

in some other direction than the *Alabama*, and it is really amazing that so shrewd and intelligent a nation do not perceive that the real difficulty in their standard system of Protection, which so increases the price of everything manufactured in the United States that they are utterly unable to compete with other countries.

This is particularly the case with their ship-building interests. If the Americans are more celebrated for one branch of labor than another, it is for possessing skillful mechanics. Their ship-builders were long celebrated. The models of their vessels were greatly admired all the world over, and there can be no doubt that just as clever mechanics exist in the Republic to-day as ever they had. Why, then, is it that their ship-building has all but disappeared? The cause is simply that the commercial policy imposed by their rulers at Washington renders them unable to compete with the ship-builders of England and our own British Provinces. They have placed high duties on Canadian timber, and their ship-builders have to pay these duties and compete with English and Canadian builders, who have no duties to pay. Iron is exceedingly cheap in Great Britain, and might be cheap also in the United States, but Congress has "protected" it until a ton, which once cost about \$15, cannot now be obtained for less than \$5. Copper has also gone up enormously in price and on going through the whole list of articles which the American ship-builder uses, it will be found that the enormous prices he has to pay for them, compared with those against whom he has to compete, shapely renders it impossible for him to furnish vessels at anything like as low a price as those of the *Mersey* or the *Clyde*. Did this state of things arise because it was impossible otherwise to raise sufficient revenue to meet the indebtedness caused by the war, we could understand the high national prudence and honour which dictated it. But when it is well known that the avowed cause is the adoption of a suicidal system of Protection, we can only wonder at the stupendous folly which "protects" their ship-building and foreign commerce out of existence, and then laments over the ruin which they have themselves produced.

With such facts as these before him, we feel inclined to ask—will they never learn wisdom? We have often wondered how it was that our American friends, who are generally so liberal and advanced in their political ideas, should be so backward and unliberal—we might justly say short-sighted—in their ideas of political economy. That wonder will increase, if the experience they are now undergoing does not open the eyes of the majority of the people to the injurious and almost ruinous effects of their present commercial policy. It is simply folly to expect their foreign trade, their ship-building, and similar interests, to revive, so long as their system of Protection forces the prices of raw materials beyond their natural limits. So long as they try to keep up a Chinese wall between Canada and other foreign countries and themselves, so long will they find other and more sensible nations do the ship-building and carrying trades of the world. We are glad to believe that many are at last beginning to perceive this, and that the advocacy of a more liberal commercial system is increasing. The *Times* advocates legislation for the relief of the ship-builders. But if legislation is good for them, it must be equally good for others, and consequently the policy of true wisdom would be to discard Protection altogether, and, as far as their obligations to the national creditor will permit, to adopt the principles of Free Trade, and buy in the cheapest and sell in the dearest markets.

THE FLAX CROP.

FOR the past two years we have heard comparatively little about flax-raising in Canada, and not a few were beginning to think that the enterprise might prove a complete failure. The years 1886 and of were undoubtedly bad ones for those engaged in an occupation, whether they simply performed the part of the scutching, or manufactured the raw material into linen, ropes, &c. Not a few losses occurred, and several large manufactories, which had been erected and fitted up with machinery at a very heavy expense—much of the machinery having to be imported from Great Britain or the United States—not only stopped work, but in some cases the machinery was sold off at a sacrifice, and the enterprise abandoned altogether. These ugly facts led many to think that the culture of flax by our farmers would be almost entirely given up, and we confess that we

ourselves feared that would be the result; but having travelled recently over a large portion of the leading railways of Canada, we were surprised to see so many fields of flax from the car windows. On the Grand Trunk line, in the neighborhood of Stratford, we saw a field after field, the appearance of which was all that could be desired. In some fields we saw as many as twenty men, women and children engaged in pulling it by hand, which requires to be well and carefully done. This season seems to have been quite favorable for flax and reports go to indicate that the yield is excellent. We hope the price may also be such as to pay the farmer for its cultivation, for it is a crop which affords a great deal of employment to working people. We have little doubt—in fact we are certain—that in localities possessing the proper soil, flax-raising will pay well, however it may fare with the manufacturer. Labour may be too high here to enable us at present to compete with foreign manufacturers of flax, but we feel assured that its cultivation, and we may add also the process of scutching, can be made to return good profits. We have been informed that both growers and scutchers did well last year—in some cases, it is said, unusually large profits were made. The prospects up to this time are very good for this season, and if the scutching mills make as handsome returns as last year, we doubt not the culture of flax will soon receive as much attention as ever. The greatest difficulty in the way of our farmers entering into flax-growing largely is, that the crop is rather a troublesome one. The hand-picking is disliked—it seems so slow when compared with the way a reaper slashes down a field of wheat. The rotting of it, too, is something which farmers do not relish much, and if there is not a scutcher close at hand to undertake the work, the crop often remains unsown altogether. After a while, when the farmers become more accustomed to flax, we hope to see less attention given to these objections, and the extent and quality of our annual flax crop once more gradually increased.

BANK RETURNS

THE following is a comparative statement of the total Assets and Liabilities of the Banks of Quebec and Ontario, for August, and the previous month:—

	LIABILITIES.	
	July.	August.
Circulation	\$ 7,074,394	\$ 7,448,784
Deposits due other Banks	1,262,337	1,221,693
Deposits not bearing interest	14,732,042	14,616,842
Do. bearing interest	22,433,330	22,652,418
Total Liabilities	\$45,687,063	\$45,937,697
ASSETS.		
Coin, Bullion and Prov. Notes	\$12,911,738	\$12,303,025
Landed or other property of Bank	1,597,372	1,599,074
Government Securities	2,198,409	2,198,679
Notes of other Banks	1,791,230	2,018,167
Balances due from other Banks	6,145,074	5,782,776
Discounts	69,629,593	64,965,042
Other debts	2,761,556	2,712,352
Total Assets	\$78,936,170	\$79,601,096

There is little worthy of notice in the changes indicated by the foregoing figures. The principal alteration is an increase of \$1,244,539 in discounts, partly balanced by an increase of circulation of \$373,450, and by a decrease of coin, legal tender and bank notes of \$61,258, and of balances due by other banks of \$359,293. The increase of discounts took place chiefly in the Bank of Montreal, 1920,837 being its proportion, or over two thirds of the whole. And the Bank is still in an exceedingly strong position, holding against its entire liabilities, cash assets to the amount of 61 per cent., the remaining 39 per cent. being represented by landed property, bills receivable, &c., in the proportion of 24 to 1 for every \$1 of liability.

BARLEY—The partial failure of the barley crop in the west, together with a vast demand for that cereal for malting purposes, has necessitated heavy calls upon Canada, at fair prices. Commissioners in Chicago are at present negotiating with some of our London produce dealers for the purchase of upwards of 350,000 bushels.—*Frederic Press.*

MANUFACTURE OF SUGAR—It is stated that experiments are now in progress in some French colonies to try, on a large scale, Messrs. Roussin and Bonnetier's plan of converting the saccharine juice of cane or beet-root into a peculiar saccharine form, and to transport that salt instead of raw sugar, for the purpose of refining. It is said that this compound is as hard as sand, and can be transported without the risk of damage and injury sugar is subject to, and be kept for any length of time.

LIFE INSURANCE.

THE recent failure of the Royal Albert Life Insurance Company of England, whereby the provision made for 23,000 families was suddenly found to have vanished into thin air following close upon the failure of the London and International, and coming into immediate connection with the disastrous reports issued by the Insurance Department of New York and Massachusetts relative to life insurance in connection with little better among life insurance men throughout the country. We trust, however, that the result of it will be to institute more rigid systems of legislative supervision over this business, which involves in its management so much of the happiness of the thrifty poor, and at the same time will induce thinking people to exercise great caution in selecting the company in which to insure. The failure of the Royal Albert, after thirty years of apparently successful operation is a fact of grave importance, and the preparation may and some valuable light on the nature and proper management of the business. It had lived through twenty years of that period when in England it had been supposed, as has been supposed in this country, that life insurance companies cannot fail. It had lived on through ten years more of the test period when the average death rate corresponds to the rate of insurance a period which but two or three American companies have yet entered upon. And at the end of this period it succumbed. Such facts strikingly recall Mr. Gladstone's remark in regard to life insurance—that only after the lapse of one generation can one tell whether a life insurance company is sound or not.

OUTRAGE UPON A CANADIAN MERCHANT.

Statement of the Case submitted for the information of the business men of Canada.

On the 23rd December, 1886, Mr. James Turner, of the firm of James Turner & Co., of Hamilton, Canada, was arrested in Liverpool, at the instance of Messrs Robert Crooks. The following facts and correspondence relating to the arrest are published for the information of Mr. Turner's fellow-merchants in Canada:—

The dispute between Messrs. James Turner & Co., of Hamilton, Ont., and Messrs Robert Crooks & Co., arose out of a contract for liquorice-paste, entered into by the latter on the part of the former with Mr. Anastassi Sferiadi, merchant, of Smyrna, for the delivery of from 1250 to 1500 cases liquorice-paste, to be delivered "during the month of February next 100 to 120 cases per month, and will finish the entire delivery by the 31st December, 1886."

During the month of July a dispute arose as to the deliveries, which led to a correspondence, several letters passing between the two firms, and finally an end was put to the correspondence by a private letter from Mr. Robert Crooks, of the 3rd October, suggesting a reference of the matter to Mr. Edward Adams, of London, Ont., and a reply from Mr. James Turner accepting the reference should it be necessary, but suggesting that the dispute would probably be settled by a personal interview, which could be had when he came to England in December, as he proposed doing. These letters are more particularly referred to in subsequent papers.

When Mr. Turner arrived in England he called at the office of the Messrs. Crooks & Co., but it being late in the evening the office was closed, and pressing business requiring his presence in Glasgow, he proceeded to that city.

Some correspondence then took place between Messrs. Crooks & Co. and Mr. Turner, appointing a time for the latter to visit Liverpool, in order to go over the accounts with Messrs. Crooks, and if possible to come to some settlement. December 30th was finally fixed for Mr. Turner to be in Liverpool, and in accordance with the arrangement, he arrived there on that day. On the previous day, Robert Crooks made affidavit to the effect that James Turner was indebted to him £2,407 18. 10., and did at that time owe him that sum; that said James Turner was on his way to Liverpool to make a short and passing visit, and intended immediately returning to Glasgow; that he had declined to pay the debt, and that his intention was to quit England before he could be legally detained, with intent to avoid and delay him (Crooks) in the recovery of his debt. On this affidavit a warrant for Mr. Turner's arrest was obtained, and when he arrived and went direct to the office of Messrs. Crooks & Co., the sheriff's officers were in waiting to arrest him. He ex-