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PROTECTION AND FREE TRADE IN THE STATES.

The Free Traders and Protectionists, in the United States, are severally marshalling their respective forces for battle array. The one makes an outside and the other an inside movement. Senator Morrill, of Vermont, not content to repose upon the laurels which a high tariff won for him at the hands of manufacturers whom he benefitted, calls for a re-arrangement of the tariff and internal revenue laws. He has moved for the appointment of a Commission of nine persons, to be appointed by the President and approved by the Senate, to examine these laws, and to make their final report in 1883, progress reports being made in the meantime. The American public is asked to believe that this is substantially the English mode of dealing with taxation. But then, the English procedure scarcely looks to anything beyond the raising of revenue; if anything else be kept in view, it is some national object, in which the protective element can scarcely be said to have a part.

Mr. Morrill wants a Commission to work in the interest of exaggerated protection. He, no doubt, foresees like everybody else, that the gradual reduction of the public debt will, before long, justify, if it does not necessitate a reduction of taxes, in one form or another. Mr. Morrill desires that the reduction should take place in the internal revenue taxes, and not in the tariff. The excise duties are, in many instances, very heavy, and go far to counterveil the import duties. Here there is a field for legislative action; but it is by no means so large as Mr. Morrill and his friends try to make it appear. But the customs' duties which are, in the last degree onerous, Senator Morrill desires to rearrange, avowedly with a view to getting rid of existing discriminations. The extreme range of these discriminations is certainly large. Many articles pay over 100 per cent. duty; others 80 and still others

every possible rate down—not indeed very low—to say 27 per cent. The lowest American duties are higher than the general scale of ours. No comparison can be made between our moderate tariff and the extremely high tariff of the United States. While Senator Morrill points to existing discriminations as a reason for granting the commission he asks for, his avowed object is to draw tighter the cords of protection. Of course he wants a commission to collect exactly the sort of evidence that would be required to support a very high tariff. In this way it is hoped that the present system may be bolstered up, when, two years hence, it might be possible to make some reduction of duties, if revenue were the main consideration in framing a tariff.

Neither political party, in the States, advocates free trade. The Democratic party, once a free trade party, is now divided against itself on the question; and as a party it is no longer an advocate of free trade. The practical question, then, is one of a greater or less degree of protection. Free Traders there are in that as in other countries; but they do not possess the force of a political party. They are political economists, who stand by the creed and the books, and who do not for practical purposes take a statesman's view in which political economy is modified in obedience to some national exigency. The Rev. Henry Ward Beecher is entering on a free trade crusade, with some companions in arms who wield a heavier weapon than his own. But, in the present mood of the nation, they are very likely to be voted impractical. The verities they preach may bear fruit hereafter; but meanwhile the parties in possession of the field are not prepared to accept a tariff based on purely scientific principles. "One third of the wages of the laboring class in this country," says Mr. Beecher, "is required to pay their proportion of the raised values of these products on which protectionists have caused a tariff to be placed." He points out that excessive protection has well nigh destroyed American commerce. But still the national vote goes for protection; the majority of the native, for want of knowing better, upholds the excessive tariff. If Senator Morrill should get his commission, the advent of free trade, in the States, or any approach to it, will be delayed for years. A radical change of opinion, based on scientific political economy, must take place before any great tariff reform can be expected, in the United States.

One end aimed at by Senator Morrill is undoubtedly desirable: he is anxious to enlarge the Free List. The free admission of raw material is one of the most legitimate ways of helping manufactures. But, under

Mr. Morrill's scheme, much more harm than good would be done.

BANKING REVIEW.

The monthly Government return for November, of banks in Ontario and Quebec, is summarised below and compared with the figures of the preceding month:—

LIABILITIES.		Oct. 31, '81.	Nov. 30, '81.
Capital authorized....	\$55,466,666	\$55,466,666	\$56,966,666
Capital paid up.....	53,151,320	53,151,320	53,160,361
Notes in Circulation..	31,817,194	31,817,194	29,757,854
Dominion and Provincial Gov't deposits...	8,775,054	8,775,054	10,283,659
Deposits held to secure Government contracts and for Insurance Companies.....	796,721	796,721	806,819
Public deposits on demand	42,723,916	42,723,916	43,959,107
Public deposits at notice	37,321,433	37,321,433	38,334,692
Bank loans or deposits from other banks secured.....
Bank loans or deposits from other banks unsecured.....	1,915,131	1,915,131	1,954,293
Due other banks in Canada.....	1,094,600	1,094,600	728,334
Due other banks in foreign countries....	134,916	134,916	132,400
Due other banks in Great Britain.....	704,038	704,038	402,300
Other liabilities.....	166,263	166,263	449,287
Total liabilities ..	\$125,449,266	\$125,449,266	\$126,808,745
ASSETS.		Oct. 31, '81.	Nov. 30, '81.
Specie.....	\$ 5,474,968	\$ 5,474,968	5,799,514
Dominion notes.....	8,954,931	8,954,931	9,085,219
Notes and cheques of other banks.....	5,982,185	5,982,185	5,009,322
Due from other banks in Canada.....	2,825,073	2,825,073	2,202,810
Due from other banks in foreign countries.	18,142,671	18,142,671	20,317,665
Due from other banks in Great Britain....	5,003,031	5,003,031	6,510,353
Assets immediately available.....	\$46,382,859	\$46,382,859	48,924,883
Dominion Government debentures or stock.	1,014,402	1,014,402	1,014,402
Public securities other than Canadian.....	1,427,241	1,427,241	1,443,428
Loans to Dominion and Provincial Governments	1,305,775	1,305,775	1,233,654
Loans on bonds or debentures.....	11,649,242	11,649,242	12,128,848
Loans to municipal corporations	1,063,141	1,063,141	739,594
Loans to other corporations.....	6,833,395	6,833,395	7,425,010
Loans to or deposits made in other banks secured.....
Loans to or deposits made in other banks unsecured	880,082	880,082	707,037
Discounts current.....	110,693,988	110,693,988	108,866,587
Overdue notes unsecured.....	1,099,483	1,099,483	984,639
Other overdue debts unsecured.....	200,085	200,085	211,518
Overdue notes and debts secured.....	2,107,852	2,107,852	2,012,502
Real estate.....	1,810,610	1,810,610	1,771,605