

gave an aggregate trade for the Dominion of \$817,251,069 in 1911; \$1,005,700,356 in 1912; and \$1,132,670,000 in 1913.

Upon such a result the Government has indeed much reason to congratulate itself. A great deal was said during the Administration of the party which still has a majority in the Senate, regarding the immense growth of trade under the late Government, and there was some reason to be satisfied with a record which jumped from \$239,025,360 in the fiscal year 1896 to \$769,443,905 in the fiscal year 1911. How much more reason is there to be proud of the two years' growth under the present administration; in view especially of the fact that a part of the latter period was one of financial stringency?

There is a feature in the increased trade which may not be altogether desirable—I refer to the importation of \$140,000,000 worth of iron and steel in varied forms. We have the resources, the industrial plants, the capital, and the workmen, to produce a large portion of these manufactures in our own country, and to be absolutely independent of the steel trusts of the United States. An increased output from our coal and iron mines, our blast furnaces, &c., would be of the greatest benefit to this country and its skilled labour. I do not propose here to deal with the vexed question of the balance of trade. But it may be said that in a new country, of large government undertakings in railways, harbours and waterways, of important municipal and other public requirements, of miscellaneous public works of an immense and almost pioneer character, the balance of imports over exports is inevitable. So far, therefore, as this excess is due to such causes there is little to be said.

The reference made in the speech to our national prosperity is justified, and the statement that the financial stringency, which has affected our country during the past year, is temporary, would appear to be thoroughly accurate. The conditions which led up to the period of tight money, which I trust we are slowly passing out of, were such in the main as we could not control or modify. One exception there was, of course, in the real estate speculation of the past few years which during 1912 reached a stage where some check was bound to occur. When that check came, partly by the wise action of the banks, but still more from the aroused suspicions of outside investors, a temporary but necessary depression followed in that line of business. As to the general

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situation, such tightness of money as existed, such dullness of business as showed itself generally, were caused by world-wide conditions.

Great international prosperity, enormous expansion of trade, wide-spread development of industry, combined to form the first great cause in a check such as comes at certain periods in the world's progress and growth. In this situation Canada was only one, though an important one, of the countries which required and were demanding more and still more money from the greatest of lending nations, Britain. British investments in Canada have been steadily increasing for years. I find in an able address by Sir F. Williams-Taylor, now General Manager of the Bank of Montreal, that the total amount of British investments recorded at London as having been made in Canada was, in 1902, \$1,027,025,500, and in 1912 had grown to \$2,052,245,000. This doubling of British investments in our country during a single decade was sufficiently remarkable in itself, but we find that the process is being continued to a still greater degree. Mr. E. R. Wood, a leading and well recognized Toronto financial authority, who has made a close study of this subject, puts the total invested by Great Britain in Canadian Government, municipal, railway and corporation bonds during 1913, at the very large figure of \$255,084,114. This total was 72.6 per cent of the total amount invested in these securities by Great Britain, Canada, and the United States. Incidentally these figures show the enormous increase of British financial interests in this country. Between 1902 and 1912 the average was \$200,000,000 a year; in 1913 it was, as already stated, \$255,000,000.

In another aspect of the case it will be seen that during a year of monetary tightness in Canada, none of the great basic undertakings and projects of the country were allowed to suffer. The pinch may have been felt by individuals, or by the smaller business dealers of the Dominion, who had to go slow and curtail expenditure and expansion until the vital factors of the nation's growth were cared for. In this connection some unjust criticism has been occasionally levelled against the banks. There is no doubt that in 1907 the financial stringency of that year would have involved serious disaster in Canada, such as then came to the United States, had it not been for the care exercised by our banking institutions. So, in this past year, I believe much serious evil was avoided by the cautious action of the banks in warning and advis-