

BRITISH FINANCIAL FAITH.

Now that the semi-annual meetings of our various banks have afforded opportunity to make brief but sarcastic reference to the recent Government financial measure, and courteous though vigorous protest against the incipient "rag baby," it may be somewhat interesting to add to the general condemnation the following reported conversation between two English stockholders on the London Stock Exchange :—

"Well, Jones, what do you think of this new Canadian Finance Minister now?"

"Got a good deal to learn, I think, Brown."

"Oh! you don't see much in this scheme of his for watering the Canadian currency?"

"No, I do not. To water stocks is bad enough, but to water the very 'plant' on which these stocks are issued may be wisdom in horticulture, but is rank folly in finance."

"That's exactly how it strikes me. You know, Mr. Jones—better than any man on 'Change—what daring things I have done to find means to carry through anything I am heavily 'in.' For instance, you remember that 'Fossiltown Mining Company'?"

"Ah! to be sure, Brown. You were in a tight place once with that. How did you pull it through? You remember I left for Brazil just then and so lost track of it for a year, and on my return was a little surprised to find its shares quoted 253."

"Well, luckily there were only a few 'in' it, and all heavy. I called them together, showed them we had oceans of real value in minerals or in property—it was a fact too—but that we had foolishly sunk our first shaft into the very poorest 'lead,' had spent nearly all our capital, and could not possibly get an adequate return till we had cut into another vein at great expense. I suggested that we should re-value the whole 'plant' and machinery, cut down our valuation of it fifty per cent., make a true statement of the contents of the mine, get our re-valuation of 'plant' and machinery verified by the very best known experts, who would readily confirm it because it was a fair estimate even at auction prices, sound an extremely loud note in our prospectus on the care we had exercised in estimating values, and on that just and reasonable basis invite the public to come in and develop the immense resources of the mine, &c. &c. These suggestions were adopted. You know how the thing took."

"I know this, at least, that you must have cleared a cool £60,000 when you sold out at over 360."

"Yes, Jones, it set me up. I don't deny it. But about this currency scheme, if this Canadian Finance Minister had revelled in half the experience you and I have had, he'd have known that before a man lends he must feel sure there is *some* sound spot at the bottom of the scheme."

"Exactly, Brown. You think he should have taken a leaf out of your book à la the 'Fossiltown Mining Company,'—that is, made his currency absolutely sound and indisputable, by withdrawing it gradually till he held dollar for dollar in gold to meet it, permitting the banks to issue the currency required, and then, probably, withdraw currency altogether, and issue gold only. Then he might have trumpeted this almost unique strength of his financial basis in every Capital in Europe, offered a reduced rate of interest on a new and extended issue of his bonds, drawing attention to the exceeding soundness of the National currency, and invited tenders for only a limited (?) issue of Government scrip, copying your prospectus, by adding, 'apply early, so as to avoid disappointment,' &c., and so floated himself and his country into boundless credit by one bold stroke."

"Just so. That's the plucky path, and the only honest one, believe me, Jones; for it is the only course that could have got him the capital needed to develop the real resources of the country he is managing. It is never wise to water actual values. The tools with which one is to work need to be strong and serviceable. Keep the working material genuine, and you can safely water your prospective earnings to a large extent and work them out into something not only prospective but real and actual. That, at least, is the history of the 'Fossiltown Mining Company.' Some one ought to tell it to the Canadian Finance Minister."

Even although the conversation reported above should prove in some measure imaginary—which is possible, because he who relates it was not "there himself at the time,"—still it is by no means imaginative. It will be found very real next time we, as a Nation, seek to float our bonds, which festal day is not remote.

There is also another feature of our Policy which tends strongly in the same direction, and it is, the manner in which we have watered and weakened our trade. The rag-baby is more or less a product of our belief in the visionary wealth produced by protective tariffs. A protective tariff affords exactly the same kind of strength to trade and manufactures, which an over-issue of currency affords to the capital on which it is issued. It weakens the power of both and throws the added weight of the over-issue of currency in the one

case, or over-increase of manufactures in the other, back upon the basis on which they rest. That basis in the one case is actual value; in the other actual usefulness. This may be doubted; but only because the shadow is mistaken for the substance. Is it any advantage or increase of wealth to a nation to foster, by a protective tariff, manufactures which are either so much less useful, or so much more expensive, than other goods to be found in the markets of the world, as to require fostering? Need we rejoice in the trade we do in these goods and in the feeble and comparatively useless increase and currency of such articles any more than we have reason to congratulate ourselves upon the extension of a currency whose real usefulness as a medium of exchange in any part of the world is constantly decreasing just to the extent of its undue expansion? If it be granted that the more universal and widespread is the usefulness of any article the more real is its intrinsic value, it is not difficult to draw conclusions either as regards forced manufactures or forced currency. Each decrease their own value in exact proportion to their redundancy. Common sense alone, without a solitary pretension to any knowledge of the principles of political economy might well teach us that, with a population of only four or five millions to supply, our cherished manufactures protect them as we may, must sooner or later—probably sooner—come into competition with those of other lands. It would be decided wisdom to face that fact at once and foster none. Remove the forcing-frame, which must soon go to ruin; let them live, only if they have strength and vitality enough to protract a healthy existence in the free air and sunshine of free trade. In short, make what trade or manufactures we do possess as sound as possible and so attract more capital towards their development.

As a Nation we do not lack energy. It is the misdirection of our energy, the waste of our labour which we have to fear. Why should we pander to the desire of a few to engage in one form of occupation only, by bolstering up and artificially protecting their employments from the natural laws of supply and demand which are given us for our guidance and welfare? Leave trade and industry free—absolutely free—let both fear the full force of the necessity laid upon each labourer, each trade, to serve the cause of real usefulness in one form or another, and there is not the slightest danger but that each will find the mite for which it is naturally fitted. Whether it be to import goods or to make them; to till the soil, or to bring its buried mineral treasures up into the light of day; to navigate our lakes, or to fish in their waters; to develop our railway system, or drive our locomotives; each must then serve some use to the other or to the world at large, or—fail of success.

Such is the natural "protection" which God in His natural laws affords to man against the miseries which man would otherwise bring upon himself by his own folly.

Utilitarian.

AFTER-DINNER SPEECHES.

After-dinner oratory is, for the most part, a fearful and wonderful thing. Much of it is the result of the juice of the grape, but more, from the fact that it is as heavy as plum pudding and as indigestible as lobsters, would appear to be attributable to something of a substantial character. It is divided into a comparatively small number of fixed, exasperating types; and it is one of the most remarkable facts of the age that, notwithstanding its horrors, "dining-out" remains, and seems likely to remain, one of the most popular of our national amusements—surely, eloquent testimony to the robust fixity of purpose of the English character! There is the type peculiar to Mr. Moneybags, who has been elected mayor of Sludgington, or some other flourishing borough, because he has made a lot of money and is prepared to spend a considerable portion of that money in laying it out to interest, in the shape of giving dinner parties, or to do something else equally noble, with the view of getting a substantial return for it. In the days of his youth the gifted creature was compelled to keep his nose pretty close to the grindstone of business. It is questionable whether he has ever read the history of his country through from beginning to end. For years his speech-making was confined to saying "yes, ma'am," "no, sir," and other things, not calling for the exertion of much intellect or imagination, after he had been spoken to. But now that he has been elected mayor of Sludgington, in consequence of having made his fortune, it is deemed necessary, principally by himself, that he should let loose a flood of talk on to the community. It is nothing to the purpose that he has little to say and that it is quite beyond his ability to say that little in a pleasant and intelligible manner. Wherever he goes he raises his voice, but he raises it with most pertinacity at the festive board. After the cloth has been cleared he deems it necessary to entertain his hearers to a little essay on the good lady who nominally rules over this land. He is invariably quite certain that it will require no words from him to induce his hearers to drink the health of the Queen in the most enthusiastic manner. Nevertheless, he feels compelled to remark, amidst a number of "ahs" and "ums" and other interjections, that she is as estimable as a wife and a mother as a sovereign, and, in consequence of her many virtues, reigns in the hearts of all her subjects. All that he says is, no doubt, true enough, but it becomes rather wearisome after it has been heard a dozen or two times. It is, also, the reverse of exhilarating to hear for