

and a good deal more for which he would consider a 6% rate little enough. A large amount of the bills discounted by London bankers (the bills on which they get low rates) are of a class which Canadian bankers never see at all—namely, bills drawn by a bank upon a bank, and containing two good names of wholesale mercantile houses in addition. Banks may discount hundreds of millions of such paper as this and never have the shadow of a loss by it. But Canadian banks never have such paper offered and never can.

The very large amount appearing under the item "Due from agents in foreign countries," is, no doubt, largely represented by money furnished by Canadian banks to assist in moving the crops of the United States. Our neighbors to the south often think of Canada as a poor country. But poor as we are, we lend them millions of money every year to help to carry on their business. Situated as we are on the chain of the great lakes, and on the outlet by the St. Lawrence to the sea, it is natural that we should take part in the movement of the crops of the Western and North-western States—a portion of which comes in our direction, and furnishes business to our merchants and bankers. Politics apart, all this is a most natural and healthy movement, and to the extent to which they have funds to spare, it is a reasonable and legitimate business for our banks to engage in. We trust they find it profitable.

Our usual summary is appended.

#### ABSTRACT OF BANK RETURNS.

30th September, 1891. [In thousands.]				
Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up..	\$34,501	\$17,063	\$9,429	\$60,993
Circulation .....	16,828	11,170	6,085	34,083
Deposits .....	76,281	56,692	20,790	153,763
Loans Discounts & Investments .....	101,227	70,117	31,106	202,450
Cash, Foreign balances (Net) and Call Loans .....	33,868	20,880	5,997	60,745
Legals .....	5,205	4,121	1,422	10,748
Specie .....	3,485	2,015	891	6,393
Call Loans .....	4,477	5,925	1,940	12,342
Investments ..	4,418	6,391	1,787	12,596

30th September, 1892. [In thousands.]				
Description.	Banks in Quebec.	Banks in Ontario.	Banks in other Prov's.	Total.
Capital paid up ..	\$34,534	\$17,413	\$9,705	\$61,652
Circulation .....	17,364	11,891	5,672	34,927
Deposits .....	86,987	63,905	22,785	173,677
Loans, Disc'ts & Investments ..	106,546	73,913	31,282	211,741
Cash, Foreign Balances (Net) & Call Loans ..	39,933	25,813	7,905	73,651
Legals .....	5,314	4,568	2,022	11,904
Specie .....	3,609	2,015	1,146	6,771
Call Loans .....	8,180	8,318	3,330	19,828
Investments ..	8,882	7,937	3,005	19,824

#### PRICES OF TIMBER LIMITS.

The prices paid by buyers at the recent sale of timber limits by the Ontario Government have given rise to considerable discussion. It is quite true that much higher prices were paid than at the last Ontario Government sales in 1885 and '7, but

the years since made a great difference in the supply of standing timber in our northern country, and some of the limits sold then have since changed hands at prices much higher, in some cases two or three times what was then paid for them. In the cases where the highest figures were reached at the sale the bidding was even more hotly contested to the close than for the lower priced lots, some of our most prominent lumbermen practically endorsing the judgment of the buyers by bidding very nearly the price at which the lots were finally knocked down. Thus there seems reason to consider the prices paid commercially warranted.

In considering the condition of affairs which has brought about this rise in values, it may not be amiss to compare the prices bid at this sale with the prices of stumpage in the State of Michigan. In that State timber has frequently changed hands, we are told, for as high as \$8 and \$10 per thousand stumpage; and \$5 per thousand was a very ordinary price as far back as ten years ago. If, as we are informed, the stumpage paid at the sale here did not exceed the latter figure, it may easily be that the seemingly high figures per square mile are moderate prices per thousand, especially in view of the fact that pine timber in the lower peninsula of Michigan is now practically exhausted. Even in the upper peninsula of Michigan, and in Wisconsin, which is the next timber State in point of quantity of pine land, the supply is very much reduced, millers' limits here and there having pretty well run out. There is probably, therefore, nothing surprising in the purchase of Canada pine to-day at a rate of stumpage no higher than was current in Michigan ten years ago, notwithstanding that in this instance that pine is subject to a further tax of \$1.25 per thousand, Crown dues.

We must also remember that the berths sold at the recent sale are the last in the hands of the Government south of Wahnabipitae Lake and Lake Temiscaming or thereabout, and that the timber previously sold has been very largely cut. Also that the territory remaining unsold in the country to the north is but sparsely timbered, and that with a smaller growth of inferior quality, lying as this region does close to the extreme northerly limit at which pine ceases to grow.

It is nowadays increasingly difficult to procure the high quality pine that makes what the lumberman calls "clear stuff," and we often hear about "exhaustion" in consequence. That the supply of pine timber in Canada, as well as in the United States, will soon be exhausted at the present rate of consumption, is a matter of which we are reminded from time to time for years back. What will be the consequence of the complete exhaustion of this valuable wood it is hard to see. No doubt other timber, such as the Douglas fir from the Pacific coast, yellow pine and cypress from the Southern States, will take its place to a large extent; the now despised hemlock and tamarac will have its turn for coarser work. Material other than wood might well be substituted for many purposes, for indeed we on this continent are fairly ex-

travagant in the use of pine. The consumption, indeed, of white pine lumber is enormous; in the United States it reaches now over twelve billions of feet annually. Other material will be found, in good time, we believe, to make a better, even if a more expensive substitute for wood, and for various constructive purposes. Very likely our houses will be more healthy and our cities more savory when less wood is found in their constructions. However, before other materials can be brought into use instead of wood, it is possible, nay, not unlikely, that the last of the pine will reach such exceedingly high figures as to cause the present values to appear insignificant.

#### PROTECTION IN BRITAIN.

In the October number of the *Westminster Review* Mr. Lawrence Irwell treats the question, "Will Great Britain return to protection?" His answer is in the negative. "If," he says, "England is to hold her own, she must not cripple herself by increasing the cost of food, raw material or any necessary of life. Her fiscal policy must be that of free imports, in order to enable her manufacturers to buy in the cheapest markets, whatever her competitors may think fit to do." This conclusion is based upon a contrast of the condition of England, under Protection, at one period, and Free Trade at another. The author aims to show, by marshalling the figures, that she has prospered exceptionally under Free Trade, the policy of which she can only abandon at her peril.

Mr. Irwell presents glimpses of the condition of England in 1830, 1840 and 1841; but except at the last of these dates, the canvas is too narrow to present a general picture. True, in 1830, distress is said to have prevailed universally; but the facts detailed are confined to Stockport; in 1841, Bolton, and Glasgow in 1842, are made to do duty in the same way. In the latter year we have something more general: ten per cent. of the cotton and twelve per cent. of the woollen mills were idle, and of the remainder only one-fourth were working full time. A comparison with the state of things under Free Trade ought to have been continued, if it were desirable to present a contrast in the most favorable light. We have, however, the general statement that "in the eleven years from 1880 to 1891 there has been a normal increase in exports of twenty-three millions sterling."

The objection that England imports more than she exports is easily answered, and we agree with Mr. Irwell that were it otherwise, did the imports not exceed the exports, there would be serious ground for anxiety; for in that case it would be evident that British capitalists would not be getting a return on their £52,000,000 of foreign and colonial investments. But the increase in the exports of manufactures during the eleven years ending 1891, does not necessarily show, as Mr. Irwell contends, that there is now no cause for anxiety as to the manufacturing supremacy of the country. Mr. Giffen is given as