

putation, to a state of ruin. Nor need we do more than notice the fact that this crash of credit has led for the second time to the relaxation, by a high-handed stretch of executive authority, of the Bank of England act, the principal of which has received the assent of the wisest and most experienced English bankers and financiers. It is sufficient, in this short retrospect, to say that from the apparent necessity of giving up the rule at the moment when its efficacy should be most felt, and from the certainty that the rule has been given up without injury if not with decided benefit, an opinion has become very prevalent against its longer continuance as a part of the law of the land. We have on more than one occasion endeavoured to point out in these columns the precise nature and effect of the law thus summarily repealed. We have shown that its abrogation involved no suspension of any responsibility of the bank to the public. We may, perhaps, be allowed to add a modest opinion, that as the rule has plainly not answered the intention of those who enacted it, the public sentiment in favor of its repeal, if carried into practice, cannot involve any injurious consequences, while, on the other hand, as the repeal will, in no respect, change the circumstances under which banking is carried on, and will merely substitute the discretion of the Bank managers for a fixed rule, the advantage hoped for from a change is probably very much exaggerated.

To return to the business of our own province, we may remark that the general commercial and financial panic besides enhancing the difficulty of obtaining pecuniary accommodation, crippled our commercial men indirectly, by contributing to force down the lately inflated markets for produce. A comparison of the state of the flour market between the beginning and the end of the year, shows a general decline of not less than 25 per cent., and this falling off in value has of course not been confined to one article. It must be evident that in a country where the system of credit is general, with ramifications reaching to every log cabin, whose proprietor deals with the next country storekeeper, collections made when produce is at half the price that it commanded when the debt was incurred, must fall greatly short of the creditor's expectations. Our Lower Canadian wholesale merchants, too,

have had this year to feel more severely than ever, an evil often complained of before, we mean that arising from the scandalous abuse of the idea of credit, which is involved in the grant of apparently large facilities by individual creditors, to young men about to begin business, while such creditors have, in fact, rendered themselves secure by registering judgements, which will sweep off the property supplied by other merchants. This is a peculiar institution of Upper Canada, and ought to be summarily abolished. Had the bankruptcy bill introduced last year by one of the members for Montreal, gone through, there would have been an end of the system. But the other clauses of the proposed law appeared objectionable, and the entire measure was withdrawn. It is to be hoped that not another session will pass without putting an end to this glaring fraud, and otherwise improving the law between creditor and debtor. The natural effect of these combined influences upon the trade of the latter part of the year, may be traced very clearly in our tables, which show a drooping market for all kinds of commodities, and an indisposition to increase stocks. We refer to these tables for the details.

We should be glad if we could congratulate our readers on a well founded opinion that all the troubles of the last year had closed with its termination. We fear, however, that the signs of the times in Upper Canada point to a continuance of the pressure for some months longer, until a large part of what men have esteemed property and good debts shall have been swept off, and solid ground shall have been reached by the clearing away of the rotten material which has been accumulated upon it. It is stated that at the opening of the last assizes at Toronto two hundred undefended actions were brought upon promissory notes, which notes represented a gross amount of 50,000*l.*, and that verdicts were rendered on the first two days for sums estimated by the Clerk of the Court at 10,000*l.*

Speaking thus frankly, however, of the prospects of our trade, we are yet confident that the body of our commercial men in Montreal are in a thoroughly sound condition. They have been, probably, less than the merchants of any other city of America, tainted with the late prevailing mania of speculation, and if they suffer from it, it is because their affairs are necessarily bound up in the acts of others. The