

many forms of securities ten per cent., the process of depleting the Treasury of gold was quickened and the necessity increasing the declining reserve became more urgent. The Congressional Committee of Ways and Means showed a disposition to favor a new three per cent. issue of bonds, but there is no disposition to make them specifically payable in gold. If the word "coin," used in connection with the payment of bonds heretofore issued meant gold, the use of the word gold now, being a new form of expression, might work mischief by calling attention to the difference. Any doubt on the point, whether as to the past or the future, would be a menace to the public credit. For better or for worse, it looks as if the word coin would have to serve the occasion. The better way would have been to use the word gold, in the present bill, and to remove any doubt as to the past by a specific declaration that the word coin was intended to mean gold. But this is precisely what the Republicans in Congress will not do. The hope of the free silver men is, of course, that this nursing of the word "coin" may lead to the adoption of a silver basis, and in that case they would be willing to see the legal tenders disappear. The bonds bill provides, by a side wind, that legal tenders, after they have been redeemed, are not to be re-issued; they are not to be put among the assets in the treasury. If they are not to be reissued, as seems to be intended, the natural course would be to burn them. Once the reissue of legal tenders, after they have been redeemed, ceases, every new issue of bonds will operate as a bonding of so much of the floating debt, and the redundancy of the legal tenders would in time be changed to a manageable amount which would cease to be a dangerous menace to the gold reserve in the national treasury.

An increase in the revenue of the United States has become a necessity, and a bill has been prepared to add \$40,000,000 to the annual income. Of this amount, it is proposed to raise \$12,000,000 from raw wool, and as a compensation to the manufacturers, \$14,000,000 is to be put on woolen manufactures. The so-called compensation will carry with it a pretty stiff bonus, very much larger than it appears when we remember what Mr. Atkinson has revealed, that many "all wool" American goods really contain only sixteen per cent. of wool. This is, as far as it goes, a complete reversal of the policy of the Wilson tariff, though it is not brought forward in the name of protection; but as a means of bringing up the revenue to the required point. The fact shows that when the Republicans have a choice of nomenclature they know how to use the opportunity. The remaining \$14,000,000 is to be raised by a horizontal advance of fifteen per cent. on other schedules. A duty is to be put on lumber equal to 60 per cent. of the existing rate, while pulp wood is to be let in free, and if an export duty is put upon logs by Canada or any other country, the old provision for retaliation is to go into effect. The extra fifteen per cent. duty will affect agricultural products, spirits and wines, tobacco, cotton manufactures, hemp, jute, silks, paper and books, glassware and metals.

FINANCIAL REVIEW.

There never was a more striking example of the truth of the saying that "it is the unexpected that happens," than the extraordinary circumstances that have transpired in the political and financial world during the last week. If any man had been bold enough to prophesy a week ago that the Exchanges of the world would be thrown into a condition almost of panic; that strong and leading stocks would be heavily depreciated; that money, which has been dragging for months on the New York Stock Exchange at

about two per cent., would be loaned at seventy or eighty; that numbers of brokers would fail, and that the New York bankers would adopt a resolution to prepare for the issue of Clearing House certificates again—if all this or any part of it had been predicted ten days ago, the prophet would have been laughed at as a wild dreamer. Yet all this has come to pass.

If we trace the origin of this tremendous series of events—which have not been without their influence also on Canada—we find it in about five lines of a message sent by the President of the United States to Congress. For the whole mischief of the message—and the mischief for the time of its operation has been almost unparalleled—is to be found in some half dozen lines of the message.

Had the President simply regretted the fact that Great Britain declined to arbitrate—had he gone further, and recommended an enquiry to be made by a commission as to the real merits of the dispute, and asked for an appropriation for the expense thereof, not the slightest harm would have come of it.

But when he penned the extraordinary paragraph which followed, viz., in effect, "that if Great Britain refused to abide by the findings of that commission, the United States would compel her to do so"—this threat of war at once roused attention all over the civilized world, and not only attention, but astonishment and alarm. And as in these days the effects of all anticipated movements are discounted—who can wonder that English holders of American securities to the extent of millions, threw them upon the market, determined to get rid of them at any price.

There never was a greater illustration of the dense ignorance of the average American professional politician than the talk that has been indulged in about operations in Wall street. "Let Wall street and the Stock Exchange mind their own business and leave politics alone," these ignoramuses said—and an American Senator was ignorant enough to think that these stocks had been put upon the market for political purposes:—England to coerce the United States, forsooth, as if the holders of stocks in London and elsewhere in Great Britain were not a multitude of people without concert, each one thinking of protecting his own interests by drawing his money out of a dangerous place. Surely even such ignorant people as average American politicians ought to know that political events have an intimate bearing upon business. They surely appreciate the fact that war if it does break out, has an effect upon commerce, and manufactures, and banking, and trade.

Do they imagine that American exports would go out of the country just as usual if war was going on? Or that importing houses would be getting their goods from abroad into New York and other Atlantic ports just as usual? Do they suppose that bankers would negotiate bills on England, or even on the continent, without interruption? Or that the enormous mass of imports which are brought into the country by means of credits issued in New York, could be brought in as if nothing was the matter?

Would the merchants and manufacturers of France, Spain, Germany, Austria and the Mediterranean, also of India, China, and Japan, allow their goods to be shipped to a country which was in the throes of a tremendous war?—which goods might be seized by cruisers, or burnt by hostile squadrons, the very houses issuing the credits having collapsed amidst general financial ruin and devastation! Such talk is too silly for schoolboys, and is a disgrace to men who have had education and experience.

But there is no logic like the logic of events. A single week has sufficed to show how inextricably connected are the issues of political events and the course of commerce