This is undoubtedly a very plausible objection, and being so, and the question affecting a very large number of people, especially in the agricultural Province of Ontario, with its numerous banks, a strong opposition to the whole measure has developed itself. Now it appears to us that there exists in the minds of many people, who have not bestowed much or profound thought on the subject, a certain cloudiness and confusion of ideas which tends to lead them to false conclusions. They see that banks now lend their notes to produce dealers and speculators to buy grain from the farmers; that these bank notes remain in circulation for a longer or shorter period; and that ultimately when the grain has had time to be turned once more into money, the banks are repaid their loans, and are thus prepared to redeem the excess of circulation above the average wants of the community. They see all this, and, naturally enough perhaps, they conclude that any measure which would deprive the banks of the power to thus lend their own notes—in other words, their credit—would take away their ability to negotiate paper based on wheat, oats, peas, or other grain *in transitu*, and cause an entire stoppage of the movement of produce from the place of growth to the markets of distribution. Now to say that bank notes are not money is to assert what very few will be found willing to deny. They are only promises to pay money, and are a form of credit given by the people to banks believed to be solvent. The bank, in discounting the note of A., a produce dealer, and lending him their notes, do not lend their money; they have just as much money in their vaults as they had before, and continue to have, provided only A. pays out the notes in such manner that they are not immediately returned to the bank for redemption. If, therefore, it can be shewn that under Mr. Rose's system, the bank is still able to obtain this credit when necessary, though in a different shape from now, then it must be allowed that the objection ceases to have any weight or to be entitled to any further consideration.

In the first place, we are of opinion that the profits of banking will immediately be so greatly increased as to result, in a short time, in the establishment either of new banks or the extension of the capital of those already in existence. Long before the expiration of the five years allowed in the measure for the gradual replacement of the old by the new notes, it would already have been accomplished, and it would be found that the banks would be only too glad to hold in their vaults notes upon which they were receiving interest from government, instead of unproductive gold or silver. When advances on produce were needed, these reserves of secured notes would be available, and would be used in precisely the same way that bank notes are at present. The operation would become a triple instead of a double credit, the bank lending to the government, the people, by accepting their notes, relending to the banks, and the banks again lending to the purchasers and shippers of produce.

Besides the increased capital sure to be attracted by the profitableness of banking, there will also be increased deposits to furnish additional means—more than enough, in a few years, to neutralize any temporary locking up of capital that could possibly take place during the period of transition from the old to the new system. If the Government spend in the country the money they receive from the banks, it will all gradually flow back to the banks in the shape of deposits, or rather it will be immediately deposited with the Government bank, and will be from time to time used to purchase notes as they are needed to pay out for public works being carried on by the Government. In this case, indeed, there would be no withdrawal from the banks, taken collectively, of the credit they now command by means of their circulation, although it is true that for a time the banks of smaller means might feel a slight pressure, from which they would probably have to relieve themselves by a temporary curtailment, to a small extent, of their discounts. The objection would be that the Government bank—already dangerously powerful on account of its large capital and also on account of the facilities afforded by its position as depository everywhere of all monies paid in to Government—would be rendered still more powerful by the great increase in the public deposits. If the Government should decide to divide its account among the several banks in the way suggested, this objection would cease to exist, and the banks would be constantly receiving back the monies they had handed over to Government in the purchase of Debentures. In one way or another, or in all these ways combined, there would be sure to be an accumulation of bank deposits, and circulation could easily be maintained to any necessary amount, and be readily increased at any particular season of the year when required in getting the crops to market. The more consideration we give to this part of the question the more satisfied we are that there will practically be no want of elasticity in circulation based on Government securities; that the credit taken from the banks will be more than made up to them by increased deposits, and that the general banking capital of the country will quickly receive very large additions, swelling its volume in even greater ratio than the progress of the Dominion would seem to render necessary.

TRADE OF THE UNITED STATES.

FROM a report issued from the Bureau of Statistics, Treasury Department, Washington, we obtain the following figures, shewing the Imports and Exports, &c., for the nine months ended March 31, 1869, compared with the corresponding period of the previous fiscal year:—

	1868. $	1869. $
Imports—Merchandize	260,031,874	291,264,784
Coin and Bullion	9,924,172	12,333 919
Total Imports, 9 months	269,956,046	303,598,503
Exports—Merchandize	213,048,048	200,870,084
Coin and Bullion	57,971,817	42,988,070
Total Exports, 9 months	271,019,865	243,858,154

The foregoing are reduced to a gold valuation, and may be taken as a fair basis for comparison. It will be noticed that while the Imports of Merchandize have increased largely during the nine months 1868-69, as compared with the corresponding period of 1867-68, the exports have decreased, so that there is a balance of $60,000,000 due by the United States either on open account, or for which it has given its notes in the form of Government Bonds. This exhibit cannot be very gratifying to the citizens of the United States, who must see in it a lurking danger that any European financial crisis might cause to spring forth in a moment. The return of even $50,000,000—but a comparatively small proportion—of the Bonds held in Europe to New York for sale would cause an advance in gold quite unparalled, and bring ruin on those who owed heavily in gold, while the debts due them were payable in currency. It was thought the highly protective tariff would have prevented excessive importations, but cost of production has increased so rapidly that foreign goods stilll retain command of the markets. The Government undoubtedly is enabled to raise a large revenue, but this can hardly be considered a fostering of either trade or production.

The vessels entered and cleared at United States ports in the foreign trade, during nine months ended March 31, 1869, were as follows:—

	No.	Tons.
United States vessels entered	6,972	2,432,311
Foreign vessels entered	13,158	3,828,288
Total	20,130	6,260,599
United States vessels cleared	6,878	2,420,332
Foreign vessels cleared	13,071	3,781,839
Total	19,949	6,202,171

Three-fifths of the foreign carrying trade of the United States is done in foreign vessels, and only two-fifths in United States vessels.

CHEAP TRANSPORTATION.

To the Editor of the Trade Review.

THE Grand Trunk Railway contracted for three thousand barrels flour from Chicago to Liverpool, on the 12th July, at one dollar gold, or four shillings and two pence sterling per barrel of 220 lbs., which, on the divisions of the through rate, would give less than seven and a half cents, or about four pence sterling per barrel for hauling from Sarnia to Montreal, a distance of five hundred and three miles. The local rate is sixty cents per barrel between these points. The rate on flour from Toronto to Liverpool, seven hundred miles less than the Company carried this lot, is four shillings per barrel, shewing a liberal discrimination in our favour by this liberal Company.

A CANADIAN SHIPPER.

A REVENUE TARIFF.

WHEN monopolists are driven into a corner by the arguments of those who have for years worked to break the disgraceful servitude placed upon the shoulders of the great masses, they cry out, How can you raise enough revenue to pay the interest of the debt, unless a high tariff is maintained? This display of national anxiety is so common as to call for some remarks and figures.

Our imports of dutiable goods from foreign countries during the year ending 31st December, 1868, have been in round numbers $381,336,000. Of this amount the following seven articles, viz., coffee, tea, sugar, tobacco, cigars, wines and spirits, amounted in round numbers to one hundred and ten and a half millions, and yielded a revenue of sixty-seven millions. A revenue tariff cannot reduce the present duty on the above articles, except by changing that on wines (not sparkling) to fifty cents a gallon, as Mr. Wells long since recommended, and that on cigars to a specific duty of four dollars a thousand. This will prevent smuggling, and will raise the above revenue to seventy millions. It will hardly be believed that, according to the Custom House entries, we only imported 352,690 pounds of cigars, or, at an average of twelve pounds to the thousand, thirty million cigars, which would not supply fifty thousand smokers of Havana cigars in the whole United States with two cigars a day.

Assuming, therefore, that there can be no danger of any falling off of revenue from the above seven sources, considering that the yearly increase of consumers is more than a million, we should then be called upon to provide for about sixty or sixty-five millions revenue more from the remaining imports. According to the above statistics the value of imports, other than the seven enumerated articles, was (in round numbers) two hundred and thirty-nine millions, which, at a specific tariff, based upon an average duty of twenty-five per cent, would yield fifty-nine and three-quarter millions. But we would certainly raise fully seventy millions at such reduced rates; pig iron alone, at $9 a ton, now yielding less than one million revenue, would at once, at a $3 duty per ton, give us three millions revenue, and relieve the consumers from a burden of no less than fourteen or fifteen million dollars annually, which is now paid into the pockets of the privileged class of iron founders. Woollens, at a duty of twenty-five per cent, would yield at least five millions revenue more, and bring a decent coat, a heavy woollen shawl, blankets and flannels, within the means of the poorer classes, though now costly luxuries to them.

Dress goods for the poorer people would yield two millions of revenue more, and give them a cheap garment. It has been shown by our correspondent, No Monopoly, that a yard of poplin alpaca, that costs in England twelve cents gold (which at a duty of twenty-five per cent., with gold at forty per cent. premium, could be laid down here for twenty-five cents currency, profit included), cannot be bought from the manufacturer here, at present, for less than thirty-five cents a yard first cost.

In this article we are not discussing the shameful monopolies by which heavy burdens are laid on the people for the especial advantage of the few privileged classes. We only wish to point out the fact that a uniform tariff, based on 25 per cent *ad valorem* on all articles, except the seven above enumerated, will be more than sufficient to yield at least seventy million dollars revenue, which, with the revenue of seventy millions collected from the seven articles, in all one hundred and forty millions, will be an ample customs revenue for the wants of government.—*N. Y. Evening Post.*

CANADIAN BANK OF COMMERCE.

PROCEEDINGS of the second Annual General Meeting of the Shareholders, held at the Banking House, Toronto, Tuesday, 13th July, 1869:

The Chair was taken at noon by the Hon. William McMaster, the President, at whose request the Cashier read the following

REPORT.

The Directors beg to present to the Shareholders their second Annual Report, and they do so in the belief that the accompanying statement of the result of the year's business, ending 30th June, will give general satisfaction.

The net available profits for the past year amounting to		$141,236 07
To which add balance at credit of Profit and Loss account from last year		362 01
		$141,598 08
From which have been taken		
Dividend No. 3, paid 1st January, 1869	$38,393.79	
Dividend No. 4, paid 2nd July instant	39 728.58	
Transferred to "Rest" account	60,000.00	
		138,122 37
Leaving a balance at credit of Profit and Loss account of		$ 3,475 71

It will be seen that after paying a dividend of eight per cent for the year the surplus profits amounted to $63,475 71, of which $60,000 has been carried to "Rest" account, making that fund $100,000, and the remaining $3,475.71 is at the credit of Profit and Loss account.

The sound business principle of writing off annually all debts that appear bad has been scrupulously observed. The branches have been recently inspected —the assets were thoroughly examined, and the Directors regard every item therein as being perfectly good.

Numerous applications for the establishment of