheat.

The venture of the wheat syndicate has in it necessarily an element of speculation, greater than that which attaches to the grain trade where the movement is more rapid. The necessity of wintering the wheat at Port Arthur makes the syndicate dependent upon the prices which may rule some months hence, when it will be possible to forward the wheat to market. That the very highest market price is paid does not diminish, but adds to the risk. The low price of wheat tends to create an impression that it must rise; but the assumption is gratuitous and there is no certainty that there will be any increase in price. This however, the syndicate and the bank or banks that make advances to carry on the operation must have known and calculated upon.

Under the present arrangement there is no doubt the C. P. R. will find it necessary to carry the wheat at the lowest possible charge for freight. This is a great advantage to our farmers, at a time when the farmers of Dakota and other western States are obliged to submit to excessive charges for carrying their grain to market, charges which often cut down the net returns which they receive, below the cost of production. If our Manitoba and North Western farmers are making a profit out of their wheat, there can scarcely be a doubt that they owe their good fortune to the arrangements that have been made to purchase and ship their produce by the wheat syndicate. But, we repeat, though this syndicate is a good thing as a temporary expedient, it does not follow that as a permanent institution it would be useful or desirable.

OPPOSITE VIEWS OF THE NATIONAL POLICY.

No two views of the National Policy could be more divergent than those expressed on Tuesday night by Sir John Macdonald at Montreal, and Mr. Blake in Toronto. Sir

John was at a banquet given in honor of himself; Mr. Blake was addressing the Young Men's Liberal Club. Sir John found everything *couleur de rose*. Mr. Blake found more gloom than sunshine. Except the whirl of enthusiastic triumph there is not much in Sir John's speech; Mr. Blake's full of statement, might have been enlivened a little if less solid. Sir John's reference to the National Policy is of the slenderest kind; two-thirds of Mr. Blake's address consisted of criticism of the National Policy.

"In Canada," says Sir John, trying to find a cause of congratulation in adverse circumstances, "we are actually suffering from too much plenty;" "more wheat and flour than we want," "more cotton goods than there are backs to make shirts for," "more woollen goods than the people can consume." In this superabundant plenty he finds the cause of the low prices of wheat and flour and cotton and woollen goods. On the whole, the after-dinner appreciation was that this "is a very happy kind of misery." But the conclusion from all this bountiful misery, we are sorry to break the jubilation by saying, is economically unsound. It is that "we won't suffer from starvation as long as we have too cheap wheat and flour," and that "we will not wait for clothes so long as we can buy our shirts and great-coats at too low a rate." This logic may be a very good thing to cheer over, on a festive occasion, but it is a sort of oratory in which no English statesmen would venture to indulge. Unhappily the experience of mankind, in all countries, shows that there can be want and starvation in the midst of plenty. On the same evening, Mr. Blake was saying: "In an interview of a reporter with Mr. Pell, secretary of the combined city [Toronto] charities, Mr. Pell stated that there were more men out of employment than in any year since he had been in the city." Be that as it may, mere cheapness of a few necessary articles is no antidote to frost and hunger. The statements of Sir John are so wide of the mark that it is difficult to treat them seriously, and yet they were said in such a way as to elicit cheer after cheer. This achievement says much for the good will of the audience, but not much for the political economy of the speaker. What if this boasted abundance is the cause of pressure on the happy possessors? Those who have too much cotton have too little of something else; their means of commanding other forms of capital are restricted by the fact of their having an excess of what they cannot sell. Capital has taken a wrong direction; too much of it has gone into cottons and woollens, and the inevitable result is that there is too little elsewhere. The scaling of the debts of one great cotton dealer means loss of capital to his creditors, to the holders of bank stocks, in reduced dividends, to widows, orphans, all sorts of people. No, this plenty, as the over-production in a few lines is euphemistically called, is not a happy kind of misery; it is certainly not the worst kind of misery; and wheat is not cheap because Canada has too much of it but because the world has a superabundance of wheat; but this superabundance does not cure the world's poverty though it does ameliorate the lot of those