

La Caisse d'Economie, Quebec	4,784,000	
Loan Companies, 1893, say.....	19,000,000	
		75,423,000
Bank Deposits		187,385,000
Total Deposits of all kinds		\$262,808,000
Total last year		\$248,190,000
GOVERNMENT CIRCULATION.		
Small	\$ 7,633,834	
Large	14,549,050	
		\$22,212,884
Gold held.....	\$10,442,439	

OVERPRODUCTION AND ITS CAUSES.

That the problem of overproduction in manufactures and how best to rectify it, is agitating industrial circles on both sides of the Atlantic, is well known. Many and various are the opinions entertained of the proper solution of the question. Many and various, too, are the views held as to the causes of overproduction. On the latter point a striking, not to say novel, deliverance was made last month by the president of an important body in Britain. This was Mr. John Inglis, who delivered his annual address to the Scottish Institution of Engineers and Shipbuilders. Mr. Inglis quoted the saying of a prominent director of a steamship line, in this connection, to the effect that "the engineer has got the better of the man of business," the meaning which we take therefrom being that the ingenuity which has improved machinery for the cheap and rapid production of manufactured goods, has outstripped the ability and enterprise of the merchant who distributes those goods. If this be true, generally, he adds, it should form food for very serious reflection on the part of those who hope to earn a living by continuing to furnish labor-saving appliances. And certainly he does not consider the question of overproduction easy of settlement.

Setting aside the notions advanced by different people that mono-metallism and the labor disturbances are causes of overproduction, he is disposed to attribute it to excessive credit and the foolish ease with which people launch into some new process of manufacture without sufficiently considering if there be room for it. What he says is: "The truth of the matter I believe to be that the condition of things which we agree to call overproduction or depression of trade, is not primarily due to machinery, but in a great measure to the reckless borrowing by impecunious states, communities and associations, encouraged by the imprudence of financiers, and the credulity of the public as to the powers of governments and other debtors to fulfil their obligations. The abnormal and unwarranted demand for goods from those put in easy possession of borrowed funds, is rapidly met by the setting in motion of modern machinery—itsself partly brought into existence by the necessity temporarily created. High prices become the rule, until the inevitable glut takes place, when there follows the revulsion to prices which are unremunerative." As to the decline in values of commodities in recent years, he admits that it is perhaps increased in rapidity by the development of machinery, but contends that the unwholesome stimulus to overproduction is not immediately traceable to mechanical appliances.

As Mr. Inglis puts it, the introduction of labor-saving machinery has a tendency year by year to release a growing proportion of working men and women from manual labor and to give them chance to follow other pursuits. And he says this serves to raise the general level of comfort among the people. Mr. Inglis is an engineer, and he is praising machinery; in this respect he is of course disposed to "magnify his office" or his guild. It is undeniable that labor-saving devices must lessen manual labor. What else

are they for? But it does not therefore follow that the other and higher pursuits can easily be found to take the place of those abandoned. We are not sure that the census figures he quotes serve to confirm the view that displaced mill hands drift into better occupations. Rather, we fear, do they drift into idleness. While the proportion of labor in textile works has declined greatly, so has the proportion of agricultural hands, indicating that those supplanted in town mills have not gone to the country.

But to come back to his text, the remark of the steamship man, is it true that the engineer, as a producer, has beaten the merchant as a distributor of goods? And is it the fault of the merchant that he does not find markets for them? If the prevailing overproduction were confined to Britain, and the British merchants alone were behind in the race as furnishers of the world's markets, we might see a partial chance for the leeway in distributing to be made up. But inasmuch as the overproduction exists in every country, new nations must be found on the earth's surface, or the world's nations we already know must somehow be compelled to become larger consumers before we can hope for relief from the present overproduction.

SHOULD MILLS RETAIL?

A correspondent in the East asks us to answer this question on its merits, and also wishes to know what the custom of mills in the West is in this regard. In reply we say at once that if a manufacturer hopes and expects to sell his goods to the wholesale dealer, he should not attempt to do the wholesaler's business, which is that of selling to the retail trade. It is bad policy, and considered bad faith for a wholesale dealer to sell his goods to private parties, because in so doing he precludes the retail dealer—possibly his own customer—from doing just so much trade. Just as much is it bad policy for a mill to go past the storekeeper and sell direct to the storekeeper's customer, the retail buyer. The mill man in question should remember that if it were not for the storekeeper he could not keep his mill going. All the retail trade he could do round his mill would not pay for his factory fuel and light. It is certainly not the custom of mills in the West to sell their product to the retailer. They prefer to consider the reasonable rights of the merchant.

MUNICIPAL ACCOUNTS.

There is a certain appropriateness in the discussion by the Institute of Chartered Accountants of municipal accounts and audits, on which subject Mr. A. C. Neff read a paper before that body on Monday night last. The speaker did not go too far in saying that in a number of Canadian municipalities the bookkeeping and finances are in a condition of tangle; that many treasurers and auditors are lacking in proper experience of business or accounts, and that municipalities are often too niggardly to spend an adequate sum to have their bookkeeping and accounting rightly done. No better proof is needed than the annual report of the Ontario Bureau of Industries, from which we quoted freely in August last. Here are five or six samples of replies made by township or other clerks and treasurers in this intelligent Province of Ontario. Our readers may judge what sort of business capacity they disclose:

"I cannot state the number of debentures or the amount of each."

"We have no means of ascertaining the amount of personalty or income for 1890 or any other year."

"This municipality (East Toronto) was organized in 1888, but no financial statement could be procured from its officials until November, 1893."