

export our oats and barley at a profit after the opening of navigation by the cheaper summer water route.

If such a plan were assured of, it would be advisable to hold the oats and barley in the meantime and sell the low grade wheat. What is really of more importance at the moment, is the sale of this low grade wheat, as it will be risky handling it after the weather becomes warm. If the railway companies could possibly do it, it would be extremely advisable to have a special all rail rate made for the balance of the season on wheat grading under No. 8 hard, either for export or for Eastern Canada points. The average wheat rate from Manitoba points is 47 cents per 100 pounds to Eastern Canada and 49 cents to the seaboard. If a sharp cut could be made on these rates, it seems likely that considerable of this wheat might be sold for feed in Eastern Canada or exported via Atlantic ports.

The railway companies are deeply interested in the welfare of the country and the prosperity of the farmers. If they can do anything in this period of exceptionally low prices to help the farmer out they will be the gainers by it in the end. The Commercial, therefore, makes this appeal, earnestly hoping that it may be found possible to do something to let out the low grade wheat now, and to provide for the export of the oats and barley later on by the water route.

THE SITUATION.

The situation, which we described as alarming a week ago, has cooled down considerably both in domestic and foreign affairs. To begin at home, the provincial elections in Manitoba are over, and the result, as easily foreshadowed, has been a great sweep for the government. The small list of opposition members in the last house, suffered further serious reductions, and in the new house there will be practically no opposition.

The only question before the electors was the Manitoba school question, and on this there was not room for two opinions. Even though the opposition candidates generally pledged themselves to oppose federal interference in our school affairs, yet it was of no avail to them. The people were determined to show by electing government candidates that federal interference in this matter would be regarded as highly objectionable. It is a matter for regret that the opposition will be so weak in the new house, but under the circumstances there appeared to be no help for it but to return the government candidates.

In federal affairs the crisis is also over for the present. The bolting cabinet ministers have returned to the fold, with the exception of Sir Chas. Hibbert Tupper, but he remains out to make room for his father, Sir Charles Tupper, late Canadian high commissioner, at London. Sir. Mckenzie Bowell remains at the head of the government. As thus patched up, the ministry may pull through the session of Parliament, but it is very doubtful if the government will be able to pass a measure looking to interference in the Manitoba school question.

In foreign affairs, the Far Eastern question has not developed any new features, and so far as the public are aware, the Eastern

Question remains in statu quo. What may have transpired in secret diplomatic circles in this matter, however, is doubtful. In the meantime the Turks go on reducing the so-called Christian population of the country by wholesale murder.

Neither have any important new developments occurred in the Venezuelan question. It is reported that the British government is anxious to renew direct negotiations with Venezuela for a settlement of the matter. Various plans have been proposed by private parties or commercial or other bodies for a mode of settling the dispute, notably the proposal of the New York Chamber of Commerce to have a joint commission appointed by Great Britain and the United States to investigate the boundary question. The old idea of having a permanent court of arbitration to settle disputes between Great Britain and the United States has been "boomed" considerably as a result of this Venezuelan matter.

The South African trouble has still remained the principal feature of interest, though this matter too has been robbed of its most exciting features by the more pacific action of Germany, and the handing over of Dr. Jameson and the other prisoners by the Boers, to the British authorities. Germany has professed that she did not intend any hostility to Great Britain by her action in this matter, but all the same a great deal of mistrust of Germany remains, and will remain for some time among the British people.

German trade has suffered severely as a result of the hasty action of the Emperor and his council in this African trouble. Germany is the principal competitor of the British industries in the world's markets, and large quantities of German goods are handled through British houses. Many orders have been cancelled, to the detriment of German houses. Germany would certainly suffer great commercial depression as a result of a war with Great Britain. The latter country would easily maintain control of the seas and sweep German commerce therefrom, thus striking a blow at German export trade, which would cripple it for a long period.

The principal feature of speculation now in this South African matter, is the effect German action will have on the future foreign policy of Great Britain. Heretofore there have been two great alliances in Europe—The Dreibund and the Franco-Russian alliance. Great Britain has refused to join the Dreibund, though she is supposed to have sympathized with it. German action, however, would naturally tend to drive her toward the other alliance. While the effect will likely be to cause British diplomacy to seek more friendly relationship with France and Russia, it is not likely that Great Britain will form any close alliance with the latter powers. Her refusal to join the Dreibund has apparently had a good deal to do with the anti-British feeling which has been growing in Germany of late.

Viewed either commercially or politically, the erratic German emperor has evidently made a tremendous blunder. Germany has gone to almost humiliating extremes to endeavor to win Russian friendship, in order to isolate France. The anti-British policy of

the German emperor and people, however, may possibly lead to an isolation of Germany. British diplomacy could probably take Italy out of the Dreibund and into an alliance with France and Russia, leaving Germany and Austria alone in their alliance. An Italian alliance with their old enemy—Austria, seems out of place anyway.

The action of the United States in asking British protection for their subjects in the Transvaal, in view of the strained relations over the Venezuelan matter, has caused considerable comment this week.

EDITORIAL NOTES.

It was reported from Ottawa, as noted in The Commercial last week, that Senator Perley would introduce a measure to change the grading of wheat. It is not at all likely that the government would consent to any measure without first learning the opinion of the trade upon the question. Senator Perley's proposed measure, if correctly outlined in the report from Ottawa as published last week, would certainly not be approved by either the farmers or dealers, and it is difficult to see where it would be any improvement on the present grades, but rather the contrary. We will reserve comment, however, until we learn what form the proposed bill will actually take.

EGYPT under British rule has made great progress in law, order and all that pertains to good government. In late correspondence of the London Times reference is made to two measures which will indicate what British rule is doing for Egypt. One measure provides for the abrogation of an old law which declared judges irremovable, it having been shown that it led to much abuse. Another new measure provides for the organizing of societies for the prevention of cruelty to animals. These may appear trifling matters in themselves, but they indicate how things are going in Egypt.

Freight Rates and Traffic Matters

The Chicago Trade Bulletin of Jan. 13 says:—East bound lines are having a moderate business and rates were steady at 20c per 100 pounds on flour and grain and 80c on provisions to New York. Foreign freights were dull at 29½c to 31½c for flour and 48½c to 41.06 per 100 lbs on provisions to Liverpool. A fair demand exists for boats to load corn for winter storage and spring shipments to Buffalo, and charters for nearly 1,000,000 bushels were made at 2½c. A cargo of 50,000 bushels of corn to Kingston secured 4½c.

Wool in the United States.

The strength of the market is caused by the proposed tariff bill now before the Senate in Washington. If the bill becomes a law, wool will advance all along the line, and, if not, there is little prospect of prices being forced lower; hence dealers have put up their prices a trifle and are prepared to hold them for a time. Fleece wools and Australian grades have shown the most strength and advance, territory grades ruling comparatively very low. Domestic washed fleeces are about 2 to 3c higher than a year ago, while territory grades are selling almost as cheap as twelve months since. The advance in Australian wools compared with a year ago is about 6 to 7c per scouring pound. The next London sale begins January 14.