

THE Montreal board of trade this afternoon discussed the customs question and demanded an immediate reform of the system at present in vogue. It is understood that the importers of the city are taking steps to form an Importers' Protective Association, to consist of importers, for the purpose of resisting unjust restrictions and arbitrary fines imposed under the present customs laws. The developments in the Ayer's patent medicine case have hastened this action.

EASTERN people can hardly be blamed if they fail to see the unanimity of feeling existing throughout the entire Northwest against railway monopoly. They look at the vote on the question in Parliament, where six Northwestern members voted for monopoly and only three against it. Of the latter even, one is pointed out as only opposing disallowance in a half-hearted way. The way in which this part of Canada is represented or rather misrepresented at Ottawa, is quite enough to cause the impression to those not intimately conversant with the situation here, that we are only half in earnest in our opposition to monopoly. The Montreal *Herald* looks at the question from this standpoint, and says: "The views expressed (by the *Herald*) are held by the majority of people in the Dominion of Canada, and apparently by a good number of people in Manitoba and the Northwest Territories. Two out of five of the Manitoba Members voted against the building of the Red River Valley Railway, and even the member for Winnipeg, though voting against disallowance, was honest enough to say that his opinion was to the contrary effect. The whole of the members for the Northwest Territories constituencies voted against the construction of this road."

THE thirteenth annual meeting of the shareholders of the Federal Bank was held in Toronto on the 22nd ulto. The report, which will be found on another page, showed a steady improvement in the general business of the bank throughout the year, the net profits, after deducting expenses accrued interest, the nucleus of an officer's guarantee fund, and writing off all bad and doubtful debts, reaching \$96,868, or \$20,000 more than those of the previous year, and equal to 77 per cent. on the paid-up capital. Of the total profits, \$75,000 was distributed in dividends to the shareholders, and of the remainder, a sum of \$25,000 was added to the rest, bringing that fund up to \$150,000, and the balance of \$72,249 carried forward to commence the new financial year. During the past twelve months the circulation has increased \$32,625, the deposits \$272,776, and the discounts \$335,919, while, thanks to the prudent and conservative policy of the bank's officers, the past due bills have decreased by \$88,372. The commencement of an officers' guarantee fund to provide against errors and defaults is a step in the right direction, and, should necessity ever arise to make use of it, will be found an important and reliable safeguard for the interests of the shareholders. This bank was somewhat unfortunate in its earlier business connections in Winnipeg, but under the present management it is now doing a safe and prosperous business. The officers were not discouraged with these early losses, and with a firm faith in the

future of the country, they determined to hold the fort here. They are now reaping the benefits of their wise foresight.

PROTECTION does not seem to work well in Germany. The German export trade is declared to be in a very depressed state, and the blame for the sad state of affairs prevailing is cast upon the Government for its policy of continually heaping up the duties, which has been in vogue for some time past. In discussing the subject recently, *Kuhlow's German Trade Review* said: "The increasing favor shown by modern German politicians to the imposition of protective duties, is beginning to draw forth signs of disapproval from the different Chambers of Commerce all over the country. The wish is being continually expressed that a period of peace and quietness may now finally be established, so far as the taxation laws are concerned. A perfect chorus of protests against further alterations reaches the ears of the Reichstag from the Chambers of Commerce at Stuttgart, Upper and Lower Bavaria, Reichenbach, Schweidnitz and Waldenburg. Above all, the taxation of the raw materials is vehemently denounced. The coolness with which the most monstrous taxes on wool and flax are demanded is especially noticeable. In consequence of the great lack of both of these raw stuffs in Germany, a lack which in all probability can never be compensated for by an increased production, the whole weight of the tax would fall upon the shoulders of the manufacturers, and the entire export trade would be destroyed. For German industry this would be a distinct blow. Industrial protective duties have the well-known effect of rapidly increasing the number of manufactories, and then, in consequence of the resulting competition, prices become depressed."

FLOUR milling in its present stage of development is in many ways a most precarious business. There is perhaps no industry which requires a more constant display of "eternal vigilance" to make it successful and profitable than milling. There is keen competition from every quarter, and the result is that only the very fittest are surviving. Milling in many districts, and in fact entire countries, has been rendered unprofitable, and at the present day there are probably millions of dollars sunk in milling enterprises. Milling systems are constantly undergoing changes and improvements in the direction of economy, and every part of the business, from the purchase of grain to the disposal of the manufactured product has been reduced to a science, with the same object of reducing expenditure, in order to meet competition. It is therefore necessary that milling enterprises should be under the direction of practical men, in order that success may be assured. The following companion pictures from the *Northwestern Miller* present an apt illustration of what may or may not be accomplished, and it may prove interesting to some here, in view of recent developments in the milling line: "In a certain city there is a large mill, owned by a rich man. It was erected at the time when the flour trade was booming, when profits were high and buyers not as particular as at present. It cost a large amount of

money and was built on the most approved system then in operation. The best work and the best machinery, with careful supervision as to cost and quality, made of it what was considered a model mill. It was operated for a brief period at a profit, but when prices fell and heavy production of similar flours made necessary the employment of improved methods of marketing and economical operation, this mill dropped to the rear and was finally shut down. It has now been idle for years, mention of its name is jeered at, its machinery is rusty, its bolting cloths have been destroyed by insects and decay, and the entire building is fairly alive with rats and vermin." In the same city, and within a stone's throw of this monument to business imbecility, stands a large and handsome mill of about the same capacity. It was built by practical business men about the time the other mill was shut down. They selected a thoroughly competent miller to superintend its construction, gave him a liberal allowance of stock in the company, and placed him in charge of the mill when it was finished. This mill has as good a record for steady running as any in the country, its flours are quoted at the top in the best markets, it is generally behind on orders when its competitors are complaining of dull business, and it has made good profits for its owners from the start."

THE following letter appeared in a city contemporary over the signature of "A country Merchant": "What is to be done with our butter is a question that is now puzzling the brains of our country merchants. Two years ago the city of Winnipeg and western consumption was equal to the production of butter in the Province of Manitoba. Since that time the situation has materially changed. Western production has now a surplus, while that of Manitoba has now more than double. At the same time the consumption in Winnipeg has not increased at nearly the same ratio, while at the present time the city trade is being supplied by farmers direct, who peddle it around to the grocers, hotelkeepers, boarding-houses and even to private dwellings. Consequently large stocks are accumulating in the cellars of the wholesale and commission merchants, as well as those of the country merchants at their places of business. What then are our merchants to do with these surplus stocks? The board of Trade should take the matter up and try and find some solution for the difficulty without delay. Otherwise the country merchants will either have to refuse taking it as an article of commerce or pay such a low price for it as will enable them to ship it out of the country to some other market, the latter being difficult for them to do, as very few have sufficient to make a car lot, and shipping in less than car lots is too expensive." Undoubtedly the first thing to be done should be in the direction of improving the quality and mode of packing and handling butter. So long as there was a home market at good prices, little discrimination was exercised in preparing butter for the market. People had to have the butter, whether it was of first quality or only medium, and usually only the latter qualities could be obtained in this market. Now, however, that there is a surplus over home requirements, matters have