

ve them as fully as large now as they

many theories for the creation of the theories which have been propounded by others, one stands out prominently, the great destruction of the world's supply of the labor of many thousands of the past few years, in losses through earthquakes and other sudden demand upon all resources. The effort to replace all kinds of industrial expansion. In it was found by those who wanted other products, that the English, United States markets, which were to offer supplies, were unable to accept then commenced to manufacture the occasional calls upon the Canadian

al period appeared after the tie-up on under the most favorable circumstances, money would have been tight. The rail-roads to make prompt delivery of ships, congestion was already considerable snowstorms and cold of the past winter difficulty. When to the foregoing is extravagance, by which the bank ac-cepted had already been impaired, the of affairs ceases to cause surprise. The market would soon show the effects. For a means to improve his financial would sell that which could most easily, at loss or most profit, be sold. Stocks sold. For some time past they have to carry than they returned. So many have reason to remember.

near money will continue no one may gain that it will become easier as soon as to the credit side of their accounts. Due to a very large extent after the situation. It is not easy to estimate the effects which will be rushed to market. The ties are afforded. But it is certain waiting to be shipped are of sufficient enormous way towards rehabilitating throughout Canada. The domestic situation considerably relieved by the first of June.

AN GOLD IN CANADA.

of the Director of the United States for the year ended 30th June, 1906, is an account to the gold holdings of Canada. The Director, addressed enquiries of all the Canadian banks and to the Treasury at Ottawa as to the quantity of gold coin held. From the replies he has received he has given the total amount of American gold in the banks and in the Treasury as at 31st December, 1906. The figures are as follows:—

in Dominion Treasury	\$29,494,298
in Chartered Banks	11,320,323
	<u>\$40,814,621</u>

gives the amount held by the banks as compared with their total specie. In the Treasury the American coin is considerably higher, 11 per cent. of the whole. By the end of December increased their specie holdings over 10 per cent. of the increase occurring in October, the two months in which the banks reached a crisis. As the banks from New York on that occasion, it is quite safe to estimate the bank holdings at \$14,000,000 and the Government

holdings at \$30,000,000, or \$44,000,000 in all. According to the public returns the specie holdings altogether on 31st December, 1906, were:—

In Dominion Treasury	\$38,685,432
In Chartered Banks	23,752,750
	<u>\$62,438,182</u>

So that the American coin constituted practically 70 per cent. of the whole. Of the remaining 30 per cent. some part, of course, would be Canadian silver, possibly somewhere between two and three millions. It does not often happen that the banks bring in British gold to augment their resources. The sovereign is nothing like so convenient for circulation here as the American five, ten and twenty dollar gold pieces. But, though the banks usually prefer to get gold for import at New York, on account both of the proximity of the source of supply and of the denomination of the coins, there is a steady stream of British gold coins flowing this way. Nearly every British immigrant has some gold in his pockets; and the tourists or travellers, not only from England, but from other European countries, frequently possess a good supply of British sovereigns. These speedily find their way into the bank branches, and, with the exception of some few that are paid out to Canadians or others about to start on a trip to Europe, they ultimately go into the cash reserve at one or other of the settling centres or else they are paid in to an office of the Receiver-General in exchange for "big legals."

A goodly lot of American coins are also brought in by tourists and settlers, but Americans are like ourselves, they generally prefer to carry bills. Anyone who has had much to do with receiving the deposits of, and making payments to, the public, can tell that the general circulation of gold in Canada is practically nil. When the gold is put into circulation here by a stranger or a newcomer it circulates only till it gets into the bank till; and, as the depositing habit is pretty universal, it does not take long for that event to happen.

The time is not far distant when our new mint will be striking Canadian gold coins. And the question arises, What function will these perform? Will there be a change in the habits of the people? When they can get Canadian gold pieces, will they ask for them and use them in their payments instead of the bank notes to which they are accustomed? Unless they do ask for them they are not likely to get them, for the people rarely come into actual contact with the Government tellers; and when they deal with the banks it is certain that payments will be tendered them, as now, in bank notes, because of the profit found by the banks in their note circulations. Or will the coins simply be in the vaults of the Dominion Treasury and of the banks as part of the security against Government and bank notes, and against deposits? And will the banks, to make way for it, send home part of their holdings of American and British gold? To do this latter would be an expense, in return for which nobody would gain but the express companies; for the Government makes no profit on the coinage of gold. And American gold coin is as good to the banks for cash reserve purposes as Canadian coins would be. As a matter of fact, it is better in some ways; for, should the occasion arise in which it became necessary to send gold to New York, full-weight United States coin would be accepted at face value, while Canadian or British coins would be accepted only for their actual weight. On a shipment of the latter a considerable loss probably would be made.

Under these circumstances the question as to what part the new gold coins will play in our currency system becomes rather complicated. A great deal will depend on the public demand for them. At first, no doubt, people will want to handle them out of curiosity. They will be in moderate demand at Christmas time. But it is hardly to be supposed that they will become the customary medium for general payments. In all pro-

bability the bulk of the coins will lie in the Government vaults. When the banks present legal tender notes for redemption in gold, the Government officers may exercise their option of redeeming in Canadian gold coins. The outlook is that the coins will have a scattered circulation, and that, as the banks, keeping pace with the growth of their liabilities, gradually increase their holdings of specie, the Canadian coins will form, along with American and British coins, a part of the increase.

EDITORIAL NOTES.

The country cannot expect, for some time, a very effective relief in the matter of car shortage. In complaining of this regrettable condition of transportation affairs, the only factor usually considered, is the railroad companies. This as it has been before pointed out, is unfair. Here is a case in point. An English railroad firm has notified the Canadian Pacific that it can take now orders for delivery of locomotives in fifteen months; and consider that the period of delivery is somewhat of a concession. The Canadian railroads have placed open orders for locomotives and cars. It is the result largely of labor conditions that the country is experiencing its car shortage.

Mystery is the essence of profound secrecy. Compared with the proverbial rolling stone, it has a decided advantage; it gathers an enormous amount of moss. There is supposed to be much mystery concerning the Nipissing Mines Company and its title at Cobalt. Nobody really seems to know where the puzzle ends and where begins the imagination of gentlemen with short ears and long tongues. Mr. MacMillan has secured assent in the Ontario Legislature for a return of copies of all correspondence between the Nipissing Mines Company and the Government relating to the company's property or title in the Cobalt district, or to any application relating to the same. The publication of this correspondence is not likely to reveal anything sensational or startling. But it will have the effect possibly of destroying the favorite topic of numerous mongers of mining mysteries.

A commercial object lesson is to be found in the latest Mexican trade returns. In 1905, the exports from Canada to Mexico amounted to \$115,000. During 1906, they totalled \$259,300, an increase of \$144,300, or 125 per cent. The imports from Mexico increased from \$61,000 to \$287,500, a gain of \$226,500, or 371 per cent. If Mexican trade increased so largely without the aid of a special line of steamers between that country and this, it will be seen readily what an asset is the new subsidized route. The publication of these trade statistics shows that the Canadian Government can foresee the possibilities of commercial expansion. Mr. A. W. Donly, the Canadian agent in Mexico, has been instructed by the Minister of Trade and Commerce to return to Canada this summer for the purpose of visiting commercial centres in connection with this country's trade with the Southern Republic, which is another step illustrating up-to-date methods in a Canadian Governmental department.

The Prime Minister and the Speaker have tried to shut off further discussion of wine, women and graft at Ottawa, but not before one Cabinet Minister had dropped out of the first flight with a broken wing. Though discussion in Parliament be squelched, the effect on the country remains, and will deepen. It is disquieting to find the Premier, on a mere technicality, refusing to permit an attempt to make Mr. Fowler implement his aspersions, or withdraw them. The extraordinary speech of Mr. Emmerson in announcing his disappearance from the Cabinet has thickened the atmosphere of discredit in which Parliament sits, and has shown afresh the necessity for stronger control of