have been over here of late, has now perceived that there is butter on both sides of the bread.

Mr. Watt also indicated that he is dissatisfied with the space Australia occupies in the British Press. "She cuts very little ice here," is his terse phrase. It is quite true. Even the general election, which has turned out practically a tie, is receiving the scantiest of notice. The electorate has returned negative answers to the questions submitted by the Labour Government's Referenda, and for the present the several states of the Commonwealth retain independent control of their domestic affairs, and inter-state oversight of commercial combinations, of labour conditions, and so on, is postponed. My own view is that Australia will never secure British capital with the readiness she desires and deserves so long as she is governed by a Labour Party. More or less, so long as that control remains, she has to choose between quick development on credit and slow development on cash. I do not suppose that aspect of the situation is perceived by the inhabitants of the Commonwealth; but there are many signs that prejudice against a Labour Government is a determining factor in the minds of investors here.

We have an example of the same kind of spirit in our own country. Last year saw the founding of two daily newspapers in the interests of Labour which before had been represented only in a weekly press. The new papers were not a thoroughly friendly pair. The "Daily Herald" claimed to represent the metropolitan workers, who are always disposed to be jealous of the rest. The "Daily Citizen," started on capital collected mainly through the regular trades unions, claimed to be the national organ of the Labour party. Gradually the "Herald" has picked up the more extreme sections of the supporters of the movement and dropped the others. It has become frankly, even vulgarly, antagonistic to existing interests, political, commercial and social, and as it has narrowed its platform it has reduced its size until it is now nothing more than a daily leaflet, containing violent articles, daring cartoons, and a general gush of abuse. The "Daily Citizen" has pursued its way with more dignity, but has never hesitated to attack capital. It has painted vivid exposures of labour conditions. It has supported with ardour the extremest principles of the trades unions. Neither paper is yet "on its feet," financially. The "Herald" has passed through all the vicissitudes of struggling poverty and to-day's issue bears a personal appeal for further help, written by its Chairman with the sheriff's officer at his elbow. The "Citizen" has used up the capital provided in the confident belief that it would be enough, and is now asking the trades unions for further levies.

Now, there is no prospect of either of the two journals becoming self-supporting immediately. In the explanation of that fact lies the similarity to which I would draw attention. Newspapers that are sold at a halfpenny, as these are, cannot sustain themselves without advertisements, and neither the "Citizen" nor the "Herald" has enough advertisements to pay expenses. Such a prospect was fairly put before promoters of the "Citizen" when the paper was designed. They replied that if they got a circulation the advertisements would follow. They have got a circulation, but the advertisements have not followed. The fact is, advertising in this country is very largely controlled by the big producers of popular commodities. They take big spaces and set the pace for lesser people, who prudently use the same newspapers which the leaders in the advertising would find remunerative. I am not writing on the business of advertising, or I could enlarge on this matter. All I wish to do now is to point out that so long as the great advertising producers withhold their advertisements from papers they do not wish to support, those papers cannot prosper commercially. And that is exactly what is happening in regard to the two Labour papers I have mentioned. The reasons are obvious, and there is no present sign of them being overcome.

LESSONS FROM THE FINANCIAL STRINGENCY.

The present financial stringency and the criticisms levied against Canada's economic position will, in the end, be productive of much good. Many of our Municipalities are indignant at the criticisms of Mr. Horne-Payne and resent his and other attacks which have been made on our wholesale municipal borrowings.

Bankers and brokers, as well as Municipalities, have much to learn from the present financial stringency. The first lesson they must take to heart is that greater care must be exercised in the flotations offered British investors. Canada has been borrowing very freely in London, and there is a feeling abroad that a halt should be called in this matter. Whether the belief is justified, or not, there is an impression abroad, that our Canadian municipalities are going ahead too fast. Doubtless the booming of sub-divisions located miles from the heart of embryo cities which have been sold at fabulous prices, has had much to do with the spread of this impression. To a certain extent our Western cities discounted the future, but in this they had the support and co-operation of many of our banks.

On the other hand, it must be pointed out that Canada's borrowings for the past decade or two have gone very largely into what are at the present time non-productive fields. The bulk of the money has gone into railroad building, the construction of canals, the building of public utilities and the erection of sky-scrapers and office buildings. In time the railroads will create business and pay large returns on the capital invested. The same is true of the other enterprises into which our borrowed money has gone. In this connection, however, the banks and the erection of office sky-scrapers. In many cities it has become a sort of craze to erect high office buildings, to which people flock, as if by magic, leaving what were a half million dollars for the erection of a sky-scraper, which often times is unnecessary, were to divide that money in small loans on ten or twenty small factories, the resultant benefit to the country would be much greater. In a year or two these factories, through the advantage of additional capital, would be able to supply a large number of people, and in this way our present adverse plans of trade would be cut down.

Another lesson to be learned is that we must produce more on our farms. Canada has popularly been regarded as an agricultural country, and yet we import large amounts of food-stuff. British Columbia, last year, imported some eighteen million dollars worth of food-stuff. The Prairie Provinces also imported millions of dollars worth of dairy produce, fruit and other commodities. In Ontario and Quebec we are accustomed to eat New Zealand butter, Australian mutton, American beef, and many other things which we should grow at home. In same way more people must be encouraged to go into the farms. Whether this can be helped by the banks giving more favorable terms to farmers or not is difficult to say, but the experiment is worth trying out. The present is a good time to pay some attention to these important matters. Canada must secure an increased production of both farm and factory. Coupled with these changes in our economic position is the lesson that greater economy should be exercised in the administration of our Federal, Provincial and Civic Governments.

At the last session of Parliament the Dominion Government brought down estimates for the fiscal year 1913-14 totalling over $251,000,000. Our population is 7,200,000, while our total net debt is $340,000,000., or $47.00 per head. While it is true that Canada has been making rapid progress during the past few years, which, of necessity, involved heavier expenditures, it must be pointed out that we have been somewhat extravagant. In 1880, the total disbursements of the Government amounted to $34,000,000., or at the rate of $8.00 per head for the then population of the country. Ten years later the expenditure was less than $42,000,000., or at the rate of $9.00 per head. In the next decade it increased to