

- (4) Much could be done to promote British trade with the Dominion by—
- (a) The promotion of rapid and cheap transit and communication between the United Kingdom and Canada ;
- (b) more careful study of Canadian conditions by British traders ;
- (c) improvements in the representation of British merchants and manufacturers in Canada ;
- (d) greater adaptability and exactness in meeting the wishes of Canadian buyers ;
- (e) the adoption of Canadian standards, weights and measures and currency, for specifications and price quotations ;
- (f) better advertising and catalogues and cheaper postage rates ;
- (g) more elasticity in terms of credit (rendered possible by fuller knowledge of local circumstances).
- (5) It is highly desirable to promote mutual knowledge of commercial and industrial conditions by a system of British commercial correspondents in Canada, and the wider distribution of commercial and trade reports, both official and other.

Suggestions
for promotion
of British
trade with
Canada.

In monetary circles the year 1907 will be long remembered as a period of grave embarrassment and anxiety caused by extraordinary financial stringency prevalent throughout the world. The crisis was most acute in the United States, where the conditions on the stock exchanges of New York and Chicago were for a time those of extreme panic, resulting in wholesale depression of the values of securities, in the withdrawal from the banks of the savings of the public, and in a general want of confidence and reluctance to invest.

Financial
stringency.

The situation was greatly relieved by the action of the United States Government, which arranged for large shipments of gold from Europe, and, in conjunction with leading financiers, placed funds temporarily at the disposal of the banks.

Action of the
U. S. Govern-
ment.

Such conditions had naturally a reflex action upon the financial position in Canada ; but whilst values were greatly depressed the shrinkage was at no time accompanied by panic, and the Canadian banking system proved once more the stability of the principles upon which it is conducted. A concrete instance of this is to be found in the re-organization during the year of the Sovereign Bank of Canada and the subsequent absorption of its business by other banks without loss to depositors or creditors. An issue of \$24,336,000 of new Canadian Pacific Railway Stock during 1908 was announced.

Financial
position in
Canada.

The growth in banking business during the year was much smaller than in 1906, which however was a year of extraordinary progress. At the end of the calendar year 1907 the paid-up capital of the chartered banks was \$95,953,732, as compared with \$91,035,604 in 1906, an increase of \$4,918,128, being considerably less than the corresponding increase of 1906 over 1905, \$8,379,776. Bank discounts, which in 1907 amounted to \$709,975,274, showed an increase in 1907 over 1906 of \$54,105,395, as compared with \$96,054,961, the increase of 1906 over 1905. Deposits increased from \$605,968,513 in 1906 to \$654,839,711 in 1907, an increase of \$48,871,198, as compared with \$74,725,037, the increase of 1906 over 1905.

Chartered
banks.