

ment was signed; the latter felt convinced of his colleague's presence. Both were sure, which, in two words, is flat contradiction. Alberta is thus a grower of wheat and short memories.

That the agreement with the Great Waterways road had been consummated without his consent was Mr. Cushing's assertion. One would think that the Department of Public Works, with its two railway engineers, would have something to say regarding this transportation factor. As the faithful watchdog of the Cabinet, he related how his suspicions were repeatedly aroused that the company, planned by United States interests, financed by Great Britain, backed by a Canadian government, would build a cheap road, make a graceful exit, and then hint to Kansas City friends as to the business innocence of Alberta Cabinetarians.

As a constructive and destructive volley, Mr. Cushing is probably without parallel in his own camp. Not only did he electrify the Legislature at Edmonton with opinions. He followed them with offers looking practical. The worst feature of the contract was that the company would draw \$20,000 per mile as soon as the first ten miles were built. President Clark, of the railway, is now willing to construct the first fifty miles of the road without drawing one dollar of the guarantee. No heroic unselfishness looms out of that. Mr. Cushing offered to place a bond of \$500,000 that the railroad could be built according to specifications under the contract for \$12,000 per mile. He was also willing to place a similar bond that he could build the road according to specifications for \$16,000 per mile, sidings not included. Premier Rutherford says the government engineer's estimate is \$29,000 per mile. The company's engineer thinks \$27,000 is good enough. Mr. Rutherford as provincial treasurer has in his care the seven millions odd. Accordingly, dollar for dollar is to be the measure between the railroad company and the government.

That appears to be the story without its high-colored embellishments. It remains to sift the chapters for the moral, if any. First, the Alberta and Great Waterways Railway made a mighty good bargain with the provincial government. Mr. W. R. Clark, of Kansas City, has promised to make the road actually much better than the contract stipulated, which is testimony to the fact that Kansas City knows a good thing. Mr. Cushing's offer to put up a million dollars worth of bonds and to build the road according to specifications under the contract for \$12,000 per mile will not likely be accepted. It would mean that Kansas City would have to find another railroad government. Mr. Cushing, in the meantime, would assume the role of contractor, or perhaps take the office of premier, while someone else constructed the line according to his ideas of bond guarantees and incidentals. Narrowed down, then, it would seem that Mr. Cushing would pursue a different policy under similar circumstances to that followed by Mr. Rutherford—that is, if Mr. Cushing were premier. And he is not.

FROM WASHINGTON TO OTTAWA.

Ten years ago the visit of a United States tariff commission to Canada would probably have been considered undignified. Messrs. Emery and Pepper, members of the Washington tariff board, are to discuss at Ottawa the height of the tariff wall. That is a modern pilgrimage of Mohammed to the mountain. In the days when the shaggy wool of the uncivilized hung from Canada's loins our neighbor scarcely appreciated the importance of this market. Even when the Dominion donned its confederation smock, Uncle Sam was inclined to regard us more as the youthful nephew than as an ambitious cousin coming into millions upon his majority.

So things have progressed until Ottawa has reached the stage when Kaiser Wilhelm says: "Please remove the

surtax," when France pushes forward for its share of an important market, and when Great Britain almost throws overboard its traditional trade policy of take-what-we-offer-or-go-without. Meanwhile the United States with proper decorum sends its missionaries to the Canadian capital. The Dominion locomotive of progress was forging ahead, calling only at the tariff stations it chose. It was near Columbia District, still running at high speed. Washington thought it time to flag the train.

Recent events have shown that the Dominion knows the increasing value of its market, and that for the next few decades it will likely be the centre of commercial interest. A milk-and-water trade policy is not consistent with this situation. Strong hands are directing tariff matters at Ottawa, with Canada's interests placed first, those of the British Empire second, and other countries in the position deserved. The United States have sixty per cent. of our import trade, a sufficient inducement to insure a peaceful conference at Ottawa.

CANADA AND THE LONDON MARKET.

The chief event in the bond market is the reception accorded the Amalgamated Asbestos issue in London. Cables from that city indicate that the bond issue was not fully subscribed. When that much of a message survives the Atlantic, it is safe to conclude that the bonds were coolly received. The reasons given are two, the present political conditions abroad and the collapse of the rubber stocks craze, both disturbing elements in the English securities market. The holders of Amalgamated Asbestos bonds have no cause for apprehension, various interests backing the company having agreed to look after the bonds at the price fixed for the recent issue. Upon this announcement last week the market gained three points. Negotiations have been proceeding with two London banks for the disposal of a considerable quantity of the bonds. The once doubtful looking position has thus assumed a pleasing aspect.

Admitting that market conditions represented the sole reason for the disappointing result of the issue, there still arises speculation as to how future Canadian flotations in London will be received. During the four years from 1905 to 1908 inclusive, we obtained in the shape of public flotations abroad £63,000,000. Last year the figures were £42,000,000. In the two months of 1910 London has loaned us in the same way more than one-fourth of the record of 1909. The outlook for Canadian borrowing this year, therefore, is far in excess of last year's.

The Canadian Mortgage Bank, for instance, is being organized in Great Britain, and will probably account for much British capital. Penmans common stock may also be offered in London. The Canadian Northern will seek considerable sums to finance its British Columbia railroad enterprises. The Grand Trunk Pacific will also be in the market for more funds. In Montreal it is learned that several brokers' and bond houses have under consideration the placing of many new issues overseas.

The chief consideration, then, is the maintenance of Canada's high credit in London. That is assured only by offering the best issues to that market, at the same time affording the British investor the fullest possible information in the prospectus. Complaints have been made in London for some time past that sufficient details regarding property and plant owned, or to be acquired, past earnings, estimates of future profits, and so on, have not been given. Formal protest will one day cease. The overseas investor does not frequently repeat his objections. If the trouble is not remedied he will seek investments elsewhere. Those who contemplate borrowing in London must do more than feel the market pulse. They must have a reputable proposition and at the same time give all data necessary, so that the individual investor may examine it.