

revenue tariff and free raw materials, in the loose sense thrust upon the word, can scarcely feel comfortable under the prospect opened to them in the political turn over.

A New York paper, building on some statements made in a Montreal journal, attributes to Mr. Laurier the intention to send a commission to Washington to offer the United States unrestricted reciprocity with Canada. The story reads like a fable, as there are many reasons for believing it to be. Unlimited reciprocity is hopelessly dead; its funeral took place on the day that saw the construction of the Liberal platform of 1893. The main object of that convention appeared to outsiders to be to remove this obstacle out of the path of the party. When, during the elections, Mr. Laurier proclaimed that the Liberals were reformers, not revolutionists, he evidently wished to lay the ghost of unlimited reciprocity; and when Sir Richard Cartwright repeated these words, since the elections, his object must have been the same. Unlimited reciprocity would mean destruction to half the manufactures of Canada; to some others, it need not be fatal or even seriously injurious. American manufacturers say that to protect the existence of their enterprises against foreign competition, they require a duty of 40 or 50 per cent. Why should Canada discriminate in favor of them and against British, French and German manufactures? If we were to accept unlimited reciprocity with the United States, the manufacturers of that country would make a special effort to crush, once and forever, their rivals in Canada. They could make protection pay itself, as the French propose to do with the sugar bounties, by finding in the increase of the sugar duties the means of paying the bounties. The method might be different in form, but not in essence; the Canadian consumer would pay for the privilege enjoyed by the American manufacturer. Limited reciprocity with the United States would be a reasonable thing, and would be acceptable to Canada. Coal, for example, is an item eminently suited for free admission on both sides the boundary. But reciprocity in farm products is an entirely different story. Circumstances and values have changed since 1854-66.

FAILURES FOR THE HALF YEAR.

It would appear that the prediction made of an unusual crop of mercantile failures as a result of the dulness in business for many months past has found fulfilment. The failure figures of the six months ended with June have just been issued by Bradstreets, and they show an increase of 21 per cent. in number and 19 per cent. in amount over the failures of the corresponding period last year in Canada, the figures being 1,184 failures, with \$8,234,000 liabilities, in 1896, as compared with 934 failures, with \$6,629,000 liabilities in the first half of 1895. The assets, which were \$2,869,386 in the 1895 period, were \$3,350,205 in the six months of 1896. The record of the half-year by provinces is as under:—

	Number.		Liabilities.	
	1896.	1895.	1896.	1895.
Ontario	527	431	\$2,927,611	\$3,212,079
Quebec	459	322	3,747,009	2,044,678
New Brunswick	33	31	206,890	231,419
Nova Scotia	73	54	297,050	370,940
Prince Edward Island	8	7	23,868	65,200
Manitoba	16	27	238,000	219,171
North-West Territories	16	8	85,203	91,900
British Columbia	52	54	708,836	393,859
	1,184	934	\$8,234,467	\$6,629,246

There is considerable variance in the figures for different parts of the Dominion. For example, the amounts of the failures in Ontario, the Maritime Provinces and the North-West are less than those of 1896, while Quebec and British Columbia failures are far greater. But for the great

increase in the figures of Quebec, indeed, the aggregate in the Dominion would have been \$100,000 less than in 1895. We see in these statistics a reflection of the warning tone of bankers' deliverances at recent bank meetings, and it may be as well to "go slow" until another harvest is got in.

The state of business in the United States thus far in 1896 is illustrated by the failure list in that country, issued by the same authorities. The number of concerns suspending payment during the first half of this year and of nine preceding years is thus given by Bradstreets:

	Number.	Assets.	Liabilities.	Per Cent of Assets.
1896	7,602	\$ 60,495,568	\$105,535,936	57
1895	6,597	44,153,644	79,707,861	55
1894	6,528	44,970,825	82,555,339	54
1893	6,239	105,371,813	170,860,222	61
1892	5,351	28,935,106	56,535,521	51
1891	6,037	48,206,896	92,370,282	53
1890	5,466	30,025,116	62,867,962	48
1889	5,918	32,802,940	67,411,711	48
1888	5,254	34,834,746	64,987,622	53
1887	5,072	25,643,108	53,778,829	48

It is noticeable that the United States failures of the first six months of this year were more numerous by a thousand, and their aggregate larger by twenty-five millions than in the same time 1895. But between March and September last year there was a marked improvement in business, checked, unfortunately, by the financial panic that followed President Cleveland's disturbing message on the Venezuelan boundary question. Compared with 1894, a year of dulness and depression, the increase is 15 per cent., and with 1893, a year of panic, more than 20 per cent. But comparing it with 1892, a normal year, the increase this year is enormous. May nothing happen to make business worse during the remainder of the year. Rather let us believe that the intelligent and prudent among the American people will find means to give weight to their opinions and wishes, and that that great country may be saved from further humiliation and loss through the folly or dishonesty of its rulers.

POLITICAL PARTIES IN THE UNITED STATES.

There is something very seriously threatening in the attitude of the Democratic convention now in session at Chicago. On Wednesday the advocates of free silver were in the ascendant, and the probabilities now are that the presidential candidate of the Democratic party will be a man committed to a free silver policy. It is not to be disguised that there is a large element of the population, in the States west of the Mississippi particularly, who are advocates of the free silver movement because they see in it relief from conditions which hamper the producer. They are feeling the pinch of low prices for farm stuff, which means to them a reduced scale of earning, while their mortgage indebtedness continues. And they somehow blame the "gold-bug" for the straight-jacket they find themselves in. And there is some intelligible ground for the popular prejudice against the gold-bug, too. Railways, for example, which were built when times were flush, when gold was at 200 or 250, and rails were \$75 to \$90 per ton, are bonded to capitalists at six and seven per cent., which rate they still bear. How is it possible for a road to earn dividends upon a capitalization indicated by these figures, with rails to-day at one-third the price, and with gold at par. And the argument of the Westerner is: "How can I expect from railways so circumstanced reasonable rates of carriage on any farm stuff? How can I pay, with the sadly reduced surplus earning of my farm to-day, the interest which the gold-bug of the East exacts upon my mortgage? I am being ground between the upper and the nether mill-stone, and it is the gold-bug who does it." Hence the prairie farmer looks—and is taught by demagogues to look