

In considering the advisability of increasing the flour duties, however, the Government will be obliged to give some thought to the interests of the Maritime Provinces and British Columbia, where the importance of the matter to the consumers is vastly superior to the local manufacturing interests. In British Columbia very little flour is manufactured, there being only one small roller flour mill in the province. Formerly British Columbia was supplied with flour almost exclusively from the States to the south, and still a large portion of the flour used in that province is imported from the United States. Since the opening of the C. P. R. Manitoba patent and bakers' flours have found a market to some extent in British Columbia, owing to their high quality, rather than cheapness. The proposed increase in the duties would increase the market in British Columbia for Manitoba flours, but it would be at the expense of consumers there.

GRINDING WHEAT IN BOND.

While the Dominion Government is dealing with the matter of increasing the duties upon flour, it might be advisable to also take the question of grinding wheat in bond, into consideration. Under the present arrangement, millers in Eastern Canada can import wheat from the United States in bond, manufacture it into flour without paying the duty thereon, and export the product in flour from the country. The point, however, is, that the millers are not bound to export the product of the wheat imported, in order to be freed from the payment of the 15 cents per bushel duty on the wheat. They are only obliged to export an equal proportion of flour to the quantity of wheat imported, and the flour exported to make up that proportion may be manufactured from Canadian wheat, while the product of the imported wheat is held for sale at home.

Under this arrangement it can be shown that an injustice is done Manitoba. The most natural point in the United States, from which wheat would be imported by Eastern Canada millers, to grind in bond, would be Duluth. Now it happens that Duluth is the only port whence supplies of hard wheat can be obtained, of a quality to compete with the hard wheat of Manitoba. The result of this grinding-in-bond arrangement is, that Eastern Canada millers can purchase hard wheat in Duluth, import and grind it in bond, free of duty,

and sell the product to their local or domestic trade, exporting flour manufactured from soft eastern wheats to an amount equal to the hard wheat imported. It can be readily seen, that were the practice of grinding wheat in bond, if carried on to a great extent, it would seriously injure the wheat and flour trade of Manitoba, in Eastern Canada. Duluth hard wheat, which is the only competitor of Manitoba wheat, can be imported, ground and sold free of duty, so long as the importer exports an equal quantity of any kind of flour, which may be low grade flour, from eastern wheat. Every barrel of high grade flour manufactured in bond and sold in this way, would just to that extent supply the demand which would otherwise call for Manitoba high grade flour. The grinding-in bond arrangement is therefore an injustice to Manitoba, which should not be continued.

PROVINCIAL FINANCES.

Hon. Treasurer Jones, of Manitoba, delivered his budget speech in the Legislature, on Monday last. The first item dealt with was the subsidy from the Dominion to the province, which amounts to \$435,595 for the year. Interest receipts for the year are placed at \$28,000. On special bank accounts, under an arrangement which requires that the Government give fifteen days' notice before withdrawing, the province has been getting 4 per cent. interest. On ordinary bank accounts, 3 per cent. interest is received. It is noted that the Government had considerable difficulty in placing the proceeds of the loans floated last summer. Law stamps revenue shows a considerable falling off receipts for the half year ended December 31st last being only \$4,504. The estimated revenue from this source for the full year is \$10,000. Liquor License, are estimated to produce a revenue of \$26,000 for the year, about \$5,800 of which was received during the first half of the year to December 31st last. The Land Titles office was estimated to produce a revenue of \$18,000, but for the first half of the year but \$5,631 has been received from this source. The total amount of ordinary revenue for the year was \$588,265. Added to this are the loans for the Red River Valley railway, amounting to \$720,000, and the Portage extension, amounting to \$400,000, making a total of \$1,708,265. The total estimated revenue was increased by \$225,193 of interest due from the railways, under

the railway aid act, a considerable portion being arrears of interest, some of which is not likely to be met.

The expenditure shows considerable reduction under the head of members' indemnity, salaries, printing, translating, legislation, etc. The total cost of civil government for the year is placed at \$169,065, or a reduction of about \$9,000 as compared with the previous year. The total cost for the first half of the present year has been \$75,393, which shows a reduction under the estimated expenditure on account of civil government, for the first half of the year, of about \$9,721. A number of grants to societies, charities, etc., are noted in the expenditure, including \$10,000 to agricultural societies, \$8,970 for hospitals, etc., immigration \$12,000, education \$120,000, drainage \$10,000. The sum of \$20,000 will be asked for the erection of a building for the deaf and dumb, which institution the government propose to establish and conduct. It is also proposed to expend \$50,000 in the erection of a reformatory and home for incurables. Under the new land titles act, \$20,000 will be required to erect buildings in different parts of the province. The total ordinary expenditure is placed at \$575,206. Railway aid expenditure for the year is placed at \$546,000.

The total proceeds of the loan authorized at the last session of the legislature is stated to be \$1,543,901.33. The loan was issued for £308,000 sterling. The bonds sold at 3 per cent. premium, which gave \$44,968 over the face value of the bonds.

In the matter of ordinary, controllable government expenditure, the Provincial Treasurer is able to show a total saving of about \$100,000. This is no small item in the total revenue of the province. Under the late government in this province, it used to be said that it took the entire revenue to "run the machine," leaving little or nothing for needed public works, etc. The present government at the outset made very great promises of economy in the administration of affairs, and it must be considered that they have carried out the promises to a very considerable extent. It is to be hoped, however, that they will not be satisfied with the record of one year, but, on the contrary, will honestly endeavor to continue the policy of economy, when it can be exercised to the advantage of the country.