mous imports from London, some $50,000,000 of which had been received at the date of the statement. Most of it undoubtedly went to the interior—some for the legitimate purpose of moving the crops, other for the strengthening of country bank reserves. Looking at the situation in the States from this view-point, which is in some respects a favourable one for studying it, the remedies proposed seem hopelessly inadequate. The real weakness lies in the banking system. In times of crisis the heart always needs to be well nourished. Under the American system of banks that is exactly the time when it is starved. The life blood is drawn away to hundreds of places where the need for it is not so vital, and the bankers, who know how disastrous the process will prove, are powerless to prevent or check it.

SOME CUSTOMERS WORTH CULTIVATING.

The accompanying table relating to the foreign trade of Canada suggests many things regarding future commercial developments for the Dominion. The aggregate of trade within the Empire and with the United States accounts for $426,428,328 of the total $465,063,204 worth of goods or commodities imported and exported during the nine-month fiscal period ended March 31 last—leaving less than $40,000,000 to represent Canada's trade with all other countries. So small a proportion is not likely to continue—nor should it. Whatever comes to Canada in the growth of inter-imperial trade, there should be no neglecting of opportunities in foreign fields open to its commercial enterprise. Not that efforts should be artificially forced into such widespread channels as to involve a weak scattering of interests. But the time has surely come when, step by step, Canada may venture somewhat farther afield than in the past. While the markets of our overseas customers are geographically more distant than those of the United States, distance is year by year becoming less a barrier—while tariff walls show few signs of any lowering. Consequently, it is natural to suppose that in the near future this country's exports to overseas customers will increase more rapidly than those to the United States. Mutually beneficial tariff arrangements with distant customers, combined with improved transportation facilities, will more and more tend to offset the advantage of contiguity which has made the United States, after Great Britain, our chief market.

Four countries, outside of the Empire and the United States, may just now be looked to as customers well worth cultivating: Japan, Mexico, France and Germany. The trade outlook with the two first mentioned countries has been discussed from time to time in these columns, and prospects with the latter were dealt with in some detail about a month ago, in referring to a report from Ottawa to the effect that the Dominion Government was likely to follow up its trade treaty with France by an effort to arrive at more satisfactory arrangements with Germany also. While the latter country should eventually prove a valuable customer, trade and financial developments within the past few weeks would indicate that in the immediate future Germany like the United States, may have to "go slow" as a purchaser for some time to come.

With France the case is different. Of all important European countries it is the only one where recent demands upon capital have not exceeded available resources and savings. In ways more or less direct it is profiting substantially from the international money famine. As The Economist of London points out, up to seven or eight years ago the average level of the Bank of France, discount rate was higher than that of the Bank of England. But the enormous drain of the Boer War naturally made capital and credit comparatively scarce in Britain. "Hence Paris no doubt benefited as compared with London."

Canada's trade with France in the year 1906 was $9,818,138, of which imports from France made up $7,698,047, while exports were $2,120,091. In the nine months of the past short fiscal year the trade was $8,088,921, which would undoubtedly mean an increase for the full year ending June 30 last. The principal items in the exports of 1906 were living animals, $164,330; breadstuffs, $244,000; fish, $952,468; metals, $372,061; lumber, wood pulp, etc., $97,670. It is on such lines among others, that Canada will receive the benefit of the French minimum tariff—an advantage that should mean a healthy stimulation of the country's export trade. It is to be borne in mind, however, as The Star of Toronto remarks, that "France is a country of intensive farming, in which every bit of land is used to the utmost advantage, so that even with the advantages offered by the new tariff an increase in our export trade of farm products will require a careful study of the French market."

The concessions which Canada on its side grants to France should mean a considerable influx of typically French products into this country, and the establishment of improved transportation facilities. As THE CHRONICLE has already pointed out, there is every reason to hope that closer trade relations between the two countries will affect various interests denominated financial as distinguished from those actively commercial. Once Canada's reputation as a buyer and purveyor is firmly established in France, there can scarcely fail to be a notable increase in the attention already paid by French capital to the permanent investment possibilities of the Dominion. As a prominent Montreal manufacturer remarked the other day in this connection: "One must remember that capital does not precede trade, it follows it."