days in the year, fed, clothed and sheltered, to earn that interest which, with the supplies means an army of at least 200,000 producers to earn the money. This interest ball chained to the leg of every produce by the importers of the worthless over-productions of foreign nations is an obstruction in the way of the prosperity of Toronto that must be removed before there can be any true and permanent prosperity.

As before related the annual drain of interest to Britain on excess imports is about $35,000,000 which must be paid in gold or securities sold for gold, and of which it will be shown our banks have furnished about $273,000,000.

The Year Book for 1891 reports some thirty-two banks to have failed in the forty-five years. It is estimated that in capital and deposits there was $50,000,000 lost. It went to pay interest in Britain; if not, what became of the gold? It is not in Canada.

The Canadian banks on the last day of December, 1897, report $62,000,000 of paid-up capital and $140,000.000 of deposits on interest, and $80,000,000 of casual deposits from which twenty-five per cent. must be deducted for discount margins left on deposit which cannot count as gold reserve, leaving $60,000,000 that do. The late Sir Francis Hincks stated that in the financial crash of 1877-78 the banks by bad debts lost twenty-five per cent. of their capital or about $14,700,000, which must count as gold. Those five gold factors amount to $326,000,000.

Their returns for December show $8,000,000 of specie in their vaults and $41,000,000 of gold to their credit in Britain and the United States, a total of $49,000,000, which, deducted from the first factors, show that they have in gold for interest to Britain been drained of $277,000,000 of capital and deposits.

If not for interest, what for? The excess imports have been paid for by securities, the balance by our exports, and therefore no possible drain except for this interest. The gold is not in Canada. It is not forgotten that there are international receipts and expenditures aside from the above, but there is evidence to prove that practically they balance each other.

In proportion as the banks have been drained to pay interest to Britain they have increased their capital and borrowed deposits on interest to add to the available casual deposits which (had there been no excess imports to pay interest on), would have been entirely unnecessary. In fact, but for that drainage, the banks with one half the capital could have done four times the business. For example, the Bank of France with not half the capital have, when there were no excess imports, been able to circulate $6 of their notes for each $1 of capital, where our banks only average about $1 of circulation to $2 of capital, a difference of twelve to one in proportion to capital. This difference compels our banks to charge double the rates charged in France in order to pay dividends on two dollars of capital in place of one. The banks, as seen, to meet the drain of gold to pay interest to Britain on the excess imports, have been obliged to increase their capital or borrow on interest. They have done both. The sum of interest they have paid on deposits is over $60,000,000, of which, but for those excess imports, it would not have been necessary for them to pay a cent.

There is another curse which daily increases from paying interest on deposits and which lies in the fact that many millions of such deposits are actually due by the depositors to the business men, customers of the banks, who, unable to collect from such creditors, have to borrow of the banks at practically eight per cent. the money of their customers upon which the banks are only paying three per cent. In this way a large number of the customers of the banks are driven out of business and out of house and home. The result to the banks in bad debts about eats up all the interest they get in excess of the interest they pay on the interest-bearing deposits. The number of business men in Toronto driven out by high rates of interest, the result of the excess imports, is incredible. And during the forty-five years the sum of the bankruptcies and failures equals the sum of the wages the importers have paid to foreigners for goods sold to those they deprived of work in Canada, which is $1,000,000,000. This accounts for the financial collapse of so many importers who have tried to quickly get rich while beggaring their customers through employing foreign producers in place of Canadian.

If each bank from the first had made it a rule to furnish no importer with exchange in excess of their bills on hand drawn against shipments, they would not have been drained of a dollar in gold therefor, and the importers would, as some have, not only patronized home manufacturers, but have, when possible, aided in promoting their development. It would have saved the banks the $60,000,000 of interest, and greatly increased their business and the prosperity of Toronto and Canada.

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FOURTH—EXCESSIVE COST OF GOVERNMENT.—A careful investigation by President Rogers and Mayor Shaw will enable them to see that the total cost for our various governments at Confederation was about $24 per family of five, and that it is now $60 per family, and in which there is not included receipts from post office and public works. Since 1876 the increase in Ontario for municipal governments alone has been over $18 per family. Our tariff now averages about $20 per family. The cost of all our governments since Confederation has increased $36 per family. Therefore, if there had been no tariff at Confederation to place us on the industrial level of 1867 to compete with British producers, the tariff now should be increased to $36 per family, but as there was then a tariff of about $10 per family it should now be increased to $26 per family.

In Britain the total cost of their governments amounting to about $80 per family is indirectly paid out of interest received from the earnings of foreign countries and to which Canada contributes about $35,000,000 a year, or $35 per family. If