likely to exceed their legal limits are those with capitals ranging from $200,000 to $500,000, and it would be a most dangerous experiment to permit such banks to increase their circulation *ad libitum* on the mere payment of a penalty. It would be a frightful temptation to a bank which was in difficulties, if it were able to throw into the hands of the public an indefinite amount of notes which would be easily negotiable as they would be a preferential charge on the assets of the bank. It is in our judgment perfectly clear that the penalty should be exacted in the case of banks with capitals not exceeding $500,000 whenever the circulation was 10 per cent in excess of the limit, and in banks with larger capitals 5 per cent. We feel assured that such a provision would meet all cases that have occurred. If any further penalty should be deemed expedient, it should not be in the form of a fine, but a much more severe punishment. The law should distinguish between accidental and wildful violations of it. The practical effect of the new bill is to permit unlimited issues to the small banks, provided they pay the penalties which may be imposed, and however large these may be, there will always be a temptation in cases of emergency to set them at defiance. It is most objectionable in our opinion to impose a penalty for a trifling excess over the legal limit, and the few complaints that have been made are of this character. Only let it be imagined that a bank with an authorized issue of $500,000, which it is able habitually to maintain, and with two or three branches, should be $1,000 in excess when the returns are made up, and that it should be fined and publicly stigmatized for having violated the law and incurred a penalty. It will, we are persuaded, be deemed more equitable to provide that the penalty shall only be incurred in case the excess is $50,000 or upwards. In the case of banks with $1,000,000 and $2,000,000, respectively, the penalties should only be exacted in case an excess was $50,000 or $100,000.

With regard to the proposed amendment in section 6 to the form of monthly returns, we may observe that it will not effect an object that seems desirable, which is to make the assets and liabilities balance, as is done in the United States returns. In the return of assets there is a heading, "Other assets not included above," which is the last of the series. In the liabilities the capital is not added in with the other items, and on the same principal neither would be the Rest, as it is not a liability. The form adopted in the United States is to give under the liability head, in addition to the various items specified in their returns, "Capital stock paid in," "Surplus fund," "Other undivided profits." By this means there is an exact balance between the liabilities and the assets. Now "Surplus fund" means the same as what Sir Leonard Tilley styles "Rest or Reserve fund." By omitting "Other undivided profits," he will fail to accomplish a desirable object, viz., to furnish an exact balance between the aggregate liabilities and assets. Of course everyone would understand that one portion of the liabilities was to the public and another to the shareholders of the bank. As to the penalty for not furnishing the monthly returns in time, we are inclined to think that, whatever may be the number of days allowed, there ought to be a margin of some three days for accidents which must often occur in getting returns from so many agencies.

A SPECIMEN OF U. S. RECIPROCITY.

A year or two since, obstacles were placed by France in the way of shipments of pork from the United States to that country, owing, it was stated, to the diseased condition of the product. The motives for the embargo were not altogether appreciated by the United States, but they bided their time to repay their old friend in their own coin. A few months ago the American Consuls at the Havre and La Rochelle, France, in making the usual statistical reports to their government, referred at much length to the adulteration of French brandies, and recommended that importation of French wines and brandies into the United States be prohibited, the avowed object being to preserve the public health against the deleterious compounds sold under the name of brandy. It was pointed out that the production of these liquors had considerably decreased in consequence of the ravages of the phylloxera, and that the brandies sold in the market were mixed with substances almost impossible to detect by chemical analysis, but the effect of which was to change into poison the brandies with which they are mixed.

The Angouleme Chamber of Commerce has just issued a protest against these consular reports. They admit that the production of brandies has sensibly decreased in the Charentes, in consequence of the invasion of the phylloxera but deny that the supply of pure brandies is exhausted. In fact, a great number of vineyards perfectly healthy still exist in the Deux Charentes, and still a greater number in Armagnac, where brandies are also produced. They also admit that "to supply a class of consumers not able or not willing to pay the high price reached by pure brandies, in consequence of the diseases which have stricken the vines, commerce has been obliged in some circumstances to lower the price of them by a mixture of spirits (trois-six); but this mixture, universally practiced in the production of cheap and inferior goods, has the slight recommendation in this instance of not being detrimental to public health. The quality and price are diminished by it, but it facilitates their use by a great number of consumers whose circumstances do not allow them to pay the price of pure brandies. As to the sirups and caramels, which at all times have been mixed with the brandies for exportation, it is puerile to direct any attack against these inoffensive products, used only to please the taste of American or English buyers, and which, in reality, being but sugar, have no object but to render brandies more agreeable to the taste or sight."

The protest has been communicated to the United States authorities, and copies have been sent to American newspapers. The Chicago *Tribune* remarks:

"The reflection suggested by it is that, if all the allegations it contains are true, the French are merely being treated to a dose of the medicine which they administered to the United States in the matter of the exclusion of American pork. It may be true, or it may not, that the statements of the American Consuls complained of are unfounded and unjust; but, whether they are so or not, it is surely the fact that the pretended grounds on which the importation of American pork into France was prohibited were frivolous, false, and disingenuous. The pretense that American pork was shut out because it was diseased was a malicious pretext to hide the real motives for its exclusion—namely: the desire of French hog-farmers to secure a monopoly of their home market. American pork is eaten by 50,000,000 of people in the United States, 35,000,000 in the British Islands, 10,000,000 in Belgium and Holland, 30,000,000 in Italy, and the same number in Austro-Hungary. We have yet to hear that it has been the cause of widespread disease or of any disease at all, in those countries. It has been excluded from France and Germany on slanderous allegations concerning its soundness, made solely for the purpose of promoting the "protection" of certain alleged home industries. French wines and brandies are vastly more adulterated and more "poisonous" in their original nature than American pork products are. The American people have some idea of reciprocity, and they know how, when the occasion arises, to apply the *lex talionis*. We do not seriously regret that the French producers are now getting, or are likely to get, a severe object lesson n the Golden Rule."