

by fire in operation. The returns indicate that most of these are in a prosperous condition. They paid losses in 1865 amounting to \$184,184, of which sum \$35,242 had remained unsettled from the preceding year. They must have been quite able to pay these losses, for their income was 182,672. The premium notes in their possession were of the value of 1,188,771—a very considerable sum, truly. These societies, taken as a whole, are very well managed, and in many cases the rates of Insurance are exceedingly moderate. They take well among the farming community; and where their operations are confined to farm property, the losses are few, and the assessments are very trifling.

RATHER REFRACTORY.

The private insurance companies kicked against furnishing Mr. Auditor Langton with their returns, and consequently we have no record of their operations. That official seems to think that they should be compelled by law to furnish annual returns like the mutual companies, and we should not be surprised if legislation were proposed next session to this effect. Whether private companies, any more than private individuals, should be compelled to make their business transactions public, is a question about which there is plenty of room for a difference of opinion. In the meantime, the private companies are refractory, and it remains to be seen who will have to "knock under" in the long run.

TO BE CONTINUED;

so says the *New York Ledger*, and so says the writer. Our "Facts worth Knowing" are not by any means exhausted, and we shall add another instalment next week, wind and weather permitting.

IS THE DEBT OF CANADA EVER TO BE REDUCED?

THE marvellous manner in which Mr. McCulloch is reducing the debt of the United States is attracting, and deservedly so, a good deal of attention. Suffering as we are, from a heavy burden of indebtedness contracted in time of peace, and with our Finance Minister reduced to the necessity of "running round," like a hard-up merchant, for money to fulfil the obligations of the Province, one cannot but wish that a feat could be borrowed out of the United States Treasurer's book. He entered on the duties of his office with a determination to put the debt in the shape of gradual liquidation, and in spite of outcries, and prophecies and forebodings, he has carried out his plans with rigor and firmness. Taxation has been put on—as we all know—with an unmerciful hand. Customs duties have been increased to such an extent that everybody prophesied that importations would be stopped. For internal revenue he has ransacked every nook and corner from whence a dollar could be derived; and to such an extent has this been carried that a man can neither eat, drink, sleep nor travel, without taxation awaiting him,—not in one form, but in multiplied ways. The usurious manner in which the taxes were laid on, were the astonishment of all who had ever known the country in its old and untaxed condition, and it was almost universally believed that such imposts could never be collected.

But they are collected, and apparently without exciting dissatisfaction. Whatever may be the effect on individuals or particular interests, the plain facts stand out beyond all contradiction, that there has been for many months back an immense surplus revenue. Not only have all the charges of government been paid, immense as they are, but the actual success has been such that no less than \$161,000,000 of debt has been paid off since its maximum was attained on 1st August, 1865. At that time the debt was \$2,757,000,000: it is now 2,596,000,000, only.

Facts are said to be stubborn things, and these facts, if they mean anything at all, teach us this, that when people make up their mind to get out of debt, they will establish a rational way of accomplishing it. It is with nations as individuals. Many a man has been at one time involved in debt and difficulties and embarrassment, but some have got out by years of persistent economy. Where there is a will, it is said, there is a way. It only needs for a man to make up his mind, and do the thing as good as done. Means will be found to increase the income, or to diminish the expenditure, or very probably to do both. At any rate, by whatever means it is accomplished, a surplus will be made, and that surplus rightly appropriated towards reducing debt, and as there is no greater pleasure than to see debts diminishing, the progress of liquidation

will be watched with the same interest with which men mark the going down of an inundation.

We may depend on it that the United States Treasurer is a man of the right stamp. The country is in debt, and he is determined to get the country out. As he has set his mind upon it, he has endeavored to indoctrinate the country with his own sentiments, by letting them taste the pleasure of watching the going down of the flood. Doubtless he has been successful. The people like to see it—every million paid off. They take as much pleasure in these victories over the debt as they used to do in the capture of forts and the defeat of armies. Every million paid off is a successful skirmish; every twenty millions a battle won; every hundred millions an important tract of country gained. Whether the process will go on to the end as it has begun, we cannot of course tell; but it is just as likely to do so in the one case as in the other. There are huge difficulties in the way, beyond doubt, and it is certain that the currency is in an unsound condition. Enormous importations in the face of excessive customs duties, with no corresponding augmentation of exports, must end in embarrassment somewhere. Still, these things have been said before, and the course of financial and commercial affairs so far has been as entirely at variance with the prophecies of wise men, as the course of the war was.

This, however, is not the question we are discussing, which is—why cannot our Finance Minister inaugurate the same policy? The heavy debt of Canada is a standing reproach. Our securities are now worth no more in London than those of New Zealand, which has been desolated by war for years. The Cape of Good Hope—the Mauritius—the Australian Colonies (Queensland excepted)—all have higher credit than Canada; and whatever apprehensions may have been excited by the war at our borders while it was in progress—and by the Fenian disturbances now—we are convinced that much of our want of credit as a country is owing to the utter indifference with which our burden of indebtedness is received by successive finance ministers, and the want of any determined efforts to reduce it. It has been monstrous to spend such a prodigious sum as has been squandered over our Parliament Buildings, while there was a chronic deficiency in the revenue; and shrewd observers cannot fail to have remarked that they have cost, so far, the very sum which had to be raised at high rates in England last winter. If a merchant had built a splendid mansion when he could barely meet his paper, and was driven to raise money "on the street" at usurious rates to pay for it, everybody would say he was a fool. Yet this is precisely what Canada has done, and the question now is—how is this state of things to be met? We have got our estate heavily mortgaged. It is a fine one, no doubt; but it will not bear an indefinite increase of burdens. And if we are wise, we shall determine to pay the mortgage off.

The great difficulty is for the Finance Minister to thoroughly make up his mind. There are difficulties enough, as we all know, difficulties that do not occur in the United States; but they are not altogether insurmountable. It was a far more onerous task to grapple with the prodigious debt of our neighbors, to systematize it, and to put it in a train for liquidation. None but a master-mind could have conceived the project, and none but a person of dominant will could have put it into execution.

Now surely we have a man as competent to deal with our debt as Mr. McCulloch with that of our neighbors. If we have not such a man against our politicians, we certainly have amongst our men of business, and the right course is to put him into public life. We may depend upon it he would soon attain such a position as would find him the opportunity of doing the work the country expects of him.

LETTERS FROM A PROTECTIONIST.

[No. 4.]

(To the Editor of the Trade Review.)

Anything like a fair investigation of the matter will plainly show that any and every country that has exported a large proportion of its productions in a raw or crude state, is in a low state of civilization, the great bulk of its inhabitants poor, their power, as a nation, weak, and in a state of dependence generally.

Turkey is a country of vast extent and of great fertility. It exports large quantities of raw products, wheat, maize, raw silk, cotton, tobacco, wool, drugs, dyo stuffs, &c., &c., and imports vast quantities of manufactured goods, and, as a consequence, is growing

weaker and poorer every year. The country has no system of education, very few highways or roads, and only two short railroads. A portion of this may, no doubt, be traced to the Government and religion of the country, but the fact still remains that she is producing without being a manufacturing country.

Egypt is also a country that has been brought to a state of insignificance and dependence by its large export of cereals. Agriculture being the occupation of almost the entire population, two-thirds of the outtro crop of wheat are sent to Europe annually, and from France, Germany and Great Britain, she imports the manufactured goods required for her people, thus enriching those countries and impoverishing her own.

Mexico, Central America, and the States of South America, are all in the same position, and the result is similar.

Now, ought Canada to follow that system which is bound to keep her a purely agricultural country, and put her on a par with all the above named States; or will she have a tariff that will protect and foster her home industry and infant manufactories, and bring her up in the scale of wealth, power, and independence, that every one must desire, but that she cannot have without manufactures? Do we wish to see our thrifty young men and women continue to go in crowds to Massachusetts and Connecticut to wield the sledge and hammer and run the cotton mills there, until our country shall be depopulated of its laboring class?—then uphold Mr. Galt's low duty of 15 per cent. Do you wish to see the importation of foreign manufactures doubled, (so that return freights on wheat will be less,) and thus double our indebtedness, double our bankrupts (we have now more than any other country)?—then adopt free trade. Do you wish to see our revenue two or three millions less than our expenses every year (as it now is)?—then approve of a low tariff.

No; let us have a duty of from 30 to 40 per cent. on manufactures of cotton, woolen, hardware, leather, boots and shoes, &c., &c., discriminating in favor of those most likely to be made here, admit tea, coffee, spices, crude drugs, cotton, dyo stuffs and articles that we do not produce and do not expect to free, or at a low rate of duty, and in a few years the Eastern Townships would be a New England junior, Sherbrooke would be a Canadian Lowell, and we should not then, as now, be under the humiliating necessity of going to the United States to buy arms and ammunition to repel the Irish hordes expected from the same quarter. Tariff and industry would occupy many a water course now dormant and idle; the farmers of Canada West would have a near market instead of a distant one, and better prices, as the freight to Europe would be saved. Diversity of employment would not only keep our population at home, but induce emigration from abroad, and our exports should, and probably would be, manufactured articles instead of raw products, as labor is the source of wealth, so the more finished the exports of a country, the more value and profit they leave behind.

We hardly expected the *Trade Review* would try to support an argument for free trade, by copying an article from a New York free trade journal, the text of which is nothing but a puff advertisement. Any person who will make the inquiry will find that sewing machines are sold in the U.S., and probably Canada also, at from \$5.00 to \$100, or upwards, each. But what puts the matter fully at rest, and shows the complete absurdity of the sewing machine story is, that nearly one-half of all the sewing machines made in the U.S., are sold in foreign countries, and they get higher prices for them there than at home; and Paris is one of their best markets. One manufacturing firm that sent in 1861 only 7,000 machines abroad, now sends annually 25,000. No doubt but that sewing machines can be sold a trifle lower in Paris than in Boston, as the former maker has no patent fee to pay, which in the U.S. rewards the inventor for his original expenditures and mental and physical labor; free traders are, of course, opposed to patent laws, as they are to nearly every thing that tends to improve their own country, and they are quite consistent in doing so. But would the improvements and inventions of the past 100 years have been made without the protection of patent laws? Who will be bold enough to assert that we should now have the electric telegraph, the steam cylinder printing press, the mowing and reaping machine, the sewing machine, &c., &c., had not the inventors felt and expected that in the event of success through the protection of patent laws, their reward would be ample; and no one ought to begrudge it to them, as the free trade writer in the *N.Y. Economist* seems to do. J.F.B. Stanbridge, C.E. }
Sept. 10, 1866. }