

extreme of declaring that England must go back to the old system of protection, to which they consider the United States owes its exceptional prosperity. There is another view of that question, and that is that the enormous sacrifices required of the country to maintain protection delayed, for a long time, the period of prosperity which the Republic has now reached. That England will go back to protection is a dream which scarcely any statesman of that country entertains. It is inevitable, however, that all the various views held by different persons and interests in and out of the colonies must be threshed out; and when their great diversity is apparent, efforts may be made to come to an agreement on some vital points, leaving those on which wide differences are found to exist for future treatment.

A difference of opinion on the part which the colonies ought to take in defence of the Empire to which they belong is being developed among the Boards of Trade in Canada; some taking the ground that Canada has made contributions to this end which are not always counted; and they treat the Pacific Railway, incidentally capable of military uses, as an actual contribution. This is a disputed point; but the amount spent on the fortifications of Esquimalt is not in a doubtful position. At the same time, it is purely local or Canadian; and all admit that we are bound to defend our own soil. If this were possible, if we could defend ourselves without aid from other parts of the Empire, we should be at liberty to say that this ought to suffice. But if we cannot alone suffice for our defence, and have to get the aid of other parts of the Empire, it is clear that we cannot borrow without being liable to lend. What is sauce for the goose is sauce for the gander. It may still be true that we might perform our part better without any formal agreement; though the absence of one would not be without its inconveniences, since in national affairs it is necessary to know what can be counted on with certainty. Still the developing sentiment of united Empire cannot be forced without danger of a set-back.

BANK OF MONTREAL.

When the general manager of the Bank of Montreal said, in his address to the shareholders at the annual meeting last Monday, that there was nothing unusual calling for comment in the bank's statement for the year, and followed this by the announcement of a steady increase in the business and profits of the bank, he implied that this latter circumstance was not unusual of late, and did not need comment. But there are some points in his brief address that may well be repeated and enforced as indicating the views upon the state of business affairs in Canada held by the executive head of our largest bank. He discovers that our farmers are prosperous and the railway earnings increasing; that the lumber outlook is improving, and the tide of immigration swelling; that the output of coal is growing larger and "it looks as if we were on the eve of important results in the iron and steel industry." No one will gainsay the truth of these assertions; and the circumstances cited quite justify the conclusion that the hand of the commercial barometer still stands at "fair."

There are exceptions to the general prosperity—when were they not? And Mr. Clouston characterizes the mining industry of British Columbia as still highly unsatisfactory. Possibly his mention of unprosperous industries has reference to textiles, but in that case we cannot think that the causes he assigns for this unsuccess, "undue competition and bad management," are the only ones.

While commenting on the activity of Canadian stock exchanges as unexampled in our history, and acknowledging that speculation has been rife, Mr. Clouston believes that there is foundation for much of the rise in values of certain securities. Still he warns his hearers, and we trust they will heed his warning, that the intrinsic value of both securities bought and securities taken as collaterals at this time should be looked closely into, for "there is a danger of speculation being carried beyond legitimate bounds."

The figures quoted and comparisons made by the president of the Bank of Montreal on this occasion with respect to Canadian trade are instructive, and his references to recent extraordinary transactions in commerce, manufacture and transportation outside our borders are suggestive. We quote his words with respect to a fast Atlantic service, and advise our readers to consider in connection with them Mr. Clouston's words on the same subject. Says Senator Drummond: "The present moment seems to be most favorable for securing an independent line of steamships to a Canadian port. They should in speed and equipment be equal to any afloat; and the prospects of financial success for the undertaking were never, in my opinion, so bright as now, while its realization would be of enormous benefit to this country." And Mr. Clouston, referring to the recent shipping deal of Pierpont Morgan, declares that it menaces our commerce and will compel us in self-defence to see that an Atlantic line of our own is provided, second to none in speed and equipment. When we remember who the men are that publicly express these views, for what a wealthy constituency they speak, what their business relations are with the transportation interests of this country, the thought cannot be escaped that the much-desired Canadian fast line on the Atlantic is brought distinctly nearer by recent events. And if the Canadian Pacific people will undertake its provision, public opinion will be found to be strongly in their favor.

QUEBEC BANK.

An encouraging statement was put before the shareholders of this bank on Monday last. With no increase of deposits, and with current discounts and indeed the aggregate of transactions but slightly increased, a profit equal to more than ten per cent. on the capital, and close upon eight per cent. on capital and rest, is shown. The year's profits, \$251,920, added to the sum brought from the previous year, made a sum of \$299,776 to be dealt with. Of this, dividend absorbed \$150,000, while \$100,000 was added to Reserve, \$5,000 to Pension Fund for employees, and about the same amount remains to be carried forward as was done a year ago. Circulation is no higher than it was at the date of the previous meeting. We note,