

movement at the sight of a martial parade. The call of duty to the action is often the strongest incentive to the individual. But when all is said the truth remains that in a vague way the new world is striving towards peace. It is the hope of many that some great American will unite the whole continent on terms of perpetual friendship. Certainly can we preserve our manhood and husband our resources we shall be strong in any crisis. For the moment there will be no money spent on elaborate military preparations. We can only, in concession to the habit and practice of the time, provide a simple military training for our growing men, and do the necessary policing of our coasts with quiet efficiency. A great navy we shall probably never have. This may well be a matter for regret, for a navy undoubtedly constitutes a force at once cosmopolitan in character, and bracing to the national life. But too many of our people dwell far from the sea. Yet to those who have their homes on or near the coasts, careers should be open in the imperial navy.

Our further obligations to Great Britain we can meet apparently in only one way, by setting aside a fund in

our treasury labelled "The Imperial Defence Fund." Great Britain and foreign powers should be made aware of its existence, and in any emergency the Canadian Parliament should decide how far to draw upon it for contributions to the imperial navy. The colonies apart, Great Britain will be building ships to maintain the present predominance: it will aid her greatly to have financial resources at her call. We should be saved from the task of building up and controlling a separate navy, which for the moment we seem scarcely ready to undertake, and yet we should control our grants of money and our own policy. If it be urged that such a fund could not be kept from our politicians, the answer is that after all our representatives must yield to the popular will when clearly expressed. Such a solution as this can only be a tentative one, but it does assist us toward fulfilling our duty and at the same time maintaining our freedom of action. These must be the two broad features of our policy, whatever solution we find for the problem of Empire, whether, that is to say, we are to arrive at national independence, or choose to take some place in an imperial scheme.

Panics in the United States

SOME INTERESTING FINANCIAL AND COMMERCIAL HISTORY

THE Anglo-Saxon seems prone to panics. In Great Britain they occur regularly. There were panics in 1816, 1825, 1837, 1847, 1857, 1866 and 1873, and in each case there were many victims. Among the larger countries of Europe, France is distinguished for her lack of panics. The Frenchman is very little addicted to going in debt, is not inclined to speculate and is given to hoarding his gains. He gets rich slowly, but he seldom has a panic.

Like Great Britain and Germany, the United States has had its share of panics. Three of these stand out very distinctly, those of 1837, 1857 and 1873. Each was preceded by a very prosperous period and each was due to over-speculation of one kind or another.

In the panic of 1837, the stock market played a small part because it was a small institution. Real estate and merchandise had advanced in value tremendously. One day the Government demanded that the banks pay their government debts in coin. The Bank of England refused to accept United States commercial paper. Money became scarce, the banks refused to discount, the merchants withdrew their deposits and on the 10th of May practically all the New York banks suspended. A few days later, the country banks did likewise, and ruin stared many people in the face. Ultimately confidence was restored.

In 1857, the stock market played a large part, but the trouble was caused mainly by excessive importations of foreign goods and by the too rapid construction of railways with borrowed capital. The situation was rendered worse by a partial crop failure. Money became scarce and it was impossible to negotiate paper. The results were much the same as in 1837. In October, the New York City banks suspended specie payment, and stocks and bonds fell fifty per cent. in a few days. New York Central sold at 48, Illinois Central, Michigan Central and Rock Island at about 30. The Michigan Southern Railway sold a ten per cent. guaranteed stock at 50. Gold currency was practically unobtainable. The Government placed all their legal tender reserve at the service of the banks, and in December they were able to resume.

In 1873 came the worst crisis that the United States has ever known. This was largely due to the unduly rapid development of the railway interest as in 1857. It has been estimated that for several years previous to 1873, four hundred to five hundred millions annually had gone into the building and equipping of railways. At least four-fifths of this was raised by the sale of bonds abroad, and the remainder by temporary loans at home. The latter came to be enormous. Money grew scarce. Europe had no more money to buy bonds. Railway paper went to protest in August. Wheat began to move in September and absorbed more money. The crisis came on September 17th, 18th and 19th when the Canada Southern, the Northern Pacific and the Chesapeake and Ohio were forced to suspend along with their bankers, Robinson Cox & Co., Jay Cook & Co. and Fish & Hatch. The next disaster was the failure of the failure of the Union Trust Co. Within a few days, stocks fell from twenty-five to fifty per cent. On the

23rd, Henry Clews & Co. failed. Thirty-five stock exchange firms were suspended and the Exchange was closed from September 22nd to 30th.

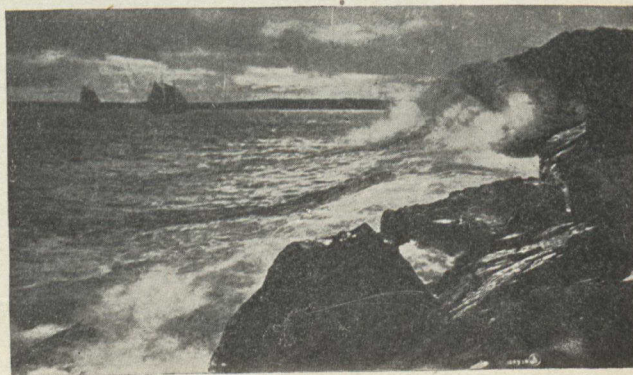
The United States Government endeavoured to relieve the situation by buying twelve million dollars' worth of United States bonds, but the people hid the money and the banks gained not a whit. Finally the banks refused to pay out green-backs. The city of Chicago issued shinplasters at five and ten dollars each to relieve the situation there. There was apparently no money in sight.

When the stock exchange re-opened on the 30th, men from all over the United States and Canada gathered in New York with pockets full of money to buy bargain stocks, and slowly but surely the money got into circulation once more. The saving of the situation was mainly due to this feature, and to the issuing of twenty-two millions of clearing-house certificates which enabled the banks to do business with each other without the use of the regular currency.

This crisis of 1873 was followed by three years of "hard times" and the country was very slow in making recovery. It is estimated that railway bonds to the value of eight hundred millions of dollars were in default at that time, of which two hundred millions were in default before the panic in September, 1873.

A Blizzard at Cape Breton

THE blizzard which swept over Nova Scotia last week sent three schooners ashore on the Cape Breton coast, one of which will become a total wreck. The "Francois Reve," the "Beulah" and a third of unknown name were all in dangerous plight but no lives were lost, as all reached the coast in safety. The storm was very severe considering the early season and snow flurries mingled with the driving rain, while the wind blew at forty miles an hour. The apple growers in the fruit region of Nova Scotia were much alarmed by the appearance of snow, since a large quantity of fruit is still on the trees, as help is as scarce in Nova Scotia as in newer provinces.



Cape Breton Coast, near Louisburg.