

almost all articles to too high a point, the disturbance in the value of money being the sign of the one and the strikes and general labour troubles of the other. Against the development of this form of danger, Mr. Walker gave the following cautionary warning:

"However, unless we propose to accept the lessons which flow from exploded speculations, excessive promotions of new or reorganized industrial ventures, and excessive demands on the part of labour, we have no good reason to suppose that we are to be spared the natural consequences. And it should be borne steadily in mind that whether we contribute much or little to such an end, forces at work in the United States may bring about a general decline in prices which cannot fail to hurt us severely."

The increase in production of manufactures was dwelt upon, and the entrance into Canada of American industrial establishments was said to be going on with scarcely lessened pace. The export trade of our manufacturers has continued to increase. Only in iron and steel and in cotton and woollen manufacturing are we facing unusually difficult problems, and but for the fall in prices we would doubtless have mastered the making of steel at a profit.

Mr. Walker stands in no fear of those who would compel bank managers to keep silence in regard to a fiscal question, because such a question is "political," and, in their opinion, a banker ought not to meddle with politics. This notion is irrational to the last degree, as the general manager of a large bank, such as that in charge of Mr. B. E. Walker, is of all men most competent to judge as to the working of an established fiscal system, and as to the changes that are needed in the interests of the country's trade. Having the courage of his convictions, Mr. Walker said:

"But if, as seems probable, we are to witness a general decline in prices, we must not be slow to recognize what this may mean. As we said a year ago, we must hold our own against a nation fifteen times as large in people and in industries. We cannot stand again, as we have been forced to in the past, the process of absorbing a large part of the surplus product of the United States. It is not a question of which fiscal policy we like, it is a question of holding our own in a time of war. It will only be industrial war, it is true, but it may be as fierce and unrelenting as ordinary war, although the results cannot be so terrible."

Deeply interested as we are in Mr. Chamberlain's proposals, the vital question in tariffs for us at the moment is in connection with our nearest neighbours. After we have protected ourselves against the use of this country as a slaughter market for the United States, we must, in some measure, try to meet Mr. Chamberlain's proposals. In what particular manner we can best show our sense of the value of the integrity of the British Empire, and what we should be prepared to do to sustain that integrity, are subjects which we cannot attempt to deal with in a mere review of business conditions."

The coal output and prices were regarded "as high enough to produce very handsome profits." The

lumber trade was advented to us in good condition, but the high prices paid for timber limits were spoken of as "unwarranted, unless we are to face, permanently, new conditions as to the value of lumber products." The fisheries of the Maritime Provinces were unsuccessful last year, but their fruit crop unusually large. The curtailment of credit in eastern Canada, in Mr. Walker's opinion, "would conduce greatly to the soundness of trade." Ontario farmers were spoken of as being prosperous. As an example of how farmers are paying their debts, one of the Ontario managers of the Bank of Commerce reports that, out of 757 notes for agricultural implements held at his branch for collection in October and November only 49 remained unpaid at the close of November. The payments on mortgages continue to an extent not entirely pleasing to the lender. Perhaps nothing shows the improvement in the conditions surrounding country life in Ontario more than the paving and general public and private improvements in many towns, which depend almost entirely on the trade of the farming community.

In reference to this port the general manager said:

"If we judge our Eastern trade by Montreal, our largest city and chief point of distribution and as yet our most important port, we find that the business of the city and adjoining country shows sales the largest on record, with few losses from bad debts. In manufactures the increase has been quite as marked a feature as in Toronto. The customs dues largely exceed the previous year, while the export trade is the largest yet recorded. Montreal in export, imports, and in the payment of customs dues, is the port at which about 30 per cent. of the entire foreign trade of Canada is done. The railway and water communication of Montreal with the interior is so much shorter than that of other North American cities that we are apparently getting at last a fair share of the grain carrying trade, although it is to be hoped that we have not more than entered upon the race as yet."

Mr. Walker hopes that the Dominion Government will provide the money needful for removing all the objections to the St. Lawrence route. He passed on to throw out a significant remark as to the large imports into Canada, saying: "If, however, we indulge in railroad building to a very great extent and do not make our rails and other supplies at home, we cannot expect to keep down our imports." In regard to Manitoba and the Territories, the following figures were given:

	1902. Yield.	1903. Yield.
Wheat, bushels. . . . .	64,000,000	50,000,000
Oats, bushels. . . . .	540,000,000	40,000,000
Barley, bushels. . . . .	13,000,000	11,000,000
Flax, bushels. . . . .	618,000	580,000

In spite of the falling off, as above, the Western farmer is doing well. There were 118,000 new settlers last year. Winnipeg is going ahead, so are