

and others choose to start manufactures, they need not commit the mistake of Mr. Stephen, who went where there was no labour. They can get all they want in Quebec City, and this labour or population is the first element of wealth. If proper aid, such as has not been taken of it already, it is not the fault of the climate or the soil of Quebec, but of its capitalists (applause.) Mr. Stephen wanted protection the other day. But when you protect manufactures, you limit them to your own people. The United States do not export any quantity of goods, because rendered too dear by protection. The number of consumers are thereby limited to the inhabitants of the country itself. We are on the eve, we may say of the opening of the Intercolonial Railroad, when Quebec will take the first place as the *Cul-de-sac* of the Dominion. I hope it will have through the gulf access to those fisheries which might be made immensely advantageous to her. Even in winter, that trade might be beneficial. Fresh fish might be brought from the gulf to Montreal, Toronto, Chicago and other western places. Then this new trade with the Lower Provinces, which Quebec is now doing, might be increased. It properly belongs to this city.

OUR MONETARY INSTITUTIONS.

NOTHING affords stronger evidence of the steady progress and prosperity of Canada than the increase in our banking capital, more particularly the rapid augmentation of Deposits, in our Monetary Institutions. Very few have any idea how steadily and rapidly we are progressing in this respect; indeed we were ourselves very much surprised at the result of the comparison of the returns up to the 30th November last, which the *TRADE REVIEW* published the other week, and those of even five years ago. It would be well for some of the few croakers among us—those gloomy spirits who are always prognosticating ruin and decay—to give our Monetary statistics a few hours consideration. Did they do so, they could scarcely fail to come to the conclusion that the country which can make such returns, must occupy a sound business position, and be rapidly increasing in wealth. To show the progress which the Dominion is making in this respect, we annex the following table, which shows the totals of our last Bank Statement (for Ontario and Quebec,) and one of four and a half years ago—the 30th of April, 1855.—

LIABILITIES.		April 30, '55	Nov. 30, '59.
Notes in circulation.....	\$	8,125,222.25	19,768,510.50
Due to other Banks.....	\$	1,820,682.10	1,273,897.50
Deposits not bearing int.....	\$	9,813,114.05	17,675,067.06
Deposits bearing interest.....	\$	14,081,022.19	26,610,769.01
	\$	\$33,760,921.59	\$55,328,245.17
ASSETS.			
Coin and bullion.....	\$	8,115,723.43	12,985,625.78
Landed or other property.....	\$	2,870,063.31	1,613,184.39
Government securities.....	\$	5,333,419.10	4,836,230.70
Notes or bills of other bks.....	\$	1,164,353.53	2,694,697.79
Bal. due from other banks.....	\$	1,797,206.46	6,355,921.00
Notes and Bills discounted.....	\$	44,113,613.44	87,812,513.14
Other debts due.....	\$	8,425,393.98	2,707,161.21
	\$	\$55,163,397.07	\$99,766,708.63

These statistics afford conclusive testimony as to the increasing wealth of Ontario and Quebec. If we add to the circulation of the Banks during last month, the amount of Dominion Notes in circulation on the 1st of December—\$5,055,000, we have a total circulation for Ontario and Quebec of \$10,721,543, as against \$3,155,222 in April 1855. Some allowance ought, of course, to be made on account of the comparison being instituted at different seasons of the year; but after allowing for this, the increase in our circulation has been marked, and tells of a largely increased business throughout the country. The liabilities of our monetary institutions, it will be observed, have largely increased between the two periods. In 1855, the total liabilities were \$33,760,921, but to-day, they are no less than \$55,328,245; but if the liabilities of our Banks have advanced, so have their assets, for whereas their assets at the first period were \$55,163,397, they have now reached \$99,766,708. This is a very flattering exhibit, and proves our Banks, taken as a whole, to be in a sound and healthy position. Probably the most gratifying feature of the above table is the extraordinary increase in the amount of Deposits. It will be seen that in four years and a half, they have nearly doubled in amount; the total Deposits with and without interest, being \$37,537,133 in 1855, as against \$47,785,517 at the present time. To the croakers who think Canada is not prospering, we continued a consideration of this rapid increase of the surplus earnings of our population. An increase of nearly 100 per cent in less than five years is not trifling, if we consider over seven hundred and a half per cent of these Deposits draws no interest from our Banks, and is mostly made up of casual balances which the business com-

munity have constantly at their credit above what is required to carry on their ordinary business. The remaining twenty five and a half millions mainly draw 4 per cent interest—a fact which goes to indicate that there is an abundance of money seeking investment, and that the number of borrowers at high rates of interest, has sensibly decreased during the past few years.

The Coin and Bullion held by the Banks has more than doubled during the two periods. The amount has run up from a little over six to nearly thirteen millions. It will also be observed, that the amount due to other Banks is less by \$500,000, whilst the amount sunk in Real Estate is over a million and a quarter less. We regard the latter as a good sign. We don't like to see these Institutions investing too largely in grand ornamental buildings, which never make any adequate return on the capital invested.

One of the most striking features of the above table, is the comparison afforded by Notes and Bills discounted. It will be noticed that the increase in the amount of business paper held by the Banks is only about \$13,500,000. When we consider the large increase in the total liabilities and assets of our Monetary Institutions, and that the Deposits have nearly doubled, this increase in Notes and Bills discounted is quite moderate. Whilst Deposits have increased nearly at the rate of 100 per cent, Discounts have only augmented at about 25 per cent. These facts indicate a healthy condition of business throughout the country. Proportionately, the amount borrowed from our Banks in 1859 is much less than in 1855. This is a very significant fact, pointing to less stringency in money, a sounder commercial position, and a more prosperous condition of affairs generally.

If we make a comparison between 1853 and 1859 the same evidence of steady progress appears. The following figures, taken from the returns of June 1853, and those of November, 1859, prove this at a single glance:—

	June, '53.	Nov. '59.
Paid up Capital.....	\$3,029,048	\$3,681,536
Circulation.....	1,294,700	19,776,543
Deposits at interest.....	18,234,625	26,610,769
no interest.....	13,839,011	17,675,067
Discounts.....	\$6,143,025	\$7,812,513

We need not comment particularly upon these returns, further than to say, that in November the Circulation and Discounts would naturally be larger in proportion than in the month of June. It is during October and November that the great bulk of our crops are on the way to market, and millers and grain buyers draw largely on our Banks during those months. Making allowance for this, the above figures are quite as satisfactory as those of the larger comparison we have already made. Looked at from any point of view, these returns of our monetary institutions not only indicate that Ontario and Quebec are rapidly increasing in business and wealth, but that the Banks themselves partake of the general prosperity. This latter fact is exceedingly gratifying, for the two or three badly managed institutions which had to suspend operations, furnished, to some extent, the good name of the others. We think we may congratulate ourselves that this has all passed away, and that despite the croakings of a few realists and unsuccessful spirits, Ontario and Quebec enjoy a large share of prosperity as any other part of the continent.

WONDERFUL EXPEDITION!

THE expedition now being made by Sir Samuel Baker into Africa, is one of the most wonderful on record, and may ultimately produce important results to the commerce of the world. The expedition is under the patronage of the Viceroy of Egypt who has conferred absolute power on the great African explorer, and given him *carte blanche* for all the expenses! The whole force is not less than 2000 men, consisting of an Egyptian and a Sudanese Infantry Regiment, and a small force of Cavalry and Artillery. In August last, there was sent up the Nile a flotilla of 6 steamers and 30 sailing vessels, which has since been largely supplemented. Arab ship-builders were taken along to make wooden vessels on the Albert Nyanza, and other inland waters. There are only 15 Europeans in all, including Sir Samuel and his wife, and 6 English engineers. The objects of this remarkable expedition are noble and worthy, although many of the native Princes will probably not regard them in the same light. The objects appear to be, 1st, to put down the slave trade; 2nd, to

establish a powerful Government as a step to put a stop to the never-ceasing wars between the tribes; 3rd, to annex the Equatorial Nile Basin to Egypt; 4th, to introduce the cultivation of cotton on an extensive scale; 5th, to open a chain of trading stations, from north to south, somewhat after the system of the Hudson's Bay Company on this continent. These are certainly great and important objects, and if the expedition turns out to be successful, it must usher in a brighter and happier day for that part of Africa. Up to October last, the outfit in England had been so carefully managed that, including immense supplies of beads, merchandize, together with the steam flotilla of Samuda, with steam saw-mills, lathes, tool gear, &c., only £23,000 had been expended. When firmly established, Sir Samuel Baker intends to enforce peace, to hold each chief responsible for the acts of his tribe, to exact tribute in the way of opening up roads on the same principle as the road-tax of Egypt, and to compel every tribe to cultivate an amount of corn and cotton proportionate to its population. All this, it must be admitted, sounds a little arbitrary to people used to the widest civil freedom, but when the present condition of the Africans is considered, there can be no doubt the changes proposed to be made by this expedition will speedily raise the state of civilization, and consequently the happiness of these semi-civilized tribes, who never seem satisfied unless they are killing or selling each other. The expedition is also important to the civilized world. The Viceroy of Egypt seems to be quite quite disinterested, although it is gratifying to think that, whilst adding to the importance of Egypt, he may be able to confer incalculable blessings on the African tribes. Great Britain is largely interested in cotton raising, and it is not unlikely that, before many years, Manchester may receive large supplies of cotton from Africa, and send valuable cargoes of goods in return. Taking this expedition all in all, it is certainly one of the most wonderful of modern times, and promises to usher in a new era in commerce and civilization in this present benighted quarter of our globe.

FREE TRADE vs. PROTECTION.

NO. IV.

PROTECTION makes the collection of revenue more intricate, troublesome and costly than it need be.

It does this by greatly increasing the number of articles on which it is necessary to levy duty in order to afford the desired amount of revenue. It does not require argument to prove that the collection of revenue, derived from duties levied on a few articles of foreign growth, which custom has rendered indispensable to a large proportion of the population, is a very much simpler matter than if obtained from a multitude of items, of which the values are difficult of verification, and the variety confusing even to experienced collectors. It is an impossibility to greatly simplify a tariff arranged on a protective basis; for, we have already shown, as a tariff becomes protective it to the same extent ceases to be productive, and hence there arises a necessity to tax a large variety of articles, each of which contributes only a comparatively small sum. An opposite policy, like that which has been so successfully carried out in England, enables the customs to raise a large revenue with more facility, and the tendency is towards a reduction of the articles on which duty is levied, instead of a worse than useless multiplication of them.

Protection tends to increase the price of all articles of consumption, and by raising the cost of production, creates obstacles in the way of carrying on profitable trade with foreign countries.

We have, in a previous article, pointed out how, under a successful (1) protective policy—that is to say, where a large number of articles of manufacture are well guarded from foreign competition, and are flourishing as hot house plants flourish for a time,—prices must as a general rule advance, the increased cost of living and the demand for labour causing a higher rate of wages to be demanded and obtained by the labouring classes, and this in its turn increasing the cost of production of every single article. And this increased cost is felt not merely in the production of any given article, but every time it is handed, every time it is moved from the place of manufacture to the place of consumption or the point of shipment to a foreign country, it adds disproportionately to the price at which it must be sold to yield a profit, or in other words to enable a business to be