

opinion that Canadians have done quite as much as is wise in dealing in stocks at high values and in floating of companies to make anything and everything. Mr. Walker, in noting that speculation in shares reached its highest development in Canada last year, says very plainly, as others before him have perceived, that:

The buying of stocks on a margin by people who have no source from which to make good a loss except the margin, is one of the most foolish forms of gambling, and the public cannot be too often warned against it. As to the volume of speculation incident to the promotion of companies, only the pressure of an unfavorable money market is likely to check it so long as we have good crops and an expanding volume of business. What is really necessary is that the public should exercise greater discretion, and should try at least to avoid the many enterprises which are clearly not founded on conservative expectations of profit. But whether new industrial ventures are essentially sound or not, the supply of money available to carry the shares in such ventures will sooner or later be used up unless the volume of flotation is lessened.

The warning contained in the last sentence of the above extract is one that should be heeded everywhere in Canada, but especially in such centres as Montreal, Halifax and Toronto. It is not to be concluded that Canadian trade generally is otherwise than sound. It is based upon increases in agricultural, pastoral, mining and forest production, and this is a fair foundation. The country should go forward prosperously therefore, and will do so if not hindered by "the one cause which is almost certain to operate adversely in the long run—that is undue speculation." There are various parts of this address which should be pondered with care by our manufacturers. Not the least is that which deals with the advent in our midst of United States manufacturers, who aim not only to supply us with their goods, but to fill their foreign orders from our shores. In this connection it is well to remember that "we have a neighbor to the South, whose policy is mainly to sell and not to buy." Anythink like a fair measure of reciprocity with that neighbor being clearly unobtainable, it behooves us to keep ourselves to ourselves until such time as he is in more reasonable mood.

A large share of attention is properly devoted by this address to our prairie country and British Columbia. A strong point is made in the contention that the farmers of our North-West should provide granaries for themselves to a very much greater extent than they seem at present disposed to do. This is the more necessary because it is too much to expect that the railway car accommodation, now so short, can keep pace in the future with the increased crop acreage of our prairie lands. The advent of new settlers from the United States in large numbers—who have been quick to see the advantages of the Canadian North-West, where the people of the United Kingdom have been slow—is giving an extraordinary fillip to commercial enterprise of all kinds in Manitoba. Hence it is well to sound a note of warning; for in spite of the increase of population of Manitoba and the three Territories from 20,000 to 515,000 in thirty years, "one of the results of extensive building [in Winnipeg], has been to inflate real estate values considerably."

British Columbia is encouraged to hope that for many a day she may find a market for her lumber, fruit, fish, and manufactures among the people of the

Territories. And this will make up for disappointment in the rate of progress of mining in her midst, from various regrettable causes. "With coal, timber, all the metallic ores, great water-powers, and the advantage in geographical position, there can be no sound reason why she should not command this market, small in the aggregate now, but with almost unlimited possibilities of future growth."

The president of the bank remarks that the business of banking has been profitable, and unusually free from bad debts, but we cannot expect this to continue indefinitely and a different state of things is to be expected when the present wave of expansion has passed. Then the great excess of exports by the United States in recent years has induced a marked change in the financial relations of that country to Europe. This excess has been lessening quite lately; but if the great crops of 1902 and the buoyant feeling they engender in a naturally extravagant people shall lead to heavy imports next year, and the volume of flotation and financial operations is not checked, the result may be disastrous. Therefore Canada, allied to the States financially and commercially in so many ways, may well look out for trouble, since it is impossible for a period of commercial difficulty and financial unrest across the lakes not to be reflected in Canada. Against the favorable effects to be expected from the marketing of our great crops in the Canadian North-West last year, it is to be remembered that "we are spending money in public and private ventures in a larger way than ever before, and unless great prudence is exercised, our imports will run ahead of our exports, and our capacity to supply capital for our new undertakings will surely be exhausted."

Both the president and vice-president referred in their addresses to the progress of the bank. In explanation of the opening of fifteen new branches in one year, it was stated by Mr. Cox that this is in the main because the absorption of the time of the board and staff with the amalgamation of the Bank of British Columbia in the previous year prevented for a good while previously attention being given to the opening of branches at points where they were much desired. Out of more than 120 branches of Canadian banks, opened in 1902, this bank has furnished its full share. A feature of the annual meeting, and of several subsequent gatherings, was the parting with Mr. J. H. Plummer, assistant general manager of the bank. That gentleman, in addition to the encomiums passed upon him at the shareholders' meeting, was the recipient of a banquet at the Toronto Club, and a presentation of a solid silver table service on the following day from the staff.

#### BANK OF NOVA SCOTIA.

Another good year has been enjoyed by this bank. Its earnings were larger than in the year 1901, not only absolutely, but in proportion to the volume of total assets, which have risen during the year from \$25,744,000 to \$27,658,000. Out of the net earnings, which were \$430,322 last year, \$10,000 has been added to the Officers' Pension Fund; \$200,000 added to Reserve; while \$30,000 has been written off Bank Premises Account, looking doubtless to the outlay now being