

# The Commercial

WINNIPEG, MAY 30, 1892

## DEBT OF THE UNITED STATES.

A recently published census bulletin gives some interesting statistics of state and local debts in the republic. The total combined state and local debt for the year 1890 is put at \$1,135,210,442, an increase of nearly \$12,000,000 for the decade. There has been, however, a decrease in the amount of debt per head of population from \$22.40 to \$18.13 during the last ten years. The extreme western states increased their debts by about \$19,000,000, the per capita debt for these states increasing from \$13.85 to \$14.41.

The largest combined debt is that of the state of New York, which is nearly one-sixth of the whole. The smallest total debt of all is that of the territory of Utah; the smallest for any state is that of Nevada. The largest per capita debt is that of the District of Columbia, which was also the largest in 1880, though there was a considerable decrease during the decade. The amount per capita in 1890 was \$33.86. The largest per capita debt for any state was that of Maryland, \$40.46. The smallest per capita debt for any state or territory in 1890 was that of West Virginia, viz., \$3.32.

These figures represent the combined state, county, municipal and school district debt. The state debt for 1890 amounted to \$228,997,389, a decrease of \$68,246,706 since 1880. The total county debt amounted in 1890 to \$145,048,045, an increase of \$20,943,018 since 1880. The municipal debt, which constitutes the principal portion of the local indebtedness, amounted to \$724,463,060, an increase of \$40,114,217 since 1880. The school district debt amounted in 1890 to \$36,701,948, an increase of \$19,121,266 for the decade.

## BANKS CARRYING WHEAT.

There is some complaint among the grain men, that the custom followed so freely by bankers in Manitoba of lending money to farmers, upon the security of wheat, is not fair to the grain shippers. Many farmers have adopted the custom of storing their wheat in the elevators, and borrowing money upon the warehouse receipt. We do not see that the grain men have much reason to complain of this custom, at least this year. If the grain dealers had bought the wheat which is held by the farmers, at the prices ruling last winter, they (the grain men) would have been the losers. As it is, the farmers who hold are the losers, for the value of the stuff now is away below the prices offered here last winter. Besides the loss from the decline in values, the farmers lose the interest on the borrowed money, cost of storage, insurance, etc. Altogether it is a very serious matter to those farmers who refused to sell at the very low prices offered last fall and winter. If the grain men held the wheat, they would be worse off than they now are. By holding in first

hands, a portion of the losses of the season have been shifted upon the farmers.

No doubt the ability to obtain money upon warehouse receipts, has a tendency to induce farmers to hold their grain, and this is not an advantage to the country at large, as a general rule. Still, the farmer has a right to hold his wheat, if he feels disposed so to do, and a warehouse receipt is a legitimate document upon which to advance money, regardless of the holder of the document.

In the case of loans to farmers on wheat this year, the result is not likely to prove satisfactory to the banks. The amount advanced upon the wheat, is greater in many cases than the present value of the stuff, owing to the decline in prices. The holders of the warehouse receipts will of course demand the full amount of the loans, that is, they will ask the farmer to refund the difference between the present value of the grain and the amount of the advance on the warehouse receipt, together with interest and storage charges. In some cases there may be difficulty in securing this refund from farmers who are unable, or unwilling to pay up.

It is said that the banks are too anxious to do business. We have heard of bank managers in Winnipeg going out to solicit business, and this is not considered "good form" in banking circles. It would, however, be considered all right in most other branches of business, and why not in banking?

## THE NEWFOUNDLAND QUESTION.

The first day of the week brought the news of a temporary arrangement of the trouble between Canada and Newfoundland. The Canadian government, it will be remembered, recently submitted a *modus vivendi* for a return to the *status quo*, pending a complete settlement of the questions between the Dominion and the island colony. This has been accepted by the Newfoundland government, and matters will at once revert to their former state, as they were before the beginning of the dispute. Canadian products will now be admitted to Newfoundland at the old rates of duty, and the same will apply to Newfoundland fish coming to Canada.

It appears that there has been considerable pressure at home, which has led the island government to accept the olive branch held out by Canada. The legislation against this country does not appear to have been popular in Newfoundland, judging from press comments. There seems to have been strong opposition among the islanders to the course of their government, and no doubt the opportunity to get out of the difficulty without a back-down was welcome to the government.

The flour milling trade in Canada has perhaps suffered the most from exclusion from Newfoundland markets, and this exclusion coming at a time when flour milling is in a rather depressed state generally, has been anything but pleasant. The milling industry will therefore receive the news with pleasure. Considerable quantities of Canadian low grade flours, which are slow sale at home, have heretofore found a market in Newfoundland, and the sudden exclusion from that market was quite a blow to the trade.

The trouble with Newfoundland, it will be remembered, arose out of the opposition of Canada to the ratification of the Blaine-Bond reciprocity treaty, concluded between Newfoundland and the United States in 1890. Canada strenuously opposed the ratification of the treaty on the ground that it divided the interests of the two countries on the fishery question. The Dominion government urged that the interests of Canada and Newfoundland were bound up together, and that it would be an injury to each to have these interests treated separately. It was also shown that the treaty discriminated against Canada, and in favor of the United States. The Imperial authorities considered the objections of Canada well founded, and up to the present time has refused to ratify the treaty. In a spirit of retaliation, the Newfoundland government refused to allow Canadian fishermen to procure bait in their waters, while United States fishermen were allowed to procure bait free of restriction. This was submitted to for some time by Canada, but finally a duty was placed upon Newfoundland fish coming into this country. Another step was taken by the island authorities, when prohibitory duties were placed upon principal Canadian products imported into Newfoundland, flour being advanced from 25 to 75 cents per barrel, and other products in proportion. These discriminating duties against Canada, cut off our trade with the island, and gave it to the United States.

Whatever may be said as to the points in dispute, it is a matter for satisfaction that a amicable adjustment is likely to be arrived at, and that pending negotiations, all arbitrary measures are to be withdrawn. Coming at a time when there is so much discussion about extending trade within the Empire, Imperial Federation, etc., the dispute between Canada and Newfoundland was anything but a pleasant example for those who hope for closer trade or political relationship between the different divisions of the Empire. The question of discrimination against a British country, as in favor of a foreign nation, is the great point involved in the Newfoundland dispute. Canada has just refused to enter into a commercial treaty with the United States, which would discriminate against Great Britain. It is well known, that during the visit of the Canadian ministers to Washington not long ago, this point was discussed. The Washington government would enter into treaty negotiations only on the acceptance by Canada, of the principle of discriminating against Great Britain and the Empire. Canada refused to discriminate against any part of the Empire, as in favor of the United States, hence the failure of the visit so far as the question of reciprocity was concerned. If this principle is to be upheld, the Imperial government could hardly ratify the proposed treaty between the United States and Newfoundland.

## Deception in the Jewellery Trade.

The following letter, addressed by W. F. Doll, to the Winnipeg Free Press, is reproduced in THE COMMERCIAL as a matter of general interest:

To the Editor of the Free Press.

SIR,—On my return yesterday after an ex-