The Commercial

WINNIPEG, MAY 28, 1894

WHEAT AND FLOUR RECIPROCITY.

Though the government has decided not to accept the offer of reciprocity in wheat and flour with the United States, it appears that some millers are of the opinion that the offer should be accepted. A discussion upon the subject has been going on in the Canadian Miller, and some millers have expressed the opinion that they were quite able to compete with United States millers for the flour trade of either country. The majority of the millers, however, as expressed by resolution at the last meeting of the Dominion Millers' association, are in favor of retaining the duty upon flour. The proposed new United States tariff provides that corn, cornmeal, oats, oatmeal, rye and rye flour and wheat and wheat flour shall be admitted free from any country which imposes no duty upon similar products imported from the United States. If the United States tariff goes through in this form, it will be a virtual offer of reciprocity to Canada in the products named. It would be perhaps premature for our government to accept the offer before the United States tariff bill is passed, but our government, by allowing the duty on flour to remain as before, evidently showed no intention of accepting the reciprocity offer. If there had been any intention of accepting it, our new tariff would doubtless have contained some provision to that effect, which would come into force after the passage of the new United States tariff bill.

The reciprocity offer includes all the commodities named, and one item could not be accepted without taking in the other products. Free corn would of course be an advantage to Canada, as it is required by our farmers in feeding stock, and it is a grain which is not produced in this country to any large extent. All feeders who have used it, know the value of corn. Even with the existing duty, considerable corn is imported into Canada for feed purposes, and the importation would be much larger if the duty were removed. Free oats and free oatmeal would not make any great difference to this country, but in certain years it might prove advantageous to have the United States market open to us. In other years the home market to our farmers might be reduced in price through the admission of these products free from the United States. Reciprocity in rye would not be of much importance any way as the grain is neither grown nor consumed largely in this country. It might, perhaps, enable eastern farmers to increase their rye crop to advantage.

The principal interest in this reciprocity clause centres in wheat. In Manitoba the farmers would be in favor of reciprocity in wheat, as they could sell to Minneapolis millers. Some of the grain shippers are also in favor of free wheat, as they could sell in or ship through the United States with less trouble from customs regulations than at present. While Manitoba would be able to sell wheat to Minneapolis millers, reciprocity in this grain would also enable eastern Canada millers to buy Duluth hard wheat, so that while some advantage would be gained, the present monopoly which Manitoba hard wheat has in Ontario would be lost. Eastern Canada millers are now obliged to use a certain quantity of Manitoba hard wheat, and in some seasons they have had to pay a sharp premium for it, which has been a benefit to the western producer. If they were able to go to Duluth and buy, it might cut off some demand for Manitoba hard. As a general rule, however, the markets are relatively the same on each side of the boundary. Reciprocity, however, would probably increase the competition in Manitoba for wheat, and the advantage to the farmer would be in favor of accepting the offer. Western millers would find their eastern flour trade cut into by Minneapolis and other hard wheat millers, but they would have free access to the larger markets in the eastern states, in competition of course with Minnesota and Dakota hard wheat millers.

THE TARIFF DEBATE.

The additional changes which are being made in the tariff from day to day, during the continuation of the debate at Ottawa, are a source of great annoyance to the trade. When the new tariff was first announced, many manufacturers and wholesale dealers expected that there would be no further changes of any importance, and they forthwith issued new price lists, based on the new tariff. The expectation that the tariff would remain as first announced, however, has proved a great mistake, as already a long list of changes have been made, and the tariff debate is not concluded yet, though it is expected the debate will be finally closed before this issue of The Commercial goes out. What makes these changes more annoying is, that importers will have to amend their customs entries and pay the increased duty upon any new goods imported since the new tariff was introduced. Thus, for instance, on goods which were placed at, say, 20 per cent. in the new tariff, and which have since been advanced to 25 per cent., dealers who have made any imports since the new tariff came into effect will be called upon to pay the additional 5 per cent. This is a feature which is not generally understood. The new tariff went into effect immediately when laid before parliament, subject, however, to any changes which might be made by parliament before the measure is finally adopted. Importers were allowed in the meantime to pass goods on the condition that they would be subject to any changes made. The largest number of changes have been made in the hardware and metals list, but many changes have also been made in other lines.

It is a matter for regret that most of the changes from the tariff as at first proposed have been increases in the duty. In a few instances concessions have been made, notably the reduction of 1 1 5c per gallon on refined petroleum, and an extension of the free list on lumber; but, as noted, most of the changes show an advance. A further very objectionable feature is, that quite a number of the changes are in the direction of restoring, or partially restoring, the specific duties. The particular objection to specific duties is, that it bears heavily upon the commoner qualities of goods. Thus, for instance, the old specific duty of 10 cents per pound on woolens, came very heavily upon the class of goods worn by the working people, while it would not be felt in anything like the same proportion on fine goods. The old duty on woolens was 10 cents per pound and 25 per cent ad valorem. The new tariff made the duty 32½ per cent. straight ad valorem. This has now been changed back to 5 cents per pound and 25 per cent. ad valorem. The government is certainly not maintaining its decision in the matter of tariff reform, as announced in the new tariff as first presented, for, as intimated, the increases since made considerably exceed the reductions.

EDITORIAL NOTE.

THE Canadian Dry Goods Review highly recommends the plan lately adopted by Winnipeg jobbers for disposing of bankrupt stocks. After explaining the plan, as set forth in The Commercial, the Review adds that it should be adopted in both Toronto and Montreal. As it would protect retailers who endeavor to pay their full share of liabilities, and would tend to prevent the compromises which have disgraced the mercantile community during the past year or two. It would further protect the creditors from the sacrificing of stocks at very low prices, and would help to induce a better state of trade generally.

More Dairy Meetings.

The directors of the Manitoba Dairy association found as a result of their conference with Dairy Commissioner Robertson Tuesday forenoon that it was impossible for him to overtake nearly all the places calling for a visit. They have, therefore, arranged to place an outfit in the field which will work on exactly the same lines as those sent out by the Dominion Government. They will take the field on June 1 and visit the following places in the order and on the dates named, and so far as train arrangements do not interfere will commence each day at 10 30 a m. The gentlemen working on this route will include Mr. Hettle, M. P.P., and Prof. Barre, Mr. Scott, Winnipeg, and Mr. Herbison, a skilled butter maker from Clinton, Ontario. The routes and dates are as follows:—

Wawanesa—June 2 4.
Belmont—June 5 6.
Baldur—June 7 8.
Miama—June 9-11.
Morris—June 12 13.
St. Jean—June 14 15.
Letellier—June 16.
Niverville—June 18 19.
Dominion City—June 20-21.
Kildonan—June 22 25.
Bird's Hill—June 26-27.
Dugald—June 28.29.
Little Mountain—June 30.
Rosser—July 3 4.
Oak Point—July 6 7.
Balmoral—July 10 11.

Silver.

Renewed weakness in India exchange depresses silver prices, the quotations for bars having fallen to 28 1 16d in London and [illegible] in New York. It is stated that a very limited buying demand for India is shown at the decline. Silver prices May 18, London, 28 1-16d; New York, 62½c.—Bradstreets.