

## THE BUSINESS SITUATION AGAIN.

The policy of the Government has been mainly to ignore the fact of an enormously increasing adverse balance of trade; because their chances of reelection very much depend on not avowing the real state of the case. The Finance Minister has consequently avoided placing the actual state of trade on record in a formal manner, and has thought it safer to let the newspapers quarrel over it to their hearts' content. Ministers bravely insinuate that the thing does not exist,—that the Customs figures don't represent the fact; for, they say, if you send \$50,000 worth of flour to Spain, and there sell it for \$90,000, and invest the proceeds in goods you enter inwards, the adverse balance is accounted for. But such economists evidently were not brought up at the Commission business, nor at business of any kind "very much."

In our bold critic "Omega" we have a character of a different stamp. With creditable foresight he perceives the truth must leak out, and therefore courageously takes the "bull by the horns," and justifies an adverse balance of trade in this wise: "Shall we estimate the condition of a merchant a ruinous one who owes \$8,000 and has assets for \$15,000? Yet thus does "Alpha judge of poor Canada as a nation." We reply to the insinuation. Certainly not. The case is not a parallel one. But if "a merchant" were to dip deeper and deeper into debt for a long series of years to accomplish what might be more safely done without such risk, then we might be inclined to call him a born fool for thus needlessly involving himself. But as things now go, the merchant cannot avoid it, for credit is by law made the rule, and cash the exception. It is because the nation might do otherwise that sensible men are made to wince, by incompetent law-makers sacrificing the capital of the country. The adverse balance of about twenty-five millions' dollars annually, for the past ten years, is too surely hurrying industry along the high road to national bankruptcy, dishonour and disgrace, not to call for a note of warning against the approaching catastrophe; and why should one overlook the "results of the trade concealed, in stock and store, and fruits of the soil," but because these results lie *too long concealed* and tire the waiters for a return from the investments which are sown broadcast over the country. We look in vain for the annual returns, and the sharp sighted "Omega" himself declines to point them out, cruelly leaving the country to indulge its melancholy.

Our Government professes to follow in the footsteps of England in its free trade policy ; but our free trade is evidently a bird of a different colour. This country is constantly exporting its capital to pay for imports ; unlike the mother country, which pays her purchases by the results of industry. So far from Great Britain being necessitated to export her securities—after supplying all branches of industry with abundance of cheap capital, the residue is invested in the Securities of all nations. The British care very little for the shewing of the Customs returns while capital is uniformly cheap. Our free trade, on the contrary, is all on one side, like the handle of a jug, and that turned towards our competitors ! Evidently we have got to learn the needful lesson of legislating in favour of domestic industry. England does not require to make use of the investment in her real property, but it is different with us. Canada cannot afford to sacrifice such capital. And here may we inquire of “Omega,” who affects to ridicule the “legislative remedy” for trade difficulties. He claims to be a day-labourer, and yet objects to having his circumstances improved ! Does he not know that without legislation the trade of the world would still be rude barter ? What is a standard of value, but legislation ? What is the banking law he so tenaciously defends, but legislation ? All capital, apart from rude commodities, is unavailable without legislation ! No, no, that is too thin ! Although professing to be a day-labourer he appears wonderfully interested in the fate of the banks ; as in their defence he allows himself to be carried away by an over-heated imagination.

He may reassure himself by another perusal of our letters, as we never proposed doing away with the present banking law; nor advised "running a bank which lends on real estate with a ten per cent. margin," and "never proposed competing for the discounting of paper even with two names." Don't be alarmed "Omega," the bankers will still be allowed to ply their own special industry in discounting as many notes as they please. But why does "Omega," whose mental grasp of banking usage is so good, and whose experiences of "sleepless nights and sodden looks" are so fresh and lively,—we ask, why does he throw away so much tender concern and sympathy upon us, when he might teach the bankers a thing or two to their advantage, as "how to cover risks and make genuine banking safe." The information by us treated so lightly might be highly prized by bankers who are now pursuing their calling under difficulties!

Our banking principles, on the contrary, are so simple, so efficient, so safe and easily carried out in practice, that the common wonder now is that the idea had never before been suggested or adopted. But we shall risk another illustration of our method for the special benefit of "Omega" himself, and we don't want anybody else to read it. That time-honoured institution, the Trust and Loan Company of Canada, has done business now thirty years and never lost a cent ! which shows they know at what margin to deal in mortgages. We suggest that they, having proved themselves competent and deserving, by so long an apprenticeship, be granted a charter authorising them to do a discount or loan business with their *own issue payable in gold on demand*. Let them open their stock-book for a subscribed capital of, say ten millions' dollars in mortgages ; and, mark me, you would soon see it taken up ! The holder of a mortgage would then have the choice of discounting it or taking stock at the same rate. Being made a bank of issue, this institution would only have to hypothecate to the foreign capitalist the tenth part of the mortgage it now requires to do the same amount of business. That would form in this country the "nest-egg" of a market for our own and foreign securities. Canada would then soon become a self-respecting and industrious nation,—soon able and willing to pay her debts.

Our intelligent critic affects to be very obtuse in speaking of real and personal property, confounding convertibility with portability, &c. He must know that a mortgage is the most convertible of securities, and does not need even to be made at short time. A five years' mortgage is discountable or convertible into gold at any moment. A promissory note is limited in time,

because of the liability of credit to change. This "Omega," who depends on labor for subsistence, having so many suffering fellow workers, is singularly recreant to the interests of his class in combating our new banking ideas. He should be aware that by bringing more capital into the market the demand for labour must be increased, and the condition of the workingman vastly improved. The condition of the skillful in every line of business cannot fail of being immensely benefited. The establishment of our bank would go far to place Canada, with all her magnificent natural resources, in the front rank of industry.

The cause of our industrial difficulties is the employing of others to do for us what we might do for ourselves, and that arises from unavailable capital. As, when money is at 10 per cent. it means very little money; at five, double the capital is at command.

If perchance we have made some ugly marks on "Omega's" shield, let him not be discouraged,—let it not be the last of "Omega"!

To your correspondent on the "Balance of Trade" we would say: It is to be hoped that the adverse balance is all well invested, but the returns are slow, and from that circumstance arises the *immediate* difficulties. The cash concerned has of course definitely extended or postponed payment of *so much* of the imports and saved the country for the time. But the unsettled balance held,—first, by manufacturers against Canadian importers, and secondly, that held by the banks against the general retail trade is now embarrassing business. We cannot discover in a constantly increasing adverse balance the signs of a healthy trade, as it must limit capital, increase interest, tax manufactures, and diminish exports.

ALPHA.

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DR. THOMAS CHALMERS.

Of this prince of Scottish preachers a personal acquaintance wrote :—" I have heard all the greatest pulpit readers of my time, and not one of them has formed an exception to the rule. Even Chalmers, their chief and head, whose mighty ministrations I have very frequently attended, matchless reader though he was, came most fully within the rule. That distinguished man indeed, made no attempt to look at his audience such as is made by a multitude of readers; the finger of either hand was never for a moment removed from the MS.; there was nothing beyond a passing flash of the eye as he occasionally darted his head upward. Once fairly in motion, he rushed along like a locomotive of the highest power at full speed, heedless of everything before, behind, or around him, with a sort of blind, though inspired fury. He could, I verily believe, have performed the magnificent feat equally well in Westminster Abbey alone, and with the doors shut! The fires which, on these occasions, raged so strongly within him, were wholly independent of external circumstances. As a consequence of this, power, all-subduing power, was the prime characteristic of the achievement. He was generally altogether wanting in pathos, that ethereal something which, proceeding from a melted heart, has the power of melting all around it. The effect of his sublime effusion was a feeling of intense excitement, oft-times of overwhelming admiration, from which the auditor was often strongly tempted to clap his hands and shout applause; but he was rarely visited with compunction or moved to tears. Even in his death-scenes he awakened in the assembly scarcely any emotions other than those of awe or horror; the most sympathetic even of the gentler sex seldom wept. The most striking exception I ever remember was on the occasion of his farewell sermon on leaving Glasgow for St. Andrews. The discourse on that occasion was a sublime affair, not in its matter, for he was obviously by no means well prepared, but in its delivery; and the prayer was even more touching than the sermon. The discourse appears in his Collected Works, where it occupies but a very secondary place.

“How great soever, in a certain way, Chalmers might be with MS., he would have been incomparably greater with free speech; he was so in his partial attempts at extemporising. Nothing I ever listened to might be likened to his off-hand flights, whether in the pulpit or the class-room, the social meeting, or the General Assembly of the Church of Scotland. The style was then much more natural and idiomatic, much less figurative, and the matter much more simple, condensed, and business-like, and the intonation in keeping with it. It was nature perfected. On these occasions he was scarcely at all Ciceronian, oft-times quite Demosthenic.

"Again, in the case of Chalmers, there was a most material circumstance which greatly abated the offensiveness of the MS. to the public, as well as lessened its inconvenience to himself. His discourses were written in short-hand—which he read with a facility almost miraculous—on a sheet of foolscap folded into eight pages, so that there were only four leaves to turn during the entire exercise—a process barely perceptible. One of these short-hand manuscripts—a much-prized treasure—is now before me, consisting of only eight pages, although it occupied forty minutes in the delivery.

“The power of Chalmers with MS., however matchless in its own way, was, I repeat, impotent compared with the might of his extempore bursts. The difference was early perceived by discerning men. His memoirs contain a singularly interesting passage in relation to this subject. The celebrated Andrew Fuller, during one of his Scotch journeys on behalf of the Baptist mission, before Chalmers had become famous, having spent some time with him at Kilmany, laboured hard to wean him from the habit of reading. Dr. Hanna, his son-in-law, says :—

“ Under the very strong conviction that his use of the manuscript in the pulpit impaired the power of his Sabbath addresses, Mr. Fuller strenuously urged upon his friend the practice of extempore preaching, or preaching from notes. “ If that man,” said he to his companion, Mr. Anderson, after they had taken leave of Kilpany manse—“ if that man would but throw away his papers in the pulpit, he might be king of Scotland.” ”

Dr. John Brown, of Edinburgh, thus graphically describes the preaching of Chalmers :—

“The drover, a notorious and brutal character, who had sat down in the table-seat opposite, was gazing up in a state of stupid excitement; he seemed restless, but never kept his eye from the speaker. . . . We all had insensibly been drawn out of our seats, and were converging towards the wonderful speaker. . . . How beautiful to our eyes did the Thunderer look, exhausted,