

to the general intelligence, that some newspapers writing in the interest of the Government, ridiculed Mr. Charlton in every possible way. We cannot bring ourselves to believe, however, that the Finance Minister would under any circumstances go a step further than he has already gone, in weakening the reserves of the Dominion note issues. There is a general consensus of intelligent opinion that if he did not go too far, he at least went as far as prudence would permit.

We have in previous numbers endeavored to set forth the extreme absurdity of the currency scheme propounded by Mr. Wallace and Mr. A. W. Wright. It is not our purpose now to deal with the general question, but rather to follow Macaulay in presenting to our readers in brief the sufferings which England endured for so many years from a currency which year by year became of less intrinsic value. Up to the time of the Restoration the silver coins were merely hammered and stamped; they were not always quite round, nor were they milled on the rim. Unscrupulous persons found a profit in clipping the coins, now a little and then a little, and many large fortunes were made in this way. The severest laws against the practice were not of the slightest use. People were hanged and burned, but yet the clipping went on. The coins depreciated in value, though the king's head was stamped upon them, and all commercial transactions became difficult. The great historian, writing of the year 1695, says: "It may well be doubted whether all the misery which had been inflicted on the English nation in a quarter of a century, by bad kings, bad ministers, bad parliaments, bad judges, was equal to the misery caused in a single year by bad crowns and bad shillings." If we were to believe all the currency doctors tell us, there should not have been such a dreadful state of things as this; for were not the coins properly stamped with the royal profile? Strange, however, as it may appear, they would only pass for what they were worth. Parliament was much concerned and undertook to deal with the question on several occasions, but it was years before a remedial plan could be agreed upon. Meanwhile things went from bad to worse, until they got to that point of which Macaulay wrote—sage, though somewhat long, is worth quoting:

"But when the great instrument of exchange became thoroughly deranged all trade, all industry, was smitten as with palsy. The evil was felt daily and hourly in almost every place and by almost every class, in the dairy, and on the threshing-floor, by the anvil and by the loom, on the billows of the ocean and in the depths of the mine. Nothing could be purchased without a dispute. Over every counter there was wrangling from morning to night. The workman and his employer had a quarrel as regularly as the Saturday came round. On a fair-day or on a market-day the clamors and reproaches, the taunts, the curses, were incessant, and it was well if no booth was overturned and no head broken. No merchant would contract to deliver goods without making some stipulation about the quality of the coin in which he was to be paid. Even men of business were often bewildered by the confusion into which all pecuniary transactions were thrown. The simple

and the careless were pillaged without mercy by extortioners whose demands grew more rapidly than the money shrank. The price of the necessities of life, of shoes, of ale, of oatmeal, rose fast. The labourer found that the bit of metal, which, when he received it, was called a shilling, would hardly, when he wanted to purchase a pot of beer or a loaf of rye-bread, go as far as a sixpence."

It is worthy of note, as shewing the ignorance which may prevail on such a subject, that the best plan which the Secretary of the Treasury of that day was able to propound, was to make the new coins worth but 9d or 9½d, though issued as shillings. Here again was the monstrous fallacy that the King's head would give the metal a value it did not possess. It is perhaps not strange that the secretary had a large and noisy following, who greatly delayed the adoption of better measures. He was ably refuted by Locke; several schemes were proposed, but finally Montague's was adopted, providing for the issue of new milled coins to be passed into circulation in the place of the old coins, the difference between their respective values (estimated at £1,200,000) to be borne by the nation. A time was fixed after which no clipped money should pass, except in payments to the government, and a late time at which they should not pass at all, this measure was effective, but not immediately. For a time the new coins disappeared as fast as they were issued, to the great surprise of the government, who did not realize that because of their greater value, they were melted down or exported. The number of mills was greatly increased, the volume of the new issue was rapidly increased, and the evil was brought to an end. There is an undoubted lesson for us in this little bit of history, and we shall be wise to heed it in time.

A WESTERN EMPORIUM.

FROM AN OCCASIONAL CORRESPONDENT.

Chicago, August 4th, 1880.

There has been gradually going on for some years, in the importing trade of the United States a change very similar to that which has been witnessed in Canada. Twenty or thirty years ago, Chicago, like the Toronto of former days, was almost wholly a grain and provision emporium. It received and shipped quantities of Western produce which for those days were immense. But while doing a forwarding and shipping business on the largest scale, its stores for the sale of imported goods were nearly all of a retail character. Large indeed they were, and getting larger every year, but their trade was simply that of the country store, though on an extensive scale. The merchants of Chicago did not then dream of carrying on great wholesale establishments which would rival those of New York in magnitude and extent, and the larger store-keepers of Western towns and cities never dreamed of stopping at Chicago to make their purchases.

New York then controlled, without a rival, the whole import trade of the States, as Montreal formerly, did that of Canada. But, there gradually and quietly spring up houses of busi-

ness in Western Canada—in Toronto, and Hamilton, and London, which drew more and more of Western trade to themselves, so it has been in the United States—very quietly and slowly at first, but with yearly increasing momentum, certain portions of the retail import trade of Chicago have grown into vast wholesale establishments. The leading storekeepers of interior towns, somewhat doubtfully at first, began to make purchases here; but as they found that stocks were being concentrated from which they could make a selection equal to that which would result from a visit to the great emporium on the seaboard, they soon became alive to the advantage of avoiding a further journey of nearly a thousand miles, and of saving both time and money. The very same influence, therefore, which have built up the wholesale trade of Toronto and Western Canada, have operated to make Chicago what it is to-day, a vast centre not only of the grain trade but of the trade in imported and manufactured goods. The great dry goods warehouses of this city are most equal those of New York in size, and extent of business. In groceries, fancy goods, hardware, Chicago has street after street of most magnificent stores on this continent. There are it is true, other local centres, each of the trade of its own state or district. St. Paul, Kansas City, St. Joseph, and other places, not to speak of such an old and important city as St. Louis, are each of them places of wholesale trade. But these are all lesser lights, and they all more or less revolve around this great Western centre.

As might be expected from this state of things Chicago is rapidly developing into a great monetary and financial centre. Its banks, like all that have grown up under the National System, confine their business to one city and one office. They have, too, a very small amount of capital compared with the great banks of Canada. But they have for the most part a very large number of deposits, amounting to their capital multiplied many times over. On these, as a rule, they allow no interest, exhibiting in this a sound banking judgment that contrasts most favorably with the follies of Canadian bankers in recent years. The banks of Chicago are becoming the financial agents of banks in the interior. The course of finance thus following closely upon the course of trade.

The handling of the business of Chicago requires the use of enormous amounts of capital. To carry the stocks of exportable articles alone, which were stored in elevators and warehouses here last winter, some thirty or forty millions of dollars must have been employed. The furnishing of such vast sums, in addition to those required by ordinary business, is a task far beyond the capacity of the banks of the city. There is a necessity for drawing money from other sources, and of these not the least important are the funds of Canadian banks. The Bank of Montreal and the Bank of Commerce both contribute in a material degree to the supply of loanable capital. Had it not been for the funds placed at the command of the mercantile community by these institutions,