

THE COMMERCIAL

The recognized authority on all matters relating to trade and progress in Western Canada, including that part of the great west of the continent, the province of Manitoba and the Territories.

Twentieth Year of Publication.

ISSUED EVERY SATURDAY.

Subscription—Canada and the United States, \$2.00 per annum in advance, \$2.25 when not so paid; other countries \$2.50 in advance.

Changes for advertisements or stops should be in not later than Thursday morning.

Advertisements purporting to be news matter or which profess to express the opinion of this journal, will not be inserted.

The Commercial certainly enjoys a very much broader circulation among the business community of the vast region lying between Lake Superior and the Pacific coast, than any other paper in Canada, daily or weekly. The Commercial is also the leading business, commission, manufacturing and financial journal in Western Canada.

Office 29 McDermott St. Telephone 234.

D. W. BUCHANAN, Publisher.

WINNIPEG, FEB. 22, 1902.

DUTY ON PAPER.

We announced last week that the duty on news print papers had been raised from 25 to 15 per cent, owing to the existence of a combine among paper manufacturers. The tariff act of 1897 provides that when it is shown that a combination exists among manufacturers to unduly advance prices, the government may reduce or abolish the duty. The combination among the paper manufacturers has existed for some time, and its existence was well known to the trade. It was such an open and bold one, that it hardly required the elaborate legal investigation made by the government to prove the situation. Now, however, ever, that the whole thing is admitted, the action taken by the government hardly seems equal to the occasion. The duty has been reduced from 25 to 15 per cent, on cheap news printing papers only, the reduction being confined to papers costing not more than 2 1/2 cents per pound. This is only a small part of the total paper trade covered by the combination. The paper manufacturers regulate prices not only on cheap news printing, but also on all kinds of paper, including wrapping papers, book papers, etc. It will therefore be seen that the moderate reduction of the duty on one class of paper only, is not a very enthusiastic remedy to the present, or to avert some action. That action has been limited to a moderate reduction of the duty on only one line of goods out of many manufactured by the members of the combination. Moreover, it is noticed that this moderate reduction of the duty has been by the large daily papers. It does not include the better quality of paper used by many book and monthly journals, or for book and magazine printing, nor does it embrace the duty on paper used by merchants for wrapping purposes. The object of this single reduction on cheap news printing paper would seem to be to appease the demand of the newspaper press for cheaper paper, and thus stop the agita-

tion from this source, which enjoys special advantages in making its head.

Paper manufacturers are still highly protected. The old duty remains on all their lines, except cheap news printing papers, and even on this line they have the liberal protection of 15 per cent duty yet remaining. In an industry which enjoys such specially favorable conditions for manufacture in this country as paper, 15 per cent seems like a fairly liberal protection. It has long been understood that there is hardly any industry which can be carried on to better advantage in Canada than paper-making. The country offers peculiar advantages for the manufacture of paper. We have the greatest supply of raw paper material in the world. Yet we find that our paper manufacturers have combined to advance prices, to a point where foreign papers were being imported, thus compelling home consumers to pay the amount of the protective duty on goods manufactured at home.

WANT MANITOBA WHEAT.

Another interest in the United States has been stirred up in favor of extended trade intercourse with Canada. We refer to the agitation now working among Minneapolis millers to secure Manitoba wheat. Years ago The Commercial predicted this very thing. This journal then said that when the production of wheat here would be a continuous surplus for export, there would be an urgent desire to secure from the milling interest south of the boundary for our wheat. We have now reached the point where we may be expected to keep up a steady export supply of wheat, and the Minneapolis millers have been quick to take notice. The Minneapolis papers are now advocating the free trade from Manitoba, and it is evident from the tone of the articles that they have been inspired by the milling interest. On account of the United States tariff, which imposes a duty on wheat, the millers south of the boundary cannot secure supplies of the Manitoba cereal. While a portion of our wheat crop passes through the United States for export, it is so shipped only in bond. It cannot be ground or consumed in the United States unless the duty be paid, and the duty, of course, is prohibitory. United States millers, therefore, get no benefit from the passage through their country of a portion of the Manitoba crop. The benefit derived therefrom has been confined mainly to the railway and elevator interests.

It is somewhat interesting if not amusing to note some of the arguments in favor of the admission of Manitoba wheat free of duty. One *Minneapolis Journal* alleges that the price of wheat as advanced by the farmer would be advanced by the free admission of the Canadian grain. The argument is an ingenious one, and is on this wise:

"Well-informed grain men think that if this Canadian wheat were to be regarded as a part of the whole price of wheat in the United States crop, it would cause the average level of wheat prices to rise somewhat higher than at present. Being denied access to the United States market, and the consumption of Canada being insignificant compared with the country's wheat, the effect of the Canadian crop is to react on the other hand, and gives the buyers there certain advantages over the Canadian sellers. They jam the price

down to the lowest notch, and that process, of course, has its effect on the price paid for United States grain offered in the same market."

The United States farmer is now gravely told that the price of his wheat is fixed in Liverpool, and that Manitoba wheat depresses the price there more seriously than would be the case if it were admitted into the United States free of duty. This is certainly quite a remarkable argument, and we give it for what it is worth.

In another *Minneapolis newspaper* article it is stated that the big crop of Manitoba wheat is demoralizing the milling industry of the states to the south. The paper asserts that Manitoba wheat is being purchased by British and European millers, and ground into flour, at prices with which the Minneapolis millers cannot compete, hence they are not able to export to as good advantage as formerly.

The Minneapolis millers, we are told, are now considering the possibility of grinding Manitoba wheat in bond, under a law of the United States which permits a rebate of duty on raw material which manufacturers for export, one per cent, only of the duty being retained.

From this it is evident that Minneapolis millers want our wheat, and we will be quite willing to let them have it. Whether they succeed in having the duty removed or decide to grind in bond will not matter to the Manitoba producer. At the present time the absence of through railway connection, however, is a difficulty in the way of sending wheat to Minneapolis. Now that the Northern Pacific lines in Manitoba have passed into the hands of a Canadian road, there is no through railway from Manitoba to Minneapolis or other points south. Our railways, which have their own lake terminals, would not care to turn over their grain traffic to the two United States roads with which they connect at the southern boundary of the province. If the Minneapolis millers are to secure supplies of Manitoba wheat, it will be necessary to extend the Great Northern or Northern Pacific, or both of these railways, into the wheat fields of the province.

CAUSES OF FAILURES.

The Bradstreet's Company has issued the annual statement of failure statistics. Of the 1,379 failures in Canada last year (including Newfoundland), the large portion, 974, or over 70.6 per cent, were ascribed to lack of capital, thus showing that too many people still go into business with insufficient capital. Incompetence stands second as a cause of failure, the number ascribed to this cause being 134, or 9.7 per cent. Then we have specific conditions, causing 58 failures, or 4.8 per cent. undue competition is credited with 24 failures, or about 4.6 per cent. Inexperience comes in with 45 failures, equal to 3.3 per cent. Other causes, such as speculation, fraud, neglect, extravagance, unwise credits, etc., are alleged to have brought about .06 to 2.3 per cent of the remaining failures respectively. These statistics may not appear to agree with individual beliefs, but they agree fairly closely with Bradstreet's reports for previous years.

In the United States, incompetence caused 19 per cent of failures, compared with 9.7 in Canada. On the other hand, lack of capital caused 30 per cent, in the United States compared with 70.6 per cent. In Canada, 20-

due competition led to 10.0 per cent, of failures in the United States, compared with 4.6 in Canada.

By far the greater number of failures is still among concerns having very limited capital. Of the total of 12,027 failures last year in the United States and Canada, no less than 11,022 were of concerns with less than \$5,000 capital.

Liquor Dealers Protest.

Following is the full text of the resolution adopted at the meeting of the License Holders' Benefit Association, held in Winnipeg, last week. Whereas, the government of the province of Manitoba in response to a certain section of the community favoring the total prohibition of intoxicating liquors, recently passed an act known as "The Manitoba Liquor Act" for the purpose of testing the power of the province in response to such an act; and, whereas the act after being declared illegal by the Court of King's Bench, was carried to the judicial committee of the privy council, and, whereas, the said privy council reversed the decision of the provincial court declaring the act to be within the powers of the province; and, whereas, the people of the province have by their vote expressed their approval or disapproval of the said act; and, whereas, a very great injury to the province would result from any attempt to enforce such drastic legislation destroying, as it would, individual rights and attempting incidentally to change the social customs of the province; and, whereas, it appears that such action should not be taken unless it is shown beyond a reasonable doubt that such opinion is in full accord with such legislation, especially as serious financial loss would be sustained by those engaged in the trade and a general unsettling of the public mind would result; and, whereas, the government recognizing the serious position in which the province stands and dealers would be placed and the importance of the points herein set forth, has declared its intention of attempting to bring the act into force, by submitting to the people by way of referendum, the following question: "Resolved, that the meeting of the License Holders' Benefit Association for the province of Manitoba does hereby endorse the proposed act, and that the said act be not enforced until it has been submitted to a popular vote of the ratifiers of the province; and, resolved, that in the opinion of this meeting no attempt should be made to enforce such legislation unless it appears on such referendum that a majority of the total registered voters in the province of Manitoba are in favor of the act; and, resolved, that in the event of the act being put into force the legislature of the province of Manitoba should provide compensation to the dealer and real estate business interests and property may be prejudicially affected thereby." The committee who prepared the resolution was composed of Messrs. G. F. Galt, John E. Harty, J. A. Grew, Capt. Douglas, W. Kennedy and the chairman. The resolution will be sent to the government.

The total number of failures in Canada last year was but 135 the previous week, and 40 last year. The State of Arizona is beginning to be known as a producer of oranges and its crop last year yielded about 20 cars for export. The quality is said to be delicious and the oranges are already priced where they have never on the market. It is now only nine years since Arizona's first crop was picked.

The market on farm produce has never been higher at this season during the entire winter, and real estate prices, says the *Minneapolis Commercial Bulletin*, it was believed a week ago that the winter would be high for the winter, and that any change would be to a lower basis, but instead of this, the market has advanced. Creamery grades of butter are 1 to 2 cents higher; fresh eggs are 2 cents higher; dressed poultry has advanced 1 to 1 1/2 cents a pound, and dressed turkeys 1/2 to 1 cent a pound. Values on all these lines are on an unusually high basis for this season of the year, and there is no prospect of their weakening.