water will find its level, that all the gold coin injected into circulation will either quickly return to the banks, or displace a like amount of paper currency. In the latter event, the character of the circulating medium is wholly altered, while in the former contingency the banks are between the Scylla of refusing to accept the gold, and the Charybdis of incurring the penalties provided by the bank act if they add the coin to their cash. Banks may, however, take all the gold coin offered them, and export it as other commodities are exported, a recourse to which inevitably they will be driven sooner or later, according to the measure of time and the extent of the coinage. What then? The exchange value of the gold may be, very often is, less than its face or legal tender value, and so the banker will be compelled to submit to a loss in the operation, or to demonetize the gold currency.

AN ERRONEOUS IDEA.

I cannot but think that those who have urged the minting of gold in Canada have fallen into the error of assuming that the process enhances the value of the metal, and in some subtle, mysterious way determines the channels of trade. The coinage of silver admittedly is a profitable transaction, since the face value of the coin is nearly double that of its bullion value, and this process of giving a fictitious value to the metal can advantageously enough be conducted up to the limit of the needs of the commerce of the country for subsidiary coinage, or, as we phrase it, small change. The Dominion Government reaps a profit, one year with another, of about $70,000 annually from the coinage of silver and copper. On the other hand, the coinage of gold not only yields no profit, but entails an actual loss. The mints in Australia are conducted at a loss. Referring to the mint established at Perth, Western Australia, in 1896, the chief official of the British Mint recently remarked: "It is not evident how far the colony is the better for the establishment of a mint at Perth, or that it has gained anything by its large outlay on buildings, machinery and maintenance, which it could not equally have gained at a smaller cost by the establishment of a local refinery under Government supervision."

Now, the banks are prepared to pay the miner as much for his bullion as he can realize by shipping the metal to an American mint, or by converting it into coin in this country. Gold is not a commodity which enhances in value by the process of minting, as cotton, timber, and wheat are increased in value when manufactured into fabrics, furniture and flour. The bullion and the coinage value of gold stand practically on a par, and for purposes of international exchange, the metal is about as valuable in one form as the other. Our best security lies in not sowing the seed, the harvest whereof we know not.

OF VITAL CONCERN.

I make no apology for having somewhat lengthily dwelt upon this subject. In my opinion there is no question of the moment which more vitally concerns, not merely our own business, as bankers, and the interests of the great body of

LIVERPOOL PRICES.

Liverpool, Nov. 22, 12.30 p.m

	s.	d.
Wheat, Spring	6	3½
Red Winter	6	0½
No. 1 Cal	6	3
Corn new	4	0½
" old	3	10
Peas	5	7½
Lard	38	6
Pork	72	0
Bacon, heavy	46	0
Bacon, light	46	0
Tallow	27	6
Cheese, new white	51	6
Cheese new colored	53	0