

years of close economy, the excess of exports was \$44,500,000, the last year showing a slight excess of imports. In the five years from 1900 to 1904, inclusive, all fiscal years ending in mid-summer, the excess of imports was \$53,300,000, the first two years showing a small excess in exports. Of this \$53,300,000, however, \$45,600,000 is for 1904 alone, and it was apparently only by the concurrence of unusually large imports and unusually small exports that such a wide difference was possible. The difference of \$45,600,000 was a little more than \$30,000,000 more than for 1903, and this was caused by an increase in imports of nearly \$18,000,000 and a decrease in exports of over \$12,000,000.

There was a loss in exports of wheat of about \$10,000,000; in dairy products and eggs of \$3,000,000; and in cattle, bacon and other products, after some individual increases, the net decrease is about another \$3,000,000; in fisheries \$1,000,000; in lumber and kindred products \$3,000,000. It is true these were partially offset by large gains in the net results from the products of mining, and by gains in many minor classes of agricultural products, but even after having regard to a largely increased consumption at home, there was clearly a serious loss of purchasing power as compared with the previous years. And, except in the very important article of wheat, the year 1905, ending at midsummer, is likely to be a repetition of 1904.

One might have expected to see this loss of purchasing power reflected in the imports, but we cannot trace it there. Of the \$18,000,000 of increase in imports almost \$5,000,000 is for coal, and while some of this may represent increase of business, much is doubtless part of the permanent loss arising from the unusual winter. Under about thirty headings, of which twenty-five are manufactured goods, we find large increases. Of these one of the most regrettable is nearly \$2,000,000 for lumber, because of conditions in the United States referred to later. The decreases are represented by about twenty headings. Of these eight, representing \$2,500,000, are for products of iron and steel and for agricultural implements, the reason for the decrease being both gratifying and obvious. Seven other headings represent raw material or foodstuffs.

The subject of reciprocal trade relations with Canada is now being discussed in the United States more widely than at any recent time. The Chamberlain proposals which, if put into action, seem to involve further preferences by Canada to Great Britain, are used freely as a reason against further delay. Many special and mainly selfish reasons are being urged, such as those advanced by the United States millers who, to save their grades, require our wheat, and would in any event like to be the manufacturers into flour of our raw material, wheat; while a few journals state plainly the disagreeable truth that several decades of unfairness to Canada are not a good basis for a treaty, now that the smaller country has markets for its products and desires to manufacture most of the articles which it now imports from the United States. Unusual emphasis is given to the sudden desire for reciprocity by the regulations we have been forced to make to prevent the dumping into this country, to the ruin of our own manufacturers, of goods sold here at prices much lower than in the country of manufacture.

A few figures will illustrate the peculiarities of our relations with Great Britain and the United States. In the five years from 1900 to 1904, inclusive, we bought from Great Britain merchandise to the value of \$259,000,000, and we sold to her \$579,000,000. We bought from the United States in the same period merchandise to the value of \$667,000,000, and we sold then \$357,000,000. We therefore practically drew bills of exchange on Great Britain for \$320,000,000, and paid \$310,000,000 of it to the United States.

Now this is a very pleasant state of affairs for the United States, and if it were likely to be permanent, reciprocity treaties might not be heard of. But it is so palpably unfair that we shall, of course, bear it only while we must. While it lasts we shall try hard to overcome such a one-sided state of affairs by making as far as possible at home everything that is now bought from them, and by diverting to our better customer, Great Britain, by preference or otherwise, all the trade we can. If, however, as seems probable, there is growing up in the United States a sentiment in favor of fairer dealing with us, this great disparity in figures may be lessened. Fair dealing, especially having regard to the permanent relations of the United States and Canada, suggests that we be allowed to pay as largely as possible for what we buy with what we have to sell, and if this were so the United States would take our coal, lumber, fish, cattle, and cereals free of duty. This would make the trade between the two countries reciprocal. But is this what our friends in the United States are striving for? It does not seem to us that any other kind of reciprocity would be of interest to Canada.

We may now devote some attention to the affairs of the various parts of Canada.

#### The Maritime Provinces.

In the Maritime Provinces the results either in yield or in price, from the farm, the fisheries, and the forest, were in almost all parts more or less unsatisfactory. We have not in many years had a record of disappointment so unvaried in these branches of industry. Farmers in these provinces are

better off only in a few localities, and while there are but few relatively who have had to break into the savings of the past, the majority have had a year with no material advancement. The very extraordinary winter left its mark in many ways. The important article of hay did not yield more than half a crop, and the pastures have been in a poor condition. This involved the purchase of hay elsewhere in large quantities, and the sale of cattle where farmers could not or did not wish to buy hay. Cereals of all kinds did badly; the fruit crop was, on the whole, satisfactory in quantity, and fairly so in quality, but prices have been very unremunerative indeed. In fishing, an industry so important that the lack of intelligent interest in it by inland Canadians is deplorable, the results are somewhat better than last year, but not what they have been in the past. In cod-fishing there is an improvement over last year, but the catch was still quite unsatisfactory, this being attributed by some to lack of bait. The handling of the fish trade by the exporters shows quite a renewal of vigor. When we consider that the fisheries of Nova Scotia produced, in 1903, about two-thirds as much wealth as the coal of Nova Scotia, twice as much as iron and steel, two and a half times as much as the forest, only a trifle less than the field crops, and as much as the orchard, the dairy, live stock, wool and eggs combined, is it not desirable that we should recognize more fully the necessity of conserving and increasing by every means in our power this great source of national wealth? In lumber, prices for deals have fallen badly, while products suitable for the United States and South America have done well. In consequence of the drop in deals, large stocks will be held over, and an attempt is being made to lessen the new cut by about one-half. In coal mining, the large output of recent years has been maintained with a moderate increase, and prices have continued to be satisfactory. In most lines of manufacturing the volume is not lessened, and business continues to be satisfactory, especially with the large establishments which look to Canada as a whole for their market. In some of these the volume of business last year was the greatest ever attained.

In the important industries of iron and steel, great progress has been made in lessening the cost of production, and although labor troubles seriously affected a situation already difficult enough, the outlook for profitable results is more promising than at any previous time. Business in general, although curtailed by the unfavorable conditions of which we have been speaking, including the prolonged strikes, has been fairly good. Trade with the West Indies has been increased, aided by a reduction in inland transportation charges, especially in the proportion of such rates to our ports, as compared with Boston. Large shipments of flour and other products are now being made. The importance of this is obvious, and we are glad to know that the Halifax Board of Trade is carefully studying the needs of the West Indian islands with a view to further trade conquests. We have no sub-tropical area, while the United States has enormous advantages in such a national possession. How carefully then should we consider the possibilities both industrially and politically of these British Islands in sub-tropical seas, wanting so much that we can produce, and capable of producing so much that we want.

#### Ontario.

In Ontario the severe winter and cold spring destroyed much of the winter wheat, and the yield was so small that the higher prices did not compensate except in a few districts. Other grain crops, hay and pasturage, and roots, have done very well on the whole. These, however, are used mainly for cattle, and while prices for cattle were at one time satisfactory, later conditions in Great Britain caused the price here to drop, so that many farmers who were not in a position to feed over the winter have sold at unremunerative figures. The price for hogs has also been less favorable to the farmer than in recent years.

In the dairy we have had one of the worst years ever known for the dealers, and a bad year for the cheese makers. A large and expensive stock held over from last year was sold at a great sacrifice, and new cheese had in consequence to be marketed at a low range of prices. This being the case the quantity made fell off rapidly. In butter, the conditions were more favorable, and this to some extent mitigates the situation, but, taken as a whole, the money return is between five and six million dollars less than in 1903. Since 1896 the lowest money return for cheese in any one year was \$12,065,000, the highest \$21,563,000, and in 1904 \$14,380,000. In butter the lowest return in the same period was \$2,697,000, the highest \$7,936,000, and in 1904, \$6,325,000. These figures, of course, apply to all Eastern Canada and not to Ontario alone.

There was in Ontario, as elsewhere in Eastern Canada, a bountiful crop of apples, but the return to the grower has been unusually bad. We hear in every direction of apples left lying on the ground to rot or unpicked on the trees because it would not pay to pack them for the market. Still the best grade of apples will at almost any time bring a good price in Great Britain. Why do we not sort them and grade them so that the best qualities may be clearly separable in price from the poorer apples? If we did, it is prob-