

That such a state of affairs now exists may be attributed mainly to the financial agents of Manitoba, who have never made any effort to direct foreign capital into industrial channels. The newspapers of the Province, and of the Eastern Provinces also, are replete with advertisements of agents who place funds in real estate loans, but a single advertisement offering to make safe investments in industrial undertakings has yet to make its appearance. Is it not time, let us ask, that financial agents should spend some effort in this direction?

The development of the agricultural resources of the great North-west presents no doubt an unlimited field of safe investment for capital, and we have no desire to place any barrier in the way of the great work. But if this country is to become truly great more effort must be made in the direction of commercial and industrial progress, and some pains taken to direct foreign capital into that channel.

BANKING REVIEW.

Under this heading the *Monetary Times* of the 20th inst. sounds a note of alarm, and while it does not predict, it outlines pretty definitely the possibility of an approaching commercial panic throughout Canada. By comparisons of the years 1879, 1880, 1881 and 1882 the journal in question endeavors to impress its readers that the whole fabric of Canadian credit is becoming top-heavy.

On the amount of gold and silver held by the bank, the *Times* give the following table:—

In September, 1879, the banks had	\$6,298,000
„ 1880, „ „	6,720,000
„ 1881, „ „	5,196,000
„ 1882, „ „	6,790,000

The indebtedness of banks for bills payable on demand is thus tabulated:—

In September, 1879 - - -	\$17,726,000
„ 1880 - - -	21,693,000
„ 1881 - - -	23,675,000
„ 1882 - - -	30,035,000

What the public owe the banks is set down as follows:—

In September, 1879 the public of	
Canada owed the banks - - -	\$115,000,000
In September, 1880 - - -	108,800,000
„ 1881 - - -	133,300,000
„ 1882 - - -	163,600,000

On the strength of these and other figures, the *Times* takes a very gloomy view of the financial prospects of the country, and sends forth the following note of warning:—

It is evident to the most cursory observer

that Canada is piling up her edifice of credit operations at a very rapid rate. Our bank discounts are nothing but an expansion of credit. Discounts are credits passed. Their increase is an increase of indebtedness. The people of Canada, it is evident, are getting deeper into debt as every month rolls round, and time will show whether they are able to pay these debts or not. The edifice of credit is mounting higher and higher. The materials may possibly be all sound and solid. Possibly they are not. The probability is that many of them are solid enough. But judging by all past experience, a considerable amount of poor material must have been placed in the edifice during the last year or two and is being placed in it now.

We do not question the honesty of the fears expressed by our contemporary, and we doubt not but “the most cursory observer” would see much cause for alarm did he, like the *Monetary Times*, view only one side of the subject.

Business men of mature years and experience can well remember the successive years of depression which prevailed all over this continent, and how in the Fall of 1879 the first symptoms of returning confidence were apparent in the commercial circles of this country and the United States. The period from which the tables of the *Monetary Times* commences its statistics was one when every dollar of distant capital which could be was withdrawn from this Dominion, when the issue of banks had been restricted to its smallest possible limit, and when the specie basis of the country's credit would naturally be at its heaviest. Since 1879, however, there has been a steady growth of confidence in the minds of foreign capitalists regarding the solidity of our whole business system, and with that returning confidence the flow of capital into the country has been steadily on the increase. The fall of 1879 was also a time when commercial and industrial enterprise in Canada was at its lowest ebb, and from that date it has had a steady growth until the Dominion is gradually taking its place as one of the countries which export manufactured goods to an extent that claims recognition in the leading markets of the world. Since 1879 the value of property in the Eastern Provinces has increased at a much more rapid pace than the debts of the people or the banks. In the fall of that year the agricultural products of the country had to be marketed, and the surplus exported with as much dispatch as possible to meet the monetary demands of those depending upon the same. While at the present time two-thirds of a year's crops

are held for higher prices by the same class, the exportation of which would soon cause a flow of specie into the country which would speedily increase the figures which the *Times* says our credit should be based upon and regulated by. In 1870 the great North-west was a sparsely settled country containing one frontier town and a few insignificant villages, and was not attracting the notice of foreign capitalists in any way. Now it is a prosperous and promising country, the commercial transactions of whose towns and cities during 1882 will represent an aggregate value of some \$50,000,000, and where the funds of the foreign capitalist are begging permanent investment. In short, the *Monetary Times* in its tables compares a period of the country's history, when the specie resources of the Dominion were huddled together for safety beyond the reach of enterprise, with another period when perfect commercial confidence makes credit a source of strength instead of weakness, and furnishes a pledge for the rapid progress of what is still a comparatively undeveloped country containing as many natural elements of wealth as any under the sun.

It is the province of a journal like the *Monetary Times* to warn the people of Canada against any seeming dangers ahead, but it is necessary in doing so to show clearly that these dangers are real and not imaginary. Without attempting to prove that the commercial transactions of Canada are going forward upon any unsound system, it seems to us that this monetary nightmare of our contemporary is premature, and considering the influence of the journal it is at least ill-judged.

A wag once undertook to scare an old Scotch minister by meeting him in a graveyard in the garb supposed to be worn by a ghost. On meeting him the old minister asked, dryly, “Are we tae expect a general rising, or are ye only takin a bit dauner by yersel?”

When we view this commercial ghost which the *Monetary Times* sets up to frighten the business circles of Canada, we are tempted to interrogate our contemporary in the language of the old divine.

An officer of the Cartage Co. informs us that their delivery of goods from the C. P. R. is not compulsory on consignees. Any person wishing to deliver his own goods can do so, and have the drayage fees deducted from his freight bill.