

year in the United States, however, were declared by Mr. Walker to have been mainly of a character aiding recuperation, so that the present outlook in his judgment is much clearer and better than a year ago. The stoppage of speculation caused money to accumulate rapidly, rates for call money falling at moments below one per cent. per annum. A great demand arose, the best in many years, for the best classes of bonds; the railroads, which in 1903 desired to make improvements on an unusually large scale, or had done so and owed the money in short-timed obligations, now found their financial course made much easier; large orders for steel, iron and other railroad supplies followed; crop conditions, especially in cotton and corn, were most favourable; labour troubles lessened, and the much dreaded Presidential election proved the tannest struggle for many years.

He regards the day of free silver and unsound currency views as at an end, for an indefinite time, in the United States and that throughout the world there is a tendency toward sound money.

CANADA.

A market for the best class of our securities has been created in the United States, and large sales of Canadian securities have been made to international banking houses. This Mr. Walker considers to be not only of great significance to the general credit of Canada, but are a sufficient warrant of our ability to press with unusual vigour the many important enterprises in transportation now being or about to be carried on. He affirmed what has been stated again and again in THE CHRONICLE that the amounts of the imports and exports of a country are not in themselves evidences of the presence or absence of prosperity. If this country, for many years to come, were to import more than it exports, the debts created to pay the balance might represent very wise investments.

At the same time where there is a large volume of capital, sometimes in the shape of money and sometimes of machinery or merchandise, coming into a country to represent investments by settlers or by foreign capitalists, it is not possible to state the real position with even reasonable accuracy. But to the extent that a decline in exports represents a real decline in purchasing power, and that an increase in imports represents an expansion in the scale of living, our foreign figures are very significant. This passage was followed by figures showing the exports and imports of Canada in groups of years, to the salient features of which and the meaning of which we drew attention in our issue of 30th December last. Mr. Walker considers that the later returns show a loss of purchasing power as compared with previous years, which, however, is not reflected in the imports.

The question of reciprocity with the United

States is briefly discussed and the following significant statement is made:

"Unusual emphasis is given to the sudden desire for reciprocity by the regulations we have been forced to make to prevent the dumping into this country, to the ruin of our own manufacturers, of goods sold here at prices much lower than in the country of manufacture."

To show how the imports and exports from and to the United States and Great Britain have worked out Mr. Walker said:

"A few figures will illustrate the peculiarities of our relations with Great Britain, and the United States. In the five years from 1900 to 1904, inclusive, we bought from Great Britain merchandise to the value of \$259,000,000, and we sold to her \$579,000,000. We bought from the United States in the same period merchandise to the value of \$667,000,000, and we sold them \$357,000,000. We, therefore, practically drew bills of exchange on Great Britain for \$320,000,000 and paid \$310,000,000 of it to the United States."

On this question Mr. Walker holds decidedly strong views as to the desirability of Canada overcoming the one sided state of affairs by making at home, as far as possible, everything that is now bought from the United States and diverting to our better customer, Great Britain, by preference or otherwise, all the trade we can. He does not regard any other kind of reciprocity with the States as of interest to Canada except such trade as would allow us to pay for what we buy from the States by what we sell to them.

Turning to the Maritime Provinces the results of 1904 in yield or in price, from the farm, the fisheries and the forest were in almost all parts more or less unsatisfactory. The hay, cereal, and fruit crops were defective in yield or value. The fisheries had a better year, but the results are not what they might be. To show the importance of the fisheries of Nova Scotia it was stated that the fisheries of Nova Scotia produced, in 1903, about two-thirds as much wealth as the coal of Nova Scotia, twice as much as iron and steel, two and a half times as much as the forest, only a trifle less than the field crops, and as much as the orchard, the dairy, live stock, wool and eggs combined. In coal mining, the large output of recent years has been maintained with a moderate increase, and prices have continued to be satisfactory. In most lines of manufacturing the volume is not lessened, and business continues to be satisfactory, especially with the large establishments, which look to Canada as a whole for their market. In some of these the volume of business last year was the greatest ever attained.

In the important industries of iron and steel, great progress has been made in lessening the cost of production, and although labour troubles serious-