

their own judge in the matter of their own investments. There are always sharks in a sea of prosperity. There are always "wild cats" in a mining camp. Cobalt is no exception.

Cobalt is one of the most law-abiding camps that ever existed. This, to a large measure, is due to the enforcement of stringent regulations concerning the development of the mines, and the camp's well-being. In some countries, the fact that the Government played an important part in mining propositions would inspire the public with fear. It would be whispered that the Government were influenced in their every action by ulterior motives—that they had something up their sleeves. But a Canadian Government, with its eyes upon the Cobalt mines inspires confidence. When a legislative body possesses such a trust, when, as it does, it commands the confidence of its own people, of the people on the same continent, and of people who hail from all parts of the world, it would be wise for such a rare and valuable trust to be retained.

Officials, who are responsible for legislation, know their business best. Although it may not be a pleasant task to take up the legislative gun, and make excursions into the woods to shoot "wild cats," it might be well that as much attention as possible should be devoted to these little animals, especially when their obtrusive heads appear in the regions of Ontario. A suggestion has been made that every mining company in Ontario should be compelled to obtain a license before selling stock, and that the fee therefor should be sufficient to defray the expense of a report from some competent and reliable expert, to be chosen by the Government. This is somewhat of a tall order. The public are treading on rather dangerous ground when they attempt to lay down a hard and fast line as to where lies the boundary between legislature and interference. Those who really have the interests of the great Canadian mining camp at heart will not kick against any measures which may be framed, or against the enforcement to the letter of existing statutes, in order that the camp may remain as law-abiding, as morally clean, and as free from parasites as is possible in such spheres of enterprise.

#### ALCOHOL FOR INDUSTRIES.

The new tariff proposal to admit foreign alcohol free of duty, if such spirit is intended to be used as a source of heat, light, or power, is meeting with adverse criticism in some quarters while in others it is welcomed as a blow aimed at Canadian distillers, who, according to one of our trade contemporaries, maintain a monopoly which keeps the price of alcohol at a figure which prevents the Government from supplying the demand for cheap methylated spirit for manufacturing purposes. An intimation has therefore been given that unless alcohol can be purchased in the home market, at a right price, the customs regulation will be adjusted to allow of duty-free importation.

If it can be shown that the existing condition is due to an unjust combination of distillers it is time that the Government took steps to counteract such influence; but before any action in this direction is taken, it is assuredly necessary to fix the responsibility on the right shoulders and prove that the distillers, and not the Government regulations, are really to blame. With the view of deciding this point the following facts are presented.

Indian corn may be imported duty-free into Canada by any class of consumers, except distillers, against whom there is a discriminating import tax of seven and a half cents per bushel. As this grain usually constitutes about three-quarters of the solid materials employed, it will be seen that the tax is a very heavy one. With corn at 41¼ cents, at the time of writing, this amounts to 18 per cent. of the value

of the grain. The customs duty on imported rye, for distillers, is even greater than that on corn, being ten cents per bushel, and though less of this grain is imported, the cost of the resulting spirit is considerably increased when such is used.

Malt is indispensable in fermentation, inasmuch as through its instrumentality the starch of other grains is converted into sugar, so that the yeast used may in turn transform this into spirit. The quantity employed for this purpose may be as high as 10 per cent. of the mixture, and on this a special tax of one and a half cents a pound, or 54 cents per bushel, must be paid to the Excise Department.

In the operations of distillation and rectification vast quantities of liquids have to be converted into vapor, and fuel becomes one of the chief factors when the distiller calculates his results. All distilleries must use United States coal, on which, an import duty of fifty-three cents on lump coal, or fourteen cents on slack must be paid, thus constituting a most important item of the producer's cost.

The foregoing Government discrimination against the distiller and in favor of the importer may be thus summarized:—Corn tax, 7½ cents per bushel; rye tax, 10 cents per bushel; malt tax, 1½ cents per pound; coal tax, 53 cents per ton.

It is intimated that these items would amount to from 3½ to 5 cents per proof gallon of spirit produced; but as alcohol for fuel, heat, and power, should be at least 65 over proof, the Government tax on such strength for materials used would be, in fact is, from 5¾ to 8¼ cents per gallon.

These figures need no argument and clearly show that if the price of Canadian alcohol in bond is relatively high it is mainly because of the tax on materials; and though such alcohol is called "duty-free" it is really only so in name.

If Canadian distillers have to bear a Government burden of say 5 to 8 cents a gallon on strong alcohol for denaturing purposes, what can be said of the proposal to admit the product of United States distilleries absolutely free of duty? Most people would designate this as unfair discrimination, and those of patriotic tendencies might even use much stronger language. It is reasonable to expect that mature consideration will modify this proposal, and that Canadians may at least be given equal advantage with foreigners, whether of the United States, or the cheap labor countries of continental Europe.

#### CANADA AND FLUIDITY OF CAPITAL.

A splendid opportunity presents itself for the proving of a dictum of the older economists concerning the fluidity of capital.

Some recent calculations made by experts before the Royal Statistical Society, London, showed that the total wealth of the British Islands amounted at the close of last year to the colossal sum of \$45,040,000,000, or enough to give every man, woman and child in the population over \$1,000 apiece. Not only this, but it was pointed out that in the past twelve years the national wealth has been increasing at the rate of about \$300,000,000 annually.

The above per capita division of wealth, unfortunately for several millions of people, being purely an academic calculation, the fact remains that enormous sums of money in Great Britain await profitable investment. With that condition prevailing there, and the corollary of hundreds of legitimate openings for capital here in Canada only three thousand miles away, it should not take long for the economic axiom to take full effect; in other words, for the vast amounts of spare capital in Great Britain to flow as a natural force to this Dominion.

And there are signs in plenty to show that this very thing is happening, and will continue to take

place in enlarging ratio in qualified Canadian visits remarking the wonders there in Canadian investment government bonds and a practically the only form. Now, these are considered as business and profit to a huge for capital.

Natural resources have proper hold on the investment development offers a scope towards of a high order, of the explorer native Government bonds with returns give way in interesting prodigal Nature throughout half a century the use of man, with progress the development. Of singularly keen interest taken in Canada's forests and pulpwood. Of her capabilities in the tries, they are rapidly witness of which are record carpet manufacturers and

The truth is that the in Canada for the investment capital are only just begun one taken hold of may and others. As Lord Grey, who is emphatically a gentleman a little while ago to a Canadian "is scarcely any part of it" "not a veritable Aladdin's cave." The danger is that in the houses, a few of the boys ally mixed in by unscrupulous adians should have more posing such traps; and care which investments they may be situated, England into force the economic have been identified for every prospect for the pecuniarily. Politically empire builders they want work.

#### NEW ONTARIO

As is already known Ontario has departed from publishing the draft of his ing the Ontario Companies recently made in these in his letter enclosing the is largely tentative and and comment. He evidence and comment. The draft such a manner that every ing through blue books, and a dozen other fears tunity and noting intelligence templated in the Ontario tions have been amended together new, and what are

The more you glance more you realize the growth which must have been the bill becomes law, the objections. If there are objections should be forth that a new legislative request for the fullest display its qualities. The citizen queathe to his member serious criticism. An i