

fectured prices. The consumption of a special class of timber for the manufacture of paper pulp promises to have important effects on some districts. It appears to me that enormous waste is going on in this matter, and that some process of recovery whereby this indispensable material can be used more than once is looming in the future. Enormous strides are being taken in this country towards the production of iron and steel, and when the developments now in progress reach completion, we may hope that Canada will not only supply her own wants, but become a factor in the supply of foreign markets.

Fuel has advanced materially in price, though to a smaller extent in this country than in Great Britain. This is due to a considerable rise in wages and materials and supplies of all kinds, and like the other advances already noted, has an important influence in checking expansion of business. It appears to me, that the fact that steam coal of similar quality to Nova Scotian is costing more in Glasgow, Scotland, than in Montreal, may very well be recorded to the credit of our protective duty on the article, the Montreal coal having been carried nearly one thousand miles. At the pit head, Canadian coal is very much cheaper than at any point in Great Britain.

No better evidence of business activity can be had than the work done by our great carrying companies. Taking the returns of the Grand Trunk and the Canadian Pacific Railways together, we get these figures:

The gross earnings for the years 1895 and 1899, under the following heads, compare as follows:—Passenger traffic, 1895, \$10,133,000; 1899, \$12,836,000; an advance of 26 per cent. Freight, 1895, \$23,129,000; 1899, \$32,809,000; an advance of 42 per cent. Mail and express, 1895, \$1,804,000; 1899, \$2,268,000; an advance of 25 per cent. Miscellaneous, 1895, \$1,570,000; 1899, \$2,764,000; an advance of 70 per cent. The totals of the foregoing in these years are \$36,636,000, and \$50,677,000 respectively; or an advance of 38 per cent.

The North American steamship companies have had a fairly prosperous year; many of their vessels have found profitable employment in the various transport services connected with the South African war, and the decreased tonnage thus available for their regular trade has tended to enhance freight rates, more especially on export cargoes. The volume of imports carried by the Canadian lines was somewhat less than during the previous twelve months, the freight rates were somewhat dearer and the number of vessels fewer. The volume of exports was smaller, and the average of freight rates more especially on grain and provisions was higher. The current season has opened favourably and the volume of export traffic is likely to be fully equal to the available tonnage during the next two or three months. The passenger traffic was moderately satisfactory and the companies anticipate a free movement both east-bound and west-bound during the year. They complain of the large advance in the price of coal and of the enhanced wages, but their profits are, nevertheless, said to be adequate.

As regards the port of Montreal, the last two years compare as follows: The total value of merchandise entered for consumption in the year ending 30th April, 1899, was \$54,282,140; and for the year ending 30th April, 1900, \$59,997,767; an increase of 10½ per cent. On the other hand, the value of goods produced and otherwise exported in the former year

was \$62,170,354; and last year, 65,107,222, or an increase of 4.7 per cent.

The aggregate trade of Canada by years is as follows:—

| | Entered for Consumption. | Exported. |
|----------------|-----------------------------|---------------|
| 1895 | \$105,252,500 | \$113,638,800 |
| 1898 | 130,698,000 | 164,152,700 |
| 1899 | 154,051,000 | 158,896,000 |

In the last five years, therefore, the excess in value of total exports over total imports has been \$44,153,300, and this excess of exports over imports has happened only once before in the history of Canada, i.e., in 1880.

One important evidence of better times is to be found in the comparative immunity from losses by business failures which in the respective years are as follows: 1896, \$17,300,000; 1898, \$10,000,000; 1899, \$10,727,000. If we except the reigning stagnation on the Stock Exchange due to a general pause in speculation and dearer money, the indications are of a continuation of good times. It is probable that some revival will be consequent on a decline in the cost of staple raw materials which appears probable. It is impossible to follow the progress of all branches of trade, but the general result, with some special exceptions, is the same, full employment, press of business, good prices, advanced wages. In the middle of all this we are apt to forget that bad times will recur; there are evidences already, however slight, of a reaction. The high prices of lumber and labour, are causing a cessation of building and iron and steel are getting cheaper. One important factor, which may affect our manufacturing industries, is the evidence of a spirit of aggression in outside markets by the great American combinations and trusts; this may develop into proportions which will produce consequences now unforeseen.

Nothing in recent times has excited so intense an interest in this country as the war in South Africa, now happily drawing to an end. Its progress day by day, indeed hour by hour, has been watched with feverish anxiety. The successive relief of the heroic beleaguered garrisons of Ladysmith, Kimberley and Mafeking, and the capture of the Boer centres have given occasion for general rejoicing. That a considerable body of Canadian volunteer soldiers sent out by the Dominion, have, for the first time in our history, been fighting on another continent, side by side with the best soldiers of the Empire, and proving themselves by courage and soldierly qualities equal to the honour, has intensified our interest. To ourselves it is a source of pride that among them is a corps of mounted infantry, 589 men, equipped, armed and carried to the seat of war through the princely liberality of the President of this bank. Heavy as is the price exacted in war, for any benefits—not in treasure alone, for that is secondary—but in blood, Canadians now occupy a place among the nations not hitherto accorded them, and can realize as never before that their country is part and parcel of the Empire, while the most distant shore where our flag flies is but a portion of our heritage.

No one who has made himself acquainted with the facts can doubt that the war was not only a just and most righteous, but also an unavoidable one, or only to be escaped by Great Britain confessing herself unable to protect her citizens, and abandoning all pre-