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THE FINANCIAL OUTLOOK.



ESPIE the fact that trade is dull in some few lines, there can be no doubt that Canada is to-day, as financially sound as any other country in the world. The exports and imports are expanding rapidly, and those who participate in this trade are putting forth greater efforts than ever. The government finds itself with a balance in its treasury, and the fiscal year which closed on June 30th, has been a most favorable one. But above all Canada possesses a banking system which has proven itself sound and stable, and no failure has occurred for many years. Dur-

ing the past year there has been a banking crisis in Australia of unexampled severity, a money panic in London, and a very unsatisfactory condition of affairs in the United States. But Canada has not suffered, and the reports of the banks show a very favorable state of affairs. At a recent meeting of the shareholders of our leading bank, The Bank of Montreal, the annual statement showed that the bank made net earnings of \$1,325,810, paying ten per cent. in dividends and carrying \$125,810 to profit and loss, the profit and loss account being now nearly \$700,000. It is not many banks which are able to pay what is virtually eleven per cent. in dividends to their shareholders, yet

this is what the Dominion Bank has done in paying ten per cent. and a bonus for the past year. The bank earned \$215,040, after deducting all bad and doubtful debts and expenses, and after paying \$165,000 to the shareholders, carried \$50,000 to the Reserve and a few hundreds to profit and loss. The reports of other banks have been as cheering as these two. Again, it may be repeated that the record of failures during the past year showed bad debts amounting to \$12,000,000 as against \$16,000,000 for the previous year—another indication of prosperity. Above all, the basis of trade and speculation is sound, and all trading is of a cautious nature. No great risks are being taken, and speculative inflation is almost entirely absent.

With such a position as this enumeration of facts only dimly outlines, Canadian tradesmen may look forward to a fairly prosperous year. The crop prospect is magnificent, and with the cautious buying that has obtained in all mercantile branches, there need be no fear of a financial crisis. To-day Canada buys her imports at a comparatively lower price than any other nation on the face of the globe, because her buyers are shrewd, and obtain large reductions on regular prices to enable them to pay the duties which our Government collects. Domestic manufacturing of all kinds is in excellent condition. Trade with Europe is expanding. Trade with Australia will now be developed, and the first trip over the new line, which makes the direct connection between Canada and Australia, has been made successfully. Moreover there is a prospect of a Canada-Australia telegraph cable, and if this project is carried to completion there may be a huge trade developed between the two colonies during the next decade. An agitation is going on to secure a line of fast Atlantic steamers, and it is to be earnestly hoped that some such arrangement will be made in the near future. Its effects are underestimated by the majority of our citizens. The prospects for increased trade with the West Indies never were better. Canada's railroad and canal systems are being extended and improved, and the nations have begun to seek her trade. The commercial outlook was never brighter than it is to-day, and if care is exercised during the coming year, which promises to be a trying one in the financial world generally, Canada will emerge with an untarnished and enviable reputation. Her merchants are energetic and cool-headed, and if these qualities predominate this year, Canada will advance while other countries may suffer from hard times.

Nations, like business firms, depend much on their reputation for their success. Canada has been many years reputation building, but to-day has attained a height which many larger countries may envy. Steady development has been her motto, and it is to be hoped, will be the motto for the future.