# THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that part of Ontario west of Lake Superior, the Province of Manitoba and British Columbia and the

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of Eastern Canada.

WINNIPEG, DECEMBER 14, 1901

#### THE PRESIDENT ON RECIPROC-ITY.

Several subjects of special interest to Canadiams were discussed by President Roosevelt in his message to the United States congress, recently ened. As an American power, the Monroe doctrine is a matter which concerns Canada very considerably. We are also very materially interested in the proposed Isthmus canal. The question upon which most Canadians are best informed and most generally interested, however, is that of reciprocky. The president spoke very plainly upon this subject and made it quite clear where the United States, or at least the governing pary in that country stands in regard to reciprocity and the tariff question generally. This will be very interesting reading to Canadians in view of the movement in the United States in favor of reciprocity with this country. While commerical institutions in several leading United States cities have been moving in favor of reciprocity with this country, the remarks of the president would indicate that the reciprocity sendiment does not permeate official or governing circles, at least to the same extent as it does the commercial interests referred to.

Regarding the tariff, the president said very plainly that the protective policy would remain in full effect as the "national policy" of the country. The first requisite to our prosperity, he said,"is the continuity and stability of this economic policy." This makes it clear enough where the governing party stands in regard to protection. The statement occasionally made that ukra-protective theories are on the wane in the republic is not borne out by the line of argument adopted by the president at any rate.

As for reciprocity, says the dent, "k must be treated as the handmaidyn of protection." Again he says: "Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained and that reciprocity be sought for so far as it can safely be done without injury to our home indus-Orles." The duties, he urges, "must never be reduced below the point that will cover the difference between the labor cost here and abroad."

After proclaiming the virtues of protection in this fashion, the president proceeds to discuss the necessity or enlarging the markets abroad for United States manufactures, in order that the present "level of prosperity

may be retained." This is to be accomplished by reciprocity arrangements where possible, and to "secure these markets," he says, "we can utilize existing duties in any case where they are no longer needed for the purpose of protection, or in any case where the article is not produced here and the duty is no longer necessary for revenue, as giving us something to offer in exchange for what we ask. This shows how reciprocity is to be treated as the handmaiden of protection. The United States will purchase such commodities as cannot be produced as home from those countries which take their manufactures. The high tariff on such commodities as must be imported, will be used to extract preferences from other countries. This is the president's idea of reciprocity. It is not a give-and-take arrangement at all. It simply amounts to saying: We will take some things from you which we cannot produce ourselves, if you will give us certain preferences. If not, we must tax or exclude your goods.

It is evident from this statement of the case that there is not much prospect of freer trade relationship between this country and the Republic If Canadians took the same view of reciprocity, the first thing we would naturally do would be to increase our tariff to correspond with that of the United States, our tariff being now very much more favorable to that country than the United States tariff is to us. The two countries would then be on an equal footing as to reciprocity of tariffs. Then would say to the United States: Here is a list of commodities which we cannot produce at home. We will purchase these commodities from you if you will repeal your duties on Canadian manufactures of agricultural implements vehicles. machinery, manufactures of iron and steel, etc., This sounds somewhat eldiculous, but it is the view of reciprocity, as presented by the president's mes-

This shows the improbability of anything being accomplished in the way of more favorable trade intercourse with the United States. It also shows the disadvantageous position which this country would occupy in any effort to negotiate a reciprocity arrangement with the United States, owing to the fact that our tariff on commodities imported from the United States is much lower than the Unixed States tariff on such commodities as we have to offer for export to that country.

## THE COAL OIL QUESTION.

The recent trouble with the quality of coal oil sold in the West has again drawn attention to the coal oil question. For many years the question of coal oil has been one of importance in Canada. Several distinct agitations have developed in connection with this commodity, covering separate phases of the matter. Coal oil prices, coal off inspection, coal oil freight rates, coal oil duties, etc., etc., have been debated over and over In several political contests again. coal oil has been a factor for considerable discussion. So far as the present trouble is concerned, 4t is probable that it has occurred through a blunder in some quarter. It is not at all probable that the Standard Oil Company would knowingly supply the stuff that has been sold here for coal oil. It would not be good business policy to do so. Even great monopolistic corporations do not disregard ordinary business principles in carrying on their enterprises. On

the other hand such corporations are generally conducted in an up-to-date business manner. The probability is, that some tanks of oil were, acoldentally or through neglect on the part of employees, adulterated by the introduction of some other commodity. The company should of course hasten to make right the losses which have been caused by the delivery of this bad oil to customers, and we have the statement of the local manager that this will be done.

It is not the question of bad oil. however, that we wish to bring out at the moment. This is only an incident whereon to base an argument. The question is the great coal oil monopoly, which reaches practically all around the world. Now, if the coal oil business is to be a monopoly, why should it not be a government mon-opoly, or in other words, a people's monopoly, owned by and for all the It is claimed that we have Canada undeveloped territories which promise to prove very valuable as producers of petroleum. Would It not be in the interests of the people that these lands should be kept out of the hands of speculators, and retain ed for the people. The history of the past shows that a few shrewd capitalists or political favorices have frequently stepped in and absorbed vast natural wealth which belonged rightly not to the few, but to all the peo-These favored ones have made the people, in this land, alleged to be ruled by the people, pay dearly for the privilege of using and consuming their own property. Oil is only one commodity in the list which is a natural source of wealth in this great country. If the oil business is to be a monopoly, we say again, why should not the government carry on the business for the people, and either supply the oil at cost, or use the proffts in reducing taxation. The oil, as a natural source of wealth, belongs first to the people, and on this ground particularly there is force in the argument that oil lands should be re-

served for the benefit of the people. The Standard Oil Company last ear paid the enormous sum of \$38,-000,000 in dividends. This amount would just about pay all the expenses of carrying on our government or the year. Canada, it is claimed, as greater undeveloped natural wealth than any other country in the world. In theory therefore our people are very wealthy. In practice had retained our oil territories and other preat resources and developed them for the people-the nightful owners-what would have been the result? The question is too big to an-At any rate, we would not likely have taxes to pay.

#### MISLEADING TRADE STATISTICS

The publication of annual trade statistics for Canada again calls attention to the absurdity of attempting to show the import and export trade of the country by provinces. Many of these flaures are uttorly misleading when they are taken as representing the actual trade of the different provinces. Many misleading newspaper and other articles are based on these trade statistics. Only this week a leading daily paper came to hand containing an article which professed to show the export and import trade of the provinces, and the consumption per capita of the people of the different provinces. The article was of course based on government blue book figures, and as such was utterly worthless and misleading. is only necessary to refer to Manitoba

to show that the figures are misleading, so far as they may be taken as indicating the trade of the province. A large portion of the goods exported. as well as the goods imported into Manitoba are credited to other provinces, owing to the fact that the goods are entered at a port in the other provinces. Manitoba, being an inland province, makes the poorest showing, owing to one fact that her trade, as just stated, is credited to ports in the other provinces, through which our export and import trade passes. For instance, for the fiscal year ended June 30, 1900, Manitoba is credited with exports of only \$3,568, 675. This, of course, is absurd, so far as it is taken to represent the actual exports of the province. Those who are familiar with the trade of the province know that our wheat exports for that year were alone about four times greater than the entire exports credited to the province in the Dominion blue book. Yet newspapers take up these statistics and comment upon them as indicating the relative trade of the different provinces.

### Exorbitant Freights.

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Victoria, B. C., Dec. 11.—Two writs were to-day served on representative of the Business of the Victoria of Vikon route, each claiming £0.—Two route, each claiming £0.—Two route, each claiming £0.—Two route, each claiming £0.—Two route, each claim of the Victoria of the Victoria

said a few days ago would as brought. The claimants are the Upper Yukon. Consolidated company and shipport of the company and shipport of the company and shipport of the company and the rate of the company and damages, relying on the claim that the rates of the company and damages, relying on the claim that the rates of the company and damages, relying on the claim that the rates of the company and damages, relying on the claim that the rates of the company and on section 200 of the provided and on section 200 of the company exacts any unjust or extortionate tall rate under the company exacts any unjust or extortionate tall rate under the company exacts any unjust or extortionate tall rate under the company exacts any unjust or extortionate tall rate under the company exacts and the company of the company exacts and the company of the company exacts and the company of the company exacts and the company exacts and the company of the company exacts and the company of the company exacts and the company exacts are the company exacts and the company exacts and the company exacts and the company exacts and the company exacts are the company exacts and the company exacts and the company exacts are the company exacts and the company exacts and the company exacts are the company exacts are the comp

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A vest mocket calendar, giving the days of the month for the year 1902, has been received from I. L. Melkle & Co., Port Arthur.

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