

quoted as heretofore at 5 to 5½ p.c. The outlook for a prosperous year in Canada's trade and industry is good. It seems practically certain that the representative industries and trades will continue to make heavy demand upon the banks for advances. So long as business in this country retains its present complexion it is perhaps not to be expected that money and credit will work cheaper or easier. The indications are that the tendency on the whole will be in the other direction. In the United States it has been generally thought that 1912 would see a marked revival of business activity notwithstanding the presidential election. The steel industry shows signs of improvement and the beneficial effects of the good cotton crop are easily apparent. Of course, a pronounced tendency towards prosperity would serve to create a stronger demand for money; and any important rise in money rates in New York would tend to make monetary pressure in Montreal and Toronto somewhat harder. However, the Wall Street list has manifested considerable weakness in the past few days, one of the causes being the threat of a big strike of railway shopmen and the other being the burning of the Equitable building in New York City. So far as the strike is concerned it will probably result in ultimate gain to the railways if it is called, inasmuch as it is difficult to see how the men can hope to win.

#### THE CANADIAN BANK OF COMMERCE MEETING.

The speech of Sir Edmund Walker at the annual meeting of shareholders of the Canadian Bank of Commerce has long since come to be recognised as one of the most informing and reliable of the published analyses of Canadian conditions. The address delivered on Tuesday is, if anything, even more detailed than its predecessors. Sir Edward submitted to a careful analysis not only conditions in the whole of the Dominion from the Atlantic coast to the Yukon, but he extended also his survey to the United States and Mexico, where the Canadian Bank of Commerce possesses important interests. The wealth of authoritative and well-arranged facts contained in this utterance will repay careful study, and it is a matter for congratulation that, upon the whole, conditions have been found by Sir Edmund Walker so favorable.

#### OUR FOREIGN TRADE BALANCE.

In calling attention to some of the more notable passages of this address, we may first refer to the subject of the Dominion's imports and exports. A year ago, Sir Edmund Walker suggested the necessity for a large increase in our exports, in order that our debts to other countries for national expenditure made in anticipation of future development may not

be made more burdensome than is necessary. On Tuesday, Sir Edward pointed out that for the last fiscal year of the Dominion our imports were \$472,194,000 and our exports, \$297,196,000, the balance against us being the large sum of \$174,998,000, not far from the balances of any two previous years put together.

The total trade was \$769,390,000, against \$633,161,000 a year ago. The significant fact, however, is that while our imports increased \$80,391,000 our exports declined \$4,162,000. This is, of course, principally due to very free imports in anticipation of the present large cereal crop; to the increase in railroad construction and public and private building; and to larger immigration, the value of such settlers' effects as are declared appearing as imports. It is also partly due to somewhat larger imports of gold bullion and silver. For the first six months, ending September, 1911, of the current fiscal year, the figures are even more striking, the imports being \$266,187,000 and the exports \$141,865,000, the balance against us for the six months being \$124,322,000 as against \$94,404,000 for the corresponding period in 1910. The imports for the half-year in 1911 include, however, an increase of about \$7,500,000 in gold coin. An examination of the items of imports and exports in the trade returns will suggest many explanations for the respective increases and decreases, but the fact remains that we must enlarge the volume of products we have to export and either lessen our imports by curtailment of expenditure or by manufacturing at home many of the articles we buy abroad, especially from the United States. Our trade with that country, always one-sided, is growing more so. During the fiscal year ending March, 1911, we bought from them \$293,403,000 and sold them \$119,203,000, leaving a balance in their favour to be paid in cash of \$174,200,000, over \$50,000,000 more than in any previous year. In 1901 our total trade with them was \$191,689,000 and in ten years it has grown to \$412,606,000 or an increase of 115 per cent. The part we have to pay in cash has, however, grown from \$46,924,000 to \$174,200,000, an increase of 271 per cent. Our trade with Great Britain makes the worst showing for many years. The imports have grown to \$110,390,000, while the exports have fallen to \$137,158,000, leaving a balance in our favour of only \$26,768,000, a much smaller sum than in any of the last ten years. In spite of the decrease, our exports are still the largest for any year except the previous one, but the volume of imports is much greater than ever before.

#### IMPORTS AND INTELLIGENT FARMING.

One of the ways in which one-sided conditions in regard to imports and exports might be considerably improved was subsequently indicated by Sir Edmund Walker in a reference to western conditions during last year. The speaker expressed his regret that a large percentage of western farmers are absolutely indifferent to the advantages of mixed farming.

It is a deplorable state of affairs that western Canada imports from the United States very large quantities of the commodities mentioned, the value of which runs into millions of dollars yearly. The main cause of these unsatisfactory conditions is that the majority of farmers confine their efforts almost solely to the raising of grain, and appear to forget entirely the value of the home market for the products mentioned (cattle, horses, sheep, dairy products, etc.). It is true that the agricultural colleges in the three provinces are doing excellent work, but the progress which is being made is comparatively slow and can only be materially accelerated by the farmers generally helping in the good work. Experience has proved that large profits, not long delayed, await the farmer who will intelligently carry out a system of intensified farming. He must pay attention to a proper rotation of crops, to the value of increasing and preserving the fertility of the soil by the use of manure and other fertilizers, and to the extermination of noxious weeds. He must also have a right conception of the amount of labour required, in addition to his own and that of his family, for carrying on properly the work of the farm.