

heavy expense. A question seems to have been raised as to whether the cost of the volunteers should be defrayed by the Province or by the city of Quebec. We can hardly conceive that any doubt can exist on such a point. Of course any rule on the subject must have a general application, and it would be a gross blunder to defray such charges from the Provincial Treasury. Montreal has already had to pay a similar charge, and it is a proper penalty on the inhabitants of a city that they should be required to pay for preserving order. It is no doubt hard enough that a small fraction of the population should have it in their power to put their fellow citizens to considerable expense merely for the gratification of a whim, but there would be still greater hardship in compelling the inhabitants of other parts of the Province to bear any share of it.

BASE COPPER COIN.

We observe that the Quebec Chamber of Commerce has been representing to the Minister of Inland Revenue that the Dominion Government should take steps to remove from circulation the base copper coin, the circulation of which is unquestionably a nuisance. It is very questionable, however, whether it is in the power of the Dominion Government to afford any relief under the circumstances. This is a very different case from the American silver, which was not only a Government coinage but a legal tender in the United States, and which obtained general circulation in Canada under very exceptional circumstances. As to the base copper in Quebec the remedy is simple: The public have only to refuse to take it. It may be that all that is desired is to procure a supply of good copper coins, which would be a very easy task, and one that any of the banks would probably undertake. We cannot help thinking that Quebec would like to be relieved of its base coin at the cost of the Treasury, which would be a very dangerous precedent to establish.

CEREALS AND SPECULATION.

Canada will ere long enter on that time of such great moment to the country at large, the harvest season, and on the quantity and quality of the cereals gathered into her barns during the next few weeks, will depend in a great measure the prosperity of the country, and the purchasing power of her wholesale merchants this fall, for nothing tends so much to increase imports as the certainty of a heavy yield, while *vice versa* poor crops just as surely decrease the demand for domestic and foreign goods, limit the circulation of the available bank funds, and

continue the cry of Hard Times, which unfortunately of late have been as "familiar in our mouths as household words."

We deem it not inappropriate to make a brief retrospect of the course of the grain-market during the last eighteen months, so far as Canada and the Western States, with which we are more intimately connected, may be concerned. The crop of cereals in 1876 with the exception of the coarser grain, was limited in quantity and poor in quality, and prices ranged early in the year 1877, from \$1.05 for No. 2 Spring Wheat in Chicago, to about \$1.34 in February of that year, when they took a downward turn, selling as low as \$1.12, and varying with the speculative purchases, which were rife at the time, and ranging from that figure to about \$1.30 until the declaration of war by Russia against Turkey, and the movement of the vast forces of the former caused an almost unexampled activity in the trade, and prices rose excitedly with many fluctuations, which were naturally to be expected, until the war values \$1.81½ were touched, and then came the reaction, and prices fell off almost as quickly as they had advanced. Fortunes were made in a few days, only to be lost in as many more, and we believe we are near the truth when we state our opinion that few or none drew a permanent benefit from these war prices owing to our poor crops. Canada benefited little if at all by these high prices, as she had no surplus stock to export, but a wild spirit of speculation was engendered, and thousands upon thousands of dollars, invested as margins for purchases, or for short sales in Chicago, by our business men, went, in the language of the late James Fisk, "where the woodbine twineth," and were seen no more by their unfortunate owners. One good effect, however, was produced, a greater acreage was sown in our western wheat-producing counties than ever before, and as the war continued with varying success to each of the belligerents in turn, high prices were naturally looked for, and the farmer and his willing family, as human nature prompts us all to do at times, discounted their heavy crops "in prospect," and bought freely on credit from their local shopkeepers all they required, and a good deal more. When the crop was harvested, the yield was found to be much above the average, but the quality throughout was far from being so good as was hoped for, but still the farmers, who had seen the high prices paid earlier in the season, in many cases decided that, by holding their wheat for some months, they would benefit by the large amount of breadstuffs required for the supply of Great Britain and France, for the crops of both these countries were under the average, and the latter, which had been a free exporter, now needed large supplies of foreign wheat, while the former would have to draw a larger quantity to her shores than had ever been imported before.

The capability of Australia to export was reported at a minimum, while from California doleful statements were wired daily, that all the breadstuffs in that country would not suffice for the wants of her own limited population. Many statements were made *pro* and *con* by the leading journals of Canada and the United States. Some advised their readers to take advantage of the fair prices then ruling, and warned the farmers to realize on their crops. Others took an opposite view of the situation, and brought a mass of figures to show that the necessities of the bread consumers of England and France were the opportunity sent by Heaven for the enrichment of the American and Canadian farmers, and that to neglect this opportunity would be nothing less than sinful, and these journalists strongly advised their friends to hold on to their grain until two dollars should be the value per bushel on this side of the water.

We refer our readers to the JOURNAL OF COMMERCE dated 21st Sept., 1877, in which, after extracting pretty freely, and laying before our readers the opinions of the press generally, we stated that such was not our view of the case and strongly advised those who held grain to benefit by the many advantages offered by the remarkably low rates of freight then ruling, and hurrying their grain to market, and accept the prices which were then available.

But unfortunately the high prices of the past spring would not be forgotten, the more especially as the continued success of the Russian troops seemed to render it certain that Great Britain must assuredly interfere to curb the spirit of the proud Muscovite, and check his advance on Constantinople, and the western farmers, as if moved with one spirit, decided to see the thing out, and held their grain in their barns, so that their deliveries became unusually small, and the western cities showed a stock which, compared to that of former years, was comparatively *nil*. We may say here that never before in the history of lake and river navigation had the rates for transporting grain fallen so low as they did in the open season of 1877, and so also with the other charges usual in handling breadstuffs. Marine insurance and charges for storage and elevating had been materially reduced, whilst the supply of tonnage at the Atlantic ports was in excess of the demand, and the rate of freight proportionately low. But the war feeling was strong with all classes, and all speculated for a rise, those in the cities, as their legitimate trade was curtailed owing to the forced absence of supplies; and the farmers who were no less speculators, although some of them doubtless did not risk their money on margin purchases, yet helped the movement by withholding their wheat from the consumer, and used the funds due their creditors for purchases made before their crops were harvested.