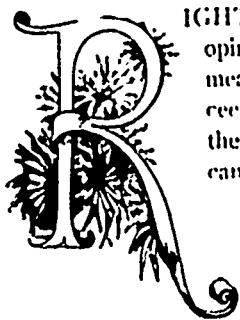


FINANCES HERE AND THERE.



RIGHT here we want to mention that despite some opinions to the contrary, Canada is enjoying a measure of prosperity which has never been exceeded. The increase in the note circulation of the Canadian banks in July is especially significant. During July of last year this item decreased \$126,000, and in the same month two years ago a contraction of \$800,000 was recorded, while this year an expansion of \$90,000 in the note issue is made. In other words, a million more of currency is employed in the

every day business of Canada than was required two years ago. While our neighbors in the United States are experiencing a dearth of currency, a loss of credit and confidence, a prostration of trade, and a lock-up of the medium of exchange, the condition of commerce in the Dominion appears to be substantially sound, while the supply of currency is ample for all requirements. The only limit set upon the note issues of our banks is that these shall at no time exceed the paid-up capital. Taking all the banks, there is an aggregate capital of \$62,000,000 against which currency can be issued, and as the amount outstanding is only \$33,573,000, a margin of close upon \$30,000,000 exists, out of which the demand for currency for mercantile purposes can be satisfied.

The United States has an estimated circulation of over \$23 per head, and yet her merchants have been paying a premium for currency and for gold during the last two months. Canada has a circulation of \$10 per head, and yet currency is plentiful. This proves that Canada's money is in circulation, while that of the United States is in the deposit vaults or in old socks. A want of confidence has begotten a spirit of hoarding, and the money has gone out of sight.

The Textile World for August estimates that between forty and fifty per cent. of the United States cotton, woollen and knitting mills have closed or restricted their output. Assuming that part of this is done to try to scare the tariff reformers, there is yet a great deal which cannot be so explained. Authentic reports place the number of idle men at over 900,000; and Bradstreet's calls it a round million. The great cancellation of orders has been a sad blow to manufacturers, jobbers, wholesalers and commission merchants.

Let us enumerate some of the causes and profit by the experiences of others.

1. The Baring failure of 1890, and the Australian crisis during the present year caused a large amount of American securities to be returned by their British and other European holders and gold demanded. This led to a run of gold from the United States to Europe.

2. There are about \$900,000,000 of foreign capital invested in the United States, and the interest on this amount added to the amount spent in Europe by American tourists, was a gold payment of many millions of dollars a year. This helped to rob the United States of its gold.

3. The excess of imports over exports last year was \$110,000,000. How could this be paid for except in gold?

4. While the Silver Purchasing Act of 1890 was in force there was no guarantee that the United States might not ultimately pay its debts in silver, and this alarmed some foreign investors who immediately sold their "Americans" and demanded gold.

5. A weak incongruous, mongrel banking system which, according to the Hon J H Walker, of Massachusetts, costs the

United States people \$42,000,000 a year in high discounts and idle coin, is another great cause greater even than the Silver Purchase Bill.

6. A fear of tariff changes led to a restriction in manufacturing a fact which tended to increase distrust generally.

7. The decline of values in the West, where they had been unnecessarily and continuously inflated during the decade ending 1891. Speculation ran rife and mortgages were placed on property to an amount much greater than its actual worth. Now the liquidation has begun. This will be a source of trouble for years to come. There was too much of the "Boom Boom" song in that part of the country.

8. The growth of large trusts tended to create large liabilities, and to do away to a certain extent with the small and active capitalist. The trusts manipulated prices and lessened the volume of market exchanges. They destroy business spontaneity.

9. A conglomerate system of paper money issue. This is based on the credit of the nation instead of on available assets.

All these causes combined together to cause a panic just when money happened to be a little tight. The panic was due to a scare, but the scare was the result of the above causes, which when combined are very formidable. Many reforms must take place before the United States can take full benefit from its position as a great commercial, industrial and agricultural country.

Canada has the best banking system in the world; has little interest to pay to foreign capitalists, has a favorable export trade, approves of the gold standard, has little fear of rash or radical tariff changes, is free from any heavy speculation in land or other values, has few trusts, and a fairly good system for issuing paper money.

While these lessons and contrasts are drawn they are not done to please a vain-glorying or spiteful spirit in the Canadian people. The latter would rejoice exceedingly to see good times and increased prosperity in her sister nation to the south.

THEY HAD SEEN HIM.

HE went down to Kingston to spend his holidays, and he was having a big time travelling incognito, you know.

The boys watched his gait for a few days, and they began to wonder who he was and whence he came. His hair and clothes were of the latest cut, and so were his manners. He was gay and sprightly and carried himself so well that some said, "New Yorker."

A dry goods clerk found him crossing his path one day, and he says to himself, "I've seen him before but where?" The clerk racked his brain for a few hours and then, taking down a certain paper file, he scanned the pages of the issues until at last his triumphant eye rested on a photo-engraving of a football team. "I knew I had seen that face," he ejaculated, and the result was that the visitor to the Stone City could travel incognito no more, whereat he cursed the spring number of THE DRY GOODS REVIEW and the photos which appeared therein. The Kingston girls wondered at his sudden departure.

There has been a meeting of merchants in Vancouver for the purpose of organizing under the system of the Merchants' Retail Commercial Agency of Chicago, Ill. It has the usual object in view of protecting the trade against delinquent customers. Branches are being established all along the coast.