

# THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that portion of Ontario west of Lake Superior, the Provinces of Manitoba and British Columbia and the Territories.

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The Commercial certainly enjoys a very much  
larger circulation among the business community  
of the vast region lying between Lake Superior  
and the Pacific Coast, than any other paper in Can-  
ada, daily or weekly. The Commercial also  
reaches the leading wholesale, commission, manu-  
facturing and financial houses of Eastern Canada

WINNIPEG, MARCH 4, 1899.

## THE PETROLEUM MONOPOLY

We have heard a good deal about the coal oil monopoly of late. The Standard Oil company of the United States went about the work of securing a monopoly of the oil trade in Canada so quietly, that the whole business was successfully carried through before the public had any knowledge of what was going on. It seems nevertheless certain that the Standard Oil company now has complete control of the refining industry in Canada, and is carrying on the business in this country under the name of the Imperial Oil Co.—an old and well known Canadian company.

One of the first effects of the monopoly in our oil trade, is a compact between the oil company and the railway companies, whereby an additional protection has been secured to the Canadian refiners, against competition from the United States. The Standard Oil company does not control all the refining business in the United States. Some of these independent refiners have been sending their oil into Canada, to compete with the monopoly here. Monopolies of course do not like competition, and it is a part of their creed to destroy all such competition, by fair means or foul. The Standard Oil company is an old hand at the business and is no doubt well versed in the ways of monopoly. To choke off the competition

from the independent refiners in the United States, they succeeded in inducing the two big Canadian railway companies (the Canadian Pacific Railway and Grand Trunk Railway companies) to make a discriminating freight rate against oil coming from the United States. Not content with the enormous duty of 5 cents per gallon on refined petroleum, the railway companies were induced to add to this by means of discriminating freight tariffs. The companies by their tariff issued on October last advanced the through rate per 100 pounds on oil from Toledo to Montreal from 20 1-2 cents to 46 1-2 cents, from Buffalo to Montreal from 17 1-2 cents to 35 1-2 cents, and from Buffalo to Hamilton from 10 1-2 cents to 16 1-2 cents. By a later tariff the railway companies on Jan. 6 advanced the local rates in Ontario on United States petroleum and its products over 50 per cent, while the local rates on Canadian petroleum and its products remained the same as formerly. These railway discriminations were brought before the railway committee at Ottawa, when the railways agreed to withdraw the discrimination against United States oil in their local tariff of January 6, but the tariff on oil from points in the United States has been maintained, and will receive further consideration from the committee.

It would be interesting to know by what means the oil monopoly was able to influence the railway companies to resort to such scandalous discrimination. That the monopoly has been able to induce two powerful railway companies to resort to such questionable practice, should be an eye-opener to the people of Canada, giving as it does such a striking lesson of the baneful effects of monopoly.

The Canadian oil industry has long enjoyed a very heavy rate of protection from foreign competition, the duty of 5 cents per gallon on refined petroleum being equal to a tax of 50 to 90 per cent on the first cost of the oil at United States refineries. If the industry could not thrive with such heavy protection, it should be allowed to die. Such a heavy tax against the consumer, on such a staple article as illuminating oil, would appear to be a greater detriment to the country than the destruction of the oil industry. When it comes to adding a few cents per gallon to this protection, in the shape of discriminating railway freights, it is time to see that protection to this industry should cease. The plea that the discrimination is made in favor of a Canadian industry against a foreign competitor, should not be considered for a moment. It is a rascally piece of business, directed against the consumer. If we wish

to add to the enormous protection enjoyed by our oil industry, there is a legal way of doing it. This underhand business, at which the Standard Oil company has proved such an adept in the United States, must not be tolerated in Canada.

## WASTING OUR HERITAGE.

It is announced from Victoria that the new government of British Columbia will repeal the railway subsidies voted by the previous administration. This is a bold, but in the opinion of The Commercial a very wise move. Our governments, both federal and provincial, have been altogether too lavish in their voting away of the public domain to railway corporations. In no part of the Dominion has this nefarious policy been carried to greater excess than in British Columbia. Take for instance the British Columbia Southern railway. In this case a charter was granted to a syndicate of schemers for a railway through East Kootenay, and along with the charter the company was voted a large area of rich mineral territory, including the famous coal deposits along the Crow's Nest Pass railway. The company sold the charter and a portion of the territory for a large sum of money and still retained a property worth an enormous amount. The coal deposits of East Kootenay are believed to be amongst the most valuable in the world. The territory retained by the owners of the British Columbia Southern charter is undoubtedly worth many millions of dollars. Thus by the grace of the British Columbia legislature a few schemers are made millionaires, while the province is virtually robbed of its natural wealth. There is probably wealth enough in the coal deposits of East Kootenay to build hundreds of miles of railway even through the mountains of British Columbia, besides providing a rich revenue for the people. Why should not the province have retained this vast wealth and used it for the development of the country. It is high time that this granting of the public domain to railways and corporations should entirely cease. If we must bonus railways, let it be in cash. This granting of the public domain is sowing seeds of evil for the future of our country. Those who so lightly vote away the great heritage which should be the glory of our country, are committing a crime which will bring upon them the curse of posterity. The resources in land, minerals, timber, etc., which is of was our national heritage (for much has been already squandered), if properly administered and conserved for the benefit of the nation, would no doubt in time provide all the revenue required by the country, without assistance from any other mode of taxation.