

one set goes down or is delayed, the other set reaches its destination, and which ever comes to hand, it is dealt with.

Jones's agent pays cash to the Japanese merchant for his tea by cashing his drafts under the Letter of Credit through some bank in Japan. This draft is forwarded by the Japanese bank to London, where it is charged to the account of the Canadian bank. Advice of the draft comes direct to Montreal, together with the Bills of Lading for the tea, which is shipped here and consigned to the bank. Upon arrival the railway company notifies the bank, who in turn notifies the tea merchant, and the tea is put into a warehouse. Jones informs the bank that he has sold this tea to a wholesale grocer, and the bank gives an order on the warehouse for the delivery of so many chests of tea, and receives the wholesale grocer's cheque or note for the value. This cheque or note the bank collects, and thus saves the tea merchant from any further trouble. Precisely the same process takes place in the case of your silk handkerchiefs, children's toys, and the hundreds of other things imported from foreign countries.

You will have observed that the payment for this shipment of tea has been made through London, where we left the proceeds of the cheese already referred to. The money received from the cheese exporter and the money paid for the tea imported have been taken account of in London, and results in a difference in favor of, or against, this country according to the value of goods exported or imported. This difference, if you will follow it out in the case of the multiplicity of exports and imports of a country, results in nothing more or less than that bug-a-boo of financial and other theorists the "Balance of Trade."

THE BANK AND THE MANUFACTURER.

We will now deal with the manufacturing industries of the country, and to take another well-known article which we are obliged to be familiar with, we will discuss the manufacturing of clothing. The clothing manufacturer requires amongst other things woollen, linen and worsted goods. These we have not yet acquired the art of manufacturing in this country to as high a grade as in Great Britain, and for the best class of goods we have to go there.

Let us, for the further purpose of illustration, imagine that the clothing manufacturer, whom we will call Smith, is commencing business, and has a certain amount of capital and a good name. He comes to his bank and says that he intends to visit Huddersfield, Bradford or Manchester to buy goods, and that he will have to go to Ireland, for his linens, as the finest linens in the world are manufactured near Belfast. He says he is not known on the other side and presuming that he stands well with his banker, the latter will write to his London correspondents, giving them a good account of this Montreal manufacturer, and arranging for him to use the bank's name as reference. Our friend goes to England, and gives orders for so many yards of cloth, and the manufacturers, who in the meantime will have satisfied themselves through London