COUNTERFEIT AND LAUNDRIED BANK NOTES

It is well at this season of the year when foreign travelling is beginning, to be on guard against counterfeit bank bills. The laundry working at the Washington Treasury upon soiled bills is probably efficacious in disinfecting and cleaning them. It is also destructive of the printed colours, inasmuch as bleaching chemicals are used in the process, and it leaves a somewhat indistinct haze upon the bills. Expert rascals, glad to take advantage of every opportunity of making profit wrongfully, have seen the opportunity offered them to imitate the U.S. money certificates in their changed condition, and authorities declare that unusually large numbers of counterfeit bills have been put into active circulation.

Bankers foresaw this possibility, and warned the Taft administration against it. However, their representations went unregarded, and the consequence is reported by the banks to be the cause of "widespread alarm"! Considering the trifling extent of the saving effected by the laundrying, it appears to be highly absurd that the plan of issuing new bills was not held to be preferable. To us it looks like an infantile sort of a fad to set out to effect a paltry saving in such a manner. We feel certain that since the counterfeiters have directed public attention to it, the strong common sense of the populace will insist upon a stop being put to the precious washwoman policy of the late administration. But meanwhile it might be well to refuse distinctly to have anything to do with United States money of a washed out or suspiciously recleaned and pressed appearance.

SILVER PROSPECTS

Canada has much more than an academic interest in the silver market. Her output of the precious metal last year amounted to 31,931,730 ounces valued at $19,425,656. Thousands of holders of shares in the Cobalt mines are directly affected by fluctuations in prices. The mineral development of an important part of the country waits upon the quotations. It has to be borne in mind that silver is a commodity subject to the same laws of supply and demand as wheat, iron and wool. Unlike gold its intrinsic value is no standard of value, outside of the trade of one important nation.

The following table, for which we are indebted to the Washington Mint, and which represents estimations only regarding consumption in the arts, is of interest in approaching any consideration of the silver situation:—

	Production. Ozs.	Industrial Consumption. Ozs.	Available for Coinage. Ozs.
1905	167,689,322	50,718,000	116.971.322
1906.	165,054,497	85,196,100	79,858,397
1907.	184,206.984	92,568.300	91.638.684
1908.	203.131.404	91.835.000	111.296,404
1909.	212,149.023	104,838.200	107,310.823
1910.	221,707 622	139.209.200	82,498,422
1911.	225,338.194	143,768,500	81,569,694
	1,379,277,046	708,133,300	671.143.746

Messrs. Samuel Montagu and Co., the world's great authority on silver, remark in a recent circular letter: "The natural inference from these figures is that the proportion for purposes of coinage is rather restricted, but it should be remembered that, notwithstanding the apparently limited amount available, the Indian speculative group had, during the latter part of the period in question, acquired a stock now considered to be in the neighbourhood of three or four million sterling. Should there arise pressure for coinage, there is no doubt that this sum would be available at a price, and, moreover, that any pronounced rise in the level of prices would tap supplies from lower grade ores, and new supplies of silver in the way of silver coin which had become worth more for their intrinsic than for their nominal value."

It is important to give due weight to all such information respecting sources of supply for there is no staple article more likely to be affected by the discovery of a leakage, or an unexpected "corner" than is silver.

But as a recent article on this subject remarks, the complication in regard to silver arises from the fact that this metal still plays a most important part in the settlement of exchange operations with a country, the population of which probably equals one-quarter of the whole human family. China almost alone in the world, trades with foreign countries on a silver basis.

The most conservative and cautious trader with China, be he importer or exporter, is forced to become a speculator, for his calculations for ascertaining a profit depend upon the favourable outcome of one uncertain factor, and that is, will the price of silver, or exchange, which depends to a large extent on silver, be lower or higher when the goods in question are imported or exported, as the case may be?

As a concrete instance, take the case of a merchant who is importing into China $500,000 in goods during the next few months. He approaches an Eastern bank to know what rate of exchange he can secure, and is given a quotation, allowing a margin to the bank to cover risk of fluctuations. If the merchant accepts, the larger proportion of the bank's speculation is covered by purchases from Chinese, who make a specialty in speculating on the future of exchanges. The relation which the Manchester goods merchant possesses with silver does not by any means exhaust the difficulties attaching to movements of silver prices. There is the native Chinese to consider.

Here you have to deal with the shrewdest and most long-headed of men. No novice in business these, but furnished with generations of ancestrial ability for pitting their wits against each other and for trying to better those of the "foreign devils." Gamblers born, they introduce into business operations the same zest for chance as they exhibit in playing faro in their hours of relaxation; not daunted by figures and are more ready to deal in $500,000 than in $5,000. Consider, then, the import and export merchant at the mercy of the born, shrewd gambler, the merchant in the hands of the Eastern banker, and the silver market a mere commodity—now the play-