

began, and this led to a regular "bull" craze. Wheat prices ruled proportionately higher in the hard spring wheat belt of the United States and Canada than in any other wheat markets. The result has been a very serious injury to the milling trade, and heavy losses to legitimate grain dealers. Manitoba for instance lost her flour trade in British Columbia, owing to the fact that wheat prices were very much higher here proportionately than in the Pacific coast states. Further than this large quantities of Manitoba wheat were sold in eastern markets at a heavy loss to the dealers.

Naturally after the results of last season dealers are inclined to be cautious, and they are not likely to speculate extravagantly by paying prices in advance of actual values as they did last year.

THE COMMERCIAL pointed out on several occasions, previous to the commencement of the new wheat movement, that all indications tended to show that prices would start low this year. It was shown that Manitoba dealers could not pay prices above export values, and that export values were likely to rule low for some time. Still, many little items were published in other papers in the country, calculated to mislead farmers into believing that prices would be high, though there has been no good ground to believe that such would be the case at any time this season. The wheat question is a very difficult one to understand. It takes quite a little study to form clear ideas upon the matter. Few people outside of regular dealers have any idea of the statistical position of the cereal and of the real value of the commodity. Those not so posted are inclined to look at some very trivial matters as of great importance in determining prices, and are thus misled into believing that prices should be very much higher than is being offered. A good many of the items in the local papers predicting high prices have appeared on the ground that the "wish is father to the thought." In this country we all hope for good prices for wheat, and this desire has led many writers, who are not informed upon the general bearings of the wheat question, to seize upon trivial occurrences or reports as reasons for expecting higher prices. The result is that the farmers & a rule have very erroneous ideas as to the value of their wheat this year. They believe that it is worth a great deal more than is being offered, and conclude that there is a combination among grain men to keep down prices. Reports of this nature are being freely circulated through the country and have even appeared in some of the local papers.

As a result of this belief that prices should be high, the farmers are refusing to dispose of their wheat. The bulk of the stuff so far marketed is being stored by the farmers in country elevators at points where such storage facilities can be had, or shipped in store to Lake Superior points. The question as to the advisability of this course is open to controversy.

It is quite possible that prices may advance later on sufficiently to pay for holding the wheat. On the other hand as a general rule farmers have not gained much by holding wheat. Even if they do get a few cents more, the cost of carrying the wheat, paying insurance, interest, etc., will eat up the extra

amount received. The general movement to hold also retards the freer circulation of money and injures the general business of the country. Another point against the shipment of wheat by farmers to outside elevators for storage is, that a good deal will be classed as rejected and be dumped into bins with very inferior wheat, whereas by a little careful handling on the part of a dealer, it could be made to grade. Those who are inclined to believe that dealers have formed a combination to keep down prices, should take a lesson from past years. Why did not the dealers form a combination last year instead of paying the highest prices, based on the speculative values worked up at Chicago, Duluth and Minneapolis? The grain interest is too extensive to admit of such a move holding together for any length of time.

As already intimated, many items have been published both in Winnipeg and provincial papers, calculated to mislead farmers as to the value of wheat. For instance, an item has recently gone the rounds of the press to the effect that General Manager Buchanan, of the Bank of Montreal, had stated in an interview that he thought wheat prices would be high r than last year. Now, it is not at all likely that Mr. Buchanan ever made such a statement, but if he did, it only shows that he has less knowledge of the wheat situation than a man in his position should have. Another thing which has been very misleading to Manitobans is the published reports of wheat prices at Montreal and Toronto. For some reason Montreal and Toronto wheat markets have for a long time back been quoted away above real values. Telegraphic quotations from Montreal, as well as quotations in Montreal papers, have been as much as 10 cents per bushel above actual values. At the time of writing as high as \$1.00 per bushel is quoted for Manitoba No. 1 hard in eastern markets, but the real selling value for new wheat is not over 90 cents. This will explain the apparent discrepancy between quoted prices east and values here. The idea also seems to prevail in Manitoba that the crop in the United States is short this year, no doubt because the crop is light in Dakota; but notwithstanding the light crop in Dakota, the crop of the United States as a whole is placed at fully 100,000,000 bushels greater than last year, by the most reliable estimates. Another very important point to be borne in mind is values in importing countries. The *Miller*, of London, England, in its last report of the wheat trade, shows that values in that market are very considerably lower than a year ago. The average value last month in that market was 30 shillings, 8 pence per quarter (eight bushels to the quarter), against 35 shillings, 10 pence a year ago. In spite of the higher prices ruling in America for the crop year of 1888, prices have averaged lower in Great Britain, by about one shilling per quarter, as compared with the previous year.

As to the Vienna estimate of the shortage in Europe, there seems to be a general belief, both in Europe and America, that the shortage is exaggerated. At any rate the report of the Vienna conference has not had the effect of materially advancing prices in the leading markets of either continent. The *Cincinnati*

Price Current, a journal well informed in wheat statistics, recently contained a detailed estimate of the wheat production of the world, which placed the total crop of the world this season, at about 10,000,000 bushels greater than last year. More recently *Beerbohm's London Corn Trade List* submitted a similar estimate, showing an increase in the wheat crop of the world for 1889 of 16,000,000 bushels, as compared with last year. While these estimates show a larger crop than last year the difference is unimportant, as ten million bushels is a small matter in estimating the crop of the world.

In considering the wheat situation from a statistical standpoint, however, it must be considered that the outlook is strong. In the first place, prices are on a rock-bottom basis, and lower values can hardly be conceived of. Secondly, the supply of wheat as indicated by the most reliable statistics, is by no means excessive. On the contrary it is rather light. While the crop of the world for this year is about equal to that of last year, it is about 160,000,000 bushels less than in 1887. In addition to this, reserves are on a lower basis now than a year ago. It will thus be seen that the outlook is really as favorable, if not more so, to higher prices than it was a year ago, and this only shows the absurdity of the speculative "boom" in prices which occurred last fall.

But while the wheat situation is statistically strong, there may not be any marked advance in prices for some time. While new home-grown wheat is being freely marketed in importing countries, like Great Britain, the tendency of prices may not be in keeping with the statistical position elsewhere. The real strength of the position will be shown later on, in the movement of wheat and condition of reserves. Should the outlook later on point to a scarcity, prices will show some improvement. At any rate, reserves are certain to be very low before another crop year comes around. Still, an advance of 10 cents per bushel by next spring, would hardly pay farmers for holding their wheat in store, unless they have their own storage accommodation, and are not paying interest on borrowed money.

FIRE INSURANCE FOR RETAILERS.

The serious losses entailed upon the creditors of retail dealers, through losses sustained by the latter from fire, has several times been the subject of articles in this journal. Owing to the high insurance rates in our country towns, and to other causes, storekeepers in such places have not made use of the advantages offered from insurance as largely as they should do. The result is, that the destruction of a stock of goods by fire, very often has to be borne largely by the creditors of the unfortunate dealer. Dealers who can buy for cash of course are at liberty to use their own judgment in the matter of insurance, but those having large liabilities, which they would be unable to meet in case of a loss from fire, are certainly morally bound to avail themselves of the advantages of insurance to the fullest extent.

Recognizing the importance of this matter, an organized movement is about to be made to impress upon retail dealers the necessity of making more general use of the advantages offered by insurance, in the indemnity provided for loss from fire. A circular has been issued over the signature of S. A. D. Bertrand, official assignee, calling a meeting to be held at his office on Friday, October 4, to consider the matter. The circular is addressed specially to wholesale dealers, and it is hoped that eastern dealers doing business here will co-operate with western dealers to ensure the success of the movement.