

banks on account of the suspended operators, and as there is naturally a desire to realize, and an apprehension that the longer stocks are held, the greater will be the losses,—the tendency has been to a continued fall. In the manufacturing branches the iron and woollen trades seem to have suffered considerably. The iron masters were foiled in an attempt to reduce wages, and, but for their submission to their men, there would, in all probability, have been disastrous strikes, both in the coal and iron trades, the former of which would be seriously affected by a reduced demand from the latter. There is, so far as we can judge, no tendency to embark in new enterprises in the United States, and but little money seeking investment.

In Canada the great increase, both in the number of failures and in the amount of the liabilities of insolvents, has naturally rather increased the uneasiness that has been caused by the warnings of our leading bankers. It seems to be generally acknowledged that there has been an oversupply of cotton goods in our limited market, and that it is desirable that those who have been encouraged by the protective policy adopted by Parliament to embark in new enterprises should act with great caution, in view of the fact that they have only a home market to rely on, being wholly excluded from the markets of the world by their inability to compete even with the United States. Even in our new Province of Manitoba there are complaints of the quality of our home manufactures. *Bystander*, who supported the commercial policy of the present administration when the country was appealed to for its verdict, informs his readers in his last issue that:—"Protection almost invariably degrades the quality, and it is alleged that in this case the protected makers scamp their work, and do not produce implements such as are produced in the States. The Financial Minister must be careful, or the people will settle the controversy by sweeping away the 'customs' line. Smuggling, the irregular antidote to Protection, already seems to be active along the frontier."

The special manufacture complained of is "agricultural implements," on which there is a large protective duty and in which our manufacturers have to compete with those of the United States. When such dissatisfaction takes place it might be well worth while for our Government to institute enquiries to ascertain the cause of the inability of our manufacturers to meet the demand on satisfactory terms. *Bystander* has adopted the lan-

guage of warning. He holds that, though mechanics are persuaded that they have an interest in Protection, "as a class they have none." The master, he argues, deals with them "on the strictest principles of Free Trade, buying their labour in the cheapest market while he sells its products in the dearest, and dismissing them without compunction when he has more hands than he wants." "The natural trades from which protection withdraws them and diverts the capital of the country at the same time would give them, as a class, more employment than the artificial trades into which their labour is forced." There is a good deal of mystery in the foregoing language. We ought to be told which the natural trades are. There are certain facts which cannot, we imagine, be disputed. One is that when there were no manufactures there was a great tendency on the part of our people to emigrate to the manufacturing towns in the United States, and that the same classes have sought employment in considerable numbers in our own manufactories. We should like to know what are "the natural trades" from which our mechanics have been withdrawn, owing to Protection. The next passage in *Bystander* is more easily understood. It is said that "over-production, too, in special lines is the sure consequence of artificial stimulus: in the Canadian cotton trade it is already beginning to be felt, and there follows a reaction which throws the workmen out of employment." It cannot be denied that the rather sudden change from revenue to protective duties had a tendency to stimulate manufactures, and that there is reason to fear that there has been an over supply, but it must be borne in mind that in every country where manufactures exist there are periods of over-production, and of artisans being thrown out of employment. Those who encouraged the increase of duties are rather late in uttering their warnings.

FIRE INSURANCE BY MUTUALS.

An advocate ought to be careful as to facts, lest his arguments should be upset thereby, and he be suspected of wilful misrepresentation.

A "communicated" article under the above heading, on page 1467 of the *Money Times*, is intended as a criticism upon our analysis of the Abstracts and Reports of the Inspector of Insurance for Ontario, but our critic seems very desirous that the Trade and Commerce and the many other Mutuals of similar proclivities

and endings should be altogether forgotten. If he will have the kindness to refer to page 13 of the Abstract, dated May 19, 1882, he will find his statement that "the unpaid losses of 1881 by purely mutuals did amount to \$10,595.47," is very far short of the truth,—and why?

Then if he will turn to page 202 of the Report for the year ending December 31, 1880, he will find that the "Ratio of Surplus to amount at Risk of the Dominion Grange" was 2.50, so that with 2.16 in 1881 and 2.24 in 1882 the Dominion Grange has "increased its liabilities in a greater ratio than its assets," and very materially, too.

Next, if he will turn to page 196, Report for 1880, he will find under the head of "Liabilities for Borrowed Money," Missouri \$32.19; and on page 162, Report, 1881, Expenditures for Interest, Missouri \$32.17.

As in the latter report, is neither payment for borrowed money nor liability remaining therefor, the \$32.19 borrowed and the \$32.17 paid for interest look very near akin.

Again, on page 17 of Abstract for 1881, he will find: "Repayment of Loans by Osborne & Hibbert" \$164; our quotation is correct; we leave the errors, if any, to be arranged between our critic, the U. and H., and the compiler of the Abstract.

Further on,—Abstract for 1881, page 13, he will find: "Liability for Borrowed Money, Williams East, \$470.00;" Abstract for 1882, page 15: "Income from Borrowed money," "Williams East, \$571.70;" on page 17 of latter Abstract, "Repayment of Loans, Williams East, \$470;" and on page 13 of latter Abstract, "Liability for Borrowed Money," Williams East, \$600.01. Our critic may have the new school book prepared by the Inspector of everything but Insurance, which may reconcile this Williams East account in a manner which our arithmetic forbids. If he will use an old-fashioned mode of computation in the solution of the "Brant Co." problem, he will find his \$10.70 on the other side of the account, and that our statement of the Blanshard Borrowed money is correct; thus:—

Page 196, Report 1880, Liability.....	\$218.00
Page 153, Report 1881, Liability.....	218.00
(evidently the same \$218.00).	
Page 14, Abstract 1882, Borrowed.....	250.00
Page 16, Abstract 1882, Repaid.....	nothing
Page 12, Abstract 1882, Liability.....	\$265.00

Perhaps our critic's copy of the Inspector's new Arithmetic may show where the \$203.00 has gone to, if it is neither paid, repudiated nor remaining as a liability. Our "Mutual" critic, (for we scarcely know whether he is criticising us or the