

amounts to a heavy loss in the aggregate, considering the number of checks received, and the percentage of the loss is also very heavy. What merchant would like to have 12 1-2 per cent knocked off his sales? Sometimes a check on an outside point is sent for the small sum of \$1, making a loss, in exchange, of 25 per cent. The sum of \$4 or under can be sent by postoffice order for two cents, or up to \$10 for five cents. With this facility for remitting small sums at a trifling cost, it is unreasonable that checks should be sent, subject to exchange.

WHEAT.

Wheat opened strong last Monday, September option touching 76 1-8c at Chicago, which was the highest point up to that date since the upward movement set in. Later in the day there was a decline, when the visible supply came in, showing an increase of 1,782,000 bushels. This is of course, a large increase, but it should not be an alarming feature to the bulls, when the circumstances are considered. The liberal prices which are being paid for wheat is an inducement to the farmers in the winter wheat region to sell their new wheat at once, instead of holding, and if prices hold up well, a large movement of new winter wheat from the southwest should be expected. The Commercial market reports last week showed that wheat was in the neighborhood of 20 cents per bushel higher than it was a year ago. This should be an inducement to farmers to sell freely.

Another feature which should prevent any alarm over a rapid increase in visible supplies, is the small aggregate stocks now in store. The Chicago visible supply statement of stocks in store in the United States and Canada east of the mountains, as reported in The Commercial last week, showed a total of only 16,000,000 bushels compared with 47,000,000 bushels a year ago, 39,000,000 bushels two years ago, 57,000,000 three years ago, and about 60,000,000 bushels four years ago. The smallness of stocks now as compared with the past four years will be noted.

THE FAVORED NATION CLAUSE.

The announcement of the denunciation of the German and Belgian treaties by the Imperial government, came as a startling item of news on Saturday, July 31. While Canadian statesmen have been working for years for the abrogation of these treaties, in common with representative men of the other British colonies, there did not appear to be much prospect of the early abrogation of these treaties. In fact the belief to the opposite effect was so strong that the report of the

abrogation of the treaties was at first hardly credited.

The objection on the part of the colonies—the self-governing colonies at least—was well taken. These treaties with the German Zollverein and Belgium restricted the right of the colonies to regulate their own trade affairs. To this extent they were a source of irritation to the self-governing colonies. By these treaties the Imperial government bound the colonies, as well as the United Kingdom, to grant the most favored nation terms to the countries with which the treaties were made. Under these treaties Great Britain could not make a trade arrangement with one of her own colonies which would exclude Germany and Belgium. The treaties not only restricted the rights of the self-governing colonies in the matter of regulating their own trade affairs, but they placed the various independent countries forming the British empire on the same basis to each other as if they were foreign states. This latter feature was quite as objectionable as the restriction which the treaties placed upon the colonies in regulating their own trade affairs. It was certainly an unnatural and unreasonable condition, that the different countries of the empire could not enter into a trade arrangement between each other without admitting certain foreign states. Whenever the question of a closer consolidation of the empire came up, these treaties loomed up as a barrier to the way.

While to the home government the abrogation of these treaties seemed very distasteful, it was evident that sooner or later they would have to give way. They were a cause of irritation to the colonies, and their continuance might have brought about in time a situation which would not have been to the advantage of the empire. It is therefore a source of gratification to know that one of the most likely causes of friction within the empire has been removed. The imperial sentiment, the growth of which has been very marked of late years, also indicated that sooner or later these treaties would have to go.

The immediate cause of the denunciation of the treaties is undoubtedly due to the action of the Canadian parliament in granting a preference in the customs duties upon British goods imported into Canada. This put the home government in a very delicate position, to say the least. Canada would not grant this preference to the German Zollverein. The home government had either to except our free offer of preferential treatment and denounce the treaties, or refuse to take the preference which we offered without any demand for something in return. The growth of the imperial idea within the empire has been such

that a refusal on the part of the Imperial government to except the offer made by Canada, would have created a very bad effect. A refusal would probably have led to such an outburst as would have weakened the home government very much.

The preferential clause of the new Canadian tariff was certainly a splendidly conceived and far seeing idea. The greatest political opponents of the government must admit this. Nothing succeeds like success, and the policy of the Canadian government in this matter has been eminently successful. It has accomplished the desired result in a much shorter time than could have been expected. It is true however, that the jubilee celebration and the tremendous growth of the Imperial idea has been a great factor in forcing a favorable solution of the question, so prominently brought to the front by the new Canadian tariff. The efforts of Canada were of course ably backed up by colonial statesmen throughout the empire, and by the growing popular sentiment in the United Kingdom as well as in the colonies. Britons are now free to make such arrangements to trade among themselves as they may deem wise and no foreign state can interfere. Of course the treaties with Germany and Belgium will remain in force for one year from the time notice of denunciation was given, but this is not a serious matter. In the meantime the question remains unsettled, as to whether or not Canada will be obliged to extend the preferential treatment during this year to Germany and Belgium.

The great point gained in the denunciation of these treaties is the further freedom which has been assured to the self governing colonies, in regulating their own trade affairs. In this respect it is a great victory for the colonies in the matter of self government, and it is a victory which has been won by friendly action all around and not by hostile agitation. The point of secondary importance at the moment, though nevertheless a most important matter, is the bearing which the abrogation of these treaties will have upon the question of preferential trade within the empire. Whether or not anything ever comes of the idea of an Imperial trade Zollverein, one thing is certain, that the first step necessary to any effort in that direction has been taken.

The talk of a tariff war against Great Britain by the German press is somewhat absurd. Great Britain is a free trade country, and there can be no such a thing as a tariff war with a free trade country. A protectionist country would have everything to lose by provoking reprisals from a free trade country. The Germans are