

which has drained the Banks of gold, the Directors of the Ontario Bank hope and believe the Reciprocity Treaty will be renewed, or that another may be agreed upon that will *prove equally beneficial to both countries*. The Toronto Leader for May 30th. says "We submit that Mr. Galt has saved the Reciprocity Treaty which, whatever may be its advantages to the people of the Federal State, is *undoubtedly of benefit to our farmers.*"

If it is beneficial to our farmers to have all the gold drained out of the country the Leader is right, and as the Leader thinks it such a benefit to have all the money we can earn or borrow taken out of the country, it will probably be a satisfaction to it to be further informed that we bought over \$12,000,000 more, that is not stited in the above amount and paid for it in Timber and Lumber, which is to us the same as gold—which if it had not been for the Reciprocity Treaty the Americans would have had to pay us Gold, for we paid them in what we can never re-produce for their farm produce that they can re-produce every year. The Leader's opinion in the matter and that of the Directors of the Bank of Ontario are about on a par with those in the Globe which can be found on the 152 page of this Review, that "to get the *balance of trade in our favour would involve us in ruin.*"

It will not be amiss to here refer to another matter, in connection with that loss of gold from the Banks and the country.

The Banks are drained so close that they dare not lend their notes for lumbering purposes because they would come back to be redeemed long before the lumbermen can possibly make a return. When we consider the extent of our lumbering interest, this, from a National point of view becomes a very serious matter, for the lumberer has to procure his money through advances from England. Those advances are procured here through the agent of some firm in England. The lumbermen at first pay at least seven per cent interest on the money, and then pay the agent referred to seven and a half per cent

commission for the term agreed upon and if he is so unfortunate as to be one day behind the date his note comes due he has to pay the Agent seven and a half per cent more commission besides the usual interest. We suggest to those Banks that say they do not know what to do with their money, or how to employ the immense amount of deposits they profess to hold; to furnish our lumbermen with money at seven per cent, in place of at from fifteen to twenty one per cent as they now have to pay. Their inability to furnish the immense lumbering interests of Canada with funds to be paid out for labour should be sufficient to satisfy Canadians, that the complaint of the Banks of inability to use their funds, is all gammon, and the monthly Statements, that we give, show that they have no funds, that all their Capital or Gold \$27,344,600 and \$18,335,025 of their \$23,312,572 of "deposits" or gold, have been sold to the importers of foreign goods, and been shipped off from a country where it brings from ten to forty per cent interest, to one where it is worth on the average only from three to four per cent. Cannot thinking men, and business men, open their eyes to the fact, that those commercial transactions and such a system of National commerce and International trade, will most assuredly crush the industry of any Country.

We have virtually furnished the United States during the first eight years of the Reciprocity Treaty with nearly \$50,000,000 of gold, an amount almost as large as our own National debt, and our population follows it. We feed the States with gold, and our Country has become a breeding ground to supply it with people to use that gold in increasing their national wealth, and yet our Free Traders don't understand the reason although it stands out as plain as the nose on a man's face, and our Legislators go hunting from Dan to Beersheba and get up long debates and useless committees to enquire into the reason. The reason is all before them, just beyond the end of their noses, but the laws of *cause and effect* are lost upon them, they see the effects but to admit the cause would destroy their theory, they prefer the ruin of themselves and Country, to adopting a system of Protection, of Homesteads, and plenty of money.