

in volume until the whole world seems to be tributary to their operations. It is generally some great leading house which gives an impetus to these operations by taking some of them in hand—an example which is contagious. When once the tide is flowing, it is difficult to prevent its overflowing and bringing devastating effects in its train. As to the house of Baring, it is a deep humiliation for them to have been placed in the position they occupied a fortnight ago. They had spread themselves out so enormously as to have fifteen million pounds or seventy million dollars of acceptances out, most of which must be maturing in less than three months. They would require to be met at the rate of a million dollars a day on an average. Our merchants who had their bills payable maturing for different amounts and at different dates can easily understand the condition of pressure under which this house must have existed for months, and the enormous labor, not to speak of anxiety, of providing for the same. The burden at last could be carried no longer, and the stoppage of the house was only prevented by arrangements being made for the vast load of responsibility to be placed on other shoulders and such as are able to bear it. Had arrangements of this kind not been concluded, there would have been a veritable "black Friday" in London, the consequences of which would have been felt all over the world. Even now it will take time for financial affairs to right themselves, and we may look for money to be dear in London for months to come.

But the position in Canada, we repeat, is sound. A large increase of circulation has taken place, indicating a large movement of our crops. Deposits have increased by over three millions, and available resources in cash and foreign balances increased over three millions last month. From the 30th June to the 31st October the available resources of the banks have increased some eight millions, not before it was needed, for they had run altogether too low. The position at present is one calling for quiet confidence, calm judgment, care in entering upon new undertakings, and especially the avoiding of manufacturing too much timber for the English market. Pursuing a policy of this kind, our banks will do well both for themselves and their customers.

ABSTRACT OF BANK RETURNS.

31st Oct., 1889. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up..	34,452	17,707	8,027	60,186
Circulation	17,810	11,733	5,690	35,233
Deposits	68,668	48,654	17,329	134,651
Loans & Discounts	103,620	68,404	23,664	195,688
Cash and Foreign balances (Net)...	19,104	7,751	3,891	30,746
Legals	5,354	3,086	1,166	9,606
Specie	4,023	1,970	826	6,819

31st Oct., 1890. [In thousands.]

Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
	\$	\$	\$	\$
Capital paid up	34,491	16,550	8,952	59,993
Circulation	18,177	12,051	6,253	36,481
Deposits	71,016	50,976	19,485	141,477
Loans & Disc'ts.	105,787	68,695	28,003	202,485
Cash & Foreign balances (Net)...	21,283	8,732	3,606	33,621
Legals	5,041	3,053	1,446	9,540
Specie	3,515	1,884	855	6,255

THE PATRONS OF INDUSTRY AND THE TARIFF.

If ever the farmers of Canada take it into their heads to take the tariff question in hand and act with determination and vigor, we shall witness a result such as that which has left McKinley high and dry, and brought his handiwork under the condemnation of the electorate. There are signs of a movement in western Ontario looking in this direction, and it depends upon the wisdom with which it is directed whether it shall succeed or not. The Patrons of Industry, as the organization is called, is already formidable in some counties. In Kent they are said to number 2,000; in Lambton the movement has acquired activity, and if it has not already reached other places, it is not likely to be long before it does.

The chief objects of the Patrons of Industry appear to be to fight the combines and to insist on a reduction of the tariff. What is asked, in respect to combines, is that the Government should enforce the law and not leave to individuals what the Patrons insist is a public duty. To provide a remedy for the evils of the tariff various plans are discussed. That which proposes that farmers should form joint stock companies to manufacture such articles as are monopolized by rings and combines, ought to be discarded as full of peril and almost certain to be attended with loss and disaster. Abolition of the duty on such articles is another of the remedies suggested. Abolition would be an extreme remedy, and besides it would not be necessary for securing the object in view: reduction of the duties to a revenue standard, keeping in view the destruction of monopoly, would be sufficient. The sugar duties should be made low enough to enable British and foreign sugars to come into healthy competition with Canadian refineries. In taking this ground, the Patrons of Industry would be standing on their rights and asking nothing to which they are not in equity entitled. They would oppose themselves to no natural law, but only ask the removal of artificial restrictions which unwise legislation has put in the way of their prosperity. But when they complain that the rates of interest are too high and show a disposition to believe that this is a matter in which the Government can help them, they forget that the rate of interest is the effect of a self-operating law, and that it is not in the power of the legislature to give them relief.

Some of the Patrons of Industry see that the chief, if not the sole object to be aimed at, is a reduction of the tariff. At a meeting held by them at Sarnia, it was declared that "neither the Mackenzie nor the present Government could get a fair and just reciprocity with the United States," from which circumstance the conclusion was drawn that Canada ought to have "free trade with Britain in cottons, woollens, hardware, sewing machines, binder twine, sugar, farm implements, and any other article" now in the hands of a combine. If the meaning of this is that the effect of the abolition of duties on these

articles would cause them to be purchased from England, under the play of free competition, there is much truth in it; though it is doubtful whether sewing machines and agricultural implements would be obtained there. It is sufficient that discrimination against the United States is not proposed; every country may fairly be required to take the consequences of a revenue tariff. As this resolution was carried as an amendment to a proposal to abolish the sugar and binder twine duties, it must be taken to mean such a free trade as would produce the effect mentioned. Proceeding on this line, the Patrons of Industry only require to complete their organization to obtain such a reduction of the tariff as will be the death of monopolies and combines. To the tariff, the existence of these things is traceable: without it, they would never have come into being: the destruction of the shield of favoritism with which it covers them would give the required relief. If the evil and the remedy be kept steadily in view, and the Patrons will work to secure this single end, nothing can prevent their success. But they will have to be careful to keep out of the toils of the politicians, otherwise disaster will be the only fruit of their labors. They will also be required to avoid fantastic remedies for actual or supposed ills.

It may be necessary to cut duties below the highest mark of a revenue tariff. A specific evil has been created by the tariff, and what is wanted is to put an end to the mischief. This is to be done by restoring the healthy action of competition—fair and reasonable, not destructive competition. The end of monopoly and artificially high prices, the effect of vicious legislation, is demanded by the Patrons of Industry, and if they play their cards aright, they will have no difficulty in making that demand irresistible.

LUMBER TRADE AT QUEBEC.

People in Quebec, the trade of which city is no longer what it used to be before the deepening of Lake St. Peter and other changed conditions of transportation transferred much of it elsewhere, are exercised over the altered circumstances of the lumber trade. In a recent article the *Chronicle*, discussing the forest wealth of the province, dwelt upon the risk of the present export lumber trade being carried off to Toronto. This week we find in that journal a letter in the same vein, signed "A Member of the Board of Trade," urging that some means be taken by the lumber merchants and politicians to preserve the benefits of the trade to the city and province. This correspondent says:—

"We have got into a groove of thinking that the lumber business of the Ottawa Valley is naturally tributary to this city. But already, without our perceiving it, it is being tapped at two points, namely, at Ottawa, where the railroads are carrying it off to the States, and at Montreal, where—through the stupidity and obstinacy of Quebec ship laborers—our deal trade has been stolen from us. And now Toronto threatens us at the back door, and by means