tories. The great majority, however, favor higher duties; and the probability is that self-interest—self-protection—would impel the minority in the same direction as soon as they began to suffer from foreign competition. At present they have all the business they can attend to, so it does not matter.

All this is aside from the question of whether protection or free-trade is better for the country at large, or which is right. If the country were really convinced that one was right and the other wrong, they might cling to the right in spite of results. But the professor may be quite certain that ninety per cent. of the country has no intelligent or conscientious convictions upon the matter at all. So the decision will go with the strongest self-interest, and to alter the decision you have but to alter the interest.

How many people are there in this West the professor refers to? Just 807,000—that is, 365,848 in Manitoba; 256,984 in Saskatchewan, and 184,096 in Alberta. And how many immigrants are arriving each year? Suppose we say 200,000. All of these will not become farmers, and still less will start out after the scalps of the Manufacturers' Association. How is this going to "soon" give the solar plexus to that eminent body?

Meantime, a change will be coming over the West. It is already showing itself. Westerners are wondering why they should be dependent upon the East for their manufactures, and why they cannot make their own goods. They are, in fact, commencing to make them, and doubtless in the near future factories will spring up on every hand. The factory owners will, for many years to come, have a louder voice than the farmers. And if the professor will remember how anxious he is that his salary shall be paid regularly or that the dividends on his investments shall not be "passed," he will begin to understand what men will do to make the industries succeed which they control, and in which perhaps their entire fortunes are invested.

It would be encouraging to have reason to believe that the westerners are opponents of the Association because of intelligent conviction. But the professor may be assured that when these wide awake men begin to withdraw their money from land speculation and farming, and invest it in factories, the Manufacturers' Association will gain friends, beyond the Great Lakes, at such a rate as will make him wonder whereof the confident assertions in the "Manchester Guardian" were born.

DUTY ON ELECTRICITY.

The Cabinet is determined to impose an export duty on Canadian electricity. It is believed that the right to export power will be made subject to a license, so high, that in the case of those companies exporting all their power, it will be practically prohibitive. There will be a provision, however, which will absolve any company which supplies Canadian consumers with power at reasonable prices, from the payment of the export duty.

At present, some of the Niagara companies are exporting all their produce to Buffalo, while others supply Toronto and similar big Canadian cities. The latter will escape the duty, while the former will be compelled to supply a certain proportion to Canadians or face a duty which will be almost prohibitive.

This premediated step on the part of the Government, radical as it may seem to some, is really only the logical consequence of developments which have long been well marked. The masses throughout America and Europe are demanding certain changes in the conduct of the Government, which, a few years ago, would have been regarded with consternation. Some of these changes are socialistic. The greater portion are possibly individualistic, as in them is recognized the line of demarcation between governmental action and that belonging solely to the individual. People are asserting more and more their claim to the ownership and control of the natural resources of the country. They denounce as a crime against the state any alienation of these resources from public ownership. This is individualistic, so far as it goes. So long as the government is content with conserving to itself the public domain and the natural resources of the country, socialistic interests will draw but cold comfort.

In placing an export duty on power exported from Canada, the Canadian Government cannot be accused of being socialistic. They are simply acting as Canadians. They are adopting the means at hand to conserve for Canada the natural advantages of their country. Otherwise, with the aid of the cheap power developed on the Canadian side of the Falls, Americans would be enabled to manufacture and sell goods at a much less price than ourselves. We impose a duty to keep out these very goods which they have been enabled to manufacture by reason of our cheap power. Surely this is a round-about way of arriving at a result. The contention that the power is owned by Canada or by Canadian companies is futile. It is only Canada's while Canada is getting the advantage of it, and it only belongs to Canadian companies so long as Americans do not buy the stock. Unless the Government adopts some means to ensure that this power, with its immeasurable advantages to the community, does not escape us, it will be an absurdity to talk of Canada's water-power at the Falls. Geographically it may be but commercially and practically it will belong to the American manufacturer.

PROBLEM OF THE MARKETS.

Though 1906 saw some exciting episodes, the price movement for the year, according to the records of the "Wall Street Journal" resulted in a net change in the average price of twenty representative railroad stocks, of only 3.32 points. Following its usual custom the "Journal" gives the import swings during the year. They were as follows:—January 2nd-22nd, 5.24 up; January 22nd-March 5th, 9.82 down; March 5th-April 2nd, 4.39 up; April 2nd-May 3rd, 12.833 down; May 3rd-June 8th, 10.26 up; June 8th-July 2nd, 8.80 down; July 2nd-September 17th, 16.08 up; September 17th-October 31st, 6.47 down; October 31st-December 11th, 6.19 up; December 11th-24th, 0.19 down.

It also gives the opening, high, low and closing averages:—Opened, 133.12, January 2nd; high, 138.36, January 22nd; low, 120.30, May 3rd; close, 129.80, December 31st. Net decline 3.32.

One hundred and four companies reported increased dividends, as against 69 in 1905; 43 initial dividends were declared, as against 30 in 1905; extra dividends were 53, against 28; resumed dividends 20, against 6; and 1 cash and 1 stock dividend, against none in 1905. Thirteen dividend rates were decreased, against 16 in 1905; and 5 were passed, against 7 the year before.

This is truly a formidable record—calculated, one would think, to move security prices upwards instead of downwards. And perhaps it would, had its effects not been counterbalanced by other things. As a depressing agent all through the year there was the monetary stringency. Though loan rates fell to moderate prices during some seasons the stringency could never be far removed from the calculations. On the New York Stock Exchange, 1906, there has been a continuous battle, with prosperity and tight money as opposing forces. Both sides counted a number of allies or auxiliaries. It will be interesting to trace the course of the contest from the beginning, taking the above chart as a guide, and recounting the various moves that forced the market one way or the other.

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