

which is not so. It is not necessary for us to give them, for they have been published by a great number of the press, and they are of so purely local a bearing that the observing reader will conclude that the correspondent imagines Montreal city to be the whole of Canada.

We remark here, that a vast amount of ignorance prevails in regard to the trade and commerce of the country, through men judging from the operations in their own locality, of the whole business of the country. The following example is one among any number we can give :

We were mentioning to a party near Goderich the vast amount of pork we bought of the Americans. He would not believe it, because Americans were buying up all the pork in his section. During the conversation the agent of a wholesale house in Hamilton came in, and inadvertently mentioned that his house was then buying *cured* pork in Buffalo by the ear load. This American capital bought our pork, sent it down the Huron road to Buffalo, cured it, and sent it back by the Great Western to Hamilton, retaining the whole profit of the operation in their own hands, which we have enabled them to do by paying them \$50,000,000 for produce, under the Reciprocity Treaty, that we should have raised ourselves. Our banks cannot furnish money to buy, for curing, the pork we raise. If the pork is to go to England or the States, and *exchange* can be secured for it, then the banks will furnish money, otherwise they dare not, for they have not the gold to redeem their notes, which will be purchased as fast as issued. And this scarcity of money has been increasing for two years, while the *Globe*, the *Witness* and *Leader*, were rejoicing in the continual accumulation of capital in our banks.

The London *Free Press* is far more

reliable in its views of the future financial prosperity of the country. It endorses the facts we set forth in previous numbers of the *Review*. In an article on "*Commercial Tightness*," August 23, it remarks :

"With all the economy practised by the farmer, it is questionable whether he can maintain his ground at the present rates. It is notorious that the farmer generally is largely indebted to the country merchant, and that the greater part of the present harvest is forestalled to liquidate existing obligations. The merchants, many of them, are heavily indebted to the wholesale houses and the banks, and the strain put upon their credit is probably as much as can be borne."

Further on, it reminds its readers :

"It is the painful experience of all business men that, at the very period when they require the greatest amount of assistance from the banks in the way of accommodation, those monetary institutions contract their discounts, refuse to renew notes in part, and by 'putting on the screws,' as it is termed, test the stability of their customers to the utmost. It is at such periods that those who have been trading too extensively on borrowed capital go to the wall, while even the most solvent houses are necessarily pinched to protect their own and their customers' paper. If we mistake not, a trial more or less severe is about to be made of the commercial standing of all our business men."

Upon that paragraph we again remark, that the banks are helpless in the matter, that they simply have the choice of ruining others, or of being ruined themselves. The "putting on the screws," and "testing the ability of their customers to the utmost," is simply an extension of the operation under which they are pressed to the wall. Borrowed capital is slippery. The banks, in proportion to their capital, have borrowed gold and loaned it for paper, much of which, in a crisis, will be found worthless. The importers—the speculators in foreign gold—have sent the \$25,000,000 of