

George proposes the amalgamation of the Departments of Customs and Inland Revenue which seems to be a logical consolidation.

Dealing specifically with the development of our country's natural resources, Sir George says: "In laying down a policy to be adopted in such matters questions of great complexity will arise which must be treated from a comprehensive point of view, and which require for their elucidation the highest technical and professional skill which can be made available.

"The carrying out of the policy when decided on, and the execution of the necessary works must, of course, be left to the particular Department dealing with the matter in hand. This departmental autonomy is necessary for administrative purposes, and must clearly be maintained; but it has two drawbacks. In the first place it results in questions being dealt with in a fragmentary or piecemeal fashion without sufficient consideration of all their various aspects; and in the second place, the technical officers of the Departments, being mainly occupied with the projects and business of the moment, have not sufficient time to deal in a deliberate manner with all the problems involved, many of which do not directly concern their own Department and may consequently be lost sight of altogether.

"For example, almost every waterway may be considered from at least two points of view. It may be utilized either for purposes of navigation or for the purpose of the production of power. These two objects may, and probably will, be antagonistic to each other. It may happen that the Department dealing with one is not the Department dealing with the other; and in that case one or both of the Departments will in all probability be found to be acting independently. Yet it is clear that a sound judgment can only be formed on a careful balance of all the considerations affecting the subject."

He suggests that the Commission of Conservation is not adequately equipped with expert assistance, without which the best results cannot be achieved, and that the size of the Commission, thirty-two members, is inconveniently large for practical purposes. He recommends the appointment of a small permanent Commission of three, or at the most five members, who should devote their whole time to the work, and who should be assisted by a staff of the best experts procurable, either in Canada or elsewhere. Sir George is to be complimented upon his well-considered report, which should have considerable attraction for both Liberal and Conservative governments, which have, as one of their ambitions, an efficient civil service.

WAR AND SECURITIES

The war clouds in Europe have cast their shadow over the stock markets of our own continent. Men have been weighing the financial consequences which would follow a conflict between the great powers of Europe. But, as the Wall Street Journal points out, stress is commonly laid upon the mass of securities dealt in by the bourses, and too little upon the enormous wealth which lies behind, and is ever ready to support them. This is mainly due to the fact that the securities can be more or less accurately measured, while the aggregate wealth of the commercial world is little known.

Mr. E. Terry, a well-known French economist, estimates that Europe possesses, at present, about \$150,000,000,000 nominal capital in public securities, representing together the producing plant, the working capital of trade, commerce, and agriculture, reserves for the future, etc. These securities increase annually by four or five thousand millions; and from the ease with which they can be converted into money, they circulate from hand to hand just like coinage. The same thing applies to bank notes, cheques, and bills of exchange. In ordinary times, he says, that organization works well, but calamity is predicted in case of a general European war.

It is not clear if the term "Europe" includes the United States or not; but, judging from the solidarity of all commercial bourses, it is a fair presumption that it does. Therefore, these \$150,000,000,000 substantially measure the "securities" of the commercial world. What lies behind them is shown in our New York contemporary's estimate of the wealth of the commercial world:—

| Country. | Population, millions. | Wealth, millions. |
|--|-----------------------|-------------------|
| United States, 1912, computed.... | 95.3 | \$130,000 |
| Great Britain, 1909, computed.... | 45.0 | 88,725 |
| France, 1909, computed | 40.1 | 83,000 |
| Germany, 1909, computed | 64.0 | 63,500 |
| Russia, 1910, computed | 146.8 | 60,000 |
| Austro-Hungary, 1910, estimated.. | 51.3 | 46,170 |
| Italy, 1908, estimated | 34.0 | 39,600 |
| Spain, 1912, estimated | 20.0 | 14,000 |
| Turkey, 1910,* estimated | 24.0 | 9,600 |
| Belgium, 1907, estimated | 7.3 | 10,950 |
| Holland, 1909, estimated | 6.0 | 9,000 |
| Balkan states, 1910, estimated.... | 14.0 | 7,000 |
| Switzerland, 1910, estimated | 3.5 | 3,030 |
| Sweden, 1908, computed | 5.4 | 2,197 |
| Portugal, 1910, estimated | 5.4 | 2,700 |
| Denmark, 1906, estimated | 2.6 | 2,340 |
| Norway, 1910, estimated | 2.4 | 1,400 |
| Greece, 1907, estimated | 2.6 | 1,300 |
| North and South America, except United States, estimated | 70.3 | 34,448 |
| Total | 640.0 | \$600,000 |

* Egypt and Tripoli both excluded.

The securities are \$150,000,000,000, while the wealth is \$600,000,000,000, or four times as much. If this is not considered a sufficient guarantee of stability, there is, besides, an annual increment to this wealth of between two and three per cent. That seems to render assurance doubly sure, and may be regarded perhaps as a silver lining to the black clouds.

LA BANQUE INTERNATIONALE

Judge Leet's decision regarding the charges against officials of La Banque Internationale will be announced—

When?

SMALL CHANGE

Only 361 days to 1914.

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Congratulations to Sir Frederick Taylor!

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Dynamite is no friend of the sane labor cause.

* * * *

Single tacks in Ontario may puncture the premier.

* * * *

"You will find it in *The Monetary Times Annual*."

* * * *

Wilson seems to have as much surplus cabinet timber available as did Borden.

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Canada's total trade for the twelve months of 1912—one and nine noughts dollars.

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As a holiday offering, a well-staged scandal seems to have bank act revision beaten.

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If you did not get a New Year's honor, the Minister of Militia may oblige you with a colonelcy.