

#### A Silver Object Lesson.

IN commenting upon the silver question, the CHRONICLE has several times laid more stress than is usual with those who discuss it, upon the practical difficulty there is in getting a larger volume of silver into circulation. This difficulty is insurmountable, as it arises from the great weight and bulkiness of the currency of this metal compared with either notes or gold. Twenty dollars worth of silver coins weigh exactly one pound avoirdupois, \$5 worth being 4 ounces. Fancy a person carrying a pound weight around in his pocket, or even a four ounce one, in order to have \$20, or \$5 in his purse! It is this which handicaps silver and prevents any probability of its ever coming into more general use as currency. If there were free coinage of silver established, the coins would be returned as quickly as they were sent out, for the people would not burden themselves with such heavy currency. Secretary Morton, of the Agricultural Department, Washington, recently undertook to teach an "object lesson" on this line to the employees of his department, some of whom he knew to be silver enthusiasts. When the last pay day came, he gave every civil servant his month's salary in silver coins. Some of those officials had the pleasure of receiving money which weighed from five to ten pounds, made up of silver pieces numbering from 400 to 600, which they did not enjoy the task of counting. As they had been accustomed to receive their salaries in bills or cheques of practically no weight at all, which they could count or verify in a second, and stow away in pocket-book without straining its capacity, they were intensely annoyed at having to carry home bags of money as heavy as a joint of meat. Their silver enthusiasm, doubtless, on the road to their domiciles oozed out like Bob Acre's courage. Their wives would wonder what the weight was which was dumped so heavily on the family table. "The silver object lesson," says a private letter, "was more effective than all the arguments ever offered against an extension of silver currency."

#### The Plethora of Money in England.

THE enormous amount of money now idle in England waiting chances of investment is unprecedented. The causes of it are being discussed by leading journals whose views are much the same. Since the Baring trouble capitalists have fought shy of such foreign investments as prior to that incident absorbed large sums of English capital. Argentina was a lively customer for loans, but her credit is now too low to attract money, the government is now a defaulter for interest on its bonds. Australia since the panic has been less absorbent of British capital than it was, for although matters have improved much at the Antipodes, they are not in such a condition as to satisfy investors. Egypt is also a less attractive field than formerly, and Turkey, which at one time took large sums from England, is now shunned as a borrower. In the home market the demand for railway construction has nearly ceased, and the long depression of trade, which we gladly note is passing away, very seriously checked the call for capital for new enterprises or extensions.

But though the closing of these avenues reduced the demand for money, the main cause for the existing plethora in England is the check given to American investments by the currency agitation which led up to the panic of 1893. Up to 1892, when distrust began to be felt as to the prospect of United States securities being paid in gold, the capitalists of the Old Country were in the habit of investing about \$150,000,000 in American securities, mostly in railways. Taking this sum alone as having been kept on hand, which under more tempting conditions would have gone abroad, there is an ample explanation of the enormous funds now held in England waiting investment. The *London Times*, however, estimates that besides this \$150,000,000, a further sum of \$100,000,000 has been yearly kept on hand which used to flow out in the directions we have above indicated. Although trade is improving in the States, its financial system retains those grave defects which inspire uneasiness in investors. The leading financial journals of England have no hesitation in speaking of these defects as quite enough to make cautious people refrain from putting their money into American securities until the financial system of the United States is reformed. The indications are that the silver craze has run its course, but the political arrangements of the States are so elaborate, and such prolonged delays occur in affecting changes in its banking and monetary systems, that the day is probably distant when complete confidence will be restored in American securities. Meanwhile money goes on accumulating in England, and though the Chinese loan will take a large amount, the prospect for investors of English capital is not bright.

SOME three or four years ago a great municipal fight took place at Hamilton, over the proposal to grant

a subsidy of \$225,000 to the new railway, known as the T. H. & B., to connect that city with Buffalo, with an extension to Toronto. The by-law was carried, but not before a supposed hard and fast agreement had been entered into, that the line would not be amalgamated with any of the existing railways. The object of this was to secure competition by local control, which would be of advantage to Hamilton in obtaining a better and cheaper service. Recently the Canadian Pacific, with its characteristic enterprise, has been negotiating with the T. H. & B. to adopt it as part of that system, and make more direct connections between Toronto and Buffalo and New York. To assist in carrying out this scheme Hamilton is now being asked for an additional subsidy of \$250,000, which involves the rescinding of the original agreement to have the T. H. & B. a wholly independent organization. The proposal has a very serious aspect besides the financial one. If the rate-payers of a city authorize the issue of bonds on a distinct and express agreement that the line of railway to be thereby subsidized is to be independent of all other lines, the honor of the city is committed to such an agreement. When those bonds are issued, that agreement is an essential element in the contract. To set the agree-