

interested party. If that be the argument, government representation on the Association should answer it. The public would enjoy the knowledge that the government is interested in bank inspection on its behalf, while the actual work of inspection would be undertaken by men who know the ins and outs of banking. Collusion with intent to defraud would be impossible. Twenty-eight banks are doing business in Canada, creating keen competition for business. The maldoings of one would not be overlooked unanimously by the other twenty-seven and the government representative. We feel sure the bankers themselves will offer a practical and satisfactory solution of the problem when the Bank Act is next revised.

CHANGING TRADE CONDITIONS.

The visit to Ottawa of two representatives of the American tariff board is attracting world-wide attention. President Taft is by no means the least interested. In nineteen days he must say whether or not a twenty-five per cent. surtax will be attached to Canadian imports to the United States. The thirty-first day of March will be historical in international trade relations. Across the border public opinion favors big commerce with the Dominion. Taft and his associates will scarcely flaunt this sentiment. Because beneath it all are some hard facts. The balance of trade is in the favor of the United States. Last year's figures show that their imports to this country were valued at more than one hundred and ninety-two million dollars, while our exports to the States totalled ninety-two millions. The question now is, How much will a twenty-five per cent. surtax on ninety-two affect one hundred and ninety-two?

Canada is rapidly improving its relations with Europe, and is also looking to the West Indies and Australia. New transportation links will be welded for Atlantic use between Great Britain and British North America. Direct steamship services may be established between Austria-Hungary, Italy and the Dominion. The Royal Commission, who concluded their West Indies trip last week, will seek a means of giving Canada more trade without mortally offending the United States, whose shipping and commercial interests have worked hard to secure much business there.

Mr. Fielding holds the reins of the situation, but he has been silent. It does not mean that Canada's case is weak. Little is to be said for the imposition by our American cousins of a high tariff on Canadian imports. The fact that Canada in the past few years has evolved from a colony to an overseas empire brings with it the right to formulate trade policies. These necessarily must affect the future welfare of the country. Such a condition should not be overlooked in considering undue discrimination. Thirteen foreign countries operate under the favored nation treaties with Great Britain, and are entitled to the reduced tariff given France. In theory that may be discrimination. Theory is often a dangerous prop in commercial spheres. It has caused Great Britain strenuous times in this market. It almost ruined Germany's chances in Canada. Few goods enter the Dominion from these favored nations under reduced rates in competition with United States products. Our treaty with France can hardly be read as a bar to United States business. Tariff war between the two nations of North America would bring disaster to both, and more especially to the United States. Our lumber exports and their paper and pulp imports would probably be the first important industries to suffer. Trade would become chaotic, and the little wave of prosperity, which we are about to enjoy, to some extent checked. Despite all, Canada should not throw away its first chance to state commercial terms to the United States.

An English writer suggests that we are the last people in the world to be coerced in commercial matters.

At the same time British manufacturers are advised to take advantage of this period of uncertainty to establish their position. Uncertainty does not properly describe. Across the international boundary line they have sixty per cent. of our import trade. More than talk and geographical advantage obtained that percentage. The possibilities of the Canadian market were appreciated, examined and exploited. When exports to this country would not grow big enough dividends, machinery, men and money were shouldered, the trek begun, and branch factories established in Canada. No attempt was made to force unwelcome styles, samples or goods into the market. If the Canadian desired a particular brand of hat, all body and no rim, for instance, the American made it for him. The Britisher meanwhile laboriously explained why all rim and no body was better and more durable. The American recognized that in a country of pioneers durability is not the first necessity. He made his goods to suit the market instead of endeavoring to mould the market to fit the goods.

Great Britain thus seeks to enlarge its Canadian trade in face of sixty per cent. figures. They are not insuperable. To complicate not uncertainty but certainty of market conditions comes the removal of the German surtax. In Germany there is considerable enterprise, of a kind more stolid and persistent than America knows. Germany will probably be willing to make sacrifices for a year or two in order to establish thoroughly a trade wedge in Canada. German manufacturers have been looking for just such a market as Canada offers. A stern bid will come from that quarter for our trade. The next decade will show which country has and uses the most practical trade methods. Canadian statistics will change accordingly.

HARBOR COMMISSION FOR TORONTO.

When Montreal first obtained its harbor commission, the appointment was not regarded as unusually important. For this reason—commissions may be composed of puppets, or of progressive men, appreciative of heavy responsibilities. The personnel of the Montreal Harbor Commission to-day will in due time make that port one of the leading shipping points in North America. A New York writer suggests that Montreal will fight his city for supremacy in a large and remunerative trade. New York seldom gives away credit to neighbors. It is compelled here, for whenever commercial disputes clog business in the port of New York, that business finds its way to a considerable extent to the port of Montreal. There the harbor commissioners have worked wonders on comparatively small capital. With a few millions of dollars they have moulded chaotic conditions into a port conducted on business lines. Still is there room for improvement, and the answer is probably the need of more money. Enterprise is to the front. No serious complaint has arisen from the many and various interests to whom the use of the harbor is the blood of business.

The success of Montreal's Commission strengthens Toronto's desire to govern similarly its water-front. Four hundred of the Queen City's business men this week, representing considerable capital, unanimously decided to push this idea into reality. Montreal is an ocean port, Toronto is on the lakes. But the ocean has a knack of finding its way inland as commerce and canals grow. Toronto has hopes of sheltering big shipping. The time for preparation for that day is now.

As the chief wholesale distributing point of Canada, the Queen City has ample scope for changing the geography and the government of its water-board. At present its back door is where its front door should be. The approach by water is bad, railway tracks are confused and disadvantageously placed, valuable land is waste. One of the most important assets of a city is the section which can receive and properly house shipping, large or