

field. The Dominion will be compelled for some time to seek officially considerable sums of money. Our Governments and municipalities require capital to keep pace with rapid and natural development. These public issues are but a reflection of the great industrial expansion proceeding throughout the whole of the Dominion. It is there that British capital is a minor quantity. It can be ascribed partly to geography. A man in a United States city sees that silver has been discovered at Cobalt. Immediately scenting possibilities, takes a train for Cobalt and gets information first hand. He does not wait for a questionable prospectus to reach him. This refers not only to mining, but to all industrial development. The man in London, in many cases with more wealth and time than his American friend, reads the same paragraph, and maybe marks and learns it. But inward digestion comes not. Canada is doing its share of attraction by means of publicity. It remains now for the British invasion to compete with that of the United States capitalists and industrial captains.

Mr. C. E. W. Smith, of New York, who has been associated with the Hon. Leslie M. Shaw with a view to obtaining the controlling interest in several of the large industrial corporations in Canada, is one of the many to appreciate possibilities. He says that United States financial men are turning their attention to the north of the border, desirous to invest money here, so that they may participate in the general prosperity and expansion with remunerative results. According to Mr. Smith, they have no hesitancy in placing money within our borders. They appreciate the fact that the Dominion is about to enter a period of greater prosperity in all departments. Capital is rapidly discerning Canada's wealth, and Mr. Smith looks forward to a period of industrial expansion.

In a recent report to Washington, Mr. A. G. Seyfert, an United States Consul in the Dominion, reviews the growth of United States industrial enterprise in Canada.

Prior to the present protective policy of Canada, he says, United States firms made the goods at home, and shipped the finished product here. In order to hold the business it became necessary to establish United States annexes in Canada, and manufacture the articles which they desire to sell to Canadians in Canada. From the best information obtainable, he adds, there are at least 150 such United States firms in Canada with a capital investment of \$175,000,000. Probably the largest plant is that of the International Harvester Company, at Hamilton, which employs 3,000 to 4,000 men. The purpose in establishing this immense plant was not only to supply the Canadian farmer with agricultural implements, but also to manufacture farm machinery for export, as Canadian goods have a customs rebate in South Africa, and on some lines in Australia, while Canadian farm machinery enters France at a lower tariff rate than similar goods from the United States. Most of these annexes are located in Ontario, among them being three large shoe factories, financed entirely by United States capital, which came here during the past few years. The United States shoes imported into Canada of late are chiefly the higher grade, \$5 and \$6 shoes. A lower grade, which could not be imported under the present tariff, is made by the United States factories in Canada. In the lumbering business there are enormous United States investments. When a tax was put on saw logs for export the Yankees established sawmills in Canada. The capital invested by them in the Canadian lumbering interests is estimated to be not less than \$40,000,000.

EDITORIAL NOTES.

It is amusing to note the reasons given for sudden changes in stock prices. The actual holders of stock never desire to sell simultaneously and suddenly their

investments. Again, only such a happening would legitimately cause a violent fluctuation. The ups and downs of stocks in many cases are due to manipulative, and in all cases to speculative influence. How often is it that the press give as the reason for a rise or fall that the holders wanted more money, and therefore sold their stock? On the other hand, the reference is chiefly to a purely speculative development. Anything nowadays is taken as a reason for a rise or fall. One may expect to learn that because Sir Thomas Shaughnessy sneezed, C.P.R. stock fell, or that Harriman having hoarseness, interviews were out of order and Union Pacific rose two points.

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The importance of a proper hydrographic survey is noted in the recently published report of the Superintendent of Forestry. The termination of the water supply, he says, is of the greatest importance, not only to the irrigation interests, but for the municipal supply of the rapidly developing towns of the West, to the operation of railways and for the convenience of the growing population. As the administration of the water resources of this great district is under the control of the Dominion, the responsibility for dealing with this subject rests upon the Federal authorities, and the importance of the interests involved would justify the increasing expenditure that may be necessary to place the hydrographic survey on an efficient basis. Mr. Campbell, the Superintendent of Forestry, thinks that the evidence of its experience is against the unrestricted transfer of water rights. The proper policy seems to be to adhere in the main to the principle already established by the Irrigation Act of making the right to the use of water appurtenant to the lands. The principle of the present irrigation law is that the water is public property, and that any rights to the use of it do not convey any property in it, but are granted for beneficial use in connection with a specific location. If any larger right were permitted to exist, a right to water might be held speculatively and not used beneficially. One person or company might get control of the water and have a monopoly which would place the holders of land dependent on the stream at their mercy.

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In twenty years' time maybe our big railroad companies will have absorbed many of the smaller lines. For the past twelve months, as a sort of beginning-railroad charters have been purchased by transportation men who are likely to transform the paper into steel. Now that charters are being granted with less haste, they are more valuable. Railway consolidation is a phase through which every country passes. In England the directors of three of the biggest roads not long ago decided, because of opposition, to give up their amalgamation intentions. But nobody can say whether or not certain agreements between the companies exist, and if so, their significant nature. Mr. E. D. Kenna, a prominent United States railroad man, has some good arguments in favor of railway consolidation. He objects to such being labelled as a trust. Any man, he says, with sufficient money and brains may become a trust. On the contrary, a railroad must remain for the use of the public, even though the same cannot be operated except at a loss. The carrier must sell its commodity, which is transportation, to all customers on equal terms, which the public may fix as it desires to do so. There appears to be no cogent reason for great consolidations. All that the roads require is to be allowed to enter into those arrangements that will lessen the cost of transportation, and enable the lines to agree upon plans that will prevent secret rate cutting. Some will say that such an arrangement is a monopoly. But surely it means no more than that people should tolerate that which they should be forced to accept if the government owned the railroad. Then there would be but one rate.

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