figures shows that the failures in our Manufacturing Industries were 12 per cent. less than in 1893, while there were 136 per cent. more in purely trading concerns, the liabilities in 1894 being $11,-436,258, as against $4,830,118 in 1893. This is not the only unfavorable feature in commercial business during the year. There has been a marked shrinkage in the volume of business and a decided fall in the value of goods, and also a considerable contraction in the margin of profit. Altogether, although the total amount of failures for the Dominion has been larger other years, I am of the opinion that, for purely trading concerns, with, perhaps, the exception of lumber and leather, the year may be regarded as the most unsatisfactory, if not the most disastrous, since confederation. It is impossible to give a reliable forecast of the future. The outlook is not encouraging. The best that can be said, is that business can hardly be worse than it is now, and that any change must, therefore, be in the direction of an improvement We should stop borrowing money abroad. The present drain upon the savings of the country, for interest on borrowed capital, while such immense sums of money are held here unemployed by our own people, is a most serious feature of the situation. A reduction of the rate of interest on deposits by the Government and the Banks, with a corresponding reduction to the borrower, in sympathy with the prevailing rates in the great commercial centres of the world, would be advantageous to our business men. The merchant who pays the current rate of interest here, is not doing business on equal terms with a competitor elsewhere, who borrows at more favorable rates. Besides, the present small margin of profits will not justify the artificially right rates kept up chiefly through the action of the Dominion Government. The reduction of interest on deposits would tend to encourage the investment of our idle domestic capital in the development of the great natural resources of the country.

Retrenchment should be the motto of business men nntil trade is restored to normal conditions. Lop off not only the mouldering branches, but the sapping off-shoots. Speculation and extravagance are the errors which rob business of its natural fruits. The restriction of trade to legitimate enterprise, conducted along closely drawn lines of economy in both business and personal expenditure, is the only relief within sight under our individual control. With our best efforts, our return to prosperity will be slow. There can be no doubt of the wisdom of such a policy of retrenchment. I have received valuable reports from some of the sections of the Board. Time will not, however, permit me to more than intimate that they will be subjoined to this address, and printed in the annual report of the Board. The members will find this an interesting feature, which I have no doubt will be duly appreciated.

VALEDICTORY.

In bringing to a close this brief and imperfect summary of matters, which occurred to me as of unusual interest to you, I desire to thank every member of the Board for having unanimously placed me in