

we are building up a large foreign trade. It is also noticeable that in most branches of manufacture there are strong, thoroughly established firms or companies who have demonstrated that their particular goods may be made here at a steady profit, and many of these take a forward place among their fellow-manufacturers throughout the world. I notice, for instance, that three customers of this bank claim to be the largest manufacturers in their particular line in the British Empire. Even in manufactures, such as cotton, sugar and rubber, where the raw material is not of Canadian origin, we are building up good and profitable industries. There are said to be over thirty cotton mills in Canada, employing over 12,000 people. These are, of course, small figures when compared with the United States, but the mills are mainly connected with the commerce of Montreal, and form an important feature in our smaller affairs. In our more natural field of pulp and paper-making, we are pushing ahead rapidly. There are already 34 paper and 35 pulp mills in operation, and unless we fail to manage this great national resource with wisdom the figures will soon be much larger. The initial difficulties of learning the business of pulp-making and the more difficult one of paper-making are disappearing, and if we can so manage our forests that we sell the product as pulp, or better still, as paper, instead of selling the wood, we must have a great source of wealth and opportunity for enterprise. In Ontario we have dealt successfully with this problem, as applied to lumber, and we are endeavoring to do so as applied to nickel. The lumber manufacturing clause so loudly abused is now pretty generally accepted as a natural and wise regulation, and we can but hope that legislation looking to the same end will be passed in the interest of Canadian pulp and paper makers. We are witnessing extraordinary developments in iron and coal. For a few years Europe has bought iron from North America, and now she is asking for coal, the rapid rise in price and fear of actual famine having even affected the shares of British railways and other enterprises, largely dependent on coal. We can assuredly supply both coal and iron to Europe cheaper than the United States, and if this is a permanent change in consequence of which Europe will afford a continuous market for both articles, although a varying one as to quantity, we shall be able at last to develop our great stores of both minerals, and build up manufactures in iron and steel on a scale which seemed quite impossible but a few years ago, while the effect on our own railway and other construction work and upon our existing manufactures, which require iron as a raw material, must be most helpful to Canada as a whole. The fact that the recent rise in the prices of iron, lumber and other structural materials was so unreasonable in its proportions is unfortunate and the check which has already been administered need cause no surprise. When prices go beyond a certain range, construction work of almost all kinds is greatly reduced as the natural result. There is not as much railroad or house building or construction of any kind going on as last year, and doubtless in view of the strain on the money market this is just as well. Still from cities and towns, large and small, throughout all Canada, we hear the statement repeated that houses are well occupied and that there has been a decided improvement in rents. Reports from twelve or fifteen manufacturing towns and cities in Ontario state that almost all classes of manufacturers have done an unusually large and profitable business during the last year, and that the demand for all classes of goods, except structural materials, continues. Nevertheless, although trade generally seems to be in a healthy condition, there

are some signs which prudent people should watch with care. The handsome balance in our favor between our imports and our exports has been changed to a balance against us, although of moderate proportions; the staples which have declined are those which generally lead a downward wave in prices; the volume of capital already fixed in new ventures, and not available as liquid capital, has already affected the cost of money; and in the North-West, at least, there are clearly too large stocks in the hands of merchants, due to the mild winter, the strikes, and other mining troubles in British Columbia, and the restricted paying power of many farmers, who have invested their savings in purchases of new land. As the retailers dispose of the high-priced goods purchased last year, the manufacturers and wholesale importers cannot expect that the retailers will refill their shelves as readily as in 1899.

The conditions of the lumber trade have already been suggested. After very high prices, enabling new and old stocks to be readily sold with large profit, sales have been rendered difficult by the check to building. Operations in the woods have been made expensive by the general rise in prices, while the mild winter has made it probable that quantities of logs will not float down to the mills. Altogether, the outlook is not as satisfactory as last season.

AGRICULTURAL INTERESTS.

Taking Canada as a whole the year has been a very good one for the farmers. Regarding wheat in the North-West, our Winnipeg manager writes, as follows:

"While the earlier forecasts of last year as to the quantity of the grain crop were considerably over estimated, it is a fact nevertheless that there was harvested in Manitoba and the Territories, the largest and one of the most perfectly matured crops which has ever been handled during the few years that Manitoba has been recognized as a grain-producing province. Although slight frosts appeared in some parts of the province and Territories, the inspection returns prove that barely one per cent. of the total quantity harvested was affected in this way, and that a very large percentage of the wheat marketed has been inspected as of the grade of Manitoba No. 1, hard; this, too, in face of the fact that the standard for that grade was made considerably higher by Act of Parliament than that required by law during previous years. The price has been somewhat disappointing, but this has been counterbalanced to a large extent in the high grading referred to."

The fall wheat in Ontario was a failure, but the result from other cereals was satisfactory. Cattle, horses and hogs all brought good prices. There was a handsome increase in the money value of both cheese and butter, bringing the total of dairy exports up to nearly \$25,000,000, a gain of over \$5,000,000 from the previous year, and the highest figures in money yet recorded. There are a few localities in Ontario where it is said that the returns from farming and the collection of debts by merchants were not satisfactory, but almost everywhere the report is the reverse of this. Without doubt another year of substantial progress has been made, mortgages have been reduced or paid off, new land has been settled, and whether it be in merely breaking new land or in improving the higher conditions of farming, such as horse breeding or dairying, there is a feeling of confidence in the future of agriculture which is a healthy condition for the whole community. The prospects for new crops, now that we have had rain, are fairly good in the east, but still in doubt in Manitoba and the Territories; the winter season in the ranching country has been very favorable for cattle; the inducement in the east to raise hogs is unusual and the profit from intelligent

horse breeding is once more satisfactory. During 1899, over 40,000 immigrants entered Manitoba and the Territories, and in 1900 a much larger number is expected. The sales of land, as a natural consequence, are the highest yet recorded, and the average price paid for land also exceeds anything heretofore known in the North-West. In British Columbia, labor disputes have wrought heavy damage to property interests, to the claims of labor itself, and to the reputation of the province, but we must hope that better counsels will soon prevail, and that the energies of those who desire to make it a great mining province will not be thwarted by a policy which is a benefit to none.

In the Yukon District the output of gold has carried Canada from a position of insignificance as a gold producer to the fifth position among other nations. From 1887 to 1894, inclusive, we produced only about a million dollars' worth of gold annually. For 1899, official records give us credit for \$18,000,000, counting the Yukon District as \$14,000,000. Our own careful examination of assay office records, however, gives \$16,000,000 for the Yukon, making a total for Canada of \$20,000,000. This year the results will be larger. It is, of course, unfortunate for the Klondyke region that the rush to Cape Nome, in Alaska, may lessen the supply of labor and thus prevent the reduction of wages to a more reasonable figure. But the adverse influence of this can only be temporary.

As we have so often been obliged to refer to the currency and other business conditions of the United States, it is a pleasure to record that at last the gold standard has been definitely confirmed by legislation. Although no attempt to improve the banking system in its principles has been made, the conditions of the present system have been rendered less unbearable by some amendments, and for the immediate future there will probably be sufficient currency for the wants of the people.

While we are greatly pleased to see our trade with Great Britain grow so rapidly, it would be foolish to minimize the value of our relations with the United States. There are always some frank writers in that country who try to keep before the people the value of mutual good relations between the United States and the British Empire. In a recent number of the New York Journal of Commerce and Commercial Bulletin, a careful abstract is made of the foreign trade of the United States for the last twenty years, the actual figures being quoted for thirty-two countries, and in drawing some conclusions, certain statements are made which are well worth repeating. After referring to the effort made by the United States to make its trade move north and south, instead of east and west, the writer says: "Our largest and most profitable customers are in British America and Northern Europe. Our exports to British North America are greater than our exports to all South America." And regarding the value of the friendship we have referred to, he says: "Our trade follows the British flag. The preceding tables do not include the entire world, but of the (32) enumerated countries, the United Kingdom, British North America, British West Indies, British India, British Australasia and British Africa took 10,121 million dollars of our exports in the 20 years, and all the rest of the world took 6,944 millions."

The returns for eleven months of the fiscal year of the Dominion show that our foreign trade (imports and exports), amounted to \$325,000,000, or if the growth for the last month is the same as in 1899, about \$375,000,000 for the whole year. However small these figures may be by comparison with the great nations of the