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subject of currency is not one high the public mind is excesely clear, says the Toronto News in it issue; and in view of the use number of incorrect state-hart have been circulated about t-voted change in the gold retivility of the constant of the consta issue; and in view of

retry whole proceeding, thy and immediately, it has two it removes from the gold re-held in security of our Domin-ber currency, the sum of \$7,500,may be remarked here, simply may be remarked here, simply pracy, that what is known as I reserve may and does at the time include about \$2,00,000 anteed sterling (Imperial) de-s, representing gold. Secondpresenting gold. Second. Fielding's change creates the 5,000 thus released into a guarantermonary control of the fielding's personal property of the savings banks. If the scheme noy merits, they will presumably and attached to this second result of the second results of the which it is based; while the and a half millions obviously to benefit anyone or anything ex-the institution to which they are ferred. They will not affect the iden of the country in any way, by will still remain locked up in overnment's vaults, with only a nt label attached to show that belong to a different class of cre-

the Government savings banks are two classes, the Dominion Savings lik, properly so-called and the Post ce Savings Bank. Neither of these itutions has, until now, rejoiced in pecial and legally provided reserve d. While ordinary banks have kept their reserves one, basis considered. ir reserves on a basis considered ugh to guarantee them against the Government banks have re-the funds of the Government ands of the Receivers-General, t specifically appropriated to abilities. The Government has a great advantage over the damk in being able to invest and the being out to divent and the being out to divent onling disadvantage, if it ex-uting from the absence of a reserve, will certainly be re-by the endowment of a seven-tor of the Government savings and always been quite astisfac-turals they have to draw on, the control of the control of the bullet of the control of the bullet of the control of the bullet of the control of the the control of the control of the property of the control of the con-trol ole of the deposited funds. banks to withhold a percentheir holdings from use, in-appropriating a currency se-with which to defend them-lt is part of the price that a as to pay for deposit money certain percentage of it has to ready for payment on call-ing so held is not a mere pas-crantee of credit; it is an ac-tor for the transaction of busitheir holdings from use, inor for the transaction of busi-r. Fielding is, therefore, with-his seven millions from the collateral deposit and virtually collateral deposit and virtually as an asset in the active marhere a private bank, having afred dollars on deposit, would
inety and keep ten to settle
te calls, Mr. Fielding invests
dired and appropriates ten
ce currency reserve. The redentically the same as if he
bestedet hanken when he placed his banks on what he as a healthy basis, and then

taken seven millions from the reserve and invested it.

We come now to the effect on the Dominion currency, which loses a part of its gold security. This currency is unlimited. It is issued by the Government only in exchange for specie or gold coin, and will be issued in expending the control of the c We come now to the effect on the to be sufficient security, and the standing of the currency has been well maintained on that basis. As the amount of the excess over twenty military of the currency of course, the currency of course, rose. The last available figures, took of the total of Dominion notes which the present of the total of Dominion notes which the presents \$17.25.85, upon which the pruss \$17.25.85, upon which the pruss \$17.25.85, upon In circulation was \$37,912,96.58, upon which the requisite gold reserve would be \$5,000,000 upon \$20,000,000, plus \$17,912,956.58, on the dollar-for-dollar issue, or \$22,912,96.58. The ratio of required gold to currency is about \$60 to 100. The ratio of the actual reserve is much higher, there being an excess reserve of \$3,571,092.17, which brings reserve of \$4,81,062,17, which brings the ratio to nearly 70 per cent. Yet there have been many months under the per control of the ratio to nearly 70 per cent.

has increased by leaps and bounds, and nearly twenty million dollars in gold has been put into government vaulis to be replaced by the more convenient to be replaced by the more convenient such that the property of the pro whose maximum and minimum both showed a retrogade movement of about \$700,000, the progress of the Dominion currency has been absolutely sleady from year to year since 1880. There is therefore very little room to suppose that we shall ever touch \$30,000,000 again, the new point at which the re-sources of the country would be called into requisition to redeem its currency. into requisition to redeem its currency. There is, on the other hand, every reason to expect that we shall in another decade again reach a position similar to that of to-day-a position where the unfunded portion of the National currency will be but a small part of the whole.

But a man who makes a nation's currency provides, not against the best contingency, but against the worst. It is not enough that we must know that currency in the one unalitative standard of value, no matter how hard it may be to get it when the day of trouble comes; we must also make such a showing as to convince the of the Dominion must be such that it cannot fluctuate by a fraction of a cent of the Dominion must be such that it cannot fluctuate by a fraction of a cent from its nominal gold value; that financial crisis, consecutive bad crops, national mismanagement, it may even be for a time national peril, cannot shake it. It is very possible that we can carry \$22,000,000 no our credit now as easily as \$15,000,000 em years ago. But we cannot carry the larger

figure as easily as we are carrying the lesser to-day, and why should we

change?

It is certain that no reduction of the is certain that no reduction of the nation is should be made unless there in treason for doing so; and less we do not regard it as provess we do not regard it as provess. confess we do not regard it as proved that the government banks need an in-only reason ascribable for the change now in view, or that they have any right to take it from an absolutely outside source. We should, moreover, outside source. We should, moreover, should, be regularly enlarged to the should be regularly enlarged to the size of the minimum demand. The funded issue, though tolerable in its funded issue, though tolerable in it present limits, should on no accoun be enlarged. The holders of this view present limits, should on no account be enlarged. The holders of this view would sooner borrow seven millions to guarantee the government bank deposits than transfer the amount from the currency reserve. Some of them would even like to keep in the treasury would even like to keep in the Ireasury
Fielding proposes to represent by only
seven and a half millions. They are
prepared to pay interest on that
num, to have Canada's currency rest
absolutely on the value of gold rather
than in the smallest degree in Canada's
tainly be better than to run even a remote risk of exposing Canada's currency to depreciation.
The service of the present government is exploiting Canada's new-found credit rather generously. In a single nession they are
railway systems, and issuing their own the whole thirty millions

guaranteeing the bonds of two great railway systems, and issuing their own bonds for a new hilf-transcontinental the credit of the country good for seven millions more of its currency. Except the government's railways become charges on the public estate. They rest on the "passive credit" of the country only, but the burden which limited.

THE WORLD'S PRODUCT OF

The world's production of gold The world's production of gold we reaching the normal amount; it to say, the average amount wh r some time was yearly produ-fore the Transvaal war closed and mines. The Rand product Decore the Transvala war consecut to be a second to Rand about the same rate as that of 1004, so that the world's production in 1903 should be that of 1901, plus the increase in the Transvaal yield. Those who are keeping a close watch upon this matter estimate that the output of new gold this year will exceed \$300,-000,000

There is no reason to believe There is no reason to believe that there will be any material reduction in the world's gold product for some time. The output of the Rand mines should increase rather than decrease, and the enterprise of man is constant-ly at work to open new sources of sup-

and the enterprise of man is constantly at work to open new sources of supply. There seems to be cause to believe that the future spoid mines of manufacture and the future spoid mines of manufacture. The seems to be cause the seems of seed. The importance of the large production of soid. The importance of the large production of soid of the great nations of the globe are now upon a gold basis. The more gold there is, the less will be the talk about free silver persent has indeed operated disastrously to the silver cause, to which William J. Bryan pinned his hope of reaching the presidency. In Dr. E. Benjamin Andrews, who resigned as president of the Brown University because of his advocacy of free silver in 1892, new acknowled the seems of the seems

tion of gold since 1890 has not only checked the fall of prices which had been going on since 1873, when silver was demonetized, but has caused a

been going on since 1873, when slives a demonstrated, but has caused a successful and a suc a misconception of the world's output of gold as it was an unaccountable moral defect. The proposition to put the United States on a free silver the United States on a free silver able practically to repudiate 50 per cent. of their indebtedness by mak-ing payment in a 50-cent dollar, in-volved a distinct moral issue, which volved a distinct moral issue, which will be supported to the pro-cessing the properties of the pro-cessing the support of the pro-tes of gold the support of the pro-tes of gold the support of the pro-tes of gold the pro-tes of g -Wall Street Journal

THE STEEL BOUNTY.

THE STEEL BOUNTY.

The Toronto News comments on the new steel bounties as follows: Further explanation of the bounty resolution brought down by Mr. Fielding in the House of Commons seems to show that the Dominion Iron and Steel Company will be the chief beneficiary thereof. Together with the Nova Scotia Steel and consolidated Lake Su. perior companies, it will benefit by the perior companies, it will benefit by the suspension of the sliding scale feature of the old bounties on pig iron and steel ingots. But the Dominion Steel Company will be the only one to be directly helped by the new bounties of \$6 a ton on wire rods, and \$3 a ton on the heavier classes of steel plates and structural iron. The Nova plates and structural iron. The Nova Scotia Company already enjoys a sim-ilar bounty on the lighter classes of steel ods, steel grates and structural iron. But, of course, will also derive assistance from the protective duty of 10 per cent. on structural iron, which assistance from the protective duty of 10 per cent. on structural iron, which was imposed some years ago. It is understood that with the \$1,500,000 to the third property of the property of t

ducts.

Some one at Ottawa has been figuring out how much money the steel
company will earn under the new
bounties. On wire rod, from which
nails and barbed wire are made, there nalls and barbed wire are made, there is no duty. The imports last year amounted to 55,000 tons. If Canadian steel makers can capture the enbounty of £530,000. Canada imported about 195,000 tons in plates last year, which are free and not made here. The bounty on this amount would be based on last year's imports, is in the vicinity, of £500,000. It is probable. —however, this will not be reached, out important one resched.

The Dominion Steel Company is the only important one erecting plate, rod and structure mills, and it is estimated it will do well to earn \$300,000, or the sum of \$25,000 a month.

It is not to be sufficient to the sum of \$25,000 a month. It is a sum of \$25,000 a month. It is the sum of \$25,000 a month. It is a sum of ralls, to be levied so soon as afacturers can turn them out

manufacturers can turn them out in quality and quantity to satisfy the Canadian market. Taking bounties and duties together, it appears that go to considerable lengths in aiding so to considerable lengths in aiding the steel companies. Some of the steel men, nevertheless, are not satisfied with what has been them being quoted as saying that Mr. Fleiding's measure is all right as a temporary expedient, but that it is not of a sufficiently permanent character and steel industry of Canada.