

THE COMMERCIAL

A Journal of Commerce, Industry, Finance and Insurance, devoted to the interests of Western Canada, including that portion of Ontario west of Lake Superior, the Province of Manitoba and British Columbia and the Territories.

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D. W. BUCHANAN,
Publisher.

The Commercial certainly enjoys a very much larger 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 also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, APRIL 16, 1898,

STIKINE ROUTE CONTRACT

While probably the consensus of public opinion is opposed to the action of the senate in rejecting the Stikine route railway bill, it cannot be denied that the senate's inditement against the bill contains some very strong arguments. The first point is, that an important work of this kind should not have been undertaken until authorized by Parliament. Business men will generally recognize the force of this argument. The excuse of urgency can hardly be presented in view of the fact that the contract was signed a very short time before Parliament met. Another almost invincible argument against the bill, which will readily be endorsed by business men, is the declaration that no contract of such magnitude should be let until tenders have been publicly invited. These are both objections which The Commercial pointed out when the contract was first announced. At the same time it may be urged that these are objections to the manner of giving the contract, and not to the contract itself. The importance of the work and the urgency of the case, however, are such that they might fairly be considered as outweighing the objections on principle. The question is, is the senate justified in maintaining these principles in the face of the great interests at stake in this matter?

A number of other objections were made to the contract itself, in the declaration by the senate against the bill, to the effect that specifications as to gauge, weight of rails, grades, curvatures, etc., were not such as to ensure an efficient road; that the narrow gauge is a mistake; that maximum rate should have been established with power taken to control rates; that no monopoly should be granted; that no preference should be given the company as to royalties, as compared with prospectors, etc.

A greater objection than some of these enumerated by the senate, however, in the estimation of The Commercial, was the land grant policy of the bill. This objection, however, will only have force in the West. It seems to be the settled policy in parliament at Ottawa to oppose cash grants to western roads. The people of the East still seem to hold to the absurd idea that they have already spent too much in building western roads, when as a matter of fact scarcely anything, comparatively speaking, has been spent on railways in the West. While large cash grants have been given to roads in the other provinces, the lands have been taken from the people to aid railways in Manitoba and the Territories. So strong, however is the opposition in the East to spending any money to aid public works in the West that the feature regarded as the most favorable in the Stikine route railway bill was the fact that it did not call for a cash grant to aid the road.

THE POSTAGE RATES

We are to have the two cent letter postage rate at last. Mr. Mulock's bill provides for a reduction from three to two cents per ounce, to come into effect by proclamation, in the discretion of the executive. This announcement is not unconnected with unpleasant features to some. The bill also provides for a postal tax of one-half cent per pound on newspapers, to be enforced one-quarter cent on January 1, 1899, and one-quarter cent on August 1, 1899. Though this feature of the bill hits The Commercial in common with other papers, we are still half inclined to admit that the measure is a reasonable one. Of course there are arguments which can be advanced against the postal tax on newspapers, such as the one that the people who support the expense of government get the benefit of the free carriage of newspapers. At the same time it does not seem unreasonable to make a charge for the carriage of newspapers. Where it will hit the publishers lies in the fact that newspapers are already too cheap and it will hardly be possible to advance prices to cover the cost of postage. The Commercial, for in-

stance is sold considerably below the actual cost of production, and this is the case with many other publications. The advertiser has to make up what the reader does not pay. If the price of The Commercial were based on the cost of producing the paper, the subscription rate would be \$5 or \$6 per year, instead of \$2.

THE OATMEAL DUTY

There is a very reasonable objection to tariff tinkering, as referred to in Mr. Fielding's budget speech, and there is certainly no complaint coming as to the number of tariff changes made this year. It is possible to carry this idea of opposition to tariff changes too far. If it can be shown that any feature of the tariff is wrong and working an injury, there should be no hesitation about remedying the evil. Any mere sentiment of opposition to tariff changes should not stand in the way of making changes where they are actually needed.

In an article dealing with the oatmeal duty, The Commercial some time ago expressed the opinion that "the situation is so palpably unjust that we believe it will only be necessary to bring the matter to the attention of the government to receive redress at the earliest possible moment." This opinion has proved a mistake. The matter was brought to the attention of the government by the Winnipeg Board of Trade, as well as through other agencies, but these efforts seem to have proved futile. Perhaps it is that as it is only a western industry which has suffered severely, the matter is not considered of much importance at Ottawa. In the west, however, where our industries are few, it is a cause of regret that the representations to the government have not borne any fruit.

The Commercial pointed out in a previous number how the home milling industry is being discriminated against. The duty on oats is ten cents per bushel, or say \$6 per ton, while the duty on oatmeal is 20 per cent ad valorem, equal to about \$4 per ton. Here we have an apparent discrimination against home milling of \$2 per ton. But this is not all. It takes two tons of oats to make one ton of oatmeal. This has the effect of doubling the discrimination against the home milling industry, as the duty on a quantity of oats sufficient to make one ton of meal would be \$12, while the manufactured product would pay only \$4 duty. Then there is further a drawback in the freight, against the home miller, who would have to pay freight on two tons of oats to secure material from which to make one ton of meal, so that if both the raw material and the manufactured article were on the free list, there would be a difference in favor