matters the court expressly declines to pass, apparently for the reason that they were not presented by the record, and says in effect that it must accept without question the interpretation of the lower court, which regarded the indictment as merely referring to the organization of the company, not to the 'tying clause' leases."

The strongest feature of the United States Government's effort to show an unlawful combination in restraint of trade, says Solicitor-General Bullitt for the Government, was the "tying" clause of the agreements, by which it is alleged that the company sought to compel shoe manufacturers to buy machines from it and none other. That question, he declared, was not considered by the court, because the lower court had interpreted the indictments involved in the latest decision as referring solely to the organization of the United Shoe Machinery Company.

The tying clauses were largely the bone of contention in the Canadian case. Mr. Winslow, president of the company, admitted in the Canadian investigation that the purpose of the tying clauses was to give the company that security by preventing the introduction of other machinery into the factory. He stated that if the company were obliged to remove the tying clauses from its leases a change in its system of doing business would be necessary. He was not able to state the basis on which the rates of royalty were calculated, these having been continued from the previous leases. He assigned no reason for the necessity of a change, nor did he indicate what that change would be.

No other evidence was adduced by the company to show what would be the nature of the changes to be made in its system if the tying clauses were eliminated, nor that changes would be necessary for the protection of its interests.

"As indicating that the object of the tying clauses," said the Canadian majority report, "is rather to prevent the introduction of competing machinery than to establish continuity of operation, it may be noted that the company's welter and stitcher will be leased to work in connection with other principal machines obtained from outside sources, that machines corresponding to the machines of the company's general department can be obtained from outside and introduced into the service, and that the company will sell the machines of the general department, in which event the company has not the same interest in keeping the machines in order as exists when machines are leased."

The Canadian investigators found the company to be a combine, and, as the six months' delay recommended and adopted, dates from October 18th, 1912, the company is liable to a penalty not exceeding $1,000 and costs for each day, after April 18th, 1913, during which the company continues to offend. The court procedure in Canada seems to have been far more simple than in the United States, where the government has not yet fired its final shot in the case.

COIN AND BULLION

Of late years Canada's imports of coin and bullion have considerably exceeded the exports. Thus in the fiscal year ended March 31st, 1912, the excess of imports was $18,400,000; in 1911, $3,000,000; in 1910, $3,400,000, and in 1909, $8,400,000. In 1906, 1907 and 1908 the movement was the other way. Thus the exports exceeded the imports in 1908 by $10,100,000; the excess in 1907 was $5,700,000, and in 1906 $2,900,000. In 1903, 1904, 1905 again the imports exceeded the exports, the total excess for the three years being, roundly, $22,200,000.

So, if these figures of imports and exports be taken, without regard to anything else, it would appear that the stock of coin and bullion in the country increased a little over $28,000,000 in the ten-year period. How does this compare with the change in the specie holdings of the Dominion Treasury and the chartered banks between June 30th, 1902, and March 30th, 1912. On June 30th, 1902, the specie in the public treasury amounted to $18,901,639, and that in the chartered banks amounted to $12,409,855. The total visible stock was $31,311,494; and on March 31st, 1912, the Government held $98,892,395 and the banks $36,027,797, the total being $134,920,192. The actual increase in the stock has, therefore, been over $103,000,000 in the last ten years, or more than four times as much as the figures of imports and exports show.

One cause of the discrepancy is found in the export of bullion from the Yukon and other Canadian gold mines. The greater part of the products of the mines has been exported to Seattle or San Francisco. This export movement obviously does not represent loss of coin on our part. It is simply the method by which the mines effect realization of their products. The companies sell the bullion to the banks and receive credit in the banks' books. The banks send the stuff to the United States, and it is ultimately put to their credit in the books of their New York correspondents. Latterly an amount of silver bullion from the Cobalt mines would also appear among the exports of coin and bullion. Some of this goes to England and some to the United States.

It will be seen from the table on the opposite page, dealing with the export and import of coin and bullion to and from each one of the four principal countries here dealt with. Taking France first, it is seen that the movement of specie between Canada and France is practically nil. For the twenty years, 1892-1912, it does not average more than $100 per year. Canada imports from France a much larger amount of goods than she exports to that country; and the necessity of meeting interest on Canadian securities held in France increases the balance of payments against us. The whole is settled through New York and London. In New York we buy sterling exchange, which exchange, when remitted to France, suffices to liquidate the balances against us.

Also between Canada and Germany there is practically no movement of coin and bullion. On trade balance we have important settlements to send to Germany every year; but, as in the case of France, we buy sterling exchange in New York and remit in that way; and if the balance on any occasion should be in our favor the settlement would be made similarly through London. There are two important obstacles in the way of our drawing gold coin from either Paris or Berlin. One is the dissimilarity of their currency system; and the other is the restriction on exports of gold sometimes exercised by the central bank. The Bank of France can pay either in gold or silver. In the last two or three months it has not been paying gold freely. Anyone wanting gold has had to pay a commission, which has been as high as one per cent. All the other banks have thus been forced to pay silver; and it is said that the public is loaded up with silver in all parts of the country. The German Bank also "discourages" exports of gold when its stock is low or when it wishes to increase its coin. When gold is not freely obtainable for export, as is often the case in France and Germany, the exchange rates are affected, and parties having debts to settle in other countries have to pay more than they otherwise would.

The movement of coin and bullion between Canada and the United Kingdom, too, is unimportant. The trade balance is in Canada's favor, but the item of interest on Canadian debt held in Great Britain would probably make us debtor to the United Kingdom on balance each year. We pay by means of securities. Our governments, municipalities, corporations, place new securities by the hundred million in London; and when we are credited with the proceeds there is a balance for us to draw upon. It should be noted that capital investments in Canada by France and Germany also serve to offset in some degree the trade balance owed by the Dominion to those countries. The British sovereign does not fit in handily with our currency; so the banks do not import sovereigns. Nevertheless, there was a considerable impor-