

BIDS FOR POPULATION.

st, the Treasurer of the Australian announced during his budget speech Australia, with two million people reported goods worth yearly thirteen than the Dominion. That sounds Australian prosperity than it really delighted to see Australians flourish. They have to spend the more will with us. Exports only tell half of the exports went to buy much to pay off accumulated debts, does not say. The year has seen and trade is flourishing generally, respondent testifies, and gold enlarged.

of a country is to be gauged by way, Australia is not jealously to public debt of Canada is about \$60 million. The debt of Victoria is \$275; of Tasmania, \$250; of Western Australia, \$335; of Queensland, \$395. piling up of liabilities there has growth in population. Immigrant standstill; and the birth-rate has happily, more progressive views are being entertained.

entered actively into competition favor of the intending British not grudge the Australian states achieve. They have certain dis- of which Canada cannot boast, from the rest of the world which

s declared the finest in the world, price in London than No. 1 hard. dispute this statement. It is ring, though that if the price is produced is less. In 1904-05 Vic- 000 bushels, and four years pre- bushels. The average for five But 1902-3 was a drought 0,000 bushels were harvested. of bushels per acre yielded in s was 8.85, 6.91, 1.29, 14.49, and

Victoria is being facilitated by the Settlement Act of 1904, under t, after compensating the own- estates which have been used grazing, and to divide them up which are sold to new settlers ent is made in half-yearly in- cent. of the total value of the extend over 36½ years. It x years in which to obtain a improvements must be made total value of the allotment in

offering land to emigrants. e been selected within the rain ys, and can be taken up in 640 acres; at annual rentals to 25 cents per acre. Farms t at from \$4.40 to \$10.20 per sold in London, the payment cost of the survey fee and one of the full purchase money will of the farmer and family, free seaport to the railway station reduction of 25 per cent. on the building and farm materials. If ions of residence he will be cent. on the purchase money the end of five years he is dis- se, he is entitled to the return

of his purchase money less interest paid him upon it.

These changes in Australian methods are indica- tive of what is described by antipodean journals as "Australia's awakening, to a grand era of productive and manufacturing activity." The potential settler will not be governed by his views on the economic situation of the country. The Commonwealth has kept its expenditure within one-fourth of the revenue from customs and excise duties allowed by the "Brandon" clause of the Constitution Act. But the limit will soon be reached; and the Parliament is expected to exercise its undoubted right to impose direct taxes, as the different States do. The States evince a jealousy of the Commonwealth, and it is hardly likely that they will agree to any readjustment of terms which would not make the tax payer feel more directly the burden of confederation.

The States have adopted all the usual methods of direct taxation—land taxes, income taxes, probate duties, stamp duties; indeed every device practised by moderately conservative countries. Although the revenues, chiefly owing to augmented railroad traffic have decreased, they cannot reduce taxation without reducing expenditure—a habit which modern govern- ments seem totally incapable of cultivating.

The Commonwealth tax most in sight is a land tax, upon which the Labor party, divided as to every- thing else, is united. The Labor party has not strength enough of itself to carry out such a policy. But it is such a factor in Australian politics that Premier Deakin has expressed his virtual concurrence with the Laborists. The Cabinet Ministers who ob- ject, would probably subordinate their economic views to their devotion to office. The imposition of such a tax would be serious for many mortgagees; and would obviously prejudice the outlook for agriculture. The States and the Commonwealth might be wise enough to settle their financial relations agreeably. Even so, if expenditure increases faster than produc- tiveness, the future for the new-coming tiller of the soil is not so promising for agriculture as it should be.

To an unhealthy extent, the population has grown far more rapidly in the big cities than it should have done, largely because of the extravagant borrowing of politicians who did not realize that the only inherent strength of the country lay in its grain and live-stock producing capacity. After all, it is the farmer who pays; because it is the farmer who produces. Australia gave to the increase of debt what she might have spared for the attracting of population. It is excellent to enlarge your accommodations at the bank, if your revenue-earning power is growing stronger. Australia is beginning at the right end; but a little late in the day.

LARGE PROSPECTS OF LITTLE MILLS.

The extent to which the small flour mill is a factor in the already achieved prosperity of Western Canada cannot be confidently estimated because the growth of population has been so rapid during the last five years as to change almost entirely the aspect of that wonderful territory. Though five years is quite a generation in Western growth, that period can only supply approximate proofs of the permanent value of developing economic conditions. The market price of beasts of burden, for instance, is affected by the demands of the incoming settler to an extent which cannot obtain when, in the nature of things, the tide of immigration falls and every agriculturist is raising practically all the stock he needs.

The local flour mill has played such an important part in the economic progress of the western and south-western States, that there is no reason why it should not be equally important on our own prairies. The idea that practically all the western wheat will be brought to mills operated by cheap, water-developed

electricity, in the Rainy River district, or on the Great Lakes; and the flour shipped to Europe and the north brought to the feeding stalls of Eastern Canada in preparation for the transatlantic market, is excel- lent; but it does not necessarily meet every poten- tiality of the case. When the western farmer has less free pasturage for his cattle he may want his bran and shorts to be consumed in his own stables, even as is being done to the south of him.

During the seventies, the wheat growing area of the United States extended south-westward to Nebraska, Kansas, and other parts of what was known as the Great American Desert. The land was all right; and, at first, everything, promised well. But a few droughts turned the county towns of western Kansas and parts of Nebraska into dead villages; and the set- tler, wearily plodding his way eastward from his abandoned farm, raised above his prairie schooner, in mockery of the motto of Kansas State, the legend "In Kansas we trusted; in Kansas we busted." It was thought that prosperity for these great stretches of prairie was impossible.

The deserted wheat farm became a ranch; soil conditions were better understood, the multiplication of cattle and hogs led to corn-growing, the cultivation of grasses little affected by drought, was improved, and the farms which had become ranches became farms once more. To-day great quantities of flour are exported from the aforetime desert country. Within the last ten years, the great prosperity of the farmers has largely increased the population of the small towns; and given greater stability to the financial standing of each neighborhood. Where the local mill had, by about January 1st, exhausted its orders for grinding, and there was little prospect for continuous employment until the next crop, there is nowadays room to store, and financial strength to hold enough wheat to keep the machinery busy all the time. The miller can afford to buy at market prices; the farmer is not at the mercy of the incoming agent of some dis- tant elevator company. With plenty of wheat in stock, the miller can make grinding contracts for a long time ahead.

As always happens, when greater business and mechanical efficiency is obtained, the benefits immedi- ately secured extend to other aspects of business. With a greater demand for wheat at home, the farmer has improved the magnitude and quality of his pro- duction. The miller has occasionally found it neces- sary to buy wheat from elsewhere to fulfill his con- tracts. The farmer, through close contact with a resi- dent wheat buyer whom he knew, learned the govern- ing factors in wheat prices. Instead of being com- pelled to accept the grading of someone hundreds of miles away, over whom he had no control, he learned to supply the miller with the high grades required, and so obtained a better price for himself and also helped the miller to stand well in the foreign flour market. Wheat grown south of the Missouri has a special quality of its own, and the local mills of the South-West have established a firm hold upon the trade of Mexico, Central America, and the islands of the Caribbean Sea. They are even sending their flour to the New York market for export, and they have every prospect of holding their own in competition with the great millers of the North-West.

What has been done in Nebraska and Kansas, can be done in Manitoba, Saskatchewan, and Alberta. The prosperity of the whole country will be enhanced by the prosperity of the small town. The nearer to his homestead the farmer can keep mechanical processes upon his products, the more money will he make. The cost of power will decrease in western communi- ties; as it has decreased where water-developed electricity has become purchasable. Even if coal were not going to be cheaper, denatured alcohol will pre- sently be available. The production of it will utilize