Kingdom, and from the United States. To establish a differential duty against our own mines and the United Kingdom, in favor of the United States, might be well termed Protection run mad. The coal duty has always been most strongly objected to by the masses of the people, and the fact that the original resolution affirming the propriety of adopting such a policy as would secure the home market for coal, iron and economic ores was amended, even by the advocates of Protection, owing to its being too strong, is rather significant.

The speech of Mr. Hill of Boston, one of the American delegates, deserves a passing notice. It was all that could be desired as to friendliness of tone. Mr. Hill frankly admitted our right to frame our own tariff, without being subjected to complaints from our neighbors in the United States. He gave an interesting account of the proceedings in Congress, regarding reciprocity, and encouraged the hope that negotiations would ultimately be resumed with the prospect of a satisfactory result. Mr. Hill no doubt gave expression to his own wishes, and we are well aware that they are shared by many of his countrymen. We own that, after the failure to obtain any satisfactory arrangement during the treaty of Washington when we had so much in our favor, we have but slight hope of success until after a complete change in the commercial policy of the United States, a policy in which there seems at present but little probability of change.

THE SCOTTISH COMMERCIAL.

The redoubtable Stephen English, editor of the *Insurance Times*, New York, has fallen foul of the Scottish Commercial Insurance Company of Glasgow, doing business in Canada and the United States. The December number of the *Times* contains a long paragraph intimating that the Company's home-office statement was not satisfactory to the New York Insurance Department, and that there was a strong probability of its being thrown out by the superintendent—that the American assets of the company are all right, but the difficulty is with the figures transmitted from the Glasgow office. The story was said to be based upon information received direct from the Department at Albany. Meantime, the United States members of the Finance Committee of the company in New York issued a circular attacking Mr. English, dragging in his troubles in an old law suit in which he was worsted, instead of attempting to disprove his charges. In the January number of the *Insurance Times*, Mr. English devotes three columns to prove his position, and publishes some correspondence with the New York manager and with the Insurance department, relative to the charge that the Company was compelled to make a further deposit of $100,000 at Albany. In conclusion he says:

"I have the Home Office, Glasgow, statement before me, dated 13th June, 1878, and, after its careful perusal, I feel convinced that you cannot have read it yourself. You ought to do so without further delay, and I think you will agree with me that it contains items which lay the Scottish Commercial open to question and doubt. Take one item for instance—"*increased value of property at* $111,250." This is a paradox. The increase in the value of real estate is an exploded illusion, and should find no place in an insurance statement. Glasgow had its day as well as New York, but you can persuade no one in his senses that any such rise in the value of the company's property in Glasgow, London and Dublin has taken place in one year. I touch upon no other point at present, but it is easy to see that Mr Smyth had good reason to pause and consider the company's statement, and demand explanations from the home office, which, if he were allowed to make public, would doubtless justify his precaution, and make even you, gentlemen, debate among yourselves whether you can consistently, and conscientiously still continue to represent this company before the American people."

The italics are his. The home managers will doubtless soon set the matter at rest; but the public will eagerly look for the next annual statement to prove that the sound reputation hitherto borne by the company has not been in anywise impaired, and that such a charge as that contained above is erroneous.

THE BANK STATEMENTS.

The policy of contraction inaugurated by the banks some two months ago is shown by the statement for the month of December. Beyond this, there are no changes of importance to note. As we have already referred to the wisdom of this movement on the part of the banks in our review of the November statement, we need not repeat it here. The detailed statement will be found on other pages, and the following table will be readily understood where the totals are grouped and compared:

	Nov., 1878.	Dec., 1878.	Dec., 1877.
Capital authorized...	$63,966,666	$63,966,666	66,966,666
Capital paid up..........	58,086,048	58,098,996	58,725,778
LIABILITIES.			
Circulation..	19,224,059	19,186,300	19,574,000
Government deposits...	4,954,380	4,831,469	6,099,000
Public Deposits......	59,334,766	60,053,032	59,636,000
Due Banks in Canada....	1,490,356	1,637,513	1,879,000
Due Banks not in Canada.	1,504,039	1,314,558	956,000
Other liabilities..........	259,254	159,664	81,000
	$86,766,854	$87,181,536	$86,225,000
ASSETS.			
Specie and Dominion notes.......	$12,232,264	$12,610,208	$13,271,000
Notes and cheques on other Banks	3,240,605	4,037,513	4,060,000
Due from Bk's in Canada..	3,449,413	3,950,413	3,097,000
Due from B'ks not in Can.	6,071,221	6,217,432	6,371,000
Available assets....	$25,004,603	$26,815,666	$26,799,000
Government Stocks.....	$1,409,208	$1,869,208	$2,463,000
Loans to Government....	1,652,992	1,624,850	751,000
Loans on Stks and Bonds.	7,712,517	7,643,851	7,344,000
Loans to Corporations...	3,701,479	3,450,871	3,207,000
Discounts.....	107,289,842	106,835,461	107,024,000
Real Estate and Bank Premises...	5,230,614	3,219,257	4,240,000
Overdue Notes.......	5,596,694	5,704,908	6,731,000
Sundries.....	1,317,321	1,341,973	1,540,000
	$134,405,497	$133,690,379	$160,099,000

It may not be out of place here to refer to the recent rapid decline in stocks, as it is in some degree the result of the policy referred to. The advisability felt by the banks of strengthening their reserves has caused a stringency in the money market, and brokers find it almost impossible to obtain loans for their customers on any terms. Holders of stocks are consequently driven to sell out, and as there are fewer buyers than sellers, the principle of supply and demand is illustrated, and down they go. Many heavy holders, seized with the spirit of speculation, throw their holdings upon the market with a view it is supposed of buying them back at lower figures, thus promoting the downward movement. Of course it is difficult to say how far people's apprehensions may lead them, but one fact is certain, that every bank stock lately affected by the lowering tendency is worth to-day from twenty-five to fifty per cent. more than it is quoted in the market, even in case of liquidation. Let us take the defunct Metropolitan Bank for example, where a majority of the nurses had their hands in the till,—the shareholders have already been paid 47 per cent., 3 per cent. more will be paid in a few days, and it is expected that a further dividend of 5 per cent. will be forthcoming soon, making in all 55 per cent. A few shrewd observers have already begun to sell stocks that are apparently unaffected (unaffected because there are none in the hands of brokers), and invest in such as have most felt the decline. A bank whose stock for example sells at 50 per cent., and pays from 2 to 4 per cent. semi-annually, is really paying the purchaser at that price from 8 to 16 per cent. per