

manufacture should have nothing to fear from the reduction of duties.

Any discussion of the tariff that may take place at Ottawa, this Session, will be slightly affected by the position assumed by Mr. Dalton McCarthy. He takes the ground that Protection has had a reasonable time to perform the work assigned to it, and that the duties ought to be lowered. He is in favor of the preferential treatment of British goods, and against unlimited reciprocity with the United States. The Opposition proper still adheres to the policy under which it has lost heavily in the constituencies. Mr. McCarthy, unless he can convince the Government of the correctness of his policy, can make but little headway. To begin a retreat on the ground of the tariff policy, would require skill, address and careful discrimination. The interests involved are too vast to permit a complete change of front, along the whole line, at once. Even with Mr. McCarthy's programme, the movement would be best executed if it were tentative; a general reversal, even if it were accepted as the best thing to be done, would be best executed by degrees. Some duties which are wholly beyond the pale of defence would, and probably will, naturally form the first points of attack. Coal oil duties and the duties on binder twine will be required to justify their existence. Politicians who are willing to accept the American tariff, even with such reductions as it can undergo in the near future, are not in a position to urge the Government to almost any policy of free trade. The continued advocacy of unlimited reciprocity, on the opposition side of the House, will enable the Government to change to almost any policy it may prefer in resistance. If there was a great party in Parliament who took the ground that Mr. McCarthy does in favor of tariff reduction and stopped there, it might be expected to make some real progress; without this it is difficult to see what can be done.

THE UNITED STATES ANTI-OPTION BILL.

An anti-option bill has passed both branches of the United States Congress; whether it will become law depends upon the will of the President, whose signature it requires, and he has let drop no hint that would indicate that his assent will be withheld. The object of the bill is to make dealings in options or futures in cotton, hops, wheat, corn, oats, rye, barley, pork, lard and bacon impossible. The bill does not absolutely forbid operations in futures and options, but by license fees and taxes on the articles dealt in, actually or nominally, the aim is to prevent dealing in them. The "option" is defined as something which the person who agrees to sell is not bound to deliver. This strikes at the purely gambling feature of these operations, and if the bill stopped here it would not be open to objection, and might in fact be expected to prevent much objectionable gambling. A "future" is defined as something which a person agrees to deliver to another, though he does not possess it at

the time he makes the contract. Such agreements may be made in the regular course of business, and when they are so made, they are as legitimate as any other transaction in commerce. It is easy to gamble in futures, of course; but because it is possible and does occur, that is surely not a good reason why all bargains for future delivery should in effect be made impossible by arbitrary legislation. The farmer, presumably because he has a growing crop which adverse weather or insect enemies may prevent arriving at maturity, may without license or tax do what no Board of Trade, Produce, Cotton or other Exchange may do. It is difficult to see how futures or even options injure the farmer; if they were conspiracies to keep down prices, they might have that effect, but in fact they generally raise prices. When a law directed against gambling goes so far as to hamper legitimate trade, its injurious meddling cannot be justified; and this the anti-option bill certainly does.

BANKING REVIEW.

The return presented to-day is the last for 1892, and in spite of any appearances indicating a contrary conclusion, we cannot but think that the course of banking events indicates a fairly prosperous year for the country as a whole.

The following are universally held to be indications of prosperity in any country, viz.:

1. A large diminution in insolvencies.
2. A large increase in the deposits in banks.
3. Considerable increase in banking loans and discounts.
4. Considerable increase in the returns of clearing houses.
5. Considerable increase in the bank circulation in spite of low prices of some commodities.

The above five conditions are all undoubted facts relating to the country as a whole at present, every province of the Dominion being included. On the other hand, it is an undoubted fact that farming properties generally are lower in price; that our leading cereals have declined to figures never before known; that prices of property in some of our smaller towns, and even in certain cities, have declined considerably, and that the tariff bears hardly upon certain staple articles used by farmers.

In estimating broadly and generally what the condition of the country is as a whole, we must, of course, strike a balance between advantages and disadvantages, between things that indicate prosperity and the reverse. There can be little doubt that the balance of advantage largely preponderates. At the same time it is equally certain that considerable changes might be made with advantage in the tariff without endangering the prosperous working of our manufacturing industries. This matter will doubtless receive attention in Parliament. It is always preferable in matters of legislation to deal with known practical evils as they arrive, rather than to follow out lines of theoretical advantage. Such theories are apt to work out results in practice that were never contemplated or thought of, and

to result in a state of things far more disadvantageous than that which was sought to be remedied. It has always been the course of British legislation to proceed cautiously along the lines of existing and developed evils requiring to be remedied, rather than on the lines or theoretical fancies and radical changes based on them.

But there can be no doubt whatever that a diminution of insolvencies is a practical advantage. Nothing is more aggravating in the conduct of business than to see its legitimate profits swept away by a failure of customers to meet their obligations, more especially when, as is the case sometimes, an appearance of fraud is involved. The law in some parts of the Dominion affords a strong barrier against certain forms of fraud; but it is to the scandal of the law that most improper and even fraudulent preferences are still given by a debtor in some provinces. This state of things would be remedied if we had a good law for the equitable distribution of insolvent estates. The boards of trade of our leading cities have taken up this matter and framed a bill on the subject based in its main outlines upon the former Insolvency Act, with amendments designed to remedy the evils that grew up under it. Conferences have been had with the Government respecting this measure, but no indication of an insolvency bill was found in the customary programme of ministerial measures at the opening of the session. If introduced at all this measure should be introduced and carried through by the Government. Still, if for any reason the Government decline to make it a part of their programme this session, it would be well if some competent private member introduced the subject by resolution. And if the House of Commons could be committed to the principle of the desirableness of an insolvency bill, the preparation of the bill could be remitted to a special committee, who could then make such use of what has been prepared by boards of trade as was desirable.

With regard to insolvency in general, the same remarks that have been made scores of times before apply still; namely, that in a large majority of cases insolvency is the fault of the insolvent. It is either negligence or ignorance, or want of proper experience, or want of common sense on the part of the person carrying on business, that brings about nine-tenths of the failures that trouble us. Not one insolvent in ten becomes insolvent through causes beyond his own control, and in many cases insolvency simply demonstrates how unfit the party is to carry on business at all on his own account, and that his true place is in the service of another person or firm.

The very large increase in the banking business of late years has by no means been followed by an increase in net profits. On the contrary, the profits of the banks as a whole either remain stationary or show a decrease rather than an increase. It is clear that our banking corporations are serving the public more and more cheaply every year. Competition is just as keen in this sphere as it is in any other of our multiplied forms of activity. An increasing number of persons is constantly crowding