of a large monetary institution, and at the same time be in business on his own account, without finding that he cannot do justice to both, and it is not in human nature but when a conflict of interests arises to lean to ones own side. The Act under which the indictment was framed said that whosoever, being a director, member, or public officer, of any body corporate, or public company, should *fraudently* take or apply for his own use or benefit, any of the property of such body, corporate, or public company, should be guilty of mis-demeanour. If a judgment may be formed from recent decisions, a *wilful* mis-appropiation of funds will always be regarded by a Jury as a *fraudulent*, or unless strong evidence can be shown to the contrary. That knowledge is thus in itself guilt, should be the strongest reason for persons in situations of public trust, removing themselves from even the wish of temptation, or the very appearance of evil.

The present case also incidentally illustrates the folly of which many of these finance companies were guilty. For example, Kleman a person with no means, and with scarcely any appearance of having means got credit from the Joint Stock Discount Company to very nearly the extent of £200,000. When he failed Meyan swore that Kleman had absolutely no assets Again, it was clearly brought out in the trial that the Directors of the Company knew literally nothing of its affairs, and never made even an attempt to find out anything about them. They seem habitually to have signed the checks in blank and left the entire management of the company in Wilkinson's hands.

A few figures concerning the finance and trade of the past year, which for the most part tell their own story, may not be uninteresting.

The following table gives the maximum and minimum prices of consols for cash during each month of the past year; also the changes in the Bank rate of discount:—

Month.	Maximum.	Mimimum.	Bank Rate	
Jan.	87½	86⅜	Jan 4,	8 per cent
Feb.,	87¾	86½	Feb 22,	7 "
March,	87½	86¼	March 15,	6 "
April,	87½	86⅛	—	—
May,	87¾	85½	May 3,	7 "
			May 11,	9 "
			May 12,	10 "
June,	87½	85⅞	—	—
July,	88½	86½	—	—
August,	89⅜	87⅜	Aug. 16,	8 "
			Aug. 23,	7 "
			Aug. 30,	6 "
Sept.,	89½	88⅜	Sept 6,	5 "
			Sept 27,	4½ "
Oct,	89½	89		
Nov.,	90¼	89¼	Nov 8,	4 "
Dec.,	90¾	88¼	Dec 20,	3½ "

Whilst the fluctuations in consols have been thus considerable the discount market has of course been still more affected; and although the number of fluctuations has been somewhat less than in the two previous years, the range has been considerably greater.

The following tables gives the highest and lowest rates of minimum discount at the Bank of England in each of the years undernoted, and the number of fluctuations in each year:—

	Maximum.	Minimum.	No. of Fluctuations.
1844	4	2½	3
1845	3½	3½	-
1846	3½	3	1
1847	8	3	8
1848	5	3	8
1849	3	2½	1
1850	3	2½	1
1851	3	2½	1
1852	2½	2	1
1853	5	2	6
1854	5½	5	2
1855	6 & 7	3½	8
1856	6 & 7	4½	8
1857	10	5½	9
1858	8	2½	6
1859	4½	2½	5
1860	6	2½	11
1861	8	3	11
1862	3	2	5
1863	8	3	12
1864	9	6	15
1865	7	3	16
1866	10	3½	13

After a year of so many changes and so much anxiety, it is at least pleasant to know that the position of the Bank of England is unusually strong, and that the trade of the country manifests undiminished buoyancy. We may look forward with some hope to the prospects of the coming year, with trade purified by the recent storms, money abundant, and peace both in America and on the Continent.

I give a table showing the position of the Bank of England at the close of the years undernoted:—

	Public and private Deposits.	Govt. and other Securities.	Circulation.	Specie.
Dec. 26, 1860...	20,500,000	32,321,000	20,511,000	12,652,000
" 25, 1861...	20,40 ,000	27,889,000	19,560,000	15 756,000
" 31, 1862...	23,808,000	32,391,000	19,871,000	14,956,000
" 3 , 1863...	23,863,000	33 341,000	20,126,000	14,362,0 0
" 28, 1864...	21,642,000	30,612,000	19,373,000	14,101, 00
" 28, 1865...	21,789,000	32,393,000	20,462,0 0	13 403,000
" 26, 1866...	27,299,000	33,252 000	21,9 3 000	19,248,000

The following are the declared values of the exports for the eleven months ending 30th November in the undermentioned years:—

	*Cotton. £ m	All other Articles. £ m.	Total. £ m.
1866	68 267	105,646	173 913
1865	52,030	98 8 2	150,832
1864	50,909	97,432	148,341

*Under cotton is included cotton manufactures and cotton yarn.

The following are the computed real values of the imports for the ten months ending 30th October, 1866, in the undermentioned years:—

	Raw Cotton. £ m.	Breadstuffs. £ m.	All other Articles. £ m.	Total £ m
1866	67,176	23,143	103,379	193 698
1865	43,900	15,929	101,081	160,910
1864	62,099	17,055	102,130	181 284

The panic which raged in London on the 11th and 12th of May last was, if not the most severe on record, the most severe which had been experienced within the memory of almost any living trader. It left, too, the Bank of England returns for a longer period than either 1857 or 1847 in an abnormal position. To illustrate this, I give the figures of the bank returns which are most liable to be effected by the panic, in each of those years a fortnight before the panic, when the panic was at its height, and sixteen weeks afterwards:

Date.	Circulation. £ m.	Other Deposits. £ m.	Bullion. £ m.	Reserve of Notes £ m.	Minimum Rate of Discount.
1866.					
May 2,	22,873	13,588	13,509	4 839	7
May 16,	26,121	18,621	12 824	731	10
Sept 5,	24,221	17,462	16,195	5,877	5
1857.					
Oct. 21,	21,184	11,490	8,732	2,258	8
Nov. 14,	21,036	12,935	7,171	958	10
Mar. 6,'58,	20,945	14,826	17,617	11,217	3
1847.					
Oct. 9.	19,5 3	7,714	8,409	3,322	5½
Oct. 23,	21,265	8,581	8,313	1,547	8
Feb. 12,'48,	19,421	9,962	14,2 5	9,064	4

The returns from the Bank of England for this week are as follow:—

	Amount.	Increase.	Decrease.
Public deposits.......	£ 4,444,000	£........	£3,718,000
Private deposits....	23,650,000	2,457,000	....
Government securities	13,111,000	100,000	....
Other securities.	21,751,000	. . .	1,066,000
Notes in circulation...	23,314,000	27,000	....
Bullion............ ...	19,439,000	24,000	.....
Reserve........	11,126,000	....	3,000

These returns are not unfavourable considering the large amount of notes and gold which are required to pay the dividend.

The following are the Bank of France returns:

	Increase. Francs.	Decrease. Francs
The Treasury Balance.......	....	24 0 0,000
The Private Accounts....	....	23,500,000
The Commercial Bills.......	....	12 500,000
The Notes....	16,100,000	....
The Cash..................	....	17,666,000

There is again a decrease in Cash this week.

Jan. 12, 1867. H.

PROTECTION AND FREE TRADE.

THE article which we publish from the *N. Y. Tribune*, the great protectionist organ of the United States, is written at a time when it would seem that the eyes of thinking men would be opened by the course of trade in that country, and by the evil effects which are almost universally acknowledged to have flowed from the present fiscal policy of the Washington Government. The most, however, that can be deduced from the *Tribune's* argument, taking its correctness for granted and admitting its logic for the time, is that one branch of English industry, which promised to be a very important one, has, thanks to the natural advantages of position and circumstance, grown under a consistently protective policy to be very profitable It does not at all prove that English perseverance and ingenuity, with the aid of growing knowledge acquired from experience forced upon the iron-masters by competition with the world would not have led to similar results quite as rapidly; nor does it attempt to disprove that the English manufacturers, had they been able to use cheap foreign iron, (cheap as compared with English, otherwise the heavy duties were worse than useless) would have attained their present position at a much earlier date and caused a very much larger demand for native iron than existed under protection. Production is always stimulated more by large demand even at a low rate of profit to the producer, than by a much higher rate of profit, when the market is limited and may soon be glutted; and the acknowledgment which most practical protectionists are willing to make that the raw material should be admitted free is but confessing to the truth of free trade doctrines, which aim to protect the producer by furnishing the largest possible demand for his productions.

The following is the article of the *Tribune*, which we publish in pursuance of the course we have laid down of allowing both sides an opportunity of being heard on this important question, which, in the very first Parliament under Confederation, must come up for discussion and settlement in some way or another:

"The Importers of this city are in full chorus just now against the unreasonableness and the absurdity of the demand of the laborers of the United States, that at least equality of competition between them and the manufacturing capitalists of Europe shall be secured to them by law. 'More protection for millionaire manufacturers.' 'More taxation of the people for the benefit of capitalists'—'More legislation to enrich special interests' these are the reiterated cries by which the British Free Trade League in Pine street expects to frighten Americans out of their common sense 'Protection!' Why, the manufacturing supremacy of Great Britain is founded on protection, and on nothing else. Her enormous industry has been built up by protection—by high protection, devised and asked for by her manufacturers, freely given by her Parliaments, watched over and amended by her Boards of Trade, steadily adhered to by successive ministries as vital national policy. An Englishman, or an Englishman's hired American echo, discharging from his cheeks the word 'Protection' as a scoff, or in anywise arguing against protection as an incident to the development of a nation's industry, with such a record before him as the British tariffs on iron!—the impudence is matchless. Just see what unswerving support the British Government gave to the British iron manufacture for an unbroken period of 147 years, till it was strong enough to invite the world to Free Trade, and to teach Free Trade. In 1679 the first duty on foreign iron was imposed by the British Government, of 1 shillings per ton. In 1710 the duty was advanced to £2 1s. 6. per ton in English vessels, and £2 10s. 10d. in foreign vessels. A stiff tariff which yearly did its intended work for 72 years, undisturbed by any howling of foreign importers, camped in London or elsewhere, against the folly of manufacturing dear iron at home when cheaper iron could be bought abroad This tariff did not make cheap iron—did not even supply England with the iron she needed for she was a constant importer of it. But what of that? She was after cheap iron, and she was going to get it through persevering protection. In 1782 the duty was raised to £2 16s. 2d. In 1785 Parliament prohibited the exportation of tools, engines, models, or plans of machines used in the manufacture of iron, under the penalty of one year's imprisonment of the shipper, 200 fine, confiscation of the articles shipped or intended to be shipped, a fine of £200 on the master of the vessel, and the same on the custom-house officers, who were to be dismissed, and be thereafter incapable forever of holding office. Item, for enticing iron workmen out of England, Parliament imposed the penalty of one year's imprisonment and 500 fine for every workman so enticed; the fine to be doubled for the second offence. Blood-earnest legislation—but there was not a man in England to protest against it. For England, and the English, were after cheap iron. In 1787 there was nobody to talk about the right of buying in the cheapest markets, and foreign importers not having a voice in legislation, Parliament prohibited the importation of iron less than three-fourths of an inch square, except plain bars, and all manufactures of iron and steel. In 17 5 that blood-earnest act prohibiting the exportation of tools and machinery was made perpetual. In 1796 the duty on iron was raised to 3 1s. 9d per ton. And now England had 21 furnaces and made 124,879 tons of iron—and there was still no voice for free trade. In 1797, higher! the duty was again raised to 3 4s. 7d. In 1798, unsettled revenue policy, eh? very bad for manufacturers, eh?—the duty was again raised to £3 15s. 5d.—and not a whinny of free-trade to disturb the deadly purpose of these wise English to beat the world in making iron. They were determined to do it, and through the only possible way, protection. In 1802, England had 168 furnaces and made 17 ,000 tons of iron. And there wasn t a man in the realm to say that the iron manufacturers didn't need more protection, that they could sustain themselves that this increase of the tariff was special legislation, and other such bosh In 1803—oh, the folly of changing tariffs, which our importers weep over!—up the Government puts the duty again—to £4 4s. 4½d. In 1804, the duty again raised to £4 17s. 1d. In 1805, the duty again raised to 5 6s In 1806, up again!—advanced to £5 7s. 5½d. In 1809—oh, these constant changes of tariffs (in favor of protection) so injurious to manufacturers!—the market of England for English iron not being yet secured, the Government again advanced the duty to £5 9s. 1 d. In 1813, the market not yet secured, the duty was again advanced to £6. 9s. 10d. Under this protection in five years the production of iron in Great Britain ran up t 300,000 tons a year. But England could not yet beat the world in making cheap iron, and, inexorable in her determination, and wisely and faithfully governed, she again, in 18 9, advanced the duty on imported iron to £6. 10s. in British ships and £7. 18s. 6d in foreign ships Iron slit or hammered into rods, or drawn, or hammered less than three-fourths of an inch square, was charged