

sent remarkable depression of trade, the state of prices cannot be accepted as a proof of what may be called the natural value of money, and he further admits that at no time can prices be relied upon to show whether the supply of money is redundant or scarce. He, however, maintains that when trade resumes its progress and expansion, which may be expected ere long, the requirement for money or the precious metals will become greater. Then advertent to his previous statements as to the decrease of the gold production relatively to that of silver, and the widespread demonetization of silver, he draws the conclusion that in countries with a single gold standard money must be already growing scarce, "and that this scarcity will inevitably become greater and severer."

DISCUSSION.

Some eminent statisticians, viz.: Mr. Giffen, Mr. Bourne, Mr. Cohen, Mr. Henry Hoare and Mr. Walford, took part in the discussion, but there was no attempt to refute the arguments of Mr. Patterson, although there were some additional reasons given for the scarcity of gold. Mr. Bourne called attention to the large amount which England was paying to the United States, which would denude the former of gold in a short time were it not that the balances were being settled by the sale of public securities. It appeared, however, that 19 millions of gold had been shipped from England and France to the United States between August and December last year.

The subject which we have brought under the notice of our readers is one which deserves very thoughtful consideration in Canada, as we are engaged in extensive public works, as we are relatively poor in comparison with other countries, and as we have the single gold standard. The conclusion which must force itself on the minds of those who reflect upon the subject is that there is no probability of money being either abundant or cheap for a very considerable time.

BEET SUGAR.

We have been taken to task by the Hamilton Spectator for our warning on the subject of the various schemes which have been suggested for introducing the culture of the beet with a view to its manufacture into sugar, and we have been charged with ignorance of important facts or some "selfish design." We have looked over the Spectator's article without being able to arrive at any satisfactory conclusion as to his views on the subject. He takes exception to our opinion that it is

not possible to cultivate the beet in Canada, "except under an enormous protection, such as the country will never stand," alleging that "no reason is given for this belief," and he then proceeds to argue that "in France there is a higher excise duty on beet sugar than the customs duty on cane sugar," and that "Canada has the advantage of a greater yield per acre, a higher percentage of sugar in the root, and a longer season in which the manufacture can be carried on, than either Germany, Austria or France." What we would ask is the logical inference to be drawn from the foregoing statement? Clearly that inasmuch as the cultivation of the beet can be carried on more advantageously in Canada than in France, an excise duty at least equal to the customs duty should be placed upon it. This, however, we did not venture to contend for in view of the protective policy, to which Parliament has given its sanction. We stated that it would be difficult to object to the experiment being tried, if it were possible to cultivate the beet, "under a protection, something similar to that which has been granted to other industries." We are attacked by the Spectator for claiming that only a protection similar to that granted to other industries should be extended to an industry, which can be carried on more successfully in Canada than in France, while in France there is a discriminating duty in favor of the cane sugar, probably to countervail the cost of transportation which has to be added to the customs duty.

We must here disclaim all pretension to that technical knowledge which the Spectator seems to possess. Our "reason for the belief," that beet sugar can only be cultivated "under an enormous protection, such as the country will never stand," is founded on the demand made from time to time by those interested in the beet sugar industry, that a pledge should be given by Parliament "that excise duties will not be imposed for a term of years." The Spectator refers to the policy of the United States in such a way that we think we are justified in assuming that he thinks it worthy of imitation. We have not yet adopted the protective policy of the United States whatever we may come to, and it is to be observed that, as cane sugar has never been subjected to excise duty, no such duty could be justly levied upon any other description of sugar.

We have not failed to notice the Spectator's criticism on our statement that "sugar is the article which contributes most largely to the revenue of the Domin-

ion," his assertion being that "it does not contribute one cent," although he admits that the "people who consume the sugar, contribute to the revenue." We adhere to the correctness of our remark. The duty is on the sugar, and it is paid by the importers of the sugar, although ultimately it falls on the consumer. The duties are very high, and are imposed solely for the purpose of obtaining a revenue which it would be found difficult to replace. What the consumers of sugar pay goes into the treasury, but if those consumers are compelled to use beet, they will have to be first taxed indirectly for the benefit of the beet sugar makers, and again in some other way to recoup the treasury for the loss of the sugar tax. The Spectator has the true protectionist dread of "buying abroad," failing altogether to comprehend that it is impossible to purchase abroad except by the export of domestic products. If we engage in beet cultivation, we shall simply displace some other agricultural product, which would have been exported to pay for the sugar for which the beet is substituted. There would be no objection to this, were it not for the enormous protection demanded by those desirous of embarking in beet cultivation, a protection which we repeat never will be tolerated.

One word in conclusion. There is a reference made towards the end of the Spectator's article to Messrs. Redpath & Sons of Montreal, and it is at least insinuated, though not directly asserted, that our article was inspired by them, which may account for the imputation of a "selfish design." We know nothing whatever of the views of the Company referred to, and we emphatically deny that our articles on the subject have been written with any other view than in the interest of the tax payers, and to protect the public revenue, which will be most seriously affected should the schemes that are frequently recommended prove successful.

THE BANK STATEMENTS.

We submit our usual abstract of the returns of the chartered Banks for April. There is no material change since the last month, the most notable being an increase in the deposits, and a reduction in the circulation. In connection with another article on the subject of general currency, we may observe that we are sorry to notice an increase in the Dominion notes which are held by the banks to the extent of nearly 62 per cent. of their reserves. If this were a general practice there would not be much reason to notice it, but, as we think unfortunately, the practice of the banks is by no means uniform. For