

start. In that period it could prove the justification of its existence. Its success would be the most effective reply to the advent of the Panama Canal.

"It would bring the different countries in closer touch with each other and help the consolidation of the Empire." This is argument number ten in favor of the scheme. With that reason one steps into the limelight of sentiment. The sentimental aspect of the proposed scheme is vivid. Canada and Great Britain understand each other pretty well. A little more of the practical, a little less of Downing Street, will tighten sentiment between the two countries, incidentally making the binding ties more substantial. With the continent and the islands of the Southern seas things are a little different. This steamship service would bring New Zealand ten days and Australia two days nearer London. That is a consideration in these times of Imperial unity. The New Zealand Dominion and the Australia Commonwealth are a long way from home. Official welcomes and things of that sort are easily forgotten when ozone is being sniffed on the return voyage week after week. Australia, internally, is somewhat upset; the unwise labor element rules the roost. Australia needs to feel—if you think imperially—that the powers that be in England are nearer than the heavens. Sentiment counts for much in this world. The All-Red route would be a masterpiece of parliamentary sentimentalism. The much desired linking-up of the Empire by means of transportation facilities can only be more than that if it is found to be practicable and financially reasonable.

It may be that Lord Strathcona does not really expect the All-Red steamship service to come into being. Sometimes a child is wise enough to aspire for possession of the moon, knowing pretty well that it will get at least a candy. Strenuous labor to obtain such a huge undertaking as the one proposed may result in at least a much faster Atlantic service than the present on the Canadian route.

WHERE THE SUN SETS.

Although the calendar heralds a new year with the assistance of bell jingles, the man of business awaits the advent of real spring. Then he seriously considers what the future has in store. The first three days of the year are devoted to discussions of what the old year failed to do. The first three months are the time stage of a struggle by man to wriggle out of a commercial lethargy and by nature to unfasten the icy grip of winter. And whether it be the banker, the butcher, or the farmer, his interest in the springtime turns to the coming crops.

Western Canada is one of those pivots around which a country has perforce to revolve. Eastern Canada is a prop on which the West in turn has partially to rely. Both the wheat and the money powers are given to fits of independence. Sometimes they indulge in boy-like cheekiness even, at one another's expense. The fact that so much money and hope is put in the earth with the seed grain awakes a sympathetic interest throughout the country.

The farmer must come out on top. If the survival of the fittest law is to be sidetracked at his expense, Governments think it wise to step in, keeping the law in what they think its correct orbit. When the farmer fails, his misfortune hits others like grape shot from a gun. The transportation companies sorrowfully record decreased earnings. If the crop is a patch of ruin, the excitement of obtaining cars is not the grain-grower's; the coupling up of freight cars is no longer business for the railroad. The farmer feeds them all. If he fails, They go empty. With the wheat ears chanting the dirge of hail damage instead of carolling the anthem of dollars, someone will dispense with all luxuries and many necessities. The wholesale merchant anxiously fingers his account books. This time last year he did

twice as much. Then his thoughts travel out to the great Western lands, the territory where so much depends upon the vagaries of the elements and the cult of scientific agricultural methods.

Western Canada may proudly boast of its power to withstand the backbreaking burden of a crop failure. But its manufacturing interests are not yet strong enough to allow such an unfortunate contingency to leave the country unmarked by panic or depression. All this is not meant as an insinuation that the demon Devastation is to wreak vengeance across Manitoba, Alberta and Saskatchewan. It is a tribute to the fact that much, almost all, depends on the acres of the West.

Eastern Canada has earned the name of a scoffer, bestowed because of a lack of appreciation in Western optimism, sometimes unwise. But an exchange of gentle sarcasm between the two ends of a great country may knock out the childish sensitiveness to criticism of both. The East is thinking just now of the West. It is figuring what the West will return for many little favors extended. It wishes to see this year a great crop covering the Western lands. The wish is born partly of selfish motives, but far more of an admiration for the great Western giant, on whose enterprise and exploits a Dominion lives.

AS FAR AS JAPAN.

One can guess usually the trend of the economic and financial situation in England. London, the world's monetary centre, inspires confidence. The man of Wall Street, Montreal, Paris, Berlin, Tokio, Calcutta, feels within him that if the world suddenly changed its orbit, London's financial fabric would still be doing business in a quiet, businesslike way. It is a sane conservatism which inspires that confidence.

In Wall Street, the most important stock is an everlasting issue of erraticalness. No one knows which way things financial will turn. This fact alone would probably be sufficient to damn the United States in the eyes of financiers the world over. But allied with an erratic nature is the spirit of making money quickly and of hustling for everything. Therein probably is the reason why a financial crisis in the United States upsets the economic equilibrium of countries far distant. England now is in the commercial doldrums. Canada bore up well against the panic across the border; but it could not resist the depression, partly the result of conditions in the United States. And now the blame for the disagreeable conditions prevailing in Japan is placed on the shoulders of America.

During 1906 in the Far East they were keeping pace with the Western hemisphere in the race for commercial prosperity. The reaction resulting from the industrial fever which raged during the autumn of 1906 came to a gradual halt during the latter part of 1907. The Japanese banks, which had adopted precautionary measures, then abandoned their care. Improvement in the spheres of commerce and finance were noted. Then the almond eyes turned towards crops. Floods at the end of August bred many a fear in the conjectural mind. Taking the average the crops were very successful. Foreign trade became brisk, and the price of raw silk advanced higher than during many years.

Then came the October panic in America, and the price of silver dropped. The Japanese export business was weighed down with the depression. The price of silk declined suddenly; not only that, the export of this staple to Europe and America almost came to a standstill. At the end of 1907, there had accumulated in Yokohama forty thousand bales of silk. The financial stringency, which travels with rapidity, yet sticks en route, was felt in the Japanese money market. The Bank of Japan in view of all these circumstances raised the money interest rates in February.