induce Parliament to remove this objection, but without success, the view having prevailed that the holders of Colonial bonds, apart from the few which are guaranteed by the British Government, have neither the means of checking the borrowings of their debtors nor the power of foreclosure or other forms of redress possessed by the holders, say of those Home Corporation stocks which come within the category of trustee stocks.

After referring to the uneasiness which the rapid piling up of debt by some of the colonies has occasioned in the minds of investors, and the alarm caused by the Australasian banking crisis of 1893, the *Economist* goes on to say:

Both in Australasia and in Canada, however, the industrial outlook has greatly improved within the past few months, and a widespread feeling of hopefulness has arisen where there was serious depression not long ago. Of more importance to the holders, or intending holders, of Colonial Government bonds is the fact that in recent years the fresh borrowings have been upon a comparatively small scale, and have been mainly confined to the less developed colonies. There has been, in fact, an evident disposition among the Colonial Governments of late to live within their resources, and to withstand the temptation to borrow provided by the cheapness of money in this country. To some extent the policy of abstention may have been due to considerations other than those of economy and prudence, but whatever the cause, the result cannot fail to impress investors. The longer such a policy is pursued, the greater will be the improvement in the credit of the colonies and in the value of the securities they have to offer.

The article concludes by directing the attention to Colonial Government bonds. Thus, in the meantime, as we have said, Colonial Government bonds are worth the attention of investors who are not confined to trust stocks, and who at the same time are not prepared to run any but very reasonable and moderate risks.

THE PROBLEMS OF THE LUMBER TRADE.

There is an aggregate capital of not far from $100,000,000 invested in Candian industries dependent upon the supply of wood for their existence. The employers of labor in these industries pay out every year more than $80,000,000 in wages, while they create annually wealth valued at nearly $110,000,000. There are, in addition, many industries which are in part dependent upon our forests for prosperity. Nearly one-fifth of the freight carried on the railways of Canada, and two-fifths of the freight passing through our canals, are products of the forest. The lumber and timber industries are of national importance and well deserve to be conserved by our Governments.

Since the passing of the Dingley bill in the United States, by which a $2 import duty was placed upon sawn lumber, the Canadian lumbermen have declared that their interests were threatened with disaster. The mill owners of the Maritime Provinces, Quebec and British Columbia all have more or less convenient access to the markets of the United Kingdom and Europe. The lumbermen of Ontario, and more especially of the Georgian Bay district, are by the position of their supplies largely dependent upon the home markets and that of the United States. Shipments of sawn lumber from Canada to the American markets have been made unprofitable by the Dingley Law, and the mill owners have been compelled to seriously curtail their operations. While the Ontario mills are closed, or working short time, the Michigan mills are in a position to work to advantage on Canadian logs. Having closed their markets to Canadian manufacturers, the Americans are helping themselves to our natural resources with new avidity. The lumbermen of Ontario have asked the Provincial Government for relief, suggesting that an order-in-council be passed to the effect that all timber cut under license in Ontario be manufactured in the province. The reply of the Hardy-Ross administration is to the effect that—

It has already been announced that the Government entertains the opinion that during the currency of the existing licenses such action as was proposed by the resolution of the meeting of August 17th, could not well be taken. I may say, however, that the Government is very carefully considering what policy should be adopted with reference to logs cut after the expiration of the existing licenses, and it is hoped that in a short time the public will be made aware of the course which may be determined upon.

Whether the Government has the power to subject present licensees to restrictive regulations such as are proposed, is a constitutional question as yet unsolved. The expediency of the provisions is another matter about which the politicians and lumbermen are not agreed. There appears to be no good reason, however, why the Government should not announce its intention to subject the licenses which will be issued next April to the condition that all timber cut under them shall be manufactured in the province.

Congress has provided that should Canada revert to the old arrangement, by which a $2 export duty on logs, balanced, in part, a $2 import duty on dressed lumber going into the United States, then Canadian lumber will be subjected to a $4 rate, retaining to the American lumbermen the advantage which they have under the present arrangement of free logs and sawn lumber dutiable at $2 per thousand feet. That Congress would meet the prohibition of the exportation of logs by a prohibition of the importation of sawn lumber is by no means certain. The tariff question was decided only after a prolonged struggle of rival interests, and many of the provisions were decided upon by close majorities. The Republican administration is by no means anxious to open up the much vexed lumber question and give the representatives in the Senate and the House of Assembly from the Eastern States another opportunity to put forth their pleas for cheap wood products. At the lumbermen's meeting in Toronto this week, Mr. Geo. Stephens, who was introduced as an American with mills in Canada, summed up the action of Congress after this manner:

Who put in the clause? Michigan. They want free logs and $2 duty on Canadian lumber. Who fought for the duty? Michigan, headed by the Hon. Walter S. Eddy. And they got it. John Blodgett and some of those fellows knew how to fix that thing, and they did it. I hope that John Blodgett will hear that New York, New Hampshire, Rhode Island, all the New England States want free lumber, but Michigan don't. They want free logs and a duty on lumber.

Our American neighbors have been previously accused of attempts to play the game of "bluff" in their relations, fiscal and otherwise, with foreign countries. If the Ontario Government were to act upon Mr. Bertram's suggestion, so unanimously adopted by a representative meeting of Ontario lumbermen in Toronto this week, to the effect that "when new licenses are issued after April 30, 1898, a regulation be embodied in every license that all timber cut on the Crown lands of Ontario shall be sawn, made into square timber, or otherwise manufactured in Canada," then Congress would be compelled to show its true motives in the matter.

ONTARIO LENDING COMPANIES.

(Continued.)

We have now to notice the returns of companies having withdrawable as well as permanent stock, or having only withdrawal stock. Pages 32 to 48 inclusive of the Ontario Government return are devoted to these. Twenty-two companies are in the category. But we confess to being somewhat puzzled to find, as was said in last issue, certain companies in this list which have never hitherto been placed in the same class with such companies as the Globe, the Dominion Building and Loan, and the Canadian Mutual,