

The Commercial

WINNIPEG, DECEMBER 17, 1891.

THE SEASON'S WHEAT TRADE.

Although there has been a good deal of agitation this season directed against the grain trade, it seems probable to The Commercial that the Manitoba wheat crop has been handled on a smaller margin than ever before. With prices so low as they have been, it is but natural to expect considerable grumbling on the part of farmers, and also from those who look upon the farmers as their customers and patrons. Many persons do not look beyond the local grain buyers to find the cause of low prices. When prices are low they conclude at once that there is an agreement among the local buyers to keep down prices. This no doubt accounts for so much talk this season about the "grain combine." But combine or no combine, the grain has been handled this season on a closer margin than ever before, and it has been handled so to speak with "neatness and despatch." First of all, the railways have done exceptionally well in moving the crop without entailing any serious delays at any time during the rush of wheat for export. The Manitoba grain trade has also proved itself fully equal to the occasion, and in the short season between the conclusion of harvest and the close of navigation, over 12,000,000 bushels of wheat (flour included as wheat) have been successfully handled and shipped out. While grain men have worked on a small margin, they have done a vast business. They have bought and sold promptly and shipped the stuff out at once, not holding with the expectation of enlarged profits. The business has been strictly legitimate and unattended with speculative features. The margin of profit has, we believe, been about 2½ per cent. on the prices paid to farmers, which is certainly small enough to leave no ground for complaint. If the farmers were their own shippers, they would not be able to handle the business individually on this margin.

The prompt shipment of the crop, or as much of it as can be got out before the close of navigation, is we believe the best policy to pursue. The experience of past years is against holding, and carrying wheat over has as a rule resulted in loss. In occasional years larger profits may be made by carrying wheat, but it is always risky and very often attended with loss. Selling promptly and realizing small but quick profits, has proved the most satisfactory plan, one year with another. Of course some wheat will always have to be carried over to the following summer, in Manitoba. We require a certain reserve stock to work upon until a new crop comes in; but a season like the present, which has proved a very favorable one for the movement of the crop, and made it possible to export a very large portion of the crop before the close of navigation, must be regarded as a most satisfactory one.

There is sufficient wheat left to speculate

upon in carrying over until, next summer. Possibly this may prove one of the years in which there will be good money in carrying wheat. We hope it will turn out this way. The great bulk of the crop has already gone out, but there is enough left to give holders a good sum should prices advance sharply. Manitoba grain shippers and millers have not had a very comforting experience during recent years. The general course of the markets has been against them and many of them have dropped a good deal more money than they have made in the trade. There will therefore be no reason for jealousy if they come out well next spring. Prices in Manitoba, however, have shown a tendency to advance rather than decline since the close of navigation and with the higher prices now being paid to farmers here, and the cost of carrying wheat over winter, we will require to have a considerable advance in foreign markets to enable local dealers to come out with a profit on their holdings next spring.

TRADE WITH AUSTRALIA.

Mr. W. S. Larko, who is going to Australia as Canadian commissioner, with the object of furthering our trade with that country, passed through Winnipeg last week, on his way to the island continent. While here he met a number of local business men in the board of trade rooms, and an informal discussion took place upon the question of trade with Australia. The small attendance at the meeting indicated lack of interest in the question, and the proceedings of the meeting itself failed to prove very interesting. No one present seemed to have anything important to say nor to be able to throw very much light upon the question. The fact is, so far as Winnipeg and the prairie country of Canada is concerned, there is not much prospect of working up a trade with Australia. There are no doubt certain lines of manufactures which we can send to Australia, but the factories are located in Eastern Canada. We have no local industrial concerns which can profit by Australian trade.

So far as our prairie region is concerned, we produce nothing of importance which we can send to Australia. Of flour and wheat the Australians have a surplus at home, and even if they were importers of breadstuffs, we would not be able to supply them. We cannot begin to compete with the Pacific coast states in exporting flour to China and Japan, for the reasons given in The Commercial last week, and very much the same reasons would apply to Australia, if Australians were importers of breadstuffs. In butter, cheese, meats, etc.,—in fact all the export commodities of the prairie region—the Australians produce a surplus. Instead of being purchasers of these goods they are our competitors. Since the establishment of the line of steamships between Australia and Canada, Australian products have come into competition with similar commodities produced in Manitoba. Australian butter and Australian mutton has been introduced into our Pacific coast markets, there to compete with the products of our prairie farmers and ranchers.

We in Manitoba therefore think of Australia as a competitor rather than a country with which we can extend our trade. The Australians, with their wheat, and dead meats, and butter, also meet us again in competition in British markets.

As we have nothing of importance which we can ship to Australia, it also seems that there is very little we can buy to advantage from Australia, owing to the similarity of their principal export products with the commodities which we produce here. Two lines of Australian goods have reached Winnipeg and have been placed on the market here. One of these consists of canned meats, an article which we do not produce here, but one which we should produce for export as well as for the local supply. In fact, canning meats is an industry which will certainly be established here, sooner or later, and the question of establishing such an industry in Winnipeg has been considered at intervals for several years past. These Australian meats will have some sale here, though they will have keen competition from the meats put up at Chicago and other United States packing points, with the chances in favor of the goods from the United States, on account of proximity and facilities for transacting business on short notice. The other line of goods from Australia which reached this market, consisted of fruit,—oranges and lemons. Only a few sample cases, however, arrived, shortly after the steamship line was established. The fact that nothing further has been done in this class of goods, would indicate that conditions are not favorable to an extension of the trade in fruits. There are so many other sources of fruit supply more convenient than Australia, that it seems improbable that the trade will amount to much.

With our Pacific province of British Columbia, there is more prospect of trade with Australia than there possibly can be between the prairie country and the far off island colonies. British Columbia sends considerable lumber to Australia, but this is not a new trade. It has been carried on for years by sailing craft. Canned salmon is also an export article which British Columbia can send to Australia, and possibly something can be done in other lines of fresh and cured fish. Australia, as stated, has sent butter and frozen mutton to British Columbia, and also some fruits. In the latter line there is better prospect for business at the coast than in Manitoba, as the Winnipeg market can be supplied more conveniently by way of the east.

PACIFIC COAST LUMBER TRADE.

C. F. White, a Washington state lumberman, has been writing about the effect of the new United States tariff on the lumber trade of the Pacific coast states. He says:

"The British Columbian can manufacture more cheaply than we can in Western Washington, for fully one half of their labor is done by Chinamen. He buys his stumpage as he cuts it, the crown owning and retaining the land. He is thus saved taxes and investment in timber. Here the lumberman must buy