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THE GRANGERS AS BANKERS.

The Granger is an universal genius. By education, occupation and training a farmer, he has an itch for storekeeping, grain-speculating and—a new development—banking. To succeed in all these different occupations he must possess a variety and extent of knowledge which no class, in this or any other country, does in fact possess. And to tell the truth, we fear he is generally deficient—often lamentably so—in the knowledge which he ought to possess of his own calling. He would be sadly alarmed if he were called upon to undergo an examination in one-tenth of the subjects which scientific men tell us he ought to be acquainted with. It is notorious that he is deficient in scientific and practical knowledge of agriculture; that his crops decrease as the original richness of the soil becomes exhausted; and that, instead of becoming richer with years, he too often becomes poorer. And all because he is wanting in the necessary knowledge of his own calling. We do not desire to reproach him with this want of knowledge; but it is well that he should be told of his deficiencies and if possible be induced to make an effort to supply them. The improvement of his condition depends upon his better understanding his own occupation; and it can only tend to delude him to tell him that he is fitted to carry on the business of merchant, banker, grain speculator, besides working his farm to the best advantage.

What was to have been a great Grangers' pic-nic, but which the rain made a small one, was held in Victoria Park, on Tuesday. The Mayor of Toronto, Mr. Beaty, had been induced to preside. He thought, for internal purposes, such things as "real estate, mines, fisheries," could be made the standard of values. The words reported probably did not quite express his meaning; for these things being themselves values, some of them of the most variable kind, cannot be standards of value. The Comstock mine

may one year yield millions, and some years hence it may yield nothing at all. A standard of value should be as little variable in value as possible. But, we apprehend that Mr. Beaty meant that these things should be made the basis of the proposed operation. How far this is possible, must depend on the nature of the scheme, of which some hints were given in the resolutions moved by Mr. J. A. Livingstone. He first proposed to organize a Farmer's Property Association "for the purpose of securing a charter for a Real Estate Bank in Canada;" the second and third had reference to the machinery for carrying out the proposal. Mr. Livingstone was ready with a theory of currency. "He contended," so the report reads, that the "true currency should represent the true value of all the property, so that the one could be converted into the other without loss, the money passing at one hundred cents on the dollar, and the property readily saleable at its actual worth." If we understand this proposal it is that the amount of currency ought to be equal to the value of all the property in the country. But we are not at all certain that we do understand it, or that it has any certain and definite meaning. But if it means that the amount of the currency ought to be equal to the value of all the property in the country, it is difficult to conceive of a more childish proposal. It is safe to say that the bulk of the real estate does not change hands once in ten years—not nearly so often in fact—and it is difficult to see to what purpose the currency intended to "represent" it could be put during every nine years three hundred and sixty-four days out of every ten years which it would not be required to move the real estate it "represented." It is a matter of certainty that a very small proportion of this volume of currency would derange prices and produce inflation, to be followed by almost universal ruin.

This currency doctor has apparently persuaded himself, as he tried to persuade others, that "the country had been almost depleted of its currency by the interest drain, which amounted to \$35,000,000 on a foreign indebtedness, Dominion, Provincial, municipal, corporation and individual, of \$588,000,000, or equal to \$40 for every family in the country. We do not pretend to be able to surmise where Mr. Livingstone gets his figures; but it is at least comforting to know that he has a plan for saving all this, "by banking on real estate." In his innocence Mr. Livingstone fancies that "the stock of those banking institutions would command gold in New York whenever it was desired." Now we are getting a little light. The stock is to be paid for in real estate, or

mortgages on real estate. To understand this operation, let us suppose the stock of a bank to be paid up in the ordinary way; and that the directors proceeded forthwith to invest the whole capital in real estate or mortgages on real estate. There would be a lock-up at once, and the wheels of the machine could not even be set in motion. And yet this would be doing indirectly what is here proposed to be done directly. The scheme is one to which no action could be imparted, into which no life could be breathed. The owners of gold, whether in New York or elsewhere, are not such simpletons as to part with it on the conditions suggested.

We do not pretend to make light of the burthen of interest the country has to bear; but we have had the advantage of the capital on which the interest is paid, and in most cases the borrowers have benefitted by the operation. The notion that the amount of the currency has been greatly reduced by the payment of interest abroad is in the last degree fallacious. As it is not, in reality, money that we borrow, but money's worth, so we pay interest not in money, but in part of the annual produce of the country's industry, which forms its annual wealth. If money is used, it is a mere order to hand over goods to the value which the money expresses. But the volume of the currency has decreased. So it has; and the cause is that general prices being reduced about one-third, two-thirds of the currency formerly required suffices for present needs. That, in round numbers, is about the proportion of the reduction in the volume of the currency.

Our advice to the Granger is to let banking alone. His true interest lies in perfecting the knowledge of his own calling, and in applying that knowledge in a way greatly to increase the annual produce of the country: the only way in which a nation can add to its wealth. These paper nostrums are a delusion and a snare, which, first befogging, would afterwards strangle the farmers who should put faith in them.

SPECIE AND DOMINION NOTE RESERVES.

The last return of the Mechanics' Bank, if it had been published in time, would have served to warn the public of what was coming. Its stock of specie on the 30th April had sunk to \$1,171.98, and of Dominion notes to \$1,317.50. These two amounts united, which formed the Bank's whole store of ready cash, were not greater than the sum of money which many a farmer has stowed away in a stocking or other hiding place.