

warehouse and port facilities, municipal expenditures in hundreds of new towns, and an enlarged scale of improvements in all the older municipalities, the building of ordinary roads, bridges, etc., in many new areas of settlement, the creation of plants for new industries, and the general increase of existing plants throughout all Canada, the erection of private dwellings in greater numbers, and of more permanent construction than in the past, and many other forms of betterment which need not be detailed. But while our needs are mainly measured by our immigration, we are apt to forget that it is the investor in our securities who has the power to determine finally the pace of our expansion. For every dollar we wish to fix in permanent improvements, somebody should have saved a dollar, and at this extravagant moment the borrowers throughout the world exceed those whose savings take the form of loanable capital. It is for us, therefore, to consider not so much our needs as the opinion of the investor regarding our securities, and the condition of the world's money market. If we do this, we must conclude to restrict our building operations as much as possible for the moment, and we must expect to pay a higher rate of interest for our requirements. Men with business experience before entering upon building operations, large or small, assure themselves that the needed money is available. It is only our municipalities and reckless promoters who incur large obligations before they are sure of the necessary investor in the securities they propose to offer. Many of our towns and cities who have refused to consult the banks, find themselves embarrassed as a result, and improvements which may be wise and much needed, must be postponed for the moment. The existing securities will doubtless be absorbed in the near future, but at lower prices than heretofore, in order to meet the investors' expectations of a higher return. Our municipalities, however, should seriously consider whether, during periods of such rapid expansion, the tax rate should not be largely increased. In the days of Western expansion in the United States, 25 and 30 mills on a fairly high valuation of property, were not uncommon rates. Again, should we not pay for local improvements in a far shorter time than we do? The Western cities of the United States make their local improvements by the issue of short-term securities, the average life of which is usually not more than five years. Such securities often carry six per cent. interest, and do not appeal to the same class of investors as do long-term municipal debentures. We can easily see the bad effect on the credit of our municipalities of adding the heavy cost of local improvements, spread over long terms, to the ordinary general debt. Such a system as that followed in the United States would probably not find favor with the subdivision promoter, because it would be a powerful check on all speculative real-estate schemes. At least a year ago it became generally known that there were many Canadian securities in existence which had not been absorbed by the investor, and that real-estate speculation was proceeding at too rapid a pace. Undoubtedly the knowledge of these facts has exercised some restraint upon our people. Transactions in inside city properties have been probably larger than ever, but the subdivision promoter has not prospered. Direct investments of British capital in agricultural lands to be re-sold have been made in both the East and West on a large scale.

In common with the rest of the world we are living in a time of high prices, and the incidence of these prices on those who have fixed incomes or earnings is so heavy as to constitute the greatest economic difficulty we have to face. I shall not attempt to deal fully with a subject which is being studied by Government Commissioners in many leading countries, and which will, let us hope, be referred to an international commission. There are some forces which affect the general trend of prices, others which may cause any particular commodity to go above or below the line of the general trend, and again others which are local, and produce such apparent anomalies as higher prices for foodstuffs in cities nearer sources of cheap production as compared with more remote centers of consumption. Without,

therefore, discussing the effect of an enlarged and cheapened supply of gold, the enormous increase of credit partly made possible thereby, and the effect of many other forces causing a general upward trend of prices, we may profitably consider some local causes which put the people of Canada at an unnecessary disadvantage. One of the most powerful and inexcusable local causes for the high price of food is the condition of our country roads. It must be clear that if a farmer has to travel ten or twenty miles to a city to sell his produce every hour of delay to himself and his horses and wagon, every bushel or pound less he is able to carry, every day lost in the length of the life of his horses and wagon, cause just so much increase in the cost of the article he has to sell. To the extent that this needless and cruel loss might, if avoided, partly add to the farmers' profits, and partly lessen the cost to the consumer, the state of our roads is little short of a crime. If the bad roads around a city cause the price of food to be much higher than it need be, one of the results is to enable producers, hundreds, perhaps thousands, of miles away, to enter into competition with the farmer in his own county, because the cost in transit over one mile of bad wagon road will cover the cost over many miles of good railroad. This competition may help the consumer by keeping prices from rising still higher, but it will not bring the price below the point fixed by the extra cost from the bad local roads. It will not do any good for those of us who live in well-paved cities to blame the farmers for bad roads. They cannot be expected to build good roads entirely at their own expense, and good roads will not come so long as we wait for anything as unfair as this. It is not that we do not know how to construct good roads. We know fairly well what we should do, but we hesitate to do it. In the excellent report on Highway Improvements in Ontario for 1911, there is a sufficient abstract of the systems adopted by the various countries of the world, and by thirty-three States in the United States; of these, that in use in the State of New York seems to be the most complete. Under this system roads are classified as follows:

- (1) State roads built at the entire cost of the State.
- (2) County roads to which the State contributes one-half, the county 35 per cent., and the township 15 per cent. For maintenance, the State collects from the townships \$50 per mile per annum, the remainder being contributed by the State.
- (3) Township roads, to which the State contributes one-third of the cost of construction.

Can the people of Canada be made to realize that every man, woman and child suffers from the evil of bad roads whether they use the roads directly or not? Have we not as much intelligence as the citizens of these thirty-three neighboring States? Another cause of high prices is the general inefficiency of most kinds of labor. Employment is so easily obtained, and the worker is so apt to be so lacking in training for the particular calling it falls to his lot to occupy, that for this reason alone, three men are often needed to do the work of two. The necessity of buying food for three families instead of two, clearly raises the price of food, and every non-producer of food in Canada therefore suffers from this inefficiency of labor. Still another evil, tending to high prices and growing rapidly in these extravagant times, is the waste in the use of food. As seen in a modern hotel or dining-car, this shocks most of us, but in countless families the waste is nearly as bad proportionately. If three animals are bought where only two are really needed, the I must apologize for repeating facts price of meat is raised for everybody, which are so palpable, but in our desire to blame someone else for the suffering caused by high prices, we often refuse to see local causes which largely contribute to it, and which we could at least moderate if we chose.

We have often spoken of the tendencies of modern life which increase the food consumers out of proportion to the food producers, and it is pleasing to see some slight evidence of a return to the land which may help to correct this disproportion, but while the quantity of

fruit, vegetables and cereals grown may immediately be increased so as to affect prices, the state of the cattle industry of North America is so serious that some years must pass before we may hope for a return of normal conditions. It looks as if the United States would soon cease to export beef, and unless we at once change our course we may be in a similar condition. We must increase the number of beef cattle, sheep, and swine, on the land very largely if our annual consumption is to be supplied without depleting the herds. We shall hope the Commission regarding our cattle ranges will produce good results, and that the assurance of high prices for meat for some time to come may induce mixed farming to a degree not yet accomplished. Since 1908, while there has been a small increase in the number of horses in Canada, there has been a serious decline in the number of milch cows, beef cattle, sheep, and swine. There should have been a very large increase, and unless every possible effort to arrest the decrease is made, this class of food will grow steadily dearer in price. The falling off is most noticeable in Ontario, while the only important gains are in Saskatchewan and Alberta.

The Clearing House statements again give ample evidence of our rapid growth. The returns of twenty Clearing Houses for 1911 made a total of \$7,391,868,000, while for 1912 the figures were \$9,146,236,000, a gain of 23.74 per cent. Once more we have to record a gain in every Clearing House in Canada.

The building permits of the four chief cities were as follows:

	1911.	1912.
Montreal	\$14,530,000	\$19,642,000
Toronto	24,374,000	27,401,000
Winnipeg	17,550,000	20,475,000
Vancouver	17,652,000	19,388,000

Representative Dudley M. Hughes, of Georgia, is called a farmer statesman, and devotes much of his time to the agricultural interests of his district.

He has requests for many new kinds of seeds, and a time ago received this letter:

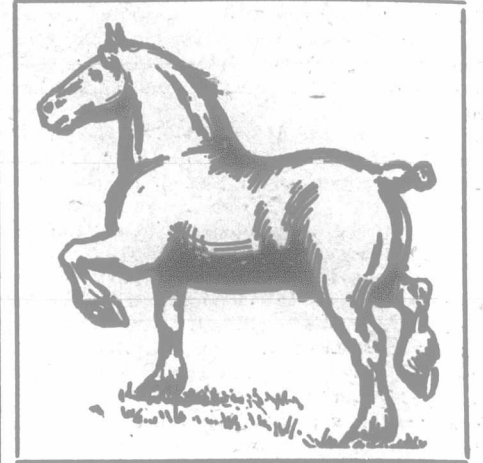
"Dear Dud,—Sam Yopp's been tellin' me of a new seedless tomato the Guvment is growin'. I'm writing to you in hopes you will send me some of the seeds."

Official records of 261 Holstein-Friesian cows were accepted for entry in the American Advanced Registry, from December 8th to December 23rd, 1912. This herd of 261 animals, of which much over one-half were heifers with first or second calves, produced in seven consecutive days, 99,078.5 lbs. of milk, containing 3,486.011 lbs. of butter-fat; thus showing an average of 3.52 per cent. fat. The average production for each animal was 379.6 lbs. milk, containing 13.356 lbs. of butter-fat; equivalent to 54.23 lbs. or 25.8 quarts of milk per day, and 15.6 lbs. of the best commercial butter per week.

A. T. Spingate, Gorey, Jersey, Europe, breeder and exporter of Jersey cattle, in his advertisement, offers for sale cows, heifers, and bulls, pedigree and registered stock. Representative of his herd is the two-year-old heifer whose picture appears on another page in this paper, and which, for her age (less than three years when photographed), gives promise of an extra-good producer when matured, judging from her approved dairy and breed type, and well-balanced udder.

At the auction sale on January 15th, of grade Holsteins, the property of D. Campbell, Komoka, Ont., excellent prices were obtained, the sale being one of the best for grades ever held in Western Ontario. The highest price reached was \$150. Seven others brought from \$90 to \$125 each. Sixteen cows and heifers that had been milked, and will freshen in March and April principally, sold for an average of over \$93 each. Eleven grade yearling heifers, due to freshen in the spring, averaged \$70 each, and thirty-three head, including six calves, made an average of \$71.30. The success attending Mr. Campbell's efforts with high-class grades is an assurance that, with pure-breds, to which he is now devoting exclusive attention, he will build up a herd on the basis of merit and profit.

COMBINATION SALE



Clydesdales AND Percherons

ON

TUESDAY AND WEDNESDAY

Feb. 25 & 26

[AT

Union Stock Yards, TORONTO

125

REGISTERED

Heavy Draught Horses, Stallions, Mares, Mares in foal, and Fillies

75 Clydesdales—TUESDAY

50 Percherons—WEDNESDAY

Imported and Canadian Bred

This will undoubtedly be the largest sale of the year, and any one interested should make it a point to attend.

If you have anything to sell, write for terms and particulars.

Remember the Date

UNION STOCK YARDS OF TORONTO, LIMITED

HORSE DEPARTMENT