have declined in Montreal and Toronto as well as in Wall Street. A great deal of grain and other produce, which had been held in storage, forming the basis of bank loans has gone down the St. Lawrence on its way to Europe. And the dairy and other products of the present year have begun to come on the market in volume and have been passing through the exporters' hands. With regard to the dairy products the output this year should be larger than usual on account of the excellent pasturage, the result of the numerous rains. However, the consumption of cream, butter and cheese, within the country has been rising rapidly; and there might be a considerable increase in the output of the dairy without any increase in the amount or value exported.

A MANUFACTURED "BOOM."

The details given on another page by the London correspondent of THE CHRONICLE and the cables which have come over within the last few days regarding the efforts which are now being made in London to engineer a "boom" in British Columbian lumber companies are not cheerful reading for those, who, whether living in the East or West, are sincerely anxious for the future welfare of Canada. The Times, the Daily Mail, and the Observer, it appears, have been publishing flaring full page advertisements illustrating the lumber wealth of Canada's Pacific province; and in the Daily Mail's financial notes have appeared various obviously 'inspired" paragraphs stating that "there are unmistakeable signs in certain quarters that within the next two or three weeks there will be another boom—a boom in British Columbia timber company promotion. Just as the far-seeing financiers of Mincing Lane foresaw the state of affairs that would arise in connection with rubber, so several far-seeing financiers in the city have been acquiring options over large tracts of timber lands in British Columbia and the public is likely to hear a good deal more of the matter in the near future." Then follows a lot of stuff about 'shortage of supplies," "advance in prices," "British Columbia the last great source of supply," "mills working night and day unable to supply the wants of Western Canada"—all the stock-in-trade in fact, of what any one who has had the slightest experience at all of financial columns will recognize at once as "the puff preliminary"—and paid for. Following upon these puffs in fact, the prospectus of at least one British Columbian lumber company has made its appearance in London and others are on the stocks, waiting merely until the public has been worked up to a sufficient pitch of enthusiasm by these "puffs preliminary" to make their appearance.

We are not concerned at the present time with the genuineness or otherwise of the propositions which under these auspices are being submitted to the British investor. Having had no opportunity either to examine the properties in question or to form an opinion as to their prospects, we are not in a position to state whether the prospectus estimates of profits—which it may be safely taken for granted are on a liberal scale—are likely to be realized or not. Possibly they will be, possibly not; at the moment it is no concern of ours. But, in the interests of the future development of Canada and whatever the future history of these companies may be, we do protest most strongly against the use of these circus like Daily Mail methods for inveigling—there is no other word for it—the British investor into British Columbian lumber companies.

We here in Canada are faced with the problem of developing a great country—"the world's last great West." For that purpose and for many years to come we shall require all the capital we can command in the monetary centres of Europe, in London, in Paris, in Berlin, in Brussels, in Amsterdam. As we are the last to develop so it it incumbent upon us to avoid the mistakes which have been made in the development of other parts of the world—we should be foolish indeed were we to neglect any warnings gratuitously given by the experience of other people.

Mr. Byron E. Walker, president of the Canadian Bank of Commerce, wrote only a few days ago:—"Moderate statement of our potential and present wealth will more readily convince than piled up adjectives and performance of contract will do more to enlarge and perpetuate our credit than unlimited wheat fields." There are numberless proofs, if any proofs were needed that at the present time British investors are more favourably disposed than ever they were before towards Canadian investments, and are willing, if not even anxious to place their capital here, especially since a higher scale of taxation in England tends to make investment in that country less profitable than formerly. For many reasons which it is not now necessary to enter into, it is desirable that Canada should be developed as far as possible by British capital. But there are indications that French, German, Belgian and Dutch investors are also willing to supply our needs. There is no doubt that the various centres in Europe which have been named will supply Canada with all the capital which she requires for her legitimate development now and in years to come if only Canada will preserve her financial name unsullied, and will be careful, as THE CHRONICLE has been insisting for years past, on selling only in Europe securities which are thoroughly sound, securities which are the best of their types, securities upon which the European investor can place reliance and which will not keep him awake o' nights. Capital is a shy bird; the merest whisper of insecurity or scandal is sufficient to drive it away, and once away it is a difficult task indeed to induce it to return.

It is in view of these facts and for these reasons that we protest most strongly against the attempts now being made by anonymous "London financiers," to manufacture a "boom" in British Columbian lumber issues. The securities they have to sell may or may not be good; however that may be their methods of getting rid of them are highly objectionable, and an insult to Canada which can obtain the capital it requires without indulging in questionable tactics of this sort.

At all costs the fair name of Canada must be kept out of the mud in the European markets, and this manufactured "boom" is dragging it down. Against that "boom" THE CHRONICLE raises the strongest protest in its power.