The Commercial

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The Commercial certainly enjoys a very much larger circulation among the business community of the country between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. By a thorough system of personal solicitation, carried out annually, this journal has been placed upon the desks of the great majority of business men in the vast district designated above, and including northwest Ontario, the provinces of Manitoba and British Columbia, and the territories of Assiniboia Alberta and Saskatchewan. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, AUGUST 22, 1892.

The Canal Toll.

The report that the government has decided to restore full tolls on the canals has excited both surprise and indignation on the part of Montreal grain shippers. Any other reception of the rumor would have been inconsistent with the efforts made from year to year for some time past to secure such a reduction of charges as would enable Canadian carriers, or, it would be more correct to say the Canadian route, to compete for the transport of the surplus cereal product of the north-western states. It has been contended ever since the abolition of tolls on the Erie canal that unless the Dominion Government extended equal facilities to forwarders by the Canadian route the task of building up a commerce by the St. Lawrence might as well be abandoned, or, at any rate, that in the future little could be hoped for beyond merely local traffic. Appreciating the force of this contention the Government conceded, seven years ago, a practically free passage through the canals to all grains destined to Europe which found an egress by way of Montreal, and there is no doubt but that the settled policy of the Government pending the enlargment of the St. Lawrence canals, had come to be the concession of practically a free passage from the upper lakes to the seaboard. Whether that policy has realized its full expectation is not easy to determine. Mere figures of the grain transportation prove little upon this point, since their bearing on the problem is dependent upon the quantity of surplus crop in the Northwest. Thus we find that the quantity of grain passing down the canals to Montreal decreased from 333,806 tons in 1880 to 96,569 tons in 1885, the first season in which a rebate of tolls was granted, and that in no subsequent year has the traffic attained the proportions of 1880. It is true that the last mentioned year was an extraordinary good one for forwarders, and that the traffic through the Erie canal to New York reached its highest dimensions at that time, but the statistics fail to prove that Montreal, or the St. Lawrence route, is making the proportionate headway in the competition for the export grain trade which circumstances warrant us in expecting. Montreal has undoubtedly held her own as an exporting point since the Government reduced the tolls on grain coming down the canal, but that is the utmost to be claimed.

The government has, however, a new problem to deal with, namely, the threatened imposition of heavy tolls on all traffic at the Sault destined to Canadian ports. It is too late to say that the Americans are playing a mere game of bluff. The expedition with which Congress put through the bill shows the earnest determination to give it speedy effect, and since its signature by President Harrison circulars have been issued to all collectors of customs in the United States, informing them of the contemplated retaliation, and instructing them to be governed accordingly. Thus we are brought face to face with a new situation, one quite within the lines of the Washington treaty, or at any rate consistent with the Canadian interpretation of that convention, except upon the point that the United States proposes to make a heavier discrimination in favor of its ports than the Canadian regulation makes in the interest of Montreal and the St. Lawrence route. As we have more than once said, it is profitless to discuss whether or not the Canadian rule contravenes the letter or the spirit of the canal clause of the Washington treaty. It is enough to know that in kind, if not in degree, the Americans have pursued the same course, and the practical problem set us is a way out of the difficulty thus created.

It has been suggested in some quarters to meet reprisals with reprisals. That is within our power. The Canadian government may impose a toll of $2 per ton on freight through the Welland canal between ports in the United States, which would yield a revenue of nearly half a million dollars on the basis of the traffic in 1890, when 245,932 tons were so transported, but the serious or practical question arises would this course be profitable in the long run? The United States can shut Canadian vessels out of Lake Michigan if it so chooses, for there is nothing to the contrary in the Washington treaty, and it may strike a blow at the railways of the Dominion by placing an embargo on transcontinental and inter-state traffic through Canada. No one familiar with the trend of trade will encourage action liable to precipitate these contingencies, and, however much we may dilate upon our powers of reprisal, we are ultimately driven to the common sense conclusion that both countries require for their mutual interest freedom of transportation by land and water.

The Dominion Government can stay the impending imposition of tolls at the Sault canal by abolishing the rebates, or by making a nominal rate of toll for all traffic through the Welland. If the former course is pursued, it will be necessary to protect existing contracts, in other words to extend the present nominal toll to all shipments already arranged for, and if this is done, the policy of restoring full tolls will not fail of approval pending a settlement of the whole question before another season of navigation opens.—Montreal *Gazette*.

Wheat Prices in England.

The London *Miller*, of August 1, reviews the course of prices in British markets during July as follows:—

The month's trade began with 30 markets out of 60 steady or firm on the first four trading days, but with the other moity more or less in buyers' favor. The price of No. 2 Calcutta wheat in London on the 8th was 30s 3d, while No. 1 northern spring made 32s 6d per quarter. The tone of the market was weak. At Liverpool value declined a penny per cental from the first, and 6s 11d was taken for Californian, 6s 6d for American red winter, both per cental. On the 9th the country markets were weak in tone but not quotably cheaper in price. On the 11th London buyers obtained No. 2 Calcutta wheat at 30s and Californian at 34s per quarter, value being 3d lower from the 8th. Top price flour was put down from 36s to 33s per sack. On the 12th at Liverpool, 6s 10d was accepted for Californian, 36s 5d for red winter, being 1d per cental decline from the 8th. On the 13th 29s 9d was accepted in London for No. 2 Calcutta. On the 14th Birmingham and Bristol wheat prices were 1s per quarter lower on the fortnight. On the 15th London was steady, and Liverpool picked up to 6s 6d for red winter wheat. The country average or the 16th was only 29s 1d per quarter being 4s 2d below the septennial or tithe average. At Mark Lane on the 18th a rather better business was doing, especially in flour, the very low rates quoted on the 13th and 15th having brought in buyers. Calcutta wheat No. 2, recovered to 30s 6d, as the fresh shipments from India showed a remarkable falling off. At Liverpool on the 19th Californian wheat advanced to 7s, and red winter to 6s 7d per cental. On the 20th Glasgow advanced 1s per quarter for wheat and 6d per sack for flour. Some of the country markets, like Bury St. Edmunds and Hereford, were 1s dearer for good heavy lots of English wheat. On the 21st Birmingham and Bristol recovered the decline of the 14th. On the 22nd, red winter wheat at New York being better in price, Liverpool followed suit and raised value to 6s 9d per cental. On the 23rd the imperial average was only 29s 3d for English wheat, but sales were brisk at these low rates. On the 25th Mark Lake was 6d dearer for wheat and flour, with the exception of Californian, which was sold for 33s 6d on spot, although for the new crop, prompt shipment, 34s 9d was paid. On the 26th Liverpool was firm for Californian at 7s per cental, but reactionary for red winter, which sold for only 6s 7d per cental. The last few market days of July were quiet and uneventful.

July as a month will be remembered for the British wheat average falling as low as 29s 1d per qr. A lower price was recorded in June, 1889, but with the exception of that one brief epoch we must go outside the present century for a like cheapness. In 1761 the average was 26s 10d, but as money had double its present purchasing power, this in reality stands for 53s 8d, and would be to-day a remunerative price. The rally of value from its lowest price does not yet amount to a full shilling, though it is a general sixpence. The large stocks are a great drag upon the market, but the quantity of wheat on passage, which stood at 2,460,000 qrs on the last day of June, has fallen by the 25th July to 1,662,000 qrs. The rye crop has been secured on the continent, but it is not a large yield anywhere. In France it is probably an average, and the price is only 27s per qr.; in Germany and Russia a higher price prevails. The French wheat crop is rather under average, but of good weight and quality, and many good judges say that such will be the general character of this year's wheat both here and in America, as well as on the continent. The new winter wheat in America is giving satisfaction to millers.

August has plenty of grain wherewith to carry on into a new cereal year. The situation has few dangers apart from the increasing difficulty of holding large stocks, and the pressure which heavy forward purchases may put upon the trade. If the importing element would refrain from giving any fresh orders for a couple of months the market would right itself automatically, the present stocks going healthily into use, and supplies on passage finding buyers as soon as the ships could unload. If such a healthy pause is not possible it may at least be hoped, and indeed expected, that the warning of last autumn will not be lost upon traders, and that orders for October and November shipment from Atlantic ports, for prompt shipment from remoter sources, will be made with something like a due regard for the unsold grain which the country has already in hand.