The deposits have risen $19 per head in 1871 to $74 in 1901. A fast steamship service was advocated, as, said Mr. Clouston, "The best is not too good for Canada."

ADDRESS OF MR. E. S. CLOUSTON.

PRESIDENT OF CANADIAN BANKERS' ASSOCIATION AT ANNUAL MEETING, NOV. 14, 1901.

Custom lays upon your President the task of addressing you in annual meeting upon the events of the year which more nearly concern us as Bankers. I shall take advantage of this opportunity to touch lightly upon one or two topics.

In the first place, I desire to draw your attention to the fact that, though we were incorporated as "The Canadian Bankers' Association," by act of Parliament in 1900, we actually obtained full authority from the Treasury Board to exercise the powers conferred upon us only in May last, and our first statements in connection with the circulation were issued in June, so that we can hardly be said to be in full working order yet. We are, however, making progress and gradually gathering the threads together, so that in a short time we shall employ the authority and discharge the duties entrusted to us in their entirety. As time goes on we can appreciate more fully the great responsibility placed upon us as an Association, and I know it will be our endeavour to justify the action of Parliament by rendering at all times a satisfactory account of our stewardship. I may add that the policy of conferring upon our Association large powers of supervision in the administration of the Bank Act is regarded by high financial authorities in Great Britain as calculated to contribute powerfully to the stability of the banks and to the protection of the public.

Since our meeting a year ago the figures of the Bank Returns show steady increase, and without going into details I may mention that the circulation has expanded during that period about $5,600,000; public deposits have risen nearly $40,000,000; and the Banks have some $14,000,000 more of loans employed in the business of the country. Our present condition, indeed, may be contemplated with satisfaction, and with reference to the future I can only give expression to the hope that our prosperity may continue for some time to come.

With regard to the general business of Canada, the great commercial prosperity which began in 1897 remains undiminished, all the outward and visible signs of active and profitable business having increased during the twelve months. Our foreign trade amounted to $377,725,600 in the fiscal year ending 30th June, 1901, or $5,000,000 more than in the preceding year, and no less than $146,000,000 in excess of the foreign trade of 1896. That is to say, in the brief space of five years the money value of our imports and exports has been enhanced by 63 per cent. An analysis of these figures brings out many gratifying points. For example, the foreign and domestic exports have contributed more largely to the increase than have the imports, and for the past seven years our aggregate exports have exceeded our imports. Without opening up that much debated and many-sided question, the balance of trade, it is obvious that a debtor country is relatively accumulating wealth when exports exceed imports, and in this connection it is significant that while from 1886 to 1891 the domestic exports of Canada were less than the imports by $127,726,000, from 1896 to 1901 the imports only exceeded the domestic exports by $6,000,000, or a betterment in the balance of trade of upwards of $120,000,000. Home trade has likewise greatly prospered. Manufacturing concerns, with few exceptions, have been busily employed; railway traffics have been the largest in the history of the country; labour continues scarce, and the rate of wages relatively high; mercantile failures are few in number, and not formidable in extent. In a word, the good times are still with us.

We have taken this year the decennial census, and the result has been received with a good deal of disappointment. It will not be disputed that the one signal failure of the confederation accomplished in 1867 has been our inability to attract population as rapidly as we expected. National sentiment has become strong, the pride and prejudice of provincialism have disappeared, large and substantial material progress has been made, and a high average of comfort is enjoyed by the people. These things we *have* accomplished, and without discussing the causes of our slow progression in population, I desire to point out that too much importance may be given to this phase of our national life, and that there are bright sides to the picture pleasant to survey. What, after all, Canada needs is quality rather than quantity. Mere numbers do not necessarily ensure stability, strength or prosperity. Infinitely preferable is it that we possess a law-abiding people, imbued with a high sense of national pride, thrifty in habit, resolute in purpose to maintain the integrity of their country, rather than to encourage a large immigration of alien races beyond our ability to assimilate. Our efforts ought to be directed chiefly to the retention of our native born, and the attraction to Canada of the better class of emmigrants from Great Britain, Northern Europe and the United States. Then, if our growth is slow, it will at least be upon a firm and sure foundation.

How thrifty a community Canada has become let the following figures tell. Placing the population this year at 5,400,000, as indicated by the later census returns, I find the foreign trade per head to have been $71.50 in the fiscal year 1901, as against $45 in 1891, $47 in 1881, and $49 in 1871. The deposits of the people in the Joint Stock, Government and Savings Banks have risen in steady progression from $19 per head in 1871, to $27 in 1881, $40 in 1891, and $74 in 1901, most striking evidence of the practical prosperity of the people. The amount of money employed in the daily business of Canada, excluding subsidiary coinage, is now $11 per head; whereas twenty years ago it did not exceed $7.70 per head. These examples of thrift, enterprise and commercial activity might be multiplied by reference to railway earnings, to industrial development, to the productions of farm, forest, fisheries and mines, to postal and insurance statis-