

# 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 Provinces of Manitoba and British Columbia and the Territories.

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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, JUNE 8, 1901.

## AN EXCELLENT STATEMENT

Elsewhere in this issue of The Commercial will be found the financial statement of the Dominion Bank for the year ending April 30th, 1901, together with other information regarding the proceedings at the annual meeting which was held on Wednesday, May 29th. The Dominion Bank has long been conspicuous among the Canadian financial institutions for the satisfactory nature of its yearly statements and the splendid profits it has been able to return to investors in its stock. The outstanding features of this statement may be summed up as follows: Profits for the year, after deducting all charges, \$275,192.50; premium received on new capital stock, \$940,291.88; dividends, \$206,766.78, or 10½ per cent; increase in balance carried forward, \$38,425.72. Besides these items \$30,000 has been written off bank premises, and \$940,291.88 added to the reserve fund, making the total rest now \$2,440,291.88, which is the same as the amount of paid up capital stock.

## SOME SOUND BUSINESS ADVICE.

It is the habit of bankers to be cautious and to take conservative views of matters relating to business. It is well that this is so and their steady going ways have frequently been the means of preventing business communities from rushing into unwise speculations which would probably have ended in disaster. Bankers are better able to gauge a situation than any other class of business men by reason of the fact that they can see as it were behind the scenes. For this reason special importance attaches to the remarks made by Mr. Clouston, general manager of the Bank of Montreal, at its annual meeting on Monday, in the course of which he said:—

"Business during the last year has been generally good, notwithstanding the short crop in the Northwest and in spite of the unfortunate condition of affairs in the mining districts. In other sections of Canada, even the most pessimistic of the farmers should have been satisfied with the results of the last two years. If from a sentimental point of view we were eager and willing to aid the mother country by the dispatch of troops, as will always be the case, the prac-

tical result is magnificent. The advertisement to Canada and the additional market established for our products, will probably recoup the outlay of this country. In the last year there has been an increased demand for its products in consequence of the Boer war in South Africa. On the other hand the woollen manufacturing industry has not been prosperous and I am sorry to say the outlook for the lumber trade is not of the best, prices falling low and the markets being congested and we can only hope for improvement before the season finishes. There are also signs of over-production in textile goods and in the manufacture of pulp, which only need judicious restraint to be put on a good basis. We must not forget the return of the wave and get so far beyond our depth as to lose our footing. It is too early to speak of future crops, though up to the present reports are good and if they turn out according to promise we ought to have another good year and if that comes, you can see that this bank is in a position to take advantage of it."

Canadians will not be slow to see the purpose of Mr. Clouston's remarks and will govern themselves accordingly.

## THE SENECA ROOT SITUATION.

A great deal of uncertainty surrounds the seneca root situation this season and it is a difficult matter to say just what the course of prices is to be within the few months which constitute the digging season in this country. Although Winnipeg is a large market for root it is not a consuming market and the dealers here have little or no control over the prices they pay, unless they are willing to buy on speculation and hold for a rise in values, a thing which but few of them are either willing or able to do to any large extent. It takes a lot of money to carry over a stock of root if the market does not happen to take a favorable turn within reasonable time and the majority of experiments along this line which have been made here have not yielded profits which would tempt the speculator to make the second attempt. Besides the uncertainties of the market there is the certainty that the weight of the root is constantly going down as it gets older and dryer, so that if held for any length of time the price must be considerably above the cost in order to let the holder out without loss. These facts are usually sufficient to deter Winnipeg dealers from buying very far ahead of their orders from consuming centres and keep the market down to strictly legitimate values.

This season there does not seem to be very much demand for root. So far buying orders have not been numerous and there is no disposition to encourage free digging by offering fancy prices. It is shrewdly suspected that those who were at the bottom of the boom in root which occurred last year have still a good deal of the stock for which fancy prices were paid on hand and will not enter the market again until they see sales for what stock they have. In that case, of course, this market is likely to have to wait for some time for a reviving influence. At present dealers positively refuse to bid over 24c per pound for new root and it must be clean and dry to fetch that. The range of prices offered is from 20c to 24c.

So far not much root has offered as diggers do not seem to want to work for such money. The Indians and half-breeds certainly will not dig root in any quantities for less than 25c per pound, so that most of what comes in at the low price now prevailing will be root which has been dug by for-

eigners or white people. During the past two years quite a lot of root of such digging has been handled in this market, mostly the product of Doukhobor or Gallician labor. These people are not so independent as the Indians and half-breeds.

There is this to say also as regards the quality of the seneca root being received in this market from country points that it is not as clean and bright as it might be and consequently not so saleable. Much of it is badly washed, which is a serious defect when it comes to selling to the consumer. Root should be washed clean when it is dug and every effort made to have the color as bright as possible. The extra labor involved in doing this will be more than paid for by the difference in price.

## LOG EXPORTS PROHIBITED

The Dominion government has prohibited by order-in-council the export of timber for either pulp or lumber making purposes from Indian reserves to the United States, thus striking another blow at the lumbering industry of that country. The only Canadian logs which can now be exported to the United States are those taken from lands owned by the exporters and the quantity of these cannot be very large. Of course, it is specified that this order only applies to logs cut under licenses issued on or after April 30, 1901, so that logs already down at that date will be permitted to pass out of the country without hindrance. The amount of logs cut on Indian reserves in Ontario last year and shipped to United States ports was 25,000,000 feet, so that the business has evidently been of some consequence to the interested mills. Now, between the Ontario law prohibiting the export of logs cut on crown lands, and the Dominion law prohibiting export of logs cut on Indian reserves there does not seem to be much left in Canada for the Yankee mill man to get.

## NEW PROVINCES.

There is a well developed agitation on foot in the Northwest Territories for the creation of two new provinces in those parts to be made up of practically all the settled parts of the Territories. This matter has been discussed in the Territorial Assembly and has also been made the subject of a special circular by the Edmonton board of trade. The rate at which the Territories are being settled up and developed may certainly be held to furnish justification for such a desire on the part of their inhabitants and it is only a question of time until the change will have to be made. The present arrangement has always been looked upon as a temporary one and the rest of the provinces of Canada will be glad to see this minor portion of the Dominion attain its majority. The details of the scheme have, of course, yet to be worked out, and also the boundaries of the proposed new provinces. There will be differences of opinion on this point which may delay the change for a while but it is bound to come. Manitoba has cherished hopes in the past that when the re-adjustment took place the boundaries of this province would be extended westward and northward, but the railway legislation of the last session of the local legislature seems to have given these hopes their quietus as the people living in the adjacent parts of the Territories have protested against being incorporated into this province on the ground that it

would increase their financial responsibilities and without the consent of the people interested any additions to Manitoba are out of the question.

## JOINT HIGH COMMISSION TO MEET.

It has been stated authoritatively the joint high commission which has in hand the various matters in dispute between Great Britain, Canada, and the United States will reconvene in Washington this year, probably towards the end of the summer. It is also stated that when the commission does convene it will not have to take up the two questions which caused the deadlock of two years ago, namely the Alaska boundary and fisheries questions. The former has been already partially settled by other means and the latter is in a fair way to be. The principal Canadian question to be taken up with these two out of the way is the British Columbia sealing question. A settlement of this was practically reached when the commission was sitting before, but owing to the agreement then the questions submitted must all be settled or none the arrangement made could not be carried out. It is expected that this rule will be dropped if the commission meets again, thus opening the way for a settlement of at least some of the matters under discussion.

## Canadian Railroads.

At the close of the last fiscal year, the number of miles of completed railways in the Dominion was 17,824, an increase of 466 miles, besides 2,558 miles of sidings. The number of miles laid with steel rails was 17,694, of which 591 miles was double track. The number of miles in operation was 17,657. The paid-up capital amounted to \$98,265,404, an increase of \$3,568,620. The gross earnings amounted to \$70,710,270, an increase of \$8,496,486, and the working expenses aggregated \$17,699,798, an increase of \$6,993,581, compared with those of the previous year, leaving the net earnings, \$23,040,472, an increase of \$1,502,805. The number of passengers carried was 21,500,175, an increase of 2,366,810, and the freight traffic amounted to 35,946,183 tons, an increase of 4,734,430 tons. The total number of miles run by trains was 55,177,571, an increase of 2,962,664. These figures indicate a year of great activity in railway operations, the large increase in working expenses, due to the demands of a much increased traffic and the maintenance of a high standard of equipment and service, being more than offset by the additional earnings obtained. Out of the total increase in expenses, four roads—the Canadian Pacific, the Grand Trunk, the Canada Southern and the Intercolonial—are responsible for over \$5,700,000, while at the same time they gained over \$6,700,000, out of the total increase in earnings. The total federal government expenditure has been \$151,161,423. In addition, there has been an expenditure since confederation for working expenses of \$81,391,472, covering the maintenance and operation of the government roads, or a grand total of \$232,552,895, all of which, with the exception of \$13,881,460, paid out before confederation, has been expended on railways during the past thirty-three years. The revenue derived from the government roads during the same period amounts to \$73,225,382. The gross earnings of all the government roads for the past fiscal year, 1899-1900, amounted to \$4,774,161, which, compared with those of the preceding year, shows an increase of \$823,344. The gross working expenses amounted to \$4,065,228, an increase of \$758,615. Since 1883-84, a total of \$18,227,562 has been paid in the form of subsidies to railways.—Monetary Times.

The new prohibition law goes into effect in Prince Edward Island this month.

The machine wood workers of Ottawa are on strike and threaten to extend the trouble to other lines of building trades unless their demands are met.