

REFLECTIONS

By THE EDITOR

Frown Down the Pessimist

THERE are a number of pessimists loose in Canada just now, and they should be hunted down. Some of them are men who have made money out of real estate sold at high prices. They are anxious to get in again and hence their pessimism. Others are men who have over-traded, or invested unwisely, or have spent anticipated profits. They feel the pinch of their own foolishness, and improperly denounce business conditions.

During the past five years Canada has made as much progress as in any previous ten years. Perhaps we went ahead too fast. Undoubtedly we got extravagant. Now comes a period of low grain prices and a shortage of surplus capital seeking investment. It caught us with all our sails up and naturally some of them got torn before the sailors got them reefed. But we must learn to watch out for financial flurries and sudden gusts of trouble.

You cannot go on forever turning farm land at \$100 an acre into town lots at \$1 a square foot. Neither can you long continue issuing stock-certificates at par which represent nothing but the nerve of some young Napoleon of finance. These are the only sorts of enterprise that have been throttled by the financial stringency. The "unbounded natural resources" are still here awaiting the converting power of labour and capital. The earning ability of Canada is as great, if not greater, than it was a year ago, while the intention to save is improved.

Harvest Prospects

WHILE the prices of "town lots" have fallen tremendously, and the bottom dropped out of the nation-wide real-estate boom, the harvest promises to be up to the average. The sun and the rain and the fertile soil are combining as usual to produce a crop of hay, grain and fruit which means wealth to the country and general prosperity. All the conditions are favourable for a big crop.

There may be districts here and there in which the crops will be somewhat disappointing, but in other districts of greater area the yields will be large. The railways will be in a better condition than ever before to transport what the land yields. There will be more elevators to contain the surplus, and hence there will be less waste.

Prices of farm produce continue high—not absolutely high, but comparatively high. The Winnipeg prices for the better grades of wheat have ruled from 2 to 8 cents a bushel higher than those of Minneapolis for a year, with the exception of one month. Our transportation facilities have expanded so much that free entry of wheat into the United States would benefit us nothing, except, perhaps, on very low grades.

Starvation vs. Competence

THE other day, the Battleford Board of Trade was asked by the Winnipeg Board of Trade to help along the agitation for lower freight rates. There are some wise people in Battleford. They admitted that lower freight rates were advisable, but suggested that if Winnipeg really desired to do something to help the outlying districts they would agitate for more branch lines rather than lower freight rates. This is the view taken by a writer who contributed two articles on this subject to the CANADIAN COURIER last year—branch lines are more important than lower freight rates and interior storage elevators are as important as branch lines.

Winnipeggers are amusing. They see only their own point of view—a fault which they share with Toronto and Montreal. But the Western farmer living thirty or forty miles from a railway station is much less concerned with a reduction of a few dollars in freight than with the possibility of getting freight in and getting his crop out. Lower freight rates will come in time, but for the present good roads, branch railways and interior elevators are most important. The farmer who cannot get his grain to market at all may starve or be forced to abandon his farm; the farmer who pays a high freight rate but gets the service makes a living and a little profit at least.

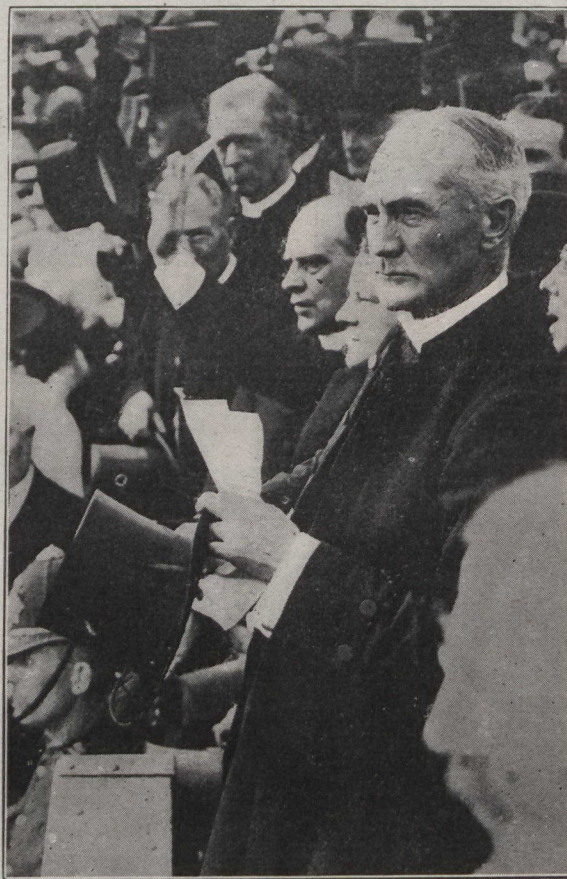
The Western Boards of Trade should get the essentials before they discuss the non-essentials. If

they can get both so much the better, but let the essential be the first consideration.

Practising Economy

CANADA needs capital and capital comes from savings, therefore Canada should be practising economy. Germany is doing this just now and their form of economy is to discourage imports and encourage exports. No one in Germany advocates the limiting of manufacturing or any slackening in business activity. But every manufacturer is urged to push his foreign sales and every consumer is asked to patriotically confine his purchases to German goods.

On the first of June, 1913, Canadians had less money on deposit in the chartered banks than they had on the first of June, 1912. In other words, Canadians are over-trading and especially buying too much abroad. Our imports have been going



The Bishop of London, Addressing a Huge Crowd Gathered on June 21st, in Hyde Park, to Protest Against the Disestablishment of the Church in Wales.

up and our bank deposits going down.

It is time for a change. And a patriotic view would lead people to make their first savings in the lessening of purchases of foreign goods. If they lessen their buying of Canadian goods, Canadian workmen will be thrown out of employment. If they lessen their buying of foreign goods, the heavy adverse annual balance against this country will be diminished.

The banks are doing well. While deposits have decreased during the twelve months, the loans to Canadian business men have increased. But if deposits continue to go down, the loans cannot continue to expand. Therefore, let Canadians do as Germany is doing: increase exports and decrease imports. This is the only rational solution—the free trader to the contrary notwithstanding.

Responsibility

NOW that the Dominion Government have decided to reimburse the depositors of the Farmers Bank for money lost in the failure of that government-certified institution, what about the Union Life shareholders? Here are a large number of residents of Great Britain who invested money in the Union Life because they were told and felt that the Department of Insurance at Ottawa would see that they got a fair deal. Yet the Insurance Department let matters drift until the company was in such bad condition that the share-

holders will get nothing. For three years or more warnings were sent to Ottawa that Mr. Pollman Evans' companies were being mishandled, but the Department did nothing. Is the Dominion Government not bound by the rule laid down in the Farmers Bank case to come to their aid? Is the Insurance Department merely a statistical department and is its superintendent one who does not superintend?

As far back as 1907, the Superintendent of Insurance knew that the Union Life of Toronto had issued policies for industrial insurance to the extent of eleven millions of dollars, had collected half a million dollars from shareholders, and yet had a surplus of assets over liabilities of only \$30,000. Yet it is six years afterwards before the Minister of Finance does anything to protect the public. By that time the stockholders have lost one and a half millions of dollars, and there are over twenty millions of insurance outstanding.

If the failure to contribute thirty-five million dollars for Dreadnoughts injures Canada's credit in London, how will a direct plundering of English shareholders of a million dollars affect the country's credit? Why does the Insurance Department exist?

A Royal Governor

WHY should Canada have a royal governor? This question to a Canadian at the moment will bring forth the answer, "Because the Duke and Duchess of Connaught are popular with all classes." And the answer, though not direct, is fairly accurate.

Yet when the same question was asked three years ago there was no unanimous answer. The CANADIAN COURIER always favoured it, but semi-socialist organs like the Toronto Star, Ottawa Free Press and Toronto Weekly Sun were quite convinced that the experiment was inadvisable. Indeed, for a time it looked as if it might be unwise for the Duke to accept the appointment. However, the word was passed out from London to the Knights of the Realm resident here, and they began to influence public opinion in favour of a royal personage at Rideau Hall. The ultra-democrats were beaten back and the appointment was made.

Now all is changed. The innovation proved to be satisfactory—none of the evil results which the democratic editors predicted came to pass. And these low-browed moulders of public opinion like Joseph E. Atkinson, John Lewis, Stewart Lyon, and Norman Smith are now quite prepared to accept the extension of the Duke's term "with pride and satisfaction." Joe Walsh and Cap. Smith are almost the only persons unconverted.

The situation reminds one of the statement placed in his last will and testament by a prominent Bostonian who died a few years ago. He stated for the benefit of posterity that the greatest troubles in his life never happened. And so with the Royal Governor who came and saw and conquered; the toadyism and the exclusive atmosphere which were feared have not been seen. Canadians have gone on their social way pretty much as usual. A few "climbers" may have made themselves ridiculous, but these we have with us always. Of course much credit must be given to the Duke and Duchess, who have shown such admirable adaptiveness, such commendable simplicity and such compelling earnestness in the discharge of their important duties.

Uneasy Lies the Head

HON. FRANK COCHRANE, Minister of Railways and Canals, received a terrific blow last week. The United Brotherhood of Carpenters and Joiners of America met at Brantford and resolved to call on Premier Borden to ask him to remove the said Minister from office because the wages of the government employees in the gate yards of the Welland Canal have not been raised "to the standard of the district."

This is awfully sudden. It has looked as if Hon. Mr. Cochrane had only begun his climb towards political greatness. His record as an administrator in the Ontario Government made him leader of the Conservative party in Ontario for Dominion affairs. His fight against reciprocity, ably conducted, won him a prominent place in the Borden Cabinet. And now because he has not raised the wages of a few carpenters on the Welland Canal the Premier is to be asked to dismiss him. How sad!

Seriously speaking, Mr. Cochrane would be well advised if he dismissed every member of this particular union in the employ of the government. Such impudence, whether it comes from capitalist or wage-earner, should not be tolerated. These men are entitled to seek justice, but their seeking should not include insults to cabinet ministers.