

resources, the world's supply of gold will be further exhausted and Europe in self-defence may be forced to adopt bi-metalism. Already we find the yellow races becoming meat and bread consumers and raising the price of these commodities, while both Canada and the United States are becoming meat importing countries.

The situation is beset with difficulties and it is no wonder that the leading bankers and economists in Great Britain and throughout Europe are giving the matter their closest attention. The absorption of gold by India has led to the suggestion that a central bank should be established in India with branches scattered throughout the country. This, it is thought, would lead to freer discounting and a lowering of the present high bank rate in India. It has also been suggested that the Government deposit a larger share of its funds with the existing Presidency banks. As a matter of fact, a great diversity of opinion is being expressed over what should be done. Each economist has his own panacea which recalls the trite saying of the late John Bright who once said "I do not understand currency, and I do not believe any man who says he does." Whatever happens, Canada is vitally interested. We are among the heaviest borrowers of capital in Great Britain and, as such, are vitally concerned over the available supply of investment funds. Within the next decade or two, we may be competing in more senses than one with the yellow races. One of these may be as a borrower of money.

IMMIGRATION AND OUR BORROWINGS

Sir Edmund Walker, returning from Great Britain a few days ago, stated in an interview that Canada would be forced to keep on borrowing as long as the present large immigration continued. He pointed out that the newcomers in their desire for free land spread themselves out thinly over the prairies. This was made necessary because the land adjacent to railroads and to towns was already taken up and the newcomers had to go far afield to get free land. No sooner were they settled than they began to demand railroads and to accommodate them in their desire for additional mileage, the railroads were forced to borrow money. Those of the newcomers who settled in towns and cities and contributed to their growth placed heavy burdens upon the municipalities through their demands for new streets, sewers, side-walks and other public utilities. This forced the municipalities to become heavy borrowers. He pointed out that when Canada received in the neighborhood of 60,000 to 80,000 newcomers a year that our exports were sufficient to pay our indebtedness and we were

not forced to borrow to anything like the extent that we have had to do during recent years.

In this connection, it is interesting to compare our borrowings with the number of immigrants we have been receiving during recent years. The comparison follows:—

Year	Immigration	Borrowings. £
1905.....	146,256	13,530,287
1906.....	189,064	6,427,500
1907 (Fiscal 9 months period)	124,667	11,203,711
1908.....	262,469	29,354,721
1909.....	146,908	37,411,723
1910.....	208,794	38,453,808
1911.....	311,084	39,855,517
1912.....	354,237	32,956,603
1913.....	402,432	20,437,300*

* First six months calendar year.

While in London Sir Edmund Walker was the guest of the Royal Colonial Institute and in a speech dealt fully with the question of borrowing and its relation to immigration. In part he said:

When Canada had a population of 5,000,000, and but a small stream of immigrants, she had a surplus of exports over imports, and did not need to come here for loans. Now they were borrowing in fairly close proportions to their immigration, because they were forced to build the things needed to harness the country for the continually increasing population, and for the new areas being opened for settlement. They had a population of less than two to the square mile, while the United States had 25 and Great Britain 471, or, to give another illustration which might make the magnitude of their problem still plainer: They were receiving five new people each year for each 100 people already in the country, and if they separated those who settled in the prairie provinces they found that that part of Canada had to take care of ten new people in each year for each 100 already there. Imagine what that meant in new houses, farms, roads, bridges, railways, merchandise and all other implements necessary even to the rude civilization in which most of them began.

No one could suppose that the savings of the hundred could each year provide the capital expenditure necessary to take care of the new five, and except that they encouraged immigration they had no power to stop this need of new building.

Sir Edmund next touched upon the wide difference between the imports and exports. The question, he said, was sometimes asked as to why the exports did not respond more quickly to the increased immigration. He explained that the newcomers, to a large extent, went to work in connection with the building of the country and earned money before going on the land. In doing this they ate