

THE MONTREAL BOARD OF TRADE AND THE EMPIRE.

By a vote of 189 to 57 the Montreal Board of Trade has reconsidered the resolution, passed on the 6th instant by a very small meeting, committing the Board to the principle of Free Trade within the Empire. This resolution it will be remembered was passed as an amendment to one submitted by the Council of the Board, which was in substance a re-affirmation of a former declaration of the Board on the same subject and which we are convinced embodies the views of an overwhelming majority of the business men of Montreal. The Council's resolution which has now been so decisively adopted simply declares that Great Britain and the respective colonies should grant to each other preferential treatment in duties on a reciprocal basis. This embodies the policy affirmed by the Sixth Congress of Chambers of Commerce of the Empire held in London in 1906 and to which the Montreal Board of Trade stood committed.

The amendment passed on May 6th was rash and ill-considered both from a Canadian and an Imperial point of view. It meant practically the abandonment of the National Policy under which Canada's great industrial system has been built up. Under a system of Free Trade within the Empire some Canadian manufactures would not last six months. In less than a year from the adoption of a policy intended to unify the British Empire, Canada would be commercially and, in a measure, politically at the mercy of the United States. The best service we can render to the Empire is to maintain our own industrial independence, while preserving the most friendly relations with our nearest neighbours and avoiding every cause of friction with any power on earth. Our true policy is to be loyal to the Empire and to mind our own business. Happy are the people who know when they are well off. Canada is going ahead by leaps and bounds. Now and then we meet with temporary business checks, which are the merest ripples on the rushing tide of progress; but a healthier national development than that of Canada was never seen. We have diversity of interest and employment—thanks to what is truly called our National Policy. Without that policy of industrial protection the Canadian would have been the typical "Man with the hoe." We have the greatest respect—almost an envy, for the farmer. The farmer's life is of all lives, the idyllic; but we cannot all be farmers, any more than we can all be barbers. If our people are to be kept at home, they must have the same opportunity here for diversity of employment that they could get abroad. And the farmer himself is by no means the least

beneficiary by the policy, which builds up cities and towns in his neighbourhood; which creates for him the most profitable of all markets, the home market and which tends to bring within his reach so many of the advantages of urban life.

BANKING RESULTS WHEN MONEY IS PLENTIFUL.

The periodical statements of the Bank of Montreal are always looked to by the financial community as indicating the country's general banking and business trend from time to time. The recently issued report for the half-year ended April 30, will be studied with particular interest, showing as it does the effects of a cheap-money period upon banking operations and results. The half-year's profits after deducting charges of management and making full provision for all bad and doubtful debts, amounted to \$860,682 as compared with \$923,560 for the corresponding six months of 1907-8, and with the various amounts shown below for preceding half-years.

	Half-year ending April.	Half-year ending Oct.
1909	\$860,682	
1908	923,560	\$1,034,098
1907	982,854	997,280
1906	840,562	957,414
1905	781,960	856,689
1904	804,833	804,375

It will be remembered that New York call rates for many weeks during the April half-year of 1907-8 averaged away over 5 p.c., and that they have hovered around 2 p.c. during the past half-year. Despite this circumstance, call loans placed abroad by the Bank of Montreal are now over \$80,000,000, as compared with less than \$32,000,000 a year ago. This is indication enough that considerations other than those of high rates abroad influence a bank's management in this respect. As the vice-president and general manager, Sir Edward Clouston, Bart., pointed out months ago—at a time when commercial demands upon bank resources were more insistent than of late—call loans abroad are at all times an essential part of Canada's banking reserves. During a time of trade quiet such loans tend to increase greatly, just as surely as current loans tend to decrease. In the latter item the present showing of the Bank of Montreal is less than \$82,000,000 as compared with over \$103,000,000 a year ago. In considerable part, however, the reduction indicated is to be taken as due to the liquidating of important public and corporate loans with the proceeds of security issues placed abroad. So, too, the marked increase in deposits is to be considered as not merely indicating release of domestic funds from trade channels, but as representing an influx of new capital from overseas.

Certainly the present resources of the Bank of