

## THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that part of the West of Lake Superior and 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 between Lake Superior and the Pacific coast than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, mercantile, manufacturing and financial houses of Eastern Canada.

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### NO LAND GRANT.

The repeated assertions of the Minister of the Interior, that any land grant to the proposed Grand Trunk Pacific railway will not be considered, is reassuring to the people of Manitoba and the Territories, who know the bad effect resulting from this policy, as practiced in the past. Notwithstanding the statements which previously came from Ottawa, that the policy of giving land grants had been discontinued, it was feared that some excuse would be found for handing a grant of land over to the proposed road. It was remembered that the present government proposed a land grant for the Yukon railway, which came to grief in the Senate. This was after the announcement had been made that no more land grants would be given. If a land grant to the Yukon road, why not then to the Grand Trunk Pacific? However, we have the repeated assurance of Mr. SIMON that no grant of land will be made to the Grand Trunk Pacific railway, and we must accept this as final.

There are many reasons why the Grand Trunk Pacific promoters would be anxious to secure a land grant. In the first place, they could secure a larger subsidy in land, or part land and part cash, than in straight cash. People in the east who would oppose a large cash grant, would not object as strongly if it were western lands which were being given away. There then was a tendency to undervalue the land, so that the company would be getting more than would appear on the surface. It is very satisfactory for the west, however, to be assured that a land grant will not be a part of the bargain with the proposed road.

The Grand Trunk Pacific promoters still have a chance of securing a land grant from British Columbia. Unfortunately the people of that province have not yet learned the foolishness of giving away the public domain to promoters. If all reports are true, both the Grand Trunk Pacific and the Canadian Northern Railway promoters expect a large land grant from British Columbia. The business loss which British Columbia has already sustained through giving away mineral lands, does not seem to have fully educated the people as to the unwisdom of such a course. The loss to the province of the enormous wealth represented in the Crown's West Pass coal deposits

alone would, we should think, be sufficient to turn the people strongly against any further grants of the public domain to promoters. The people of British Columbia have abundant reason to beware of promoters who seek for land grants and similar concessions. The past history of the province reveals some unfortunate transactions of this nature, which should teach them to avoid such mistakes in the future.

### RECIPROCIITY.

The idea of reciprocity with Canada seems to be taking strong hold of our neighbors to the south of us. Within a few weeks attention has been forcibly drawn to this question in a public way under several different circumstances. The recent convention held at Detroit, Mich., declared vigorously for reciprocity with Canada. At the convention was called for the purpose of considering the question in a general sense, as a policy to be applied in dealing with foreign countries generally, the attention of the convention was largely directed to trade relations with Canada in particular. A strong resolution was adopted declaring for reciprocity with the Dominion. A few days later the National Board of Trade of the United States, in session at Washington, de-



A U. S. VIEW OF RECIPROCIITY.  
Canada.—"The ring first, if you please, Jonathan."—From the Minneapolis Journal.

clared for reciprocity with Canada. In the Northwestern States an association has been organized specially to work for reciprocity with Canada. All these things have occurred within a few days, and at places far apart, showing that the movement is widespread and emphatic in the Northwestern States the feeling in favor of reciprocity with this country is perhaps stronger than in any other part of the country. The leading merchants of St. Paul, Minneapolis, Duluth and other business centres, seem to think that Western Canada is their natural market, and they strongly resent the tariff barriers which keep them out of this country.

Still another feature which has occurred very recently to draw attention to the question of reciprocity is the action of the United States Congress regarding coal. True, this concession was forced from Congress by the present remarkable situation regarding fuel in the United States, but the effect is to direct public attention in the United States to the general question of trade intercourse with Canada. The action of Congress regarding coal, though done only for the purpose of meeting a peculiar and temporary situation, may have a far-reaching result which it was not intended to have. If the rebate of the duties on coal works satisfactorily and to the

advantage of the people, as it certainly will, it will lead to a demand for a continuance of free coal, and further, will direct attention to the broader question of the general situation regarding trade relationship with Canada.

While much less interest is being taken in Canada in the question of reciprocity at the present time than in the United States, no doubt this country will be prepared to meet the United States in any fair measures which may be proposed toward removing the barriers to trade now existing between the two countries. We are not, however, prepared to go in enthusiastically for anything our neighbors may propose in the way of commercial union, unrestricted reciprocity or any such fads. If our neighbors are really anxious for freer trade relationship with this country, the best way they can start operations to improve the situation would be to begin at home, by lowering or abolishing the duty upon products coming from Canada. At present the tariff between the two countries is altogether in favor of the United States. Let them begin by reducing their tariff to something like a parity with the tariff we collect on imports from the United States, and then it will be time to call upon Canada to reciprocate by agreeing to further mutual reductions on both sides.

Another plan might be for Canada to advance her tariff to something like a parity with that of the United States, and then we could talk of mutual concession on a fair basis. As it stands the United States has altogether too much of an advantage now for us to begin making concessions. Take the single line of agricultural implements, for instance, as a sample. Last year we imported \$2,555,468 worth of these goods, but we cannot export a dollar worth in return to the United States. This is rather a jug-handled arrangement, but it represents the tariff situation between Canada and the United States, as applied to a good many classes of goods. We might begin by advancing our tariff on implements and other lines, to correspond with the United States and then we could say to the United States: "Now we are on a fair basis as to reciprocity of tariffs. We are prepared to meet any reductions which you may make."

### THE CANADIAN BANK OF COMMERCE.

The financial report of this bank, presented at the recent annual meeting, was very satisfactory. The profits for the year exceeded a million dollars, and with the advance brought forward from last year, was sufficient to pay two half-yearly dividends at 7 per cent. per annum and transfer an even half million to the rest account. In addition to this, a balance of \$152,821 has been carried forward to the next year. The bank has opened during the year no less than fifteen new branches, while one in Rosland, B. C., has been closed. This shows that the bank is keeping pace with the general development of the country. Most of these new branches are located in the west, and was opened in Ontario and one in New N. S. The remaining new branches are in the west, eight being in Manitoba, four in the Territories and one in British Columbia. The fact that twelve of the fifteen new branches are in Manitoba and the Territories may be taken as an indication of the rapid development of this part of the Dominion.

The address of General Manager Walker, delivered at the annual meeting of the bank, is reproduced in The Commercial this week, and will be found on another page. Though lengthy, it will be found of sufficient interest to fully repay careful perusal. In fact, all business men who wish to inform themselves as to the situation, will find very entertaining reading in this address. The general manager begins with a word of caution regarding the excessive tendency to speculate, also very true in the past year, and he speaks depreciatively of stock gambling. He also points at the possibility of industrial development being carried beyond the requirements of the country, which, in case of depression setting in, would result disastrously to some of these industries. The lumber industry is reviewed, and the need of conserving our forest areas is pointed out. Re-forestation is urged as a duty upon the government. In his review of conditions in the West, the general manager forcibly points out the need of farm granaries in the wheat districts.

### BANK OF NOVA SCOTIA.

The seventy-first report of this bank for the year ending Dec. 31 last has been published. This is a very satisfactory document for the shareholders. It shows the strong position which the bank continues to occupy. The remarkably large reserve fund held by this bank shows a further increase of \$200,000, making it now the even \$2,000,000, equal to 150 per cent. of capital. This is a very strong position and one which other financial institutions may well envy. Another strong feature is the proportion of assets immediately available, over three and a quarter millions being in specie and Dominion notes alone.

The net profits of the bank for the past year exceeded those of the previous year by \$61,295.49, and amounted to \$430,522.50. This sum, together with a balance of \$11,702.83 from the previous year, made \$442,025.33 to be distributed. From this two half-yearly dividends, amounting to \$190,000, have been deducted. This is at the rate of 9 per cent. per annum for the first half year, and 10 per cent. per annum for the second half year. The sum of \$250,000 has been transferred to the Reserve Fund. \$200,000 has been written off Bank Premises account, \$10,000 has been contributed to Officers' Pension Fund, and a balance of \$12,025.33 has been carried forward.

The statement shows that the management of the Bank is conducted with the utmost caution and conservatism. The statement of liabilities, for instance, shows that the rebate of interest on time deposits is calculated at the rate of six per cent., a liberal estimate. The assets of the Bank, which, at the end of 1901, were \$25,744,535.50, are now \$27,658,558, an increase of nearly two millions of dollars. The debt on the long term interest, amounting to \$18,532,280.82,

### Woolino Canada.

The cartoon on this page shows Jonathan wooing Canada with the "Reciprocity engagement ring." What Jonathan is really after is annexation. While he holds out the ring, he refuses to deliver the goods. Canada, however, is not likely to be caught in the trap. It has been a pretty general belief in the United States that Canada could be forced into annexation. This speculation which shut us out of the United States market. This policy has evidently now been abandoned, judging from the present movement in the United States in favor of reciprocity with this country.