

used in construction. The experiment of the Scotia Company in building steel vessels in a province which achieved a good reputation for the construction of wooden vessels, will be watched with interest. In the meantime, it would be interesting to have an announcement from the federal government, as to their shipbuilding policy.

JAMES J. HILL

Seventy-eight years ago James J. Hill, who died this week, became a Canadian at Rockwood, six miles from Guelph, Ontario. Later at St. Paul, Minnesota, he penned away as a shipping clerk. Seeing that the railroad would outstrip the inland steamboat and change American geography, he started in business as a railroad and shipping agent. Establishing a steamboat service on the Red River, then the most important trade highway to the northwest wilderness, he entered into competition with the Hudson Bay Company, which later combined forces with him. Early in 1874, Donald A. Smith (the late Lord Strathcona), then living at Montreal as the chief commissioner in America of the Hudson Bay Company, conceived the idea of securing the control of the St. Paul and Pacific Railroad, a disconnected system of about five hundred miles. The road was under a receivership. Norman W. Kittson, another Hudson Bay man, and

Donald Smith picked James J. Hill as the man to secure control of the road. After extraordinary energy and labor, the property was purchased by the St. Paul, Minneapolis and Manitoba Railroad Company, which had been formed by a syndicate of four for the purpose. The profits of the bond transaction amounted to \$3,500,000 for each member of the syndicate. But these were on paper. Hill had to put the road upon a paying basis. In two years it was not only paying the interest on its bond issue, but commenced paying dividends on its stock. One of his assistants says that he was baggageman, conductor, engineer, trackwalker, fireman, passenger agent, freight agent, traffic manager and everything else on the road at different times.

When in Montreal three years ago, Mr. Hill said that Canada had about enough railroad mileage for 8,000,000 people to support. He did not believe that the policy of the federal government in subsidizing the railways was wise, as it caused lines to be built that would not pay for a long time to come.

His has been an extraordinary career of success. Canada is proud to have cradled him. Interviewed on his seventy-second birthday, nearly six years ago, he referred to the recent talk of conserving water, conserving land, conserving coal and conserving iron. "It is too bad," he added, "that someone did not say a word about conserving commonsense." That was typical of James J. Hill.

CANADA'S TARIFF AFTER WAR

Relation of Direct Taxation to the Tariff and National Revenue

Editor, *The Monetary Times*:

Sir,—There are very many points to consider in the three kinds of tariffs dealt with by Mr. Beer in his very exhaustive and carefully prepared article in *The Monetary Times* last week.

National development should be the incentive which ought to govern our proposed plans for the future, and for this two most indispensable factors have to be primarily considered. These are, the labor in our own country and the development of our own resources. The basic raw materials which we have been exporting should be manufactured here. Any completed article has only become so, step by step, by labor, and so the labor conditions of competitive countries in relation to the article must be valued with labor in Canada.

There are certain branches in the animal husbandry line in which something more forceful than suggestion would develop sources of many raw materials. Sheep and cattle may be mentioned as such.

We do not give enough attention to research. Careful investigation of all underground and overground possibilities, potential and other, should not be left entirely to the enterprise of an individual or firm.

Both federal and provincial governments should encourage new lines of industry by proving in their laboratories that there is opportunity.

We have minerals in abundance which are basic for many lines. Two may be instanced—feldspar and silica—yet little development of these has been done.

There are several other natural resources which would create manufactures of lines now imported.

In a customs tariff freight rates deserve some thought. In some cases freight rates from centres in Britain and other parts of Europe to points in the Canadian west have been as low, and lower, than to the same points from eastern Canada.

Conditions in manufacturing, such as one line against many, and again, terms of credit, are against the Canadian manufacturer.

No country produces all the varieties of raw material required in any one line of manufacture. If any of these

must be imported in some stages of manufacture, and on which duty has been collected, this duty is recoverable, all but 1 per cent., when the article is exported. Yet that advantage may be to the injury of a Canadian manufacturer.

So far, the thought is to have the tariff so constructed as to develop our own natural resources. The matter of revenue should be treated entirely from another consideration.

Since the war has educated us to the usage of a direct tax, we should look to direct taxation for all needed in excess of what is collected through customs tariffs on imports.

Before closing, it may be mentioned that "a low customs tariff on low-priced articles" did not work out very well when cheap German cloths crowded the Canadian wholesales and ready-made clothing firms and closed up 147 Canadian woolen factories, and very seriously reduced the number of sheep on Canadian farms in a twentieth of the time it would take to reinstate them. The lesson is worth remembering.

A customs tariff is a business proposition and should not be left to the politicians to use as a club or as a means of vengeance. But that is another and an outside matter.

Yours, etc.,

Jas. P. Murray.

Toronto, May 30th.

DAMAGE BY WATER AT FIRES

In regard to the fire which occurred recently on the premises of William Croft and Sons' fancy goods house, Toronto, at which considerable damage was done by water from the sprinkler system, Mr. Henry Lye, fire insurance adjuster, Vancouver, writes: "This reminds me of a series of articles, written by me for *The Monetary Times* many years ago, in which I advocated the formation of a salvage corps in Toronto. I suggested that, if it was thought that the initial expense would be too great, it might be practicable to arrange with the cartage companies, for the use of their covers in such cases as this on a reasonable basis, the use to be under the supervision of the police and the fire department."

Mr. C. B. Campbell, of Messrs. A. B. Leach and Company, New York, was among the United States brokers visiting Toronto in connection with the city's sale of bonds.