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The Building of Empire. **T**HERE are those who feel disappointment that nothing in the nature of sudden epoch-making has been effected by the Imperial Conference. Such are, perhaps, forgetful of the fact that the growing strength of British Imperialism has been due to a slow and natural development in which neither cut-and-dry theories nor radical experiments have had much part. *Festina lente* is still a maxim worth considering in affairs Imperial, and the Australian Premier may find it not unprofitable to recall the never-old story of the tortoise and the hare.

The address of Mr. Asquith before the Conference made clear the position of those who hold that the motherland and the colonies alike should retain their commercial freedom. He referred to Sir Wilfrid Laurier's having pointed out what, to his mind also, the basis of Imperial unity must be. Let each member of the Empire look first to its own interest, and by so doing it would best serve the interests of the whole. The colonies had received full fiscal independence, and had even used it to build up tariff walls against the mother country. In this, to his mind, they were free from remonstrance or even criticism, if the action was deemed vital to their own best interests. But in the same way, the home Government must be allowed the right to consider that free trade continues to be vital to the interests of the United Kingdom. Whether or not a majority of the British public is as doctrinally devoted to free trade as the Chancellor of the Exchequer, there seems little doubt that it will hesitate to make any sudden and radical departure from present trade conditions. In the fullness of time, Australia's desires may have their realization. If so, it may be pardonable if Canada consider its unbargaining contribution to that end as having been fully as effective as the Commonwealth's requests for reciprocal preference. Speaking at a luncheon given to the Prime Ministers

by the Imperial Industries Club, the Premier of the Dominion stated that Canada had given its preference to the trade of Great Britain without exacting any compensation, adding: "We have told you that if you are ready to meet us, we are ready to meet you, concession for concession. But whether this is the policy which would suit the English people is another matter—a question on which the British people alone ought to speak, and to determine for themselves. I can only repeat what I have previously said—that we do not come here as suppliants. We are prosperous, and we do not want any favours from anybody; but if the question is one which may affect for good the British people, then we are ready to meet you."

Gold Production and Prices.

FROM the old-time "quantity theory" regarding money and prices, many economic theorists have swung to the extreme of denying that an increase in gold production in any way affects either prices of commodities or rates of interest. But there appears to be a practical mean between these divergent extremes of theory. Certainly the quantity theory of money can give no complete explanation of prices at this stage of the world's economic evolution, since the mass of business is transacted by credit instruments and largely without recourse to actual money. But, on the other hand, it seems scarcely reasonable to hold that changes in the amount of actual money in the world have no effect whatever upon prices. To deny such influence would make it difficult to explain the advance in prices of commodities during the decade 1851-60, following upon the then phenomenal production of gold from California and Australia. In that decade, the world's production of gold was about \$1,333,000,000, an annual average of \$133,300,000—an amount of vast importance and effect at that time.