

is peculiar to the United States, for the European Governments do their financing by means of the banks through the open market. In the United States when the public want larger accommodation the Government is steadily absorbing and locking up funds; and when there is less need for money, it is going begging; being offered at 1 per cent per annum by the banks. As we stated before, the large amount of money lying idle enabled the speculators for a rise to advance prices easily, as they could borrow money on stocks at such low rates of interest. The low level of prices which obtained at the outbreak of the war also contributed to the advantage of the bull leaders.

To show how great was the rise in prices and the profit that would have accrued from the purchase of 100 shares of stock at the lowest price in 1898, and its sale at the highest in 1899, may be seen from the following comparison; fractions are omitted:

	Lowest 1898	Highest 1899	Rise	Profit
Atchison, pref.	22	68	46	\$ 4,600
Brooklyn Rapid Transit.	35	137	102	10,200
Canadian Pacific	72	99	27	2,700
Chicago, Burlington & Quincy	85	149	64	6,400
Chicago, Milwaukee & St. Paul	83	136	53	5,300
Louisville & Nashville.	44	88	44	4,400
Missouri Pacific	22	52	30	3,000
New York Central	105	144	39	3,900
Northern Pacific, common ..	19	57	38	3,800
Union Pacific, pref.	45	84	39	3,900
Union Pacific, common.	16	51	35	3,500
American Sugar Refining.	107	182	75	7,500
Federal Steel	29	75	46	4,600
Tennessee Coal and Iron.	17	126	109	10,900
Metropolitan Street Railway.	125	269	144	14,400

Early in the spring of last year came the culmination of the boom, and prices halted till about the 1st of May, when a reactionary movement set in which ended in a panic. There had been placed on the market in the month of May alone, stock of new industrial concerns amounting in the aggregate to the enormous sum of one thousand millions of dollars. It was also believed that the winter wheat crop had been badly injured, and there was likely to be a much smaller yield than the average. This was made the pretext for a strong raid on the market by some big capitalists. In the midst of it all Flower, the bull leader, died, and one of the worst panics Wall street has ever experienced took place. Prices crumbled away, and millions were lost by foolish speculators on slim margins.

As is usual after a panic the market became extremely dull; the public, having suffered heavy losses, were disinclined to buy, even had they been able to do so. The market generally pauses in the summer until the big operators return from their vacations to resume the campaign in the fall. The summer of 1898 was an exception to this rule, the war with Spain keeping the Stock Market very active. In 1899 the summer was very dull, but in the fall big interests took the market in hand again, and by buying in pools, the market was advanced—until prices became again inviting to the public who never purchase until prices are high. The pools then unloaded their stocks on the public, and the market was in weak hands again. Here a very anomalous state of affairs took place. The general prosperity in the United States had never been so great. All the industrial concerns were running at high pressure, and employing all the hands they could get at high wages; many of the mills were six months behind in their orders. The United States in 1899 manufactured over 14,000,000 tons of pig iron against an estimated output of about 9,000,000 tons by Great Britain, which had till recently ranked the greatest iron producing country in the world. The total exports and imports of the United States amounted in 1899 to over \$2,000,000,000, the greatest in the history of that country. These figures show the great activity in all lines of trade and commerce. In the fall the West always makes demands on the East for money to move the crops, but in 1899 the demand was far greater than usual on account of the large mercantile trade, especially in the West. There is usually a safety-valve in being able to draw gold from Europe for cotton and grain exports, but the war in South Africa

having broken out and gold supplies from that quarter temporarily cut off, the Bank of England to protect their reserve raised the rate to 6 per cent., followed by the Imperial Bank of Germany to 7 per cent. It then became impossible to draw gold thence to the United States, the result being that the reserve of the National banks fell below the legal limit of 25 per cent., which they are obliged to keep in specie against their deposits. Drafts from the West still went on, and what is called a rich man's panic was the result. About the middle of December the banks have to provide for disbursements of interest due on the 1st January, and as there was no way of getting money except by calling loans it had to be done, and rates of interest were run up to 180 per cent. per annum. That is to say, commissions were charged for loans which would have amounted to that rate if carried for a year. The reverses to the British arms in South Africa also indicated a much longer war than was at first supposed, and was made the reason for the bears to attack the market, which they did most successfully, and forced stocks down on the 22nd December to the lowest point of the year. Banks and trust companies suspended, and brokers that were carrying large lines of industrial stocks were obliged to assign. When the weak holders of stocks were thoroughly weeded out the market reacted somewhat, but there was a sorry and economical Christmas for most of the speculators.

GEORGE KERR.

AN ENGLISH LETTER.

Repeatedly within the past two years our readers have heard of the various methods adopted by Mr. Hamilton G. McMicken, European agent of the Great Northern Railway of America, to popularize his road in London. Some of them were very ingenious. And whenever this gentleman saw a chance to say a good word for the Dominion, like the good Canadian that he is, he said it. We have a letter from Mr. McMicken, dated 2nd February, in which he says:

"During the two years I have been over here, I have come in contact with all classes of business people in this country, and am in a position to judge of what is required. Having had to do at home with almost all kinds of business, and understanding, in the main, manufacturing businesses of Canada pretty thoroughly, whenever I come across any want over here, I consider how that can be supplied by Canada. I have already placed two or three articles on the market here, and have given information to dozens of people in regard to our manufactures. What is needed over here is that Canadian products, whether of indigenous growth or manufactured articles, should be properly brought to the notice of prospective buyers. Many an article would sell like hot cakes here if the conservative Englishman could only be shown how easily he can get them.

"For instance: An anthracite coal company here are introducing base-burning anthracite coal stoves, and they are breaking down the British prejudices by degrees, and doing a nice business. You would be surprised to drop into their office and see the display, you would imagine you were in Toronto, as the stoves are almost identical with ours. Now where do you suppose they get these from? They get them from France. Now as France cannot possibly manufacture one stove to Canada's 100, I immediately asked these people why they did not get stoves from Canada. They stated that they did not know anything about Canada, and did not know who to write to; but after a little conversation with them, they said they would be pleased if I would get them some catalogues, price lists, etc., from our Canadian manufacturers. I have therefore sent over to our agent in Toronto a request to procure from several makers in Ontario, catalogues of their stoves, which I feel satisfied this company could handle to advantage, also stove pipe."

"It is difficult to exaggerate the reluctance of the average Englishman to take up with anything that he is not accustomed to. But once convince him that certain things will increase his comfort, and that he won't be swindled, and you can establish a stable market. It needs an agent on the spot to do this properly, however. I may tell you that I have gone pretty well into the furniture situation, and find that were Canadian furniture fully and properly represented furniture imports from Canada to this country could be quadrupled; in fact, I feel that there is sufficient business here to warrant new factories being