

A CUSTOMS' UNION.

Among the remedies for the dislocated relations between Canada and the United States a Customs' Union has powerful advocates. They are less noisy than others who are merely aiming to increase the existing embarrassment rather than seeking a way out of it. In Congress their voice is scarcely heard amid the din of orators whose chief care is to recommend themselves to their constituents by vehement asseveration. But among sober-minded business men and the more influential journalists the idea finds weighty advocates.

Setting aside, for the moment, the political considerations involved, it need not be concealed that the obstacles in the way of a Customs' Union are formidable. It is not certain that the United States would consent, though there is not much reason to anticipate objection in that quarter. But the difficulties of detail would be great. The United States has commercial treaties with other powers, which contain the most-favored-nation clause. Before a preference of this kind could be given to Canada, these treaties would require to be modified. This would not be impossible, though much negotiation would be necessary, and consume a good deal of time. It might not in all cases be successful, and the United States might find it good policy to sacrifice something, in other directions, to attain this object. If the Republic made up its mind, as it probably would when adequately informed, that a Customs' Union with Canada was advantageous, it is not likely that she would allow any obstacles to stand in the way of its being carried into effect.

In Canada opinion, following supposed interest, would be largely divided. The general view would probably be that such a union would be materially beneficial to us. The Maritime Provinces would be almost unanimously in favor of it; since it would open a market for their fish, coal, oats and potatoes. The agriculturists of Ontario and Quebec would not be unanimously favorable, while to Manitoba and the North-West it would be welcome. From a large number of manufacturers strong objections would come. They have for years held the belief that a necessary condition of their success was protection against the practice resorted to by our neighbors on the south, of making Canada a slaughter-market for American goods. This belief has not yet lost its hold. The large capitals to be found in the United States, these people argue, would crush out the smaller capitals in Canada, by means of destructive competition, for which the victors would expect to recoup themselves when they became masters of the situation. But not all Canadian manufacturers would be influenced by this fear. There are some who believe that the larger market of the United States would alter the conditions of competition, as no doubt it would, and make them equal, apart from differences of capital and experience, as it might or might not. The largest number of manufacturers would

be found in the former list, and would oppose the change with all their might.

It remains to consider what England would say to the proposal. She might yield her consent, though she would prefer to continue the present state of things. The only material advantage which England reaps from the commercial isolation of Canada comes from the circumstance of our tariff being lower than that of the United States; and as a consequence, she sells more goods, in proportion to population, in Canada than in the Republic. But she would ask herself whether this disparity is likely to continue; whether, considering the rate at which the Americans are paying off their debt, the difference may not, in the near future, be the other way; and the view which she might take of the probabilities of the case, would decide the question of commercial interest. Politically, England would see an advantage in any permanent arrangement that would settle for ever what she is very apt to consider the petty and annoying question of the fisheries. To Canada the question is important; but Canada in this matter, may not wholly disregard Imperial exigencies.

Would not a Customs' Union be virtual annexation? This is the question which all ask, and which some answer one way and some another. It is conceivable that Canada might retain her political autonomy, in presence of a Commercial Union. A Customs' Union is distinguishable from political annexation; but it is not probable that the one could long exist without the other. So the majority reasons; and with many this conclusion is a bar to commercial union, while with others, who are ready to resign themselves to what they regard as destiny, it is not.

These considerations present a formidable catalogue of difficulties in the way of a Customs' Union between Canada and the neighboring Republic. There is an unwillingness to enter on the subject. The dislike to ask England that Canada be allowed to discriminate against her commerce, and in favor of that of a foreign nation, keeps many silent. It is a generous feeling deserving of all respect; but if it were known that England would not object, any reluctance of this kind would be conquered. By commercial men generally, the question is not regarded as having entered the practical stage.

—We ask the attention of country merchants, and indeed of all descriptions of traders to the fact that, in deference to the request of the Montreal Board of Trade, the mercantile agency of Dun, Wiman & Co. has added to the blank form of enquiry furnished to its subscribers, the words "IS HE INSURED?" This is a practical step, and secures the attention of the agencies, as well as of wholesale merchants selling on credit, to a subject which has been too little considered hitherto as a basis of credit. That is, whether those who do not buy for cash have done their duty in protecting themselves and those from whom they seek credit, by insuring their stocks to an extent somewhat proportioned to the extent of their obligations.

BANKING REVIEW.

The figures of the Canadian bank statement for January last will be found in condensed form below, and are compared with those of the previous month. The statement bears date, Ottawa, 21st Feby.

CANADIAN BANK STATEMENT.

LIABILITIES.		Jan., 1887.	Dec., 1886.
Capital authorized..	\$79,579,666	\$ 79,579,666	
Capital paid up....	61,257,736	61,230,370	
Reserve Funds....	17,985,141	17,930,141	
Notes in Circulation	32,110,621	34,578,347	
Dominion and Provincial Government deposits....	6,361,825	6,820,408	
Deposits held to secure Government contracts & for Insurance Companies.....	588,431	539,019	
Public deposits on demand.....	50,088,767	50,750,882	
Public deposits after notice.....	55,363,257	54,020,047	
Bank loans or deposits from other banks secured....	
Bank loans or deposits from other banks unsecured.	1,638,999	1,559,473	
Due other banks in Canada	751,918	845,195	
Due other banks in Foreign Countries	102,824	12,4409	
Due other banks in Great Britain...	717,822	916,040	
Other liabilities....	302,512	364,628	
Total liabilities..	\$148,026,975	\$150,518,455	
ASSETS.		Jan., 1887.	Dec., 1886.
Specie	\$ 6,019,635	\$ 5,891,576	
Dominion notes....	9,181,342	9,405,594	
Notes and cheques of other banks..	6,271,300	7,135,076	
Due from other banks in Canada.	3,239,685	3,007,886	
Due from other banks in foreign countries	15,194,049	15,446,375	
Due from other banks in Great Britain.....	2,512,040	2,581,665	
Immediately available assets.....	\$42,418,051	\$ 43,468,172	
Dominion Government debentures or stock.....	4,389,607	4,438,638	
Public securities other than Canadian.....	3,064,026	3,046,210	
Loans to Dominion & Prov. Gov....	2,089,337	2,678,067	
Loans on stocks, bonds or debentures...	12,295,568	13,153,174	
Loans to municipal corporations	2,193,554	2,144,802	
Loans to other corporations	14,071,979	14,855,133	
Loans to or deposits made in other banks secured....	146,502	131,502	
Loans to or deposits made in other banks unsecured..	518,880	464,014	
Discounts current..	135,828,918	135,632,631	
Overdue paper unsecured	1,193,392	1,109,611	
Other overdue debts unsecured.....	71,288	80,178	
Notes and debts overdue secured...	1,457,808	1,452,275	
Real estate.....	1,347,770	1,331,261	
Mortgages on real estate sold	814,164	821,281	
Bank premises....	3,572,216	3,569,524	
Other assets.....	3,159,018	2,923,999	
Total assets.....	\$228,632,078	\$231,300,482	
Average amount of specie held during the month	5,913,438	5,935,456	
Av. Dom. notes do..	9,258,909	9,550,835	
Loans to Directors or their firms....	7,716,442	7,997,069	
The financial position continues steady.			
The steadiness has in fact been promoted			