are obliged to remit gold to obtain exchange for themselves. The *Spectator* actually suggests that it may be advisable to place obstacles in the way of the purchase of exchange, in order to prevent over-importation. A much preferable expedient would be to curtail the credit system which affords encouragement to the retailers throughout the country, to hold too large stocks and to sell on long credits.

We have not failed to notice that the *Spectator* seems to approve of the view of the late Hon. Isaac Buchanan, that "the country would be better off with a "somewhat depreciated currency than "with a currency worth its face in gold." On that point we must join issue, and we can scarcely doubt that there will be a general admission that the meaning of the sentence that we have quoted is simply that *fiat* money is more conducive to the public interest, than notes convertible into gold, whether issued by the Government or the banks. It is the dissemination of such opinions by the advocates of a Government note issue, that has caused so much alarm, on the part of the public. If once the Government were authorized to issue notes inconvertible into gold, the consequences would be fearful, as there would be no security whatever for the stability of the value either of labor or of commodities of any description. We have had an opportunity of witnessing the consequences of an inconvertible currency in the United States. As the *Spectator* justly remarks, "the country was engaged in a life or death struggle," and an inconvertible currency was a matter of necessity. As soon as ever it was found practicable, the United States resumed specie payments. The *Spectator* truly states that "no such conditions exist in Canada, that "all business is conducted on a gold basis," and yet it would resort to the experiment of issuing notes convertible into 3.65 bonds. We should not be surprised at finding the views recently enunciated in the *Spectator* in *fiat* money journals, but we have been much disappointed at his secession from the advocacy of a sound currency.

THE COTTON QUESTION.

The curtailment of the production of manufactured cottons is evidently a more difficult task than many were inclined to regard it nine months ago. Then, according to the generally expressed opinions of the trade, the agreement entered into between the manufacturers to reduce the out-put, was to have had the desired effect long before this, by bringing the supply into smaller compass commensurate with the demand, thereby affording relief to a glutted market, inducing better prices, and enabling the mills to be run upon a more profitable basis. So far, however, these expectations have been singularly non-productive and their realization appears to be as far off as ever. That stocks in first hands are larger than most people have any idea of, there can be no question, notwithstanding the great secresy observed in relation thereto by manufacturers. If the supply were as light as some would fain have us believe, why is there manifested such anxiety to sell at cut prices? The large sale of Standard grey cotton referred to in a previous issue as being made to a Toronto firm we are informed upon reliable authority was in the vicinity of 17½ cents per lb., and another sale has since been reported at 17¾ cents. Now, if we figure the price of raw cotton at 12 cents per lb., and add thereto 7 cents to 8 cents per lb. for cost of manufacture, it will be seen what profit there is in the cotton trade. We are aware that we shall be met by the mill agents in rejoinder with the assertion that the sales referred to were exceptional; but why these exceptional sales at cut rates of 20 per cent, if the supply be really as limited as certain agents pretend it is? It is evident that our cotton manufacturers in order to make sales have deemed it advisable to conceal the volume of their supplies, and on this line of action it is only natural to conclude that stocks are still larger than many have supposed, and that the agreement to curtail production and sustain prices has not proved as successful as was anticipated. It is claimed by high authorities in the trade that if those in control of the mills would, instead of manufacturing to sell at cut prices, shut down until the demand absorbed surplus stocks, and warranted the resumption of production, it would not be long before the trade regained its lost equilibrium. It has been suggested that the best remedy for the present unsatisfactory condition of the cotton market, would be to pool all the mills, shut down the surplus ones, and run the rest at a small profit until times improved. As it is production seems to be going on, and sales are being made at prices which cannot show any thing but a loss. It would be well if other mills would follow the course of the Dundas Cotton Company at once. Since writing the above we have been informed that certain retail dealers have been selling at equal to the outside figure above named which was supposed to be a wholesale rate.

THE LOAN AND BUILDING COMPANIES.

The annual statement of the affairs of the Loan Companies and Building Societies of the Dominion has been published by the Finance department, and although we shall endeavour to convey to our readers some of the leading facts, we find it impossible to enter into details. Of 99 societies named in the report, 73 are in Ontario, 20 in Quebec and two in each of the Provinces of Nova Scotia, New Brunswick and Manitoba. The six last mentioned have not made any returns to the department of Finance and there is consequently no information regarding them. In Ontario, six companies have not made returns, two of which are in liquidation while the others claim to be incorporated by Provincial Acts. In Quebec, two companies have not made returns one of which is in liquidation. In Ontario the aggregate liabilities to the shareholders and the public were in 1882, $73,742,210 and in 1883, $79,423,895 being an increase of nearly six millions. In Quebec the liabilities were in 1882, $5,368,323 and in 1883, $5,093,322 being a decrease of about $275,000. There are single companies in Toronto, Hamilton and London with larger paid up capitals than the aggregate of all the companies in the City of Quebec, St. John, Levis and Sherbrooke, and one company in Toronto, the Canada Permanent Loan and Savings Co., has a larger paid-up capital than the twelve companies that have made returns in Montreal. Again there are 4 companies in Ontario, the deposits in each of which exceed the aggregate deposits in the Province of Quebec. The Reserve fund of the Ontario Companies is over six millions of dollars, while in Quebec it is little over $80,000.

The current loans secured on real estate in Ontario are $66,553,272, and in Quebec, $1,827,262. The property owned by companies, consisting of real estate, was in Ontario $2,828,852, and in Quebec $1,737,071, and as it is to be presumed this property was chiefly forfeited for non-payment of debts, the Qnebec proportion is very large. In Ontario, out of 67 companies which made returns, only six owned real estate exceeding $100,000 aggregating $2,197,009, while of 18 in Quebec four owned $1,597,212. It ought, however, to be mentioned that one of the six companies in Ontario is the "Scottish, Ontario and Manitoba Land Co." which has $874,042 invested in real estate being the bulk of its total assets. If that be deducted from the Ontario real estate