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REVIEWING THE SITUATION

Once again business men have the pleasure of reading Sir Edmund Walker's review of the business conditions of the past twelve months. This annual survey, a financial classic, is concise and comprehensive, and is perused carefully from first to last by those at home and abroad interested in Canadian development. As a supplement to Sir Edmund's interesting address, a more detailed review has been issued in pamphlet form, each section of the country being dealt with by one of his managers there. The United States, Mexico and Great Britain are treated by the bank's representatives resident in those countries. The first impression gathered from a perusal of these reviews is that the past year was one of substantial progress and prosperity, casting before it the bright glow of a satisfactory outlook.

We are reminded that in the maritime provinces a new spirit of enterprise has manifested itself, and the people are coming to realize that in variety and permanency of natural resources and in facilities for various branches of manufacturing, they occupy a position of growing importance in the industrial life of the Dominion. One factor in bringing this about is the opening of large, undeveloped districts in New Brunswick and Nova Scotia by a new railway.

The province of Quebec has had its full share of the general prosperity enjoyed throughout Canada in 1912. Notwithstanding the anxiety which was felt during the summer regarding the crop prospects, the yield proved considerably better than was expected, and the high prices obtained for all farm produce to a great extent, compensated the farmers for any shortage that there may have been in the size of the crops.

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In dealing with Ontario conditions, the farmer and raiser of live stock is advised to specialize in certain lines of his particular business, just as the business man in these days of strenuous competition has been forced to do.

The progress of the prairie provinces is noted, and, while the existence of extensive speculation in real estate is not denied, we are properly reminded that an exaggerated impression prevails, particularly abroad, as to its bearing on the commercial prosperity of the country. Few well-informed land men can be found, even among mortgage lenders, who regard western farm land values as at all excessive, although it is important to note that nevertheless the land mortgage companies continue to place an extremely conservative limit on the amount they will lend per acre, even in the most favored sections of the country—a fact which itself acts to prevent inflation of values. If we are to judge by standards prevailing throughout North America, the values of outside business properties in most of the growing cities and towns of the west have, to say the least, discounted a good many years of the future, and sooner or later a readjustment of values must take place, though how long this readjustment may be delayed through the very necessities of so rapidly increasing a population it is impossible to say. This opinion, however, is so widely held among the leading business men throughout the country, and especially among those who have control of the banking institutions, life assurance companies and other loan and investment companies, that the speculation in real estate has been confined in such channels that a serious shrinkage in values could have but an inconsiderable effect on the prosperity of the country as a whole.