

1875.	Decline in Liabilities.	Decline in dis- counts.
Feb.	\$108,989,655.06	\$129,814,108.00
Mar.	106,261,935.00	128,464,518.00
Apr.	93,261,466.37	123,287,992.00
May	92,537,724.71	123,909,101.00
June	92,132,754.31	122,714,527.00
July	94,156,012.39	123,620,615.00
Aug.	91,168,467.72	116,593,025.00
Sept.	90,695,514.08	119,757,718.00
Oct.	90,111,323.50	119,155,696.00
Nov.	88,175,666.06	115,776,970.00
Dec.	89,271,149.38	113,417,254.00

\* No returns for Jacques Cartier.

† No returns for Exchange Bank of Canada or the Montreal.

‡ No returns for the Mechanics Bank.

The result was that at the end of June 826 failures had occurred throughout the Provinces, with liabilities amounting to \$11,977,800, or \$4,281,935 more than the total amount of the casualties of 1874. As the year wore on the Banks continued their wise policy, the result being that the distress, after making due allowance for the effect that the New Insolvency Act may have on the embarrassed and struggling, increased in a greater ratio than before; so that at the end of December the number of failures reached 1968 with liabilities amounting to \$28,843,967, or, in round numbers, nearly five times the amounts of the liabilities for 1872, and four times those of 1874. The great disparity between the exports and imports should scarcely have augured ill had the increase of capital by population or otherwise been proportionate to that disparity; for if a country has greater consuming than producing power the balance of trade must be against it. But that the balance should have increased against us, in five years, from one to forty-five millions of dollars is a matter for serious consideration. It may be worthy of note that in comparing 1872 with 1875 our imports have increased while our exports have decreased. The same feature is noticeable in the returns for Great Britain. In 1872 the total amount of exports was £256,257,317, and for 1875 £223,494,570; while the imports for 1872 amounted to £354,068,065, and for 1875 £373,941,125. The parallel noticeable in the commerce of the two countries, by the concurrent decline of the exports trade and expansion of the import trade, is further preserved by the state of general depression existing in both. But with England the profits of the carrying trade may compensate for the balance against her. The troubles of 1857 seem to have induced a spirit of soberness and conservatism that stood the country in good stead. That spirit remained unshaken up to 1870. After the Union a marked increase in the aggregate of trade is perceivable, and it may be that the steady growth of commerce for so many years gave staying power which was able to sustain, if indeed it did not demand, the increase of each

year, up to June, 1871. When it was conjectured that importations were unusually large, the wholesale merchant put forth additional efforts to dispose of his stock. The commercial traveller seems to have been the agent adopted. In consequence of the large number of failures he has received a large share of blame. But, since it is known that the importations were excessive, whether would it have caused more financial trouble to have remained comparatively quiescent, or to have engaged agents so that the goods might the more quickly reach the country dealer, who in turn would force them on the "bone and sinew," financially, of the country? Are we to believe that it would have caused less distress had the wholesale merchant failed instead of the retailer? When we consider the network of the commercial world, the long roll of retailers dependent on the wholesale merchant, and the long roll dependent on each retailer, we think not. To say that some of them, especially men who sold on commission, are responsible for much is admitting nothing more than what may be said of any numerous body. We have nothing to lead us to conclude that the traveller has been, or may be, the cause of much trouble. On the contrary, if of the right stamp, he will have, besides the qualities of a salesman, the acumen to discover the parts of the man he sells to, the manner in which he keeps his stock, what his real capital is, and what his chances of success are. Belonging to the inner circle, he should be a reliable conveyor of commercial information; and capable of advising the country merchant. The friendships that spring up and exist between them render his advice not only not objectionable but sought after. And, while we believe that the more certain road to success is to be found by individual scrutiny, perseverance, and skill, yet none are beyond advice; while the isolation of many from business centres renders advice, if not absolutely necessary, at least beneficial and helpful.

We cannot see that the Government should be held responsible for the financial stringency which prevails. That some distress might have been removed by remedial legislation may be true, but a great many of the causes leading to distress have sprung up between the sessions of Parliament; and our Executive has no power to reduce or levy duties except in Parliament assembled, with one exception: it can, by an order in Council, impose an extra duty on tea imported from the United States.

This power was created because the Government of that country imposed a

differential duty on all teas from Canada. But when the Finance Minister proposed placing an additional duty of  $\frac{1}{4}$ c. per pound on sugar there was a loud cry raised for a political purpose. These men are now asking a protection on sugar, though the duty already on the principal sugar consumed in Canada is very heavy,—25 per cent. ad valorem and 1c. per pound specific, equivalent to about 50 per cent. Then, the stove manufacturer, who asked 5 per cent. protection, is now asking more. If the manufacturers differ among themselves, and change their individual views so readily, should the Government be held amenable to them?

But it may be a matter of grave consideration whether or not a staple like sugar, the facilities for refining which are so limited here, should be so protected as to leave the trade under the control of the Canadian refiner. And further, we might ask, whether or not the capital divided from the whole community to protect this special interest would produce, by being left as it is, a greater return than it could by being so employed? Does the experience of the past, prior to the introduction of Clyde and Liverpool sugars, warrant the Government in leaving so much power in the hands of so few? Or rather, have not the wholesale grocers a fair claim for protection against the refinery, if the general interests of the country do not suffer thereby? That refineries will spring into existence may be admitted; but if the wholesale merchants deserve protection against unjust competition in the tea trade, as some assert, they are certainly entitled, for the same reason, to protection against any or all who pursue the same policy of selling to their customers. No government would be justified in giving a monopoly. If absolute protection be sound in principle it must be directed against some injustice, and not used simply as a means to gain an end. It is not safe to say that we should have protection in order to increase our population; but it is safe to say that we should have it to ameliorate the existing circumstances of a class, if by having it no unjust pressure is brought on others, and the permanent interests of the country are secured. If there are two classes to choose between, as in the case of sugar, the importer and the refiner, would it not be wise to determine on that policy which will, or is likely to, bring success to the greater number? Well, if this argument is sound, it would seem we are forced to the conclusion that there should be no protection, inasmuch as it increases the price of goods, and the consumers are the greater number. And this we should admit