

"Merchants," \$230,000, and "Consolidated," \$167,700, which together account for \$776,600 of the total increase.

Accounts between banks necessarily vary from causes that cannot be accurately stated. While there appears a net increase of \$345,600 in the sum due to other banks in and out of Canada, this is more than compensated for by \$434,700, due from the very same source, supplemented by \$216,600 of notes and cheques immediately available for conversion into gold. In what we might appropriately term "counter material" our banks are richer by \$600,000 than they were at the end of May.

Under Assets, there appear several changes worthy of attention. Loans to Corporations have gone up by \$568,000. It is always difficult to discover what a corporation is. It may mean a city, a village, a railway, a building society, or a bank. Under this item, therefore, it is impossible to classify; but when it is remembered that the "Commerce" and "Consolidated" banks, which have advanced \$451,000 of the \$568,000, are favored with a portion of our city corporation account, and it is known that the city is paying \$120 a day interest, it is easy to imagine for what purpose part of the advance has been required.

For purposes of review we include under "Discounts Current": 1. Advances secured by Bank Stock; 2. Loans secured by Bonds, and 3. Notes and Bills discounted and current. The reduction of \$941,000 in discounts during the month confirms the view we took last month as to the policy of curtailment that would be continued by our bankers.

The Bank of British North America has increased its loans on stock by \$122,800, while its loans on bonds have been decreased by \$65,300. This institution has also reduced its current discounts by \$143,000. The Canadian Bank of Commerce shows a reduction in current discounts to the extent of \$279,700, and in loans on bonds of \$47,900. The Imperial has counterbalanced a reduction of \$83,300 in discounts by \$99,000 increase in loans on bonds, while the Bank of Montreal has increased under both of these heads by the amounts of \$107,300, and \$113,900 respectively. We notice that the following banks have been cutting down their discounts somewhat extensively during the month: Consolidated, \$262,400; Merchants, \$161,000; Toronto, \$143,000, and Hamilton, \$91,000.

We are glad to observe a substantial decrease in secured and unsecured overdue paper amounting in the aggregate to \$269,800. The following banks are to be congratulated on

the figures they present in this column. We place the reductions against each bank. Commerce—unsecured, \$217,600; secured, \$50,700; Union Bank of L. C.—unsecured, \$45,300; Standard, \$23,000; Bank of Montreal—\$23,000, and Quebec—secured, \$43,300. There still exists no less than \$5,880,700 to be wiped out, and the details recorded above, afford ample evidence that every possible effort will be applied in this direction.

Were it expedient to realize on real estate which has doubtless been put down at its present saleable value, the overdue total would be immediately reduced by \$1,900,000.

Many of our leading business men are away on their annual holiday; others will soon be off. This is essentially necessary. A little recreation this weather cannot fail to have a salutary effect; business will go better, and the ripening crop, which the excessive heat has so signally favored, if the grain be not somewhat shrivelled, will inspire them with thankfulness and courage.

It is to be hoped that farmers will not adopt the dangerous policy of holding their produce in the hope of obtaining higher prices. The successful termination of the Berlin Congress, and the permanent establishment of peace throughout the civilized world, should prove sufficient to check the indulgence of such a hope. The banks are ready for the moving of the crops, and we confidently assure those whom it may concern, that every facility will be afforded for the accomplishment of this desirable end.

FREE TRADE AND PROTECTION.*

In this timely work, Professor Fawcett undertakes to show the causes which, in recent years, "have not only retarded the general adoption of Free Trade, but have, in many countries, given a fresh vitality to the doctrines of protection." He admits that the predictions confidently made thirty years ago, that other nations would follow England in her free trade policy, and since repeated, have not been realized. Some share of the blame of this disappointment, Professor Fawcett awards to the advocates of Free Trade, who "frequently adopt a tone which is not calculated to convince those who differ from them." "When," he adds, "protectionists are spoken of as if they were either solely prompted by a desire to promote their own selfish ends, or when

**Free Trade and Protection.* An Inquiry into the causes which have retarded the general adoption of Free Trade since its introduction into England. By Henry Fawcett, M. P., Fellow of Trinity Hall and Professor of Political Economy in the University of Cambridge. London: Macmillan & Co. Toronto: Willing and Williamson.

they are derided as the victims of economic fallacies too transparent to mislead a child, it should be remembered that it is not many years since the great majority of the English people were ardent protectionists, and the fallacies for which we now feel so much contempt, were unhesitatingly accepted by many of the most eminent of our countrymen." If this supercilious tone is so injudicious in England, it is even more so here, and is likely to be more ill taken, because many of our Free Traders are but very imperfectly instructed in the doctrines they undertake to teach.

At the same time, Professor Fawcett writes from a thorough free trade standpoint. He undertakes to show, and his triumphant success proves how easy was his task, that retaliation against the United States, for instance, which levies on English manufactures higher duties than any other nation, would be highly injurious to England. What England requires from the United States is chiefly raw produce, including cotton and corn; and to tax them would be to cripple England's manufacturing power and lessen her means of competing with other nations in the market of the world. A proposal to revive the bread tax would raise a feeling of opposition against which nothing could stand. That tax expired amidst scarcity and suffering induced by a succession of short harvests. A tax on raw cotton would place England at a disadvantage compared with her rivals, who use free cotton. A resort to reciprocal tariffs, as retaliation is called in England, could not but be injurious to a great manufacturing nation, when the articles she would tax would be those of raw produce, which it is her interest to obtain at the cheapest rate possible.

This shows that England has her own peculiar point of view in determining her tariff policy. If she were receiving from the United States, not raw produce but manufactured goods, the same consequences would not follow from a reciprocity of tariffs. The results of adopting the policy in question in that case might not be satisfactory, but they would not be the same; the manufacturing power of England would not be decreased. If for England we substitute some other country, whose manufactures are still in their infancy, an approximation to the reciprocity of tariffs might materially help its manufactures. This result might be purchased too dear and no doubt would be if Canada, for instance, were to raise her scale of duties, on the articles she imports from thence, to an equality with that of the States. But it does not follow that the tariff of Canada should not be constructed with special