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AND
COMMERCIAL REVIEW.

MARCH, 1858.

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CANADIAN MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

VOL. II.

MARCH, 1858.

No. 6.

Commercial Reforms.

It is always a source of satisfaction to the earnest reformer to feel that the measures he has advocated, are likely to receive that attention which their importance demands. Commercial matters have not hitherto received that attention in Canada, and we regard it as a favourable sign of the times, that judging from the speech of the Governor General at the opening of Parliament, practical legislation with a view to advance our material interest, will occupy a larger share of attention than what has hitherto been devoted to those subjects. This will be best shown by the following extracts from the speech:—

“Towards the close of last year commercial relations both in Europe and America have been very much disturbed. In these matters, as you well know, the welfare of every country is more or less affected by the condition of others; and thus an effectual remedy for such evils is rarely to be found within the reach of any one community. We have reason to congratulate ourselves on the prudence of our commercial men; and we may be proud of the position of our banks, inasmuch as they stand almost alone on this Northern Continent, in having continued to meet, without shrinking their obligation to pay in specie. Yet, there is no doubt that the pressure has been, and still is, severe on our merchants, our landowners, and our farmers. There is no doubt, too, that much may be done to amend and improve our own commercial legislation. I earnestly recommend these matters to your attention, and I therefore solicit your consideration of the following subjects.

The expediency of assimilating the Commercial law of Upper and Lower Canada. The Law of imprisonment for debt, and the Law of Insolvency in Upper Canada. The law regarding fraudulent assignments and preferences, and that relating to the interest of money in Commercial transactions of every kind.

A measure will be laid before you, for amending and simplifying the whole system of management of our Public Lands, and facilitating their occupation by industrious settlers.

I am glad to state that the number of Emigrants in the course of the year just ended, was considerably in excess of that of the previous year.

A large extent of territory in different parts of the Province has been surveyed for the purpose of immediate occupation. Experience has proved that the opening of Roads through the forest has much facilitated the settlement of our wild lands.

By making these roads on a system at once uniform and comprehensive, there is every reason to expect the best results from the aid granted by the legislature.

The subject of the Fisheries in both sections of the Province, is one which deserves your attention, as I believe that they may be so dealt with, as hereafter to become a source of Revenue.

I congratulate you on the continued success of the Canadian Line of Steamers. They have already placed our intercourse with Europe on a new footing, and I look forward with pleasure to the establishment of a Weekly Line to the St. Lawrence, during the next Summer.

I recommend to your notice the increasing value of the Lake Commerce of Canada. Our trade with Chicago and the Western States promises to be important alike to the Upper and the Lower sections of the Province.

During the recess, a correspondence has taken place with the Imperial Government and with the Sister Colonies of Nova Scotia and New Brunswick, in which the importance to Imperial interests of an Intercolonial Railway and Military Road to Halifax has been pressed on the attention of the Home Government. This correspondence I will cause to be submitted for your consideration.

As this Province has already gone to the utmost limit of pecuniary aid to the Grand Trunk Railway Company, it affords me pleasure to state my confident expectation that such aid will prove sufficient to secure the advantages promised by the completion of its works; and I doubt not that the community at large are fully sensible of the benefits derived from this great and important undertaking."

The above contains allusion to a sufficient number of subjects to occupy, if properly discussed, the attention of our legislature during the present Session, and in view of these questions coming up for discussion, it may not be out of place to refer briefly to the commercial reforms demanded by the country. That the Commercial Law of Lower Canada is, in many respects, preferable to that of the Upper Province, is admitted by all who are acquainted with the Laws of both Provinces, and we doubt not in any change proposed, the alterations will have reference principally to the Laws of Upper Canada. The new Statute regulating recovery on Bills of Exchange and Promissory Notes comes into force on the 1st of July, and its further postponement in the present state of the country may be deemed advisable.

The Law which authorizes the arrest and imprisonment of a debtor on the oath of a creditor, calls loudly for revision. Public opinion, however, is divided on this subject, and while many demand the total repeal of the law, except in cases of fraud, others urge that the law ought to authorize on a judge's warrant the arrest of the debtor who is about to leave the Province

such warrant not be granted unless on sufficient evidence of the debtor's intention to abscond. Now, it appears to us, that to show that a debtor is about to leave the country, is not sufficient reason for his arrest. He may have given up all his estate, and in the absence of a Bankrupt Law, or even with a Bankrupt Law, may be unable to obtain a settlement—unable to find a situation where his misfortunes or mismanagement, aided it may be by unfounded rumours, may have injured his reputation, he is surely more an object of pity than of punishment in seeking elsewhere to earn an honest living for his family, and striving to regain the good name that he has lost.

But the man who with a full hand, meditates fleeing his country to avoid payment of his honest debts, should be arrested without ceremony, not to be imprisoned without trial, but to be dealt with as a criminal, unless he consent to relinquish all his estate for the benefit of his creditors.

There can be no reason however in permitting the arrest of any man in removing from one county to another, or even from one Province to the other, and this latter, is very injurious to Montreal merchants, for the moment an Upper Canada trader is in arrears there, he is shut out from visiting their markets, and carries many a thousand dollars in cash to Boston and New York, which otherwise would have been spent in Montreal.

The Insolvency and Bankruptcy Laws of Upper Canada, or rather the absence of proper laws, and the existence of most objectionable ones, have been often discussed in this Journal, and from time to time we have pointed out the quarter from which example may be taken for their improvement. Man differs from the lower orders of creation in nothing so much as that while he has in common with other animals certain instincts inherent in his nature, which do not require education, his reasoning powers place him in a position of beneficially availing of the experience of those who have preceded him in the journey of life, an advantage which ought not to be lightly disregarded. We have formerly taken occasion to point out the Scotch system of bankruptcy, as worthy of imitation; and it lately appears that under the auspices of Lord Brougham and the Mercantile Law Amendment Society of England, many of its provisions are likely to be introduced as essential elements into a new Bankruptcy Code for England, on which action is already taken in the House of Lords.

If then, we Provincialists, have formerly copied from England with an *unsatisfactory result*, and England herself not finding satisfaction in her own system, is about to copy from Scotland,—it follows that in taking the Scotch Law for our Text Book, we go to the best known School on this the most important question which can affect the well being of a country, and it appears to us, as we are now in a position of initiating a law that our safest course would lay in taking the best acknowledged system as a substratum, and going over it, clause by clause, discuss wherein it is adapted to the exigencies of this Province, or wherein it is unworkable, adapting verbatim, what is found suitable, and rejecting or altering what is found to be unsuitable, interpolating throughout such additional provisions as may be found necessary. In this way, we would at least have certain well defined and thoroughly established principles to start from, and be less likely to be carried away by an overweening solicitude to provide for one part of a question,

which, in proportion to its exceeding breadth, is apt to cause us to overlook other parts and principles of equal and paramount importance. The law ought to be so framed as to make bankruptcy the *dernier resort* of the honest but struggling trader—a deliberative step not to be taken without much and anxious thought. An honest man going into bankruptcy, will always do so with the sympathy and frequently by the advice of his creditors, especially as a proper Bankrupt Law requires the previous consent of some of them; but a Bankrupt Law ought never to be made an engine of threatening, on the part of a creditor, or supersede the other remedies of Law, for the recovery of debt—there should be no latitude given for *coquetting* with a state of bankruptcy. When it requires of necessity to be resorted to, it ought at once to become *un fait accompli*—an Institution for the benefit of the many, as against too aggressive action for individual interest. A principle totally the reverse of this, run through the whole of the Law formerly in operation in this Province; a man was a bankrupt or might be threatened with the probability of his becoming a bankrupt, simply by leaving unpaid for a certain period, one individual isolated debt, and as this single debt was perhaps doubly increased in amount by the costs of the process, it was the surest way of bringing about what the creditor wishes to avoid, the probable total loss of his debt. If the first principles of the law then were erroneous, it could not be expected to give satisfaction, and therefore the principles from which we start in forming a new law, ought to be carefully weighed.

It may be proper and indeed desirable that Boards of Trade and other associated mercantile bodies throughout the Province, should make their sentiments known on this important question, and in this respect the Board of Trade of Montreal, appears to have taken the initiative. Of the memorandum of suggestions emanating from that body, and on the framing of which considerable labour, at least, appears to have been bestowed, we do not wish at this stage to speak critically. We would remark, however, in regard to these suggestions, what will equally apply to suggestions emanating from all such quarters, that they of necessity proceed from a one sided view of the question, “all men think all men mortal but themselves,” and it is as creditors or expectant creditors only, under a proposed Bankrupt Law, that members of Boards of Trade are likely to consider the provisions—any individual member of such a Board would feel it as an imputation, could he be supposed to represent the other side, or in other words, the expectant Bankrupt. Therefore, in any discussion on this question, the parties to be most seriously affected cannot be said to be *properly represented*, if they can be said to be represented at all. It will therefore be the part of the Legislature to assume this representation. Suggestions sufficiently stringent in character in the interest of the creditor will not be wanting, and indeed have already been made, under the operation of which, an unfortunate man who happens to have a bill under protest, will, in proportion to his conscientiousness and literality of interpretation be left in doubt whether in eating his dinner, he is committing “a fraud” upon his creditors, or in abstaining, he is committing “a fraud” upon himself. Let us hope then, that when a veritable Bankrupt Law emerges from the present maze of opinion and interests, its provisions will be so plain that he who runs may read, and that judgment will be tempered with mercy.

Preferential Assignments and Bills of Sale, have been so often referred to by writers in this Journal, that little more can be said on these subjects. A writer in volume I, page 393, thus alluded to the questions of a Bankrupt Law and Preferential Assignments, long before the money crisis appeared, and when these subjects occupied a much smaller share of public attention than they now do.

“Upper Canada has grown to be, and seems still more highly destined to become, a commercial country. All the advantages which commerce brings to a country, in which it finds healthful operation, may be secured to Upper Canada. Commercial enterprise has here already done much. The progressive impetus which has pervaded every department of its trade and industry, may rightly be ascribed to the activity of its traffic. But, strange to say, Upper Canada is at present without any Bankrupt Law. The very activity of mercantile operations which, with available resources, is most beneficial for a country, has here, from the scarcity of capital and other causes, lead to a temporary reaction and stagnation in commercial transactions. The embarrassments and failures always consequent on such a crisis, stand much in need of all the indemnity and relief which can be derived from a well regulated system of Bankrupt Law. But Upper Canada in its evil hour, has been left destitute of any of those legislative remedies which the mother country has, in this instance, so amply prepared for its use. There, this subject has never been lost sight of for centuries. Here it has been so overlooked—so neglected that the act of 1856 (19 Vic. ch. 93)—a disgrace to the statute book of any commercial country—was passed through the legislature, and foisted upon the country, by interested private parties, without attracting any public notice in its passage; and it was not until it came in collision with other private interests that its existence was discovered by those whom it most seriously concerned. The legislature promptly atoned for its dereliction by rescinding its own act as early as possible; and whenever the commercial interests will let their voice be heard as unmistakably as in this instance, the legislature will always be found equally pliable. The present state of matters in Upper Canada has indeed, to some extent, been occasioned by the apathy of the merchants themselves. Had they before now addressed themselves in earnest to the subject, they surely might have obtained the services of some competent member to take charge of the bills necessary for supplying a well adjusted Bankrupt Law. This, however, could not have been effected without a combination, which is, perhaps, too much to expect from a commercial community so partially organized. In a legislature where private bills are pushed forward, by paid agents, to the exclusion of more important public measures, such as the modification of the Usury Laws, it might not perhaps be very easy, without an available fund, to obtain the necessary attention and support, to carry a law reform not originating with the Attorney General. To the negligence, incapacity, or delinquency of our Crown lawyers may be fairly charged several legislative acts, in which the interests of mercantile men in Upper Canada have been flagrantly sacrificed. Amongst the more glaring of these are the acts authorizing the preference so easily obtained by creditors who hold a confession of judgment, or a chattel mortgage by bill of sale. In the absence of any Bankrupt Law, these individual preferences are most injurious to the general interests of commerce. They destroy the mutual confidence which ought to exist between man and man, in mercantile transactions. They press most unfairly upon the *bona fide* creditors. They hamper and harass the honest debtor, and could never have existed so long upon our statute book, if the crown lawyers had not been guilty of one or other or all of the imputations laid to their charge.

Take an instance by way of practical illustration. A wholesale dealer furnishes out a man of straw—his own clerk, perhaps—with a quantity of goods of

inferior quality, at exorbitant prices ; and secures himself by a confession of judgment, on supplying the goods. Having thus enabled his representative to obtain a false credit, he allows him to go on—to maintain an establishment, apparently his own—to incur debts, on the faith of all these false appearances; and matters seem to go well for a time. As generally happens, however, these undertakings, prosecuted under such blighting auspices, do not prosper. The principal soon finds it necessary to look to his own safety, and then the confession of judgment comes in with fine practical effect. It is recorded—execution quickly follows, and every thing is swept away, leaving a long list of creditors—generally the least able to bear the loss—without a cent to meet their claims. The bill of sale though not so effective in its operation, is similar in its principal and tendency. It is monstrous that such laws should remain in force, without any bankrupt law to modify and regulate their deceptive consequences.

These are amongst the hardships which the want of a bankrupt law renders pecuniary oppressive to the trade of Upper Canada. But any commercial country deprived, as Canada is, of the remedies and relief afforded in times of peculiar embarrassment, by the operation of a bankrupt law, has a complication of evils to endure. The disagreements, delays, and confusion induced by the insolvency of a mercantile house, are most injurious to the ordinary course of commercial transactions. The creditors, at least a majority of them, are, in almost every case, disappointed or defrauded by the acts of preference granted by, or extorted from the insolvent. And the energies and experience of, perhaps, the most enterprising and honourable merchants are often cramped and hopelessly fettered. Cases have occurred in which a mercant, on finding himself unable to meet his current liabilities, and being hardly pressed by one or two of his largest creditors, has, with the best of intentions, given a confession of judgment to those parties, to be allowed to continue and try to retrieve his affairs. After all he is obliged to make an assignment ; and these preferred creditors, who have treated him most harshly, take almost all, to the exclusion of his best supporters. In another case, a storekeeper, unable to pay, is sued by several creditors, who obtain judgment against him. He has, by intreaties and representations, got the principle creditors to hold off until a number of those judgments have accumulated. When matters have come to the worst, he is obliged to make an assignment ; and the creditors who have favoured him pay dearly for their indulgence. A third borrows largely from his friends in order to stave off the evil day ; and when it arrives, and he wishes to make an assignment, he finds himself morally bound to claim a preference for the cash lent him. In any of the cases assumed—and they have been realized over and over again in Canada—an attempt to carry through an assignment must be attended with circumstances and consequences the most unpleasant and unsatisfactory to all concerned. The disappointed, ill-used creditors naturally stand aloof. Bad feeling is engendered. Any general division of the insolvent's effects is impracticable. And he is left, whatever his character and capacity, a corpse in the mercantile world.

And another writer (Vol. I., page 99,) says :

“It is somewhat of an anomaly when so much solicitude is manifested to preserve good faith with the general collective creditor abroad, that there is absolutely not only no proper law, but little apparent interest in the enactment of any proper law, for securing good faith amongst individual creditors at home, or protecting the interests of the absent creditor when individually interested in the Province in that capacity.

In this respect, we are in a state of little better than primitive savagery, what law there is, instead of being powerful for good, is powerful only for evil—“Jew and Gentile, honourable,” aye even “worshipful” men hesitate not to take that

advantage of law which equity would deny them ; our Courts teem with instances of attempted and but too often futile resistance to the rule which appears to have been only that of

“The good old way, the simple plan,
That he should take who has the power,
And he should keep who can ;”

and a chief in the mercantile community will exhibit underhand bills of sale, chattel mortgages, and confessions of judgment, through which he has “rendered himself master of the situation,” with as great a feeling of triumph as his aboriginal prototype in savage life would have exhibited so many scalps ; but this state of things cannot long exist, the material scalping knife has been sheathed by the march of civilization, and the allegorical must follow by the growing mercantile intelligence of the age.

Nor is this all. The state of the law, or rather the absence of the law, which (through instruments not unfrequently executed, and taken as part and parcel of the arrangement on first opening business,) enables a wholesale house to place itself individually, and, to the prejudice of subsequent creditors, beyond the ordinary risks which appertain to the giving of all mercantile credit, has led to a widely-extended and unhealthy system of trade, of which not only the Province, but shipping houses at home are now reaping the bitter fruits.

With a mere outward distinction in name, sufficient for the achievement of the important object of raising a fictitious capital through Bank accommodation, which, in many instances, is rendered doubly fictitious by the prepayment in defiance of all the rules of mercantile prudence of unmatured obligations, into hands from which these obligations have already passed for “value received,”—enabled to assume the position of creditors where even-handed mercantile justice would make them partners, a mere *alter ego* ramification of goods depots, by would-be-monopolists, prevails throughout the cities, towns and villages of this Province, which, irrespective of the positive harm they inflict upon established trade, exclude by an unhealthy competition with parties as ostensible managers, but having no real interest at stake, the settlement of bona fide traders, who, to good character, may add such an amount of even limited means, as will at least, afford an average guarantee to those who are called upon to give credit, that attempted success will be tempered by prudence and caution. This system it is, which is completely changing the character of Canada, as an eligible place of settlement for persons of limited means, for which it has hitherto been so highly lauded, and until the axe is laid to the root of this superstructure, until “legislators in their wisdom, devise some means to keep in the natural bounds marked out by the requirements of consumption,” this undue expansion of illegitimate trade, until bankers in regarding the face of a note, really think it of some importance to scrutinize the circumstances and position of the promiser for “value received,” with as much, or even more minuteness than those of the promisee who comes before them in the character of “value expected,” it will inevitably occur that a sowing of the wind will periodically result in the reaping of the whirlwind.”

Also, page 100:—

“With recollections of the former expired Bankrupt Law, the decease of which was far from being regretted, this alone it is, which ‘gives us peace, and makes us rather choose the ills we have, than fly to others, that we know not of,’ or, rather, that we know too much of, for it is an undeniable fact, that hitherto in bankruptcy affairs the mediation betwixt one party having nothing to lose, and the other parties something more than they had already lost, the Law has had more than the lion’s share, the reversion becoming “small by begrees and legally less,” reaching at length that homœopathic stage of dilution, where something ends and nothing begins. A previous writer has defined a bankrupt as “a corpse in

the mercantile world," and as in cases of natural decease, the extravagant expenses of undertakers and their satellites, with all the accessory paraphernalia of woe, inflicted upon surviving relations, (and often as unnecessary as they are ill able to be afforded,) have long been stock-matter for the satirist; so it would appear, as if a parallel were to be found when a man becomes commercially defunct. We almost seem to hear the gentlemen of the "long black robes and white chokers," who do most congregate in the portals of the courts, speaking of the defunct, and whispering to each other, "here comes his estate, followed by the official assignee, who, though he had no hand in his failure, shall yet experience the benefit of his failing, as which of us shall not?" A bankrupt estate has in fact, been like the disputed oyster in the fable—with the creditors on the right and the debtor on the left; the law has opened and quietly proceeds to swallow the oyster, handing the shells to either side; that sent to the left, containing, indeed, the "pearl of great price," in the shape of a *discharge*; that to the right, the mother of the pearl only, with the bill of the price, staring from its deceptive glitter. Even in the operation of the lately repealed Insolvent Act, it not unfrequently occurred to us, that the sixty, seventy, or an hundred pounds, thrown away upon *legal proceedings* and notices, *usque ad nauseam*, by persons professing to have nothing, would have been much more fitly bestowed in paying even a trifling dividend, which would at least have shown the will, if the ability was slight.

Such then being the tolerably accurate history of the past, we question whether the mercantile classes of this great and growing Province, will quietly submit to future legislation in the same objectionable direction, nor is it to be wondered at, that, unable to devise a better, the tendency rather leans to a desire for an utter absence of law on the subject.

No commercial country can long prosper, however, without well defined laws regulating, what of necessity, follows the footsteps of commerce in all countries; and, therefore, we trust but short time will elapse before the production of some well matured measure. All that a bankrupt law ought to aim at, is, an equitable, speedy, and economical distribution of whatever a man is able to pay, less than the twenty shillings per pound which he is justly due, among those to whom he is so indebted, and securing the honest unfortunate from vindictive proceeding, or any prospective wringing of the balance of deficiency out of his future exertions, carefully fencing the city of refuge against the entrance of the fraudulent or dishonest, or punishing them if they obtain admission."

In reference to Bills of Sale, we presume that any alteration will simply provide for the making public by advertisement any such transaction. Preferential assignments and chattel mortgages, must be abolished at once and forever. Should no Bankrupt Law be passed during the coming Session, some measure of relief must be extended by a homestead exemption bill, or otherwise for those whose necessary household goods are now held by chattel mortgages. In Lower Canada, by a simple process of separating the property of the wife from that of the husband, the former retains her property and the future earnings of both, and to abolish chattel mortgages in Upper Canada, without providing some means by which the unfortunate debtor could enjoy, without molestation, the necessaries and some of the comforts of life, would be the means of driving many a deserving individual from the country, and demoralizing those that remain. "Depend upon it," says a recent writer in the *Hamilton Times*, "the more private poor houses you make, the more public ones you will have to build."

The Usury Laws are also alluded to in the Governour General's speech, and will doubtless be modified if not abolished during the coming Session. That such laws are a relic of the past, cannot be denied, and the sooner we are prepared to abolish them the better. Those, however, who see in the abolition of the Usury Laws, a permanent cure for the dearth of money must see through a microscope of no mean power. As it would be the height of folly as well as of cruelty to limit the price of wheat in a time of famine, and thus drive it out of the country, so it is equally unwise by limiting the price of money to shut it out in times of scarcity. But a scarcity of money like a scarcity of wheat, is an evil which free trade in either may abate, but cannot cure. It is not when money is scarcest that men can afford to pay most for its use, but to do so is often the wisest policy to prevent the sacrifice of valuable estates. It should, however, be the aim of the statesman by promoting the general prosperity of the country to render money *abundant and cheap*. This, we fear, cannot be done by paying a high price for foreign capital to be withdrawn the moment prosperity begins to bring down its value, but by increasing our internal trade and promoting the accumulation of home capital, which preferring a home field, will remain with us in prosperity and adversity, aiding us in the one and sustaining us in the other.

If we examine the Returns of the Canadian and the London Banks, published in this number, we shall see that the large dividends paid by the latter, is not owing to the high rate of interest, but to the accumulation of capital in the shape of deposits. The following statement of the capital and deposits of the Canadian and the London Joint Stocks Banks exhibits the advantages of the English Banks, and speaks volumes in favour of our Bank management, which with such slender materials and a large mercantile foreign debt pressing upon the country, withstood a pressure which the more wealthy establishments of New York and Boston could not withstand.

	Capital.	Deposits.
London Joint Stock Banks.....	£3,750,000	£41,274,115
Canadian Banks	4,598,252	2,155,242

We would now ask whether if £3,750,000 is sufficient to do the immense business of the city of London outside of the Bank of England—£4,598,252 sterling is not sufficient to do the business of Canada? Our Banking capital is amply sufficient if it remained in the country, but it has nearly all been sent abroad, and while the London Banks hold deposits to eleven times the amount of their capital, the Canadian Banks only hold deposits of nearly one half the amount of their capital, although they have a circulation of over two millions sterling, while the London Banks issue no notes at all. Making due allowance for the difference in the wealth of the two communities, we venture to say, that if the trade of Canada was sound and prosperous, the deposits would at least equal the capital and circulation. When this is the case, interest will be nearer *five* than *seven* per cent, and the Banks will pay better dividends at that. At present we are sending four millions of dollars out of the Province annually, in the shape of interest, and while in the absence of larger deposits and a wider circulation, another turn of the screw may be necessary to retain in the country the little money that remains, it is

to be deplored that the state of trade is such that a resort to a higher rate of interest and a greater drain in future on our resources has become necessary.

An advance in the rate of interest of one per cent. would add £100,000 per annum to the amount now paid to the Banks, and those who advocate this means of increasing Bank capital, would do well to consider whether they will bring as much *in* in the shape of Stock, as what will go out in the shape of interest. Entire freedom in money might benefit private borrowers outside the Banks, but an advance from six to seven per cent could be of no value to such parties. Interest does not express the value of money, but the value of money and risk added together. Ten per cent in times of adversity and commercial failures is no better than six per cent. in times of prosperity and general security, and no greater amount of capital will flow into a country in the one case, than in the other. All that the abolition of the Usury Laws can do is to permit the rise and thus prevent the outflowing of our customary amount of capital.

The other subjects alluded to in the Governor General's speech, do not call for special notice at our hands. Her Majesty's opposition allege that the ministry have borrowed some of the planks of their platform. We wish they had borrowed one of ours, which we are sure is stronger and sounder than any plank possessed by either the one or the other. We allude to a revival of the Tariff, with a view to encourage the introduction of manufactures into Canada by increasing the duties on every description of goods which comes in competition with Canadian industry and reducing the duties on articles which Canada does not produce. We are glad to see that many members of Parliament advocate "fair play to Canadian industry," and we venture to predict that the next opening speech will contain a clause more welcome to Canada than all the rest in which the importance and necessity of dealing with this question will be prominently advanced.

It is in vain that you provide our manufacturers with money which they cannot turn to good account. In vain to aid the farmer, while you destroy his home market by driving the factories out of the country. Canadian trade for Canadian labour, should be the motto of every merchant, mechanic and farmer, till improving the advantages we possess, we have placed the prosperity of our country where it cannot be destroyed by every change in the price of gold or the price of wheat in the English market. Elsewhere, we have stated our views on this question, to which we invite the attention of our readers. Shall we, by timely legislation, begin at once that career of prosperity which is within our reach, or must we still struggle on till another year's adverse balance has reduced our country to the verge of bankruptcy, and convinced, us when our artizans have been driven from the country and our property become almost worthless, that sound legislation is not built upon theory, but upon experience, and must be framed with due regard to the circumstances in which we are placed.

Disastrous Effects of the Credit System.

In a late number of *Chamber's Journal* we find the following just and sensible remarks on the abuse of credit from the effects of which Canada as well as England is now suffering:—

“In relation to one of the monster bankruptcies of the last few months—

that of a house [‘castle of cards’ were a better term] engaged in the production of a class of female finery, and which leaves the world some hundreds of thousands of pounds *minus*—it is notorious that the house, during its existence, was an utter pest to all other people engaged in the same business, by reason of its practice of underselling. The case is an apt illustration of the beauties of the credit-system. The trade was conducted mainly on the credit and at the risk of a set of innocent, unthinking people, constituting what was called the Western Bank—spread desolation around among its compeers, who traded on their own risk—and now the bank shareholders have to make good, in solid cash, to their own impoverishment, the ideal capital which enabled a company of rash men to speculate for a small chance in their own favour against a certainty of loss to others. There is nothing in the case beyond the most familiar facts in human life. When a man works upon money of his own, he proceeds with caution, and the best exercise of judgment that is in his power. Give him other people’s money to do as he likes with, and he makes it spin. It is not therefore surprising that three or four hundred thousand pounds of a bank’s money, intrusted to an adventurer, should, in the first place, do a good deal of harm in the spending, and finally be lost.

The case leads to a view of the whole credit-system, which it were well to daguerreotype on the public mind. Carried to such extremes as we have seen lately, it promotes wasteful, mischievous, and unsuccessful business, and suffers a fearful penalty in itself. There is however another view of it.

There is such a thing as a tolerably good business conducted mainly on the basis of credit, though likewise with injurious results. We can state a case by way of illustration. An ingenious and accomplished man was in business as a publisher. He planned and superintended the preparation of many excellent books. But his speculations were too great for his means. He had consequently to buy paper from wholesale stationers at perhaps twenty per cent. above ready-money prices. He had to give large percentages to bill-discounters. He had to take in partners, who, for the sake of small advances drew a large share of profits. All the natural and proper fruits of many years of laborious industry were thus absorbed, and large losses incurred besides, and this really able and ingenious man ended as poor as he begun. It is strictly a nominal case. Where banks or other capitalists advances more expressly to carry on a business, they are not without a view to their own interests. They see to get good advantages from their loans, and usually succeed in licking up the cream of any concern they are connected with. It is only when they inflate the wind-bag too much that they suffer, as the Western Bank shareholders now do. ’Twas a risky trade, giving large returns so far as successful, but involving great risks also—so, when the business was carried to excess, *nine per cent. on shares* was suddenly exchanged for *loss of whole capital and a third more*.

The credit-system involves, then, an usurious element besides. We have come of late years to give legal sanction to what in former times was regarded as a kind of robbery. It now appears right that men should be allowed to take as much interest for their money as lenders are willing to give, it being assumed that a lender will only give what it is for his own good to give. Yet there is a natural sentiment against usury—it always looks like oppression. And, surely if any one makes a richly gainful trade to himself by holding out

temptations to the illusory hopes of poor men, thriving upon the very necessities into which his fellow creatures have fallen, ultimately in most cases having his mickle more at the expense of the little which poverty possesses—the natural sentiment, the sentiment on which former laws against usury were based, is justified. We may at least be entitled to say: It is a bad business for poor Lazarus, and it were to be wished that he would not thus put himself in Dives' power. It is, at the utmost, one of those things which the law finds it convenient to leave alone, but which are nevertheless condemned by the natural sense of what is just between man and man.

It appears, then, that business on the credit-system is, in the most favourable circumstances, injurious to the borrowing party, and, in the less favourable circumstance, ruinous to the lending party or the extender of credit. In the measure of the extent to which it is carried, business will become a hollow, deceptive, unsatisfactory affair; artificial difficulties will be found obstructing the industrious man working on realized means agonising competitions, leading to adulterations and all other kinds of safe tricks and cheats, will arise; only a few, unusually dexterous or fortunate, or who are in possession of special advantages for conducting a lucrative business, will find themselves thriving. In short the unavoidable result of such a system will be exactly that condition of things which we see in the commercial world—so full of disappointment and vexation to all well-meaning and pure-hearted men—and we may therefore well believe that to the credit-system, in a great degree, this very condition of things is owing.

We are able to present the case of a firm which for many years acted, in a kindred business, on the opposite principle to that pursued by the publisher above alluded to. It from the beginning proceeded on the ready-money principle. The results of one adventure were made the basis on which another was built. No adventure was entered upon without a previous ascertainment of there being ample means of carrying it out, whether it should be a success or a failure. The principle materials employed were settled for in cash every month. Not a single bill was ever accepted by the firm and it scarcely ever discounted any that were receivable. There consequently was no anxiety about the conducting of the business. Extra time and energy, which other men of business spend in financiering—a kind of occupation wholly unprofitable—were devoted by the members of this firm to the studies and accomplishments calculated to raise men in the esteem of their fellow-creatures. The business moved slowly on at first, but it never misgave or relapsed, notwithstanding both troubles and losses from consignees who unhappily acted on a different principle; and after a considerable series of years it attained great magnitude, while yet resting on perfectly solid foundations. Here, in short, was an example of a rational career in commerce—no straining, no making of needless difficulties, no waste of time on work leading to nothing, rewards reaped by the workers, instead of being abstracted by horse-leech sleeping-partners and bill discounters, a rationally enjoyable and even dignified life attained, instead of one of incessant degrading care and worry, ending in disappointment—and all through one simple principle—that of *working on one's own, instead of another's capital*. What a contrast! When we duly consider such a case as an example of what commercial life may be made when

right principles are followed, what can we do but wonder at once at the simplicity of the right course, and the perseverance of so large a portion of the community in the wrong one?

To realize such a course as this, however, there must be, as there was in the firm in question, patience with the slender means and the narrow profits at first. The besetting sin of commercial men is over-eagerness, excessive haste to be rich. It is indeed a striking feature of the commercial mind, both in the country and in America, that, instead of a just and honest pride in business as the worthy occupation of a life, there appears a restless desire to be quit of it. Men are seen striving to effect a competency by one lucky stroke, or by a few years of brilliant practice, anything to escape from business, as if it were either a thing ordinarily calling for an intolerable self-sacrifice or a path of perils in which their could be no peace. Now there are some who are impelled in these demonstrations by ambition for fine living or the eclat of wealth; but we as often see great gambling speculators living very plainly, and evidently incapable of filling a station of wealth and dignity, or of enjoying it. The more prevalent cause of the over-eagerness is an uneasy sense of the risks, harassments, and disappointments attending a commercial career, the evils, in fact, which spring from this very credit-system. The merchant pines under the terrors of his distant ventures, from which the returns may be *nil*; the shopkeeper, finding himself pinched by the foolish competition raised around him through credit, longs to be in any safe haven and at rest. These are the true general causes of the over-eagerness for great successes, as contrasted with moderate returns from sober diligence and application. It comes all back to this wicked credit-system. This sluice of continual drainage from the good labour going on in the world. If men would enter upon business in calmness and patience, keeping clear of credit, realizing to themselves that work is the only real source of wealth, and that saved products of one piece of work are the only true foundation for another and another; if, while so acting, they would be content to live frugally till the easy overplus of realised means enables them to take those indulgences which are their proper and fitting reward. one half of the proverbial cares of the world would be spared, merchandise would be entered on as a path of pleasantness, and the merchant would, generally speaking, be a far more honour-worthy being than he is.

Let us hope to see, for the future, a great restriction put upon the credit-system. There has just been a palpable loss to the British community of fifty millions by the bankruptcies of one crisis, the proper close of a course in which trade has been degraded to a gambling speculation, and infinite troubles and difficulties have been spread throughout the industrial world. We must see to arrange that no such thing can happen again to the same extent. As individuals, let us try to clear our minds of monetary fallacies, such as that of enlarged and unrestricted issues of paper-money, the equal importance of having credit as having money, the wastefulness of keeping gold in the coffers of the Bank of England, and so forth. And let us each try to keep our own transactions reasonably near the limit of our realized capital. Let us resist the Siren Credit when she holds out her allurements. Neither let us be too easily led by sympathy for young and rising traders, to help them to a degree of 'accommodation' likely to prove their baue.

There must for the restoration of a right system of things—be a change in

the popular conceptions, and the constitutional arrangements, as to banks. The legitimate business of these establishments is to act as a medium in payments, and give a merely temporary accommodation of credit on the basis of actual goods and real transactions. Money-lending for trading speculations, while it may be a profitable iniquity to individual bill-discounters who know their ground, can never be safely practised by a large jointstock company under the charge of a manager and directors. Everything of the kind is to be utterly condemned."

Commercial Views of Eminent Statesmen.

Monsieur J. B. Say.

"Faut il être surpris de la gêne et du malaise extraordinaire que la nation Anglaise a éprouvé dans les années qui ont suivi la paix de 1815 ? Les classes privilégiées, les fonctionnaires, les pensionnaires de l'état, le Clergé, et les Rentiers, ont profité de cette réintégration de la valeur du papier-monnaie ; mais elle a été un fleau pour la masse de la nation et pour l'industrie : — Fleau qu'une nation, si riche en capitaux, si judicieusement administrée d'ailleurs, et si admirablement industrielle, pouvait seule supporter."

The Hon. Abbott Lawrence, the American Ambassador at London.

"Capital has usually had the power to take care of itself, and does not require the aid of Congress to place it in any other position, than to put the labour in motion. *Congress should legislate for the labour, and the capital will take care of itself.* * * * * * The free trade of the Political Economists of Great Britain is a transcendental philosophy, which is not likely to be adopted by any government on the face of the globe, unless it be the Chinese, and we have already the earnest of the effect of low duties in the internal condition of that country. The trade of that empire is fast approaching to barter ; the precious metals having been drained to pay for the foreign products introduced into it."

Lamartine.

"This science must not be as formerly, the science of riches. The Democratic Republican must and will give it another character. The Republic will make it the science of brotherhood, the science by the proceedings of which not only labour and its fruits shall be increased, but by which a more general more equitable, and more universal distribution of wealth shall be accomplished amongst the whole people." [From the answer of the Provisional Government of France, on 23rd April, 1848, to the petition of the Political Economy Society, protesting against the suppression of the chair of Political Economy in the College of Paris.]

The Hon. Henry Clay, the veteran American Statesman.

"The most complete exposition of the 'American system,' says the *Manchester Courier*, is to be found in the speech of Mr. Clay at Raleigh, North Carolina, on the 20th of April, 1844 ; it fills more than a page of the *New*

York Herald of 29th June, 1844, but by condensing and quoting it can be appropriated here. The principle avowed by Mr. Clay, as the basis of a tariff, is, 'that in time of peace the duties on import should be equal to the expense of an economical government, and that there should be discrimination in the tariff to foster and protect domestic manufactures.' He found this reasoning upon the patriotic axiom, 'that a nation should, at the earliest possible point in her history, be adequate to the supply of her own wants from her own internal resources. Although Italy did not itself afford all those supplies to ancient Rome, the deficiency was drawn from the subjugated provinces: Great Britain, although her commerce encompasses the globe, supplies herself mainly from the little island under her immediate dominion; limited and contracted as it is, it furnishes her with bread and provisions for the whole year, with the exception of a few days, and her manufactures not only supply an abundance of raiment and means of defence, but afford a vast surplus for exportation to foreign countries.' Mr. Clay predicted—'that the southern states would combine manufacturing with the growing of cotton; that the day will come, and is not far distant, when the south will feel an imperative necessity voluntarily to make such a division of labour, considering the vast water power, and other facilities of manufacturing in the south, and its possession at home of the choice of the *raw material*. I believe the day will come when the cotton region will become the greatest manufacturing region of cotton in the world.'

The consumption of British goods, then, is contingent on the progress of United States industry, and will not be permitted to interfere with it. It would appear that Mr. Clay's eloquence has prevailed, for the manufactures are going a-head, and discontent has ceased as to the high tariff on imports for use of agriculturists.

"The doctrine of free trade (says he) is a concession to foreign powers without an equivalent, to the prejudice of native industry, not only without an equivalent, but in the face of their high duties, restrictions and prohibitions applied to American products. Concessions to foreign powers, to our rivals jealous of our growth and anxious to impede our onward progress. *Encouragement to domestic industry as a concession to our fellow-citizens.* It is a concession by the whole to the whole; for every part of the country possesses a capacity to manufacture, and every part of the country more or less does manufacture." Mr. Clay is sarcastic on the theorist; he says, "*he has mounted his hobby and has determined to spur and whip him on, rough shod over all facts, obstacles, and impediments that lie in his way.*"

Dr. List, the great German Economist.

"There are many, says *Dr. List* (*Der internationale Handel*), who impute the commercial crisis of the United States to their paper and banking systems; but there can be no doubt that the evil originated in the 'Compromise Bill' (1832), in consequence of which America's imports soon exceeded her exports, and the United States became debtors to England for several hundred millions of dollars, which they were unable to cancel by their exports. The proof that these crises must chiefly be ascribed to the excess of imports lies in the fact, that they invariably occurred in times of great influx of foreign

* From recent accounts this prediction is likely to be realized.—Ed. C. M. M.

manufactures in consequence of a reduced tariff; and that, on the contrary, they never took place either in time of war, when few imports could take place, or when, by the high import duties, the exports had been brought into just proportion with the imports. * * It was in 1789 that the first American tariff was framed, imposing a trifling duty on the most important articles of import. Trifling as the rate of the duty was, its effects on the prosperity of the country became so manifest, that Washington in his message (1791) already congratulated the nation on the flourishing state of manufactures and agriculture. Encouraged by the success of the first attempt, the Congress raised, in 1804, the Import Duties to 15 per cent, and in 1815 the manufactures of the United States already employed (according to the Report of the Commercial Committee to the Congress) 100,000 hands, and the annual amount of the produce amounted to sixty millions of dollars, while the value of land and the prices of all sorts of goods, as also of wages, rose to an extraordinary degree. After the peace of Ghent the Congress doubled the rate of duty for the first year, but pressed by the arguments of the disciples of Free Trade, it lowered the tariff in 1816, after which the calamities of the period of 1786 to 1791 soon made the re-appearance, viz., ruin of the manufacturers, valuelessness of productions, and a fall in the value of landed property. After the country had thus again, during the second war, enjoyed the blessings of peace, it once more experienced all the previous evils after the conclusion of peace, when a great influx of manufactures again took place, and these evils of peace were even greater than those caused by the devastations of war. It was only in 1824 that the Congress saw the expediency of, and resolved upon raising the tariff; but that resolution was frustrated by Mr. Huskisson's threat of *retaliatory measures*. The ruinous state of the industrial classes of the United States at last compelled the Congress to raise the tariff in 1828, which was, however, modified in 1832 (by a compromise Bill), owing to the exertions of Mr. Poulett Thompson, the successor of Huskisson, in which he was aided by the planters of the South, who all clamoured for a cheap tariff. The consequence of that Compromise Bill was the importation into the United States of such enormous quantities of English manufactures as totally to destroy the Balance of Trade between the two countries, and to bring about the commercial crisis in 1835, from which the United States has not yet quite recovered, despite the revision of the tariff in 1840. All this plainly shows the necessity of not allowing the imports of a country to exceed the exports, or in short, of keeping continually in sight the *Balance of Trade*." * * *

* * A similar phenomenon presented itself in *Russia*. Soon after the war in 1815 there arose a teacher of the Free Trade theory, a certain Storch, who taught in Russia what Say did in France, and Dr. Smith in England, viz., that Balance of Trade is a mere phantom, a chimera engendered in the disordered brain of the teachers of the mercantile system. Government gave the Free Trade system a fair trial, until the Chancellor of the Empire, Count Nesselrode, declared in an Official Circular of 1821, 'That Russia finds herself compelled by circumstances to adopt an independent system in commerce, as the raw productions of the country find but an indifferent market abroad, the native manufacturers are becoming ruined, all the ready cash is going abroad, and the most solid mercantile houses are about to break.' In a few weeks afterwards the new protective Tariff was issued, and the beneficial consequences soon manifested themselves. Capital, talent, and mechanical industry soon

found their way into Russia from all parts of the civilized world, and more especially from England and Germany. Nothing more was heard there of commercial crises, caused by overtrading; the nation has grown prosperous and the manufactures are flourishing.”

The New York Tribune, a daily paper of immense circulation.

To Horace Greeley, Esq.—In the *Tribune* of this morning, you state that “at this moment, half the manufactories in the country are running at a loss; many have stopped, and more must stop, if some decided change is not effected.” That “our iron works are closing up, while British rails fill our ports, and are spreading over the country.”

Presuming the information on which you found your assertion to be correct, still, I do not admit the propriety or justice of farther protection to manufactures of the articles in question. The people require these articles for their consumption—they already submit to a duty of 30 per cent., and if manufactures cannot produce profitably with that protection, it appears to me that they had better employ their capital elsewhere. The consumers of the country constitute the great majority, and their interests should be first considered. They require railroads, and if British rails are cheapest, they should be permitted to use them, rather than be taxed for the benefit of the few manufacturers. Railroads are for the benefit of the *people*—they place the producer and consumer side by side, and should not be cramped by partial legislation. I am a Whig—but with reference to party, support those measures only which are conducive to the welfare of our

COMMON COUNTRY.

NEW YORK, July 31, 1850.

The Editor's remarks on the above.

The difficulty in bringing this Tariff controversy to a conclusion grows out of the fact that *one party pays no attention whatever to the other's arguments*. We, who stand for protection, read the writing of our opponents, and discuss the question with direct reference to their arguments: but our adversaries coolly assume at the outset that all we have to say is nonsense, and absurdity, dictated by selfishness or bigotry, and never take the trouble of listening to us for the first minute. Thus, after we have patiently met their arguments, point after point, and as we think refuted them, they simply repeat their previous assertions, paying no attention to our replies, and deeming themselves unanswered because they have not looked at the answer.* Our correspondent is a fair sample of the breed, calling himself a “Whig,” (*why* a Whig?) he coolly assumes that the first article in the Whig creed is a fallacy, and gives us a rehash of the most ordinary sophisms of free trade, with a seeming unconsciousness that they had ever before been uttered—much less answered. Yet there is not a suggestion in his letter that has not been at least ten times fully considered—and we think refuted in the *Tribune* alone. That 30, 25 and even 20 per cent. is sufficient protection for many branches of manufactures, we have freely and often stated. There are other branches which need more, and for these among other reasons: 1 They (not all manufactures, but these branches) are yet in their infancy, and are necessarily prosecuted at great dis-

* If in the above extract we substitute “Canada” for “Russia,” [the description of our present condition will be found to the letter.—Ed. C. M. M.]

advantage while exposed to the fierce rivalry of the mature experience, unlimited capital and depressed labour of Europe. 2. The cost and charges of importation are little more (often less) than the cost of transporting them to and selling them at the great markets of our country: (for even Pittsburgh, geographically in the north-east quarter of the Union, is practically as far from Boston as Liverpool.) 3. The possessors of the market, those who have for years supplied it, and have a knowledge and command of all the channels of sale and diffusion—have an immense advantage over upstarts who are striving to take it from them, as our manufactures are with regard to Europeans; and 4. The popular presumption that the foreign fabric is superior in style or in quality, is another serious drawback on the home-producer. The infancy of manufacture is necessarily marked by imperfections and errors; the colours will not wash or hold; the workmanship is inferior in various ways. Now the influence of this fact on the public mind does not cease with the imperfection, but continues and prevents the free purchase of the home-made article and the general preference given in all matters of style or fashion to “far-fetched” fabrics, also operates against the domestic producer. Let an invoice of French calicoes, for instance, be put on the market at 15 cents per yard, at the same time with an invoice of American calicoes of equally good quality at 12 cents, and the French will sell first—will or recently would. These are but a part of the reasons why certain branches of manufacture require efficient protection. Because a duty of 30 per cent. is required to secure the home market to our producers, it by no means follows that they charge 30 per cent. more than the price of similar goods from abroad. Often, they are sold as low, yet cannot command the market in an unprotected struggle.

Now, as to iron. There is a 30 per cent. duty in favour of our own iron, and some people talk of 10 or 15 per cent. more advantage in transportation, commissions, &c., just as though it cost nothing to bring our own iron to the great marts of commerce and sell it there. In fact, the average cost of transportation from our iron mines to the chief Atlantic cities can hardly be less than that of bringing hither a like quantity from Stogord and Glasgow. A good specific duty, equivalent to 30 per cent. on the average prices of iron would be quite a fair duty. But it is one fatal defeat of the present tariff that by reducing all duties to *ad valorem*, it makes them high or low, precisely the reverse of what they should be. When there is least need of protection, this tariff gives the most of it; when there is most need it gives least. For instance, say the average value of railroad iron is 60 dollars per ton; 30 per cent. on which is 18 dollars, a fair duty. Let this iron rise to 80 dollars per ton, and duty becomes 24 dollars just when no protection is needed. But let the price fall to 30 dollars, and the duty sinks to 9 dollars, a very low duty just when there is pressing need of a high one to keep our works from stopping. Has “common country” ever heard or thought of this? The same is true with regard to all our manufactures. Let fair calicoes or prints average 10 cents per yard, and the American producer is protected by a duty of 2½ cents; but let the price fall to six cents, and the duty falls to 1½. Such is the statesmanship, the provident care for the prosperity and stability of industry, with which the country is now governed.

Now, our correspondent, taking the narrowest view of a very broad subject, assumes that we are paying 30 per cent. more for our fabrics because of

protection—that we are paying this for the benefit of the manufacturers—and that the “interest of the consumers” is lost sight of in the premises—three assumptions which could not be sustained with ten times the labour and logic our friend bestows on the whole subject. It is not true that we are paying 30 per cent. more for our loss even because of the tariff. Abolish the entire duty to-morrow, and a great many of our forges and furnaces would be stopped, and the amount of importation would be increased. This would raise the price abroad and increase the cost here; and the actual average reduction in our seaboard markets would not be 20 per cent.—we think not 15—while across the mountains it would be little or nothing. We repel the assumption with regard to favouring manufactures; their interests should have no weight save that they are coincident with the general interest. *If Protection benefits none but the classes and avocations immediately affected by it, it ought to be abandoned at once. But the fact is otherwise.* Our correspondent talks as though the fact that British rails and other iron are now sold here at 50 dollars per ton, while a like article made in our own country must sell here at 60 dollars in order to be made at a profit, proves the former 10 dollars the cheapest to our people—which we consider very far from the truth. Let us look closely at the matter, and see which of us is right. Our country requires we will say 300,000 tons of iron annually, of which a large portion will be made here, while another portion will be imported, no matter what may be the duty; the practical question being—shall we import 150,000 tons, or 50,000 of the aggregate we require? “Common Country” settles the matter offhand by a simple arithmetical process, viz.: “It would cost 6,000,000 dollars to make this at home, and only 5,000,000 dollars. (or if you please 4,000,000 dollars) to buy it abroad—saving one or two millions.” But no, sir! You have forgotten that the dollars in either case are but counters—the practical question being—Will it cost more of our labour (or its products) to import this iron than to make it at home? We say yes, decidedly, certainly. To import it is to necessitate a larger exportation of grain or cotton, depressing the market for our staples abroad, and reducing their market value at home. But let us make it at home, and not only is this injury obviated, but the *real* cost is far less though the *nominal* be more than in the other case. For this 60 dollars represents the fuel and art employed and paid for in making the iron, which would else be valueless—represents the grain, meat butter, fruits, &c., consumed by the choppers, ore-diggers, colliers, furnace-bulldiers, &c. &c., as well as the immediate iron-makers whom this home-production has set at work at prices far above what they would have commanded if this work had not been done. The farmer of the Susquehannah or the Alleghauy sells his vegetables and fruits for cash at fair prices when the iron works are in full operation; stop them, and he must travel far for a market and sell much cheaper; or perhaps could not afford to send them to market at all. Suppose he pays 10 dollars more per ton for his iron, and pays it by selling wood on the stump at 50 cents per cord, when with Free Trade and the Iron-Works languishing, he could not sell his wood at all, but must pay 10 or 12 dollars to have his land cleared of it—what would be his gain by Free Trade! Now it is clear that every man who wants iron will not sell his wood to make it with; but he will sell something else—and there is no branch or kind of useful industry which will not be benefited by that diversification of Labour which the multiplication and growth of manufactures among us insures.

All we have here affirmed we are prepared to sustain by statistics if required, but we have endeavoured to make only statements which the common sense of every observing reader will readily confirm. The actual saving in Labour and mercantile charges effected by making our fabrics at home instead of sending the cotton and wool to Europe, having them manufactured, then returned to and sold among us, must amount to many millions per annum. This saving does not always tell on the prices of the goods' but must be felt in the articles exchanged for them. Let our Iron and Cloths be made in Europe, and there can be no market among us for bulky and perishable articles, such as vegetables and fruits, save in the neighbourhood of our seaboard cities; still less for fuel, &c. ; and these articles must sell accordingly. **THE MONEY PRICE OF ARTICLE IS A MOST UNCERTAIN CRITERION OF ITS COST TO A NATION;** it is always dear if bought abroad while the labour and skill which should have produced it stands idle at home; or if the skill remains undeveloped and unknown for want of such home production.

From Chambers's Journal.

Vulcanized India-Rubber Shoes.

The manufacturing spirit of the present age seems to have formed an extraordinary alliance with chemistry. A plain man who tries to keep abreast of this branch of the national progress, must find amazing difficulty with the mere technology of the subject. For example, our genuine old Windsor soap is now changed into a substance called glycerine; wax candles are utterly extinguished in the market by another substance called paraffine; and soda is fast being superseded by the crystals of hydrochlorate of lime. In fact, there is no limit to the singular catalogue of compounds which the manufacturer and the chemist, between them, have contrived to form out of the constituents of this unhappy world.

The ancient Romans, we are told, who aspired to the great dignities of the republic, kept a slave or two in their families, whose sole business it was to learn the name and know the person of every citizen, in order that their masters might salute their constituents with the proper degree of familiarity, and shake hands with them as particular acquaintances. Something of this kind, we think might be done with advantage in modern society. Our great merchants and manufacturers might retain a person in their employment versed in the mysteries of chemistry applied to the arts, whose duties should consist in watching the patent-roll and the scientific journals, and who should be able to distinguish from the mass of unpronounceable names those inventions which are the most suitable to the public taste, and the most likely to turn out a profitable speculation.

These reflections have arisen from a visit we paid the other day to a new manufactory in the neighbourhood of Edinburgh, the staple article of which is vulcanized India-rubber. A company of American capitalists, from the regions of New York, have actually invaded the classical regions of the north, and in less than a year have raised up a concern of great magnitude—the largest of its kind, indeed, in Europe—upon the strength of the growing demand for this vegetable substance, particularly when manufactured into

waterproof goloshes. The thing strikes us as being so curious, and so important in a social point of view, that we have taken some trouble to inquire into the whole subject; and we propose, in this article, to give our readers an account of the introduction of the India-rubber manufacture into Scotland, together with a short description of the process of making India-rubber shoes.

With regard to the material itself, we shall just state that it was first seen in Europe about the middle of last century; that it was soon afterwards discovered to be the gum, or, more properly, the coagulated juice of certain tropical trees, the chief of which is the celebrated *Siphonia elastica* of the Brazilian forests; that by the natives it was called caoutchouc: by the chemists, from its singular elasticity, gum-elastic; and by the common people, from its valuable property of cleaning paper, India-rubber. Its physical properties, indeed, as a whole are perfectly unique. By far the most elastic substance in nature, insoluble in water, in alcohol, or in any of the mineral acids, but it dissolves readily in ether or naphtha; and, above all, it possesses the power of agglomerating, or, in plain language, of adhering again when cut, if the separate pieces are brought together. No other substance, we may add, is so valuable to the analytical chemist. We have the high authority of Baron Justus von Liebig for stating, that to the increased facilities which the flexible tubes and sheets of India-rubber have given in the laboratory, we owe many of the brightest discoveries in organic chemistry.

Now, it happened about twenty-five years ago, that the method of producing thin sheets of India-rubber was applied to the invention of waterproof cloth garments; and large manufactories for this purpose were established both in England and the United States. The celebrated Macintosh fabrics, so popular in the days of stage-coach travelling, belong to this era of the trade. But, unfortunately, one or two awkward circumstances connected with the material, which had hitherto almost escaped notice, began to appear in the most unmistakable manner. India-rubber, it was found, like all other vegetable substances, had a tendency to unite with the oxygen of the atmosphere, and decompose; and, while perfectly elastic at all ordinary temperatures, it had the fatal peculiarity of becoming soft with heat and hard with cold. It was related in South Carolina, that a stout gentleman travelling one day under a hot sun with a water-proof coat on, became glued up into an outer integument, from which no skill could extricate him. Another unfortunate man in Michigan, who wore a full suit of the treacherous fabric, was seen to leave a hot room on a cold winter evening, his clothes, to all appearance, quite soft and pliable. Next morning, he was found among the snow on the high road, frozen to death, with the fatal garments around him as stiff as buckram, and as hard as iron.

From these causes, among others we need not stay to mention, the original India-rubber manufacture gradually sunk in importance, and indeed soon became extinct. But in a few years it was destined to rise from its ashes. An ingenious shipwright of Rhode Island, Charles Goodyear, who had a strong turn for invention, bethought him of using India-rubber sheets over a skeleton of timber planks for a life-boat. The idea was excellent; but the same physical quality we have just mentioned operated much against its success in a practical point of view. The India-rubber life-boats were all very

well in the water; but they did not answer to be pulled up high and dry on shore, as in that case the sheets gradually melted into a volatile essential oil and disappeared.

This circumstance was very discouraging, and might have induced any one of a less enthusiastic turn of mind to abandon the India-rubber sheets altogether, and substitute tarred canvas, or something of that kind. But Good-year, it should seem, was no common-place inventor. With astonishing perseverance, he set about acquiring the chemistry of the subject; and it is pleasing to relate that in this direction his efforts were at length crowned with success. He discovered that if India-rubber were combined at a high temperature with certain proportions of sulphur and the oxide of lead, its whole physical nature was changed, that it was now proof against the process of vegetable decay, and that it remained uniformly elastic under the most considerable variations of temperature. This singular compound he ushered into the world in due time under the high-sounding title of "Vulcanized India-rubber."

The importance of this invention was very great, if we may judge by its results. Vulcanized India-rubber at once became the rage; all sorts of things were made from it—railway springs and buffers, machinery belts, and elastic bands and air-cushions, water-proof garments of every description, all kinds of bandages, and a number of surgical instruments. These things all created a large demand for the material; but it was soon found that the article which consumed most and sold best was the water-proof goloshes; and in a few years after the invention was made public, there sprang up, and still continue to flourish, several large establishments in Connecticut, in Rhode Island, in New Jersey, and in Massachusetts, which manufacture about five million pair every year, and give employment to upwards of five thousand people.

The "North British Rubber Company" is an offspring of this family. Since the manufacture had proved successful in America, it was thought, shrewdly enough, that it might pay in Europe also. Accordingly, a company having been formed on the limited liability principle, the present managers, Messrs. H. L. Norris and Mr. S. T. Parmelee, who are also large proprietors, were instructed to cross the Atlantic, and fix on a location for the projected colony. To show their capacity for this important mission, we may relate that the commercial man, Mr. Norris, had been, during thirty years, engaged in the India-rubber trade; that he had resided fourteen years in South America, where he had experimented upon the juice of the great India-rubber trees in the boundless forests of the Amazon. The other was a practical man, skilled in chemistry and mechanics, acquainted with the law of patents, and accustomed to manage working-men. It is not often, we think, that the great elements of success in commercial enterprize are so fairly blended. We do not know for what reason, but they selected Scotland as the field of their industry, and they first thought of making Glasgow their head-quarters. They were seen, like the two mysterious travellers in Washington Irving, exploring the smoky regions of the Gorbals and Port Dundas, talking vaguely of purchasing land, and of building property, of burgage tenures and feudal superiorities; but either from the difficulty of procuring a suitable place, or from the prospect of delay, they left the seat of our manufactures and commerce, and finally cast anchor in the seat of our

literature and philosophy. One circumstance, indeed, guided their choice—they discovered in Edinburgh one of the finest models of a manufactory which can be found in this or any other country, unoccupied, and ready to receive them.

In the south-western suburbs of the city, at a place called Fountain Bridge near the deserted basin of the Edinburgh and Glasgow Canal, there stands a large and stately pile of building, which is known to the inhabitants by the name of "The Castle Silk Mills." Those buildings were erected some five and twenty years ago, by a company of adventurers, who proposed to make Edinburgh a seat of the silk manufacture. No expense was spared on their erection. The large quadrangle, the excellent masonry, the magnificent steam-engine, the symmetrical chimney, as well as the whole plan of the works, still attest the fine taste and boundless liberality of the projectors. Whether it arose from misdirected enterprise, or from want of capital, we do not know; but, at any rate, the speculation proved unsuccessful, and the silk mills were abandoned. For the long period of twenty years, this splendid building remained as silent, and almost as deserted, as if it had been dug out at Pompeii. It was tried for a poor-house, it was tried for a carpet manufactory, but it would not do—nothing could rouse the slumbering spirit of that silent mansion. At length, one morning, our two Americans appeared in the court-yard, examining the premises with an acute and practiced eye. The result of their visit was soon made plain. The property was at once occupied, and in less than three months it was purchased by the North British Rubber Company, and the Castle Mills were applied to the manufacture of another kind of fabric, not, indeed, so fine or so costly as silk, but, apparently, of more popular use, and of far greater consumption.

It is proper to state that the managers were also guided in their choice of Edinburgh as a site for their manufacture, by the following considerations: In the first place, because they conceived it to possess a superabundant female population; secondly, because, from the apparent absence of other manufactures, there was a probability of procuring cheap labour; lastly, because it possessed an easy access, by way of Leith, to the markets of the Continent.

With these views well matured, they began operations in the month of May, last year. Their staff consisted of only four people, two English girls, one Irish girl, and one Irishman, whom they had brought from the United States to teach our people the process. That process we shall now proceed to explain; and, for this purpose, we must ask the reader to accompany us in a glance through the works. We begin at the north side of the quadrangle, a large and spacious side of the building, consisting of five floors, which is entirely devoted to the manufacture of India-rubber shoes.

The first thing we observe here worthy of notice, is the enormous piles of raw material scattered in various heaps over the basement floor, some of it in flat cakes, some of it in round bullets about the size of a man's head; hence, in the language of the trade, called negrohead, to which part of the native African it bears, we must say, an extraordinary resemblance. The commercial supply of this material, as we were informed, is derived, in the order of its importance and intrinsic value, from the Brazils, from Central America, from the East Indies, and, lastly, from Africa. The South Ameri-

can rubber, imported from Para, the great entrepôt of our Brazilian commerce, is worth about 1s. 6d. per pound; the East Indian, from Singapore, about 1s. per pound; while the African, which is very inferior in point of quality, is only worth about 3d. per pound. As to the consumption, it has been computed that, for a period of twenty years previous to 1856, there were exported from South America to England about twelve million pounds; but the exports from the same quarter to the United States, during the same period, amounted to twenty-two million pounds. The United States, therefore, appear to consume nearly twice as much of the material as we do in England—we may almost say, in the whole of Europe.

The first process of the manufacture is to convert this raw India-rubber into sheets. For this purpose, it is first of all crushed through ponderous iron rollers, which soon make flat enough work of the negroheads. It is then cut into small pieces. These pieces are thrown into an iron vat of hot water, which has the effect of softening and cleansing them at the same time. The India-rubber is now subjected to a curious process of grinding, through heated iron cylinders, which convert it into a soft plastic mass, well fitted to assimilate with the necessary ingredients which produce the chemical metamorphosis. After having been triturated in this way for some time, it is finally rolled into a smooth sheet through a congeries of double rollers made of iron, very highly polished and very hot. This sheet, which comes forth in the most regular form imaginable, is passed on endless bands to the floor above, where it is cut into proper lengths and stored upon layers of calico. This vulcanized sheet India-rubber constitutes the material for the uppers of the shoes.

The next step is to fabricate the inside lining. This consists merely of cotton cloth of different degrees of texture, which is coated with the viscid preparation of India-rubber while passing through the hot rollers in the same manner as the sheets. This water-proof cloth is used, coated on one side only, for insoles and inside lining, but is coated on both sides for the purpose of packing or welting, or whatever the narrow strips are called which cover the seams.

The third process is to stamp out the sole. For this purpose the material goes through a similar arrangement of rollers; but the surfaces, in this case, in place of being smooth and polished, have deep indentations cut into them, corresponding with the height of the heel and the thickness of the sole, a species of circular die, in point of fact. The rollers are also reticulated on the outer surface, in order to produce the little facets we observe on the sole of the shoe; and, in addition to this, they are usually stamped with a matrix of the manufacturers' name.

Such is the preparation of the materials for the shoe. We must now go up stairs and see those materials put together. In order to do this, we get into a lifting machine which traverses the whole height of the building, and pass in succession, first the room devoted to packing and warehouse business, and second, the room where the sheets are cut into the proper shapes. The soles, uppers, insoles, inside lining, all pass through the hands of certain artisans, who correspond to the cutter or clicquer of the orthodox shoe trade. Our conductor told us, while ascending in the lift, that hitherto the manufacture had been conducted by men whose wages ranged from fifteen to

twenty-five shillings per week; but, in all subsequent stages, they made large use of female labour, both from its superior cheapness and its superior taste. Just at this point we reached the fourth floor of the building; the signal was given—the lift stopped, and we were ushered into the making department.

Here we found ourselves surrounded by a multitude of nice-looking girls, most of them tastefully dressed, and all of them particularly neat and tidy. The reader can suppose a room, equal in area to the largest class of ball-rooms, beautifully clean, and well lighted, and in this room a double row of white deal tables, with four of our female shoe-makers comfortably seated at each, and he has thus got the outline, at least, of our picture. We should like to devote some time to fill in the groups of figures, and add a little colouring, but it would be out of place here. As to the wages of the girls, we may state that, after undergoing a nominal apprenticeship of three months, they are paid for what they can earn, which ranges from nine to twelve shillings per week.

One of these young ladies, who, by the way, came from the States, was now selected to show us the whole process of making a shoe. So far as we could observe at the time, she pursued the following order:—

1. She took up a last,
2. Which she wrapped round with a piece of inside lining.
3. She then stuck on the insole.
4. And overlaid all the seams with narrow strips, to make them strong.
5. The quarter, or heel stepping was now added.
6. And then the bottoms were filled in.
7. The upper was now laid over this.
8. And, lastly, the sole was stuck on.

The shoe was now finished, and in almost as little time as it has taken us to write, the raw material transformed into the article of wearing apparel. We never saw or heard of anything like it. The explanation, however, is very simple: there is no sewing or stitching needed. The tools employed resemble book-binders' tools more than those of the shoe-maker. Such is the adhesive nature of the substance, that whenever two surfaces are brought together they unite as firmly as if they had never been separated. The only thing requisite after this is to give them a coat of varnish, and that is effected in a manner equally curious and expeditious. A platform is brought by the lifting machine up to the railway which intersects the floor, and on this platform are stuck some 300 pair of the shoes, by means of spikes passing into the lasts. The whole thing is now rolled into the varnishing apartment, where each shoe is coated with a particular kind of resinous varnish; and then it is thrust into an oven, where it remains until its exterior is thoroughly dried.

To give an illustration of the magical celerity with which those India-rubber shoes are produced, we may state that the sheets are cut up one day, the shoes are made the next, and these are packed ready for market on the next again. The North British Rubber Company turn out regularly in this manner about 4,000 pair every day.

The consumption of this article is now very great. In England, Ireland, Scotland, and the Continent, particularly in Germany, the demand is growing with unheard-of rapidity; and the reason, we think, is obvious—the thing is

at once a necessary and a luxury. A lady may wear her goloshes on a wet day, at an evening party, or at a concert, without considering them vulgar and common because the dairyman's daughter over the way goes about the cow-shed, and marches across the yard with a pair of precisely the same things protecting her feet. There is no mistake as to their beneficial qualities—but, of course, there is a time for everything; it will not do to wear India-rubber goloshes, or waterproof clothing of any description, constantly under all circumstances. What is good for keeping out wet, is also good for keeping it in; or, in other words, by a constant use of this article of dress, we run the risk of checking the respiratory organs, which is very hurtful. We may mention on this point, however, that the girls in the works who wear the shoes constantly, find no ill effects resulting from this cause.

There are a number of other curious things to be seen at the Castle Mills. For example, the machine for making lasts is a really wonderful piece of mechanism. The steam-engine itself, of one hundred horse-power, is well worth examination; and, indeed, the machinery through the works generally is of a very high order, most of it, we believe, of American origin. We cannot enter, at present, on the other branches of the manufactory—the machinery bands, tubes, springs, and such things, but we may remark, in conclusion, that the India-rubber manufacture seems to have become established in Scotland, and we wish it all success. We have no jealousy at all that it has been done by American capital and skill; quite the reverse. This circumstance, indeed, will suggest the important reflection, that, after all, the spirit of commerce is the true bond between civilized nations, the best agent for improving the condition of the people, and the only legitimate source of national wealth and prosperity.

THE NEW SEAT OF GOVERNMENT.

A WESTERN VIEW OF THE QUESTION.

Mr. Harvey, one of the editors of our contemporary, the *Hamilton Spectator*, has visited the City of Ottawa on a journalistic "commission of enquiry." The following interesting description of the position of Ottawa, with remarks upon its resources and prospects, we take from the *Spectator*:

Situated near the Chaudiere Falls, it is to be expected that the immense water power there, should give a distinctive character to Ottawa; and accordingly on each side of the river, manufactories of various descriptions are established. Nor are all the facilities for harnessing the stream exhausted. On the Lower Canadian side alone there are canals from which 1000 water wheels of the largest size could be supplied, while on the Upper Canadian bank there are powers which appear to be not a whit inferior. Should all these ever be made use of, it would only be necessary to excavate other canals, more inland, and the power now available could be indefinitely multiplied. Standing on the Union Bridge, just below the falls, and seeing the river, half a mile in width, precipitating itself over the ledge of rock, 40 feet high, one is more impressed with the power of water than even at Niagara. There are also some fine falls on the Rideau, higher by far than the Chaudiere, which are also forced to do some of man's drudgery, and can be made

to do more. Again, the Gatineau River may be considered as a vast mill-race, throughout its almost entire length. At the Chats rapids, too, the water power is almost unlimited, so that one may easily see how Ottawa may hereafter be the manufacturing centre of Canada, as well as the centre of political power.

The south bank of the Ottawa is the more elevated. Between the two highest hills, which, bold promontories project into the river, the Rideau Canal is conducted through a natural ravine, and a series of magnificent locks lead from the level of the canal to that of the river. On each side of the canal and on the summit of the hills are the Ordnance lands which the Government controls, and here it is, on the highest land in the city, that the Parliament buildings are to be erected. A hundred and fifty acres afford a beautiful site, and from the top of the future buildings the eye will probably be able to discern the mountain on which Montreal is built, the good town of Prescott, the town of Perth and the village of Arnprior, thus overlooking a dozen magnificent counties. Already there is, in one of the public halls of the city, a painting representing Ottawa *as it will be*, with stately buildings on every eminence, and on the river a British man-of-war at anchor, and a three masted vessel from Liverpool in full sail, *en route* to Chicago, *via* the ship canal which is in contemplation.

The city can easily be strongly fortified. It is probable that the design of making Ottawa the capital of the Province has been entertained by Her Majesty's Government for a long time; for the line of defence of which the Ottawa River and the Rideau Canal form the chief part, would certainly be incomplete without a fortress on which troops could retire with safety from either end of it. In the event of war, too, were it designed to send troops from one end of the Province to the other (and the Rideau Canal would be the only safe route) there ought to be a convenient and commodious military station where their equipments could be completed, and whence supplies could be forwarded. In view of this event, it may plausibly be urged, the Ordnance have reserved lands on each of the "capes" within the city, spots overlooking the surrounding country, on which redoubts and bastions will hereafter arise.

The streets of the place are broad and well laid out. There are already a number of excellent hotels, and if any emergency should arise, there is a college, started by a body of Roman Catholics, which they have ceased to occupy, and which could be turned into a hotel, and accommodate a very large number of Government officers and other gentlemen. But of this there will be no need. The city must grow more rapidly than ever, so soon as the Government buildings are commenced, and by the time they are finished, there will be as much house-room and accommodation as will be required. Gas works there are—water works, it is said, there will be, to raise the water from the river, which, although brown, is nevertheless very healthy to drink, and contains less solid matter than that of the St. Lawrence.

The value of the trade of this city and environs is not easily calculated. As nearly as can be estimated 15,000,000 or 1,6000,000 of feet of square timber on the average, pass Ottawa city every year, from the Ottawa and tributary streams. The Gatineau is made to furnish saw logs to the number of 200,000 per annum. Last season the amount was far above the average, and 19,000,000 feet of squared timber were got out. This year, owing to

the stringency of the time, it is calculated that 15,000,000 feet will only be run down. The duty paid to government for the privilege of cutting the timber, is only 1d. per foot for square timber and 5d. each for logs. Yet this amounts to £40,000 per annum! More than 20,000 lumbermen are employed in "making," sawing, and transporting this lumber to market. The wages of each man average \$14 per month, and his board is worth on the average \$12 per month, which, paid to 20,000 for nine months of the year, shews the total amount of their wages and provisions supplied to them to be £5,680,000. It is to be regretted, although not to be wondered at, that many of the necessaries of life have to be imported for the use of the lumberers. Wheat and flour and 10,000 or 12,000 barrels of pork per annum are brought from the west. Yet the agricultural produce is increasing in quantity and value. The country for a hundred miles above Ottawa, and for a long way on each side of the stream, is well adapted for raising wheat, and within a few miles from the city the Messrs. Harrison and others have raised 50 bushels of wheat per acre, weighing 64 lbs. to the bushel, a product which has seldom been exceeded in any part of Canada. At many a place on the rivers, scores of miles inland, the lumberers have partially cleared farms, where they raise oats and hay for their horses, and, in some cases, wheat for themselves. The establishment of giving free grants of land on certain lines of road is working well. The Ottawa and Opeongo road, some 80 miles long, runs through an excellent farming country. Most of the land contiguous to that half of it was opened in 1856, is already taken up. Sufficient produce was raised last year to preclude the necessity of the immigrants buying any, so that the history of the settlement bids fair to be as gratifying as that of the early followers of Mr. Wright.

The falls at the Chaudiere and the Chats, as well as many other places, offered for a long time great obstacles to the timber trade, inasmuch as rafts going over them were broken up, and had to be re-raftered below. This occupied several days, and demanded considerable expenditure of material, as well as of money for wages; while, at the same time, much of the squared timber was damaged by being forcibly driven against the rocks in the bed of the stream. To remedy this evil, Mr. R. Wright invented the slide system. A slide is an inclined plane, cut in the rock and leading from the still water below it. It is floored with, and, where necessary, has sides made of timber. It is cut just wide enough to allow a "crib" to pass. Each crib, detached from the rest of the raft, is brought to the entrance of the slide, and, sufficient water being admitted, it shoots down it with very great rapidity. Although the descent would seem perilous to a stranger's eye, it is nevertheless attended with but little danger; and the system has this advantage over the old one, that the cribs can be put together and the raft proceed in a few hours, while the timber receives no damage. Mr. Wright (how often does that name occur in the history of the Ottawa?) has built slides at the Chaudiere and the Chats rapids, on the north side. The Government afterwards constructed some on the south side, under the superintendence of Thos. C. Keefer, Esq., and afterwards bought those of Mr. Wright. Government has also constructed several at other places, and, in addition to this, almost every one owning a timber limit has made more or less improvements of this and other descriptions, to facilitate the getting out of timber. The government receives a handsome revenue from the tolls paid by the rafts on passing their slides.

Within a few years a considerable trade in iron has commenced. A tract of land situated on the Gatineau, near its embouchure, was purchased from Mr. R. Wright by Mr. Forsyth. It was found to contain an almost inexhaustible supply of magnetic iron ore, richer than any heretofore discovered, containing, some say, 75 per cent. of metal. The mine has been worked for three years, and large quantities of the ore shipped in barges and brought along the Rideau canal to Kingston, whence it is taken to Cleveland, Ohio, and Pittsburg, Pennsylvania and smelted. It seems a pity that it should not be manufactured at Ottawa, if only with the aid of charcoal, but if Mr. Logan's theories should prove to be unfounded, and coal be found either at Quebec or in Hull Township, where rumour states it to exist, there will, of course, be a fine field opened for enterprise.

The Indians occasionally bring quantities of lead ore down the Gatineau river, and this ore is of the richest. All the endeavours of the whites to find the mines have to reveal the location of mines of all kinds. They may promise to do so, but often intentionally mislead. In other cases, when they may be unwilling to reveal the secret, they become so nervous and terrified as they approach the spot that they cannot be made to proceed to an actual disclosure. Yet, some day, the lead mines will reward their fortunate discoverer by making him rich in silver and gold. Other ores, too, exist in the Ottawa region. Plumbago and various ochres are also found, and the range of mountains to the north east is a mass of valuable minerals, whose value is not sufficiently known to be estimated.

While thus mentioning the natural resources of the region, we must not be forgetful of what man has already done to utilize them. Mills for grinding flour and for sawing wood are in operation at all the principal rapids on the rivers, while at Ottawa itself there are manufactories of everything imaginable that can be made of wood, from the familiar deal plank to the no less familiar lucifer match.

The fact that the Ottawa country does not produce sufficient grain and meat to feed the population, acts as a stimulus to agricultural pursuits there. The market for produce being near the head of the waters of the rivers where the lumbermen spend the winter, it follows that wheat and corn command a better price in the interior than on the banks of the river near Ottawa city. Wheat which now fetches 4s. 6d. per bushel at Ottawa, is worth 5s. at Renfrew. Hence the resident population of Renfrew and Pontiac counties is larger than one would imagine, and sparse settlement has extended a long way up the river. Another reason why the farmer so closely follows the lumberer is that the best pine lumber does not grow as is often supposed on a poor soil, but intermixed with hardwood, on rich ground which readily yields an abundant produce in grain.

On the other hand there are several causes at work to retard settlement. The high wages obtainable for assistance in drawing out timber and similar lumbering operations, tend to draw the farming population into it, and it is said that the Crown Land agents hardly act fairly by intending settlers in allowing many of the residents and even absentees to take up the Crown Lands at 4s. per acre, without compelling them to do the required settlement duties, or even to pay for the lands they are thus permitted to hold. The immigrant is consequently forced to buy from these middlemen, at four or five times the Government price, lands perfectly wild; thus diminishing

his own ability to make improvements and only enriching the do-nothing speculator. Were it not for these reasons, there would have been no necessity as yet to give free grants of land on roads in the interior, although no one will be disposed to find fault with this course, which has induced about 150 emigrants to take up and clear lands on the Ottawa and Opeongo Road alone. These lands are of veay varying quality, and those near the Ottawa are generally poor, so that many men who have gone up there have not remained, and the actual settlers are both indigent and ignorant in the extreme. They have nevertheless made an excellent beginning, and their children if not themselves, may make valuable subjects. The Crown Land Agent there, Mr. French, is highly spoken of for his attention to his duties. His sole object seems to be the opening up of the country over which he has charge.

The means of access to the Ottawa country demand especial attention, for the value of any region to its inhabitants chiefly depends on the excellence and variety of its means of communication with the rest of the world. The Ottawa river is the main artery of travel during the summer, not only for the canoe of the *voyageur*, which is yet paddled up and down, but also for the raftsmen bound downward to the sea. Steamboats, too, run from Montreal to Ottawa, passing the rapids at St. Anne's by a single lock, and those at Grenville by a series of canals. At Ottawa, the navigation is interrupted by a number of rapids, extending for six miles, but afterwards it is again resumed, and carried on as far as the Chats rapids, where there is a horse railway, about three miles long, built upon piles and leading to a further stretch of navigable water above. A canal at the Chats was commenced, but although considerable progress has been made, it is not yet nearly finished.

The Ottawa and Prescott Railway, which has been in operation since December, 1854, was built by a company first organized in 1851. It is 54 miles long, and two passenger trains run on it each way daily. Its stock has not been a paying one hitherto, and shares have been lately sold at a few shillings each; but now they are firmly held, and the road will probably be improved by the expenditure upon it of the £50,000 granted to it last session by Parliament. A road from Ottawa up the bank of the river, which may be regarded as an extension of the one in existence, is chartered, and contracts for its construction are already let. A railroad from Brockville to Pembroke is graded, and the iron, it is thought, will soon be laid. The company running it have also a charter for a line from Pembroke to Georgian Bay, which, however, expires in may next, when the Ottawa and Arnprior Railroad Company will, we understand, be entitled to assume the building of it. The existing railroad is a great boon to the district, and so will the future one be.

What the future of the Ottawa valley may be, it is difficult to imagine. Central in position as regards Upper and Lower Canada, it may hereafter feed six or eight millions of men. Ottawa city may then be the centre of population, as it is now the geographical centre of Canada. The dreams of enthusiasts as regards the trade of the country may then be realized. Nothing is more permanent than roads; a map of Britian and the well built *viae* of its first conquerers is identical with a modern railway map of the Kingdom. The grand railway lines of the States follow the ancient trail of the Indian hunter, as he followed the still more ancient tracks of the deer and the buffalo along the river banks or through the mountain passes. So may the canoe

of the voyageur on his way to the North West along the Ottawa have been but the precursor of the ocean steamer, bringing the cotton of Africa to be manufactured by the million spindles of the Ottawa factories, and taking cargoes thence to the busy cities of Huron and Michigan, fetch back the teeming produce of the West. Or, grander still, while even yet more likely, the magnificent conception of Cauchon may become a tangible reality, and the locomotive may rush past chaudières and chutes towards the rich mines of varied minerals and metals on Georgian Bay, or the northern shores of Huron and Superior. It may then play its part in distributing them for the use of Europeans. Eastward, or Westward, for that of the millions of agriculturists who will till the Saskatchewan prairies, cultivate the rich Red River lands, or ransack for sources of living wealth the cold waters of the Hudson's Bay. The population of the Ottawa valley, then strongly British in feeling, thoroughly Canadian too, may hold the balance of power in Canada, stifle Eastern and Western Sectionalism, ensure the permanence of the Union and the perpetration of a broad National policy in the Government of this portion of the empire. Who, weighing these possibilities,—nay, probabilities—may we not almost say certainties? will question the propriety of the decision of the Imperial Government which establishes Ottawa as the future *Capital of Canada*.

Railroad to the Pacific.

The following remarks from a late number of the *Canadian News* are well worth a perusal, pointing as they do to a glorious future for British North America :—

“ We are anxious to direct the attention of our readers and of the public generally to a subject which intimately affects the future prosperity of the whole of British North America,—we allude to a project, to which we have on more than one occasion referred, of establishing a great highway through British territory for the commerce of Europe and Asia. The idea may be considered by some as an extravagant one, but by all persons as one which, if accomplished, would do more to increase the prosperity of Canada, and to make her influence more beneficially felt throughout the world, than any plan which can be devised. That a railway communication between the Pacific and the Atlantic across the American continent will one day be accomplished, there cannot be the slightest doubt. The question arises who shall make it?—shall it run through British or through American territory? Several routes have been suggested, and actually surveyed, in the United States for reaching the Pacific overland. The whole distance between the southern boundary with new Mexico and the northern boundary line has been carefully explored by the Americans, with the view of finding the best route to the best port on the Pacific. Along the whole of the Pacific coast there are, however, but two or three ports which are adapted to be the terminus of a great continental line. Of these, two are in California,—San Diego and San Francisco,—and the others at the extreme north of the United States territory at the mouth of the Columbia River in Oregon and the Straits of Juan de Fuca in Washington. The entire Pacific coast in the United States territory possesses no other eligible points than those just named. The principal parts in Asia with which it is desirable to hold speedy communication

are China, Japan, and India, and the direct route from England and a large portion of Europe follows a line north of the United States boundary. The southern routes which have been suggested by way of San Francisco or San Diego are, therefore, out of the question, and the route from England to Canton by them would be several thousands of miles longer than by a road north of the Oregon boundary line.

The grand line proposed a short time since, known as the Whitney Railroad, was reported on favourably to both Houses of Legislature at Washington; but it fell through; nothing was done, and loud were the complaints which resounded from all parts of the States that the States had sacrificed thereby the most splendid opportunity of wealth, of commercial and political greatness, ever brought within the grasp of a nation, and had handed it over to a rival as nothing worth. The people of the United States had abundant cause to regret the failure to carry out this line, for it has now become perfectly clear that a railroad can be constructed through British territory to the Pacific which will be at least a thousand miles shorter, and capable of being constructed with much less expense, than the proposed Whitney line. It rests with Englishmen to decide whether they or their American rivals shall make this Pacific railway, and whether Canada shall be raised thereby from being a mere colonial dependency to the rank of a great controlling power.

Nature has marked out in the most unmistakeable manner the proper direction for the Atlantic railway. From Fond-du-Lac, at the western extremity of Lake Superior, there exists an almost unbroken chain of water communication to the straits at Vancouver's Island. These inland lakes and great rivers point to the levels of the country, and suggest the route of railways. From the western shores of Lake Superior there is but a distance of 1,600 miles to the Pacific, almost every foot of which lies through a country which can be cultivated with ease and profit. What are 1,600 miles of railway that they should be considered such formidable obstacles to the completion of a great work? In about eight years nearly 2,000 miles of railway have been completed in Canada. In 1849 Canada possessed but three lines, which together scarcely exceeded fifty miles in length; now we have the Grand Trunk system nearly completed, the Great Western stretching far away to the extensive south-western limit of the province at Lake Huron, the north-eastern part of the lake reached by railway from Toronto, and the valley of the Ottawa pierced by a line seeking Lake Superior from Montreal; while eastward, Quebec is in communication with Montreal, and this again with the magnificent harbour of Portland on the coast of Maine.

South of the St. Lawrence the progress of railroad-making is even more remarkable. The United States, in ten years, has covered itself with a network of railways more than sufficient, in length, to girdle the world, and nearly fifteen times longer than the link between Lake Superior and the Pacific. There is not a year since 1850 that has not witnessed, in the United States, the completion of new railroads of an aggregate length of more than 1,600 miles, while in some of the years the quantity has been more than twice the amount. In 1851 the new railways opened in the United States were 2,022 miles in length, in 1852 they were 2,437 miles, in 1853 not less than 2,196 miles, in 1854 they reached 3,927 miles, in 1855 to 2,009 miles, in 1856 the new lines opened were 2,841 miles, and last year 1,920 additional miles of

railway were completed. The extent of railway communication in the United States, all the work of a few years, is now 26,210 miles, and they have been constructed at an expenditure of \$919,990,000. To talk of difficulties in the way of the completion of some 1,600 miles of railway in the present day is to ignore altogether the experience of the past, and the enterprise of such people as those who are accustomed to go a-head in Canada and in the United States.

Let us glance for a moment at the immense resources which a line such as that suggested would open up in the country through which it traversed. The restless activity and the rapid increase of the newly-formed North-Western States will afford some idea of what will take place when the heavy incubus of the Hudson's Bay Company iron grasp is removed from the British territory through which the Anglo-Pacific railroad would pass. In 1854 the American Government sold not less than 14,869,000 acres of land, of which 3,500,000 were situated in Iowa. In the north-western provinces of the states bordering on British and Canadian territory, 93,978,000 acres of land had been sold up to the close of the year 1856,—an extent greater by nearly 20,000,000 acres than the whole surface of the United Kingdom. The President, in his address to the Congress, speaking of these western and north-western states, said—"The plough of our husbandmen is marching steadily onwards to the bloodless conquest of the continent; cities and populous states are springing up as if by enchantment from the bosom of our western wilds, and the courageous energy of our people is making these United States the greatest Republic in the world." It is for the commerce that must arise when these districts are thoroughly peopled that Canada and the United States ought to struggle with noble emulation. Already there is developed upon the great inland seas a navigation almost as large as that of the coasting trade of the European continent. Fifty years ago those vast waters were dotted only with the tiny forms of some native Indian canoes; their waters are now ploughed into foam by 70,000 tons of steam and 138,000 tons of sailing ships, which carry away for eastern states and for the old world a surplus produce of nearly 400,000,000 dollars.

Already there exists an unbroken water communication between the western lakes, and the voyage performed some time since by the *Dean Richmond* from Chicago to Liverpool, proves that the voyage can be made expeditiously, and profitably. From Lake Superior a similar voyage might be made, and if the short links of the navigation were completed from the Georgian Bay to Lake Ontario, or with the Ottawa, the shores of the Pacific might be brought within about sixteen days' distance from England. It behoves the Government of Canada to be on the alert respecting the grand scheme, otherwise it will find, when too late, that the commerce of England with India will be in the hands of their great rivals, and that all which will fall to the share of the Canadians, in this enormous carrying trade, will be such only as they may be able to secure in the competition for the inland navigation, or, what will be such only as they may be able to secure in the competition for the inland navigation, or, what will be more probable, they will have the mortification of seeing the great bulk of the traffic pass by way of Chicago over some portion of the wondrous net-work of railways which intervenes between New

York, Boston, Philadelphia, and the north-west provinces. The subject is one deserving of serious consideration, and its importance and value are not exaggerated in the remarks published some time since by Sir Richard Broun, who has been for years past most unremitting in his endeavours to call attention to the project. Its influence extends over a vast space, both in the old world and in the new. It must affect the destinies of hundreds of thousands of human beings, not only now but for ages yet to come."

THE CANADIAN TARIFF.

There are few questions at present before the country on which the future prosperity of Canada so much depends as the proper adjustment of the tariff. That no allusion is made to this subject in the speech from the Throne, may be, perhaps, accounted for by the fact, that no decided expression of public opinion has been manifested on the subject. If ministers are to rule in the old English style of yielding no reforms except on a *pressure from without*, we need not wonder that this important subject has been passed over in silence. But this silence it now appears from the declaration of the Hon. Mr. Cayley, does not imply that no action will be taken in the matter. Indeed the revisal of the tariff, at least so far as it relates to articles paying specific duties, is rendered necessary by the general introduction of the decimal system into mercantile transactions. We fear, however, that no strong party in the House is prepared to advocate or adopt the views advocated by us, and that until the public mind is more thoroughly concentrated upon this question, we need look for no measure of reform suited to our wants. That there may be no misunderstanding of our views on this subject, let us "define our position:" We propose to assimilate our Tariff to that of the United States, which places high duties on all articles of manufacture, and admits free of duty articles which cannot be produced in the country, thus giving incidental protection to home manufacturers without increasing the burdens of the people.

The correctness of this principle is generally admitted, but its importance seems to us to be little understood. Hence it is treated as a secondary question, well suited to exhibit the commercial knowledge of some "learned gentlemen," or test the oratorical powers, of some new member, but not as a question of sufficient weight to decide the fate of the ministry. The great question which called forth the eloquence of a Clay, a Webster and a Calhoun, is a small matter in the eyes of Canadian politicians. We see members on different sides of the House agreeing on this question, yet voting against one another; ministers admitting the justice of the principle, yet unwilling to risk their reputation in carrying it out.

The student of history knows that this subject engaged for many years the attention of the first statesmen of the neighboring Republic; that the effort to establish the present tariff, was only successful after the most determined struggle—a struggle which threatened the dissolution of the Union itself. Fortunately for us, we have no South whose interests are apparently at variance with our own. The idea that protection would benefit

the eastern more than the western section of the Province, is a delusion that will not stand the test of examination. Just in proportion to the superiority of soil, climate, and natural advantages of either Province, would it be benefited by such a policy. What can be more detrimental to sound legislation, than this unreasoning jealousy between the Provinces?—Bound together by the hand of nature, as well as by commercial and social ties, politically united or divided, their solid interests cannot be separated. Protection is no Lower Canadian view of the question. If one class more than another, is at present opposed to such a policy, that class is the merchants of Montreal. Many of these regard protection as a measure advocated only by a “few manufacturers.” “Do you propose,” say they, “to shut us out of the markets of Lyons, of London, of Manchester, or of Boston, and drive us to the Canal for our goods.” The muddy roads in that plebeian locality, are not like the suburbs of Lyons, whose palaces have been built and her pavements laid by the proceeds of those home manufactures our Merchants and people so much despise—Broadcloth in the mire, seems more suited to Canadian tastes, than homespun on the boulevard; but our business men will soon be convinced, if they are not convinced already, that the produce and lumber trade is not sufficient to sustain our present importations, and that unless our vessels can carry with them some other productions of labour in the shape of manufactures, the business of the country must decline. If we do not shut them partially out, they will soon shut themselves out altogether. The wheat fields of Upper Canada, like those of the valley of the Richelieu, in Lower Canada, which in 1780, yielded forty bushels per acre, will soon like that fertile district, be destroyed by continuous cropping. The valuable forests, soon to be wanted in our own country, are being despoiled in the vain endeavour to pay with their products the large importations induced through the absence of manufactures.

In Upper Canada, the objection raised against a protective policy is, that it would raise the price of manufactured goods to the farmer, who receives no protection in return. Now, this is true of goods which the country cannot produce, but the very reverse is the case when the goods are partly produced and could be wholly produced with advantage in the country. Have the high duties of the United States raised the price of manufactures to the farmers of that country?—quite the reverse; except in silks and other goods which are not produced at home. Nearly all staple articles are cheaper there with a duty of 30 per cent, than here with a duty of from 5 to 15 per cent. Has our duty of 20 per cent on India rubber shoes increased the price? quite the reverse. When the duty was low and no factories in the country, men’s rubbers were 7s. 6d. per pair, now with high duties and home manufactures the price is 5s, while eighty thousand dollars per annum is spent in the country in wages and the farmers home market greatly improved. Has 20 per cent on boots and shoes increased the price compared with the American markets? quite the contrary. Six years ago with low duties the price of the staple articles in the shoe trade was 20 per cent higher in Montreal than in Boston; now with high duties the price is not 10 per cent higher, and if our protection is increased the price will soon fall to the Boston level. Fine goods only are imported, and a duty of 30 per cent would bring the manufacture of these to the country and reduce the price. How is this? Simply because you increase the business of the home manufacturer and

thus enable him to reduce his profits. If a manufacturer can furnish a hundred reams of paper or a hundred pairs of boots at a profit of ten per cent he can furnish one thousand reams or one thousand pairs at five per cent profit, and benefit both himself and his customer. This is not a protective but a free trade view of the subject; but free trade carefully considered tells us that a small market within our reach is valuable, while a large market beyond our reach is worthless. Are we not shut out by a high tariff from the United States market, and shall we in consequence and with a view to improve our condition throw away the small market that remains?

Again let us ask has the protective policy of the United States increased the price of cotton goods; "Those shirtings, says an authentic writer in Hunt's Merchant's Magazine, which cost 30 cents in 1816 under a low tariff, can now be bought under a high tariff for 6 cents." And what would be the effect of a high tariff on cotton and woollen goods in Canada; simply to establish their manufacture, and as we have the raw material cheaper than England, and labour not much higher, the inevitable effect would be to give us cotton and woollen goods at least twenty per cent cheaper than at present. The cheapness of the goods however is a small advantage compared to the benefit arising to the farmer by the increased demand which a manufacturing population would create for every article of the farm. Of this advantage the manufacturer has no share, so that while he has one advantage in an increased business the farmer has two, viz., better demand for his produce, and less to pay for his goods. This can be illustrated by a simple appeal to the every day experience of the farmer. The careful observer will see almost daily loads of undressed sheepskins *en route* for the United States, which are bought in our market at say 20 cents each, taken to New York and made into linings and sold again to Canada at say \$6 per dozen. Now what would be the effect of a high tariff on linings? simply to bring the New York manufacturer into Toronto where he could manufacture cheaper and where home competition would soon make him sell at least as cheap, so that the farmer would get the New York price of 25 cents for his sheep skin, and be able also to buy his lining at New York price of four dollars per dozen. Freights and charges both ways would thus be saved and with dearer markets to sell his hides and cheaper markets to buy his leather he would also have a better demand for his produce. But it may be said if such advantages present themselves the establishment of manufactures will be the inevitable result without the aid of protection. This, would be true if manufactured goods were produced by manual labour like a bushel of wheat or a stick of timber, but it is otherwise where machinery is employed. The mill that could grind properly one barrel of flour requires a thousand or ten thousand barrels per annum to keep it going, and if there were only one hundred barrels to grind the mill would never be built. The farmer who would refuse to join with his neighbours in promising his work to a miller who was willing to settle among them if all were to employ him, but who lived twenty miles away because their custom was divided, would be regarded as a very foolish man; yet to deny the Canadian manufacturer the largest possible market is equally absurd. A plain door can be made by manual labour for four dollars and by machinery for two dollars, but the machinery may cost one thousand dollars, and if the demand is limited to one hundred doors per annum the machinery will never be introduced. The

great aim of the manufacturer is to extend the limits of his market, as by increasing the amount of his sales he is enabled to reduce the price of his goods. The best markets are those which radiate in every direction from the manufactory as embracing the greatest area within the smallest distance; and here the advantage of free intercourse between contiguous nations is beautifully illustrated. The United States tariff however compels the manufactories on the Canadian frontier to radiate only in half a circle, while the Canadian tariff permits the American manufactories to radiate in the whole circle. Suppose a manufacturer with capital and skill reaches Prescott in search of an eligible place of settlement. On the Canadian shore he can only sell his goods on one side of the river, the thirty per cent duty shuts him out from the other side. On the American shore he not only has the American market, but for a low duty the Canadian market as well. The high tariff on foreign manufactures enables the American Government to admit tea sugar and coffee free of duty, which our low tariff on manufactures compels us to tax. Hence the capitalist has no difficulty in choosing the American side, and the result is visible in the flourishing town of Ogdensburgh and the "deserted village" of Prescott. European travellers notice the difference and sagely ascribed it to "free and enlightened institutions." Let it be ascribed to the true cause: Canadian politicians' ideas of "free trade" which has made us a laughing stock among our neighbours.

This inequality of the tariff presses most unfairly on Canadian enterprise. The paper manufacturer at Ogdensburgh can sell his printing paper at Prescott by paying a duty of five per cent, while the manufacturer at Montreal cannot sell the same article at Rouse's Point, or the manufacturer at Sherbrooke at Island Pond without paying a duty of thirty per cent. Five per cent or even fifteen per cent is no sufficient inducement to bring the American manufacturer here, as his own market of over twenty-five millions of people is worth more than the duty on his sales in Canada. But the Canadian manufacturer has not even his own small market to himself, and yet his want of success is charged to want of energy. Need we wonder then that many of our manufacturers and people go to the United States? The only wonder is that so many remain behind, and were it not for the great natural advantage we possess, and which will yet raise us to a proud position under a wiser policy, the total abandonment of every manufactory in the Province would be the result.

But there is a darker shade to the picture. When American enterprise has induced over production and resulted for a time in stagnation, our national prosperity is liable to be destroyed without any check, by the influx of foreign goods into our more profitable (and specie paying) market. Our prosperity is thus made to depend not upon our own judgment and discretion, but upon that of our neighbours; while their own high tariff prevents us entering their markets when over production or other causes has depressed our own.

But it may be said if adversity compels the American manufacturer to sell his goods below the Canadian, why not buy them and save our money? this is a very common but a very absurd argument. If our manufacturers are receiving high prices they are paying high wages, their hands in turn pay good prices to the farmer, and all are prosperous. But the moment the farmer buys the foreign goods he shuts up the home manufacturer, and as a natural conse-

quence loses his best customer. Without a home market he must carry his produce to the foreign manufacturer of whom he bought his goods. The Canadian farmer is now in the same condition as the foreign manufacturer, and they sympathize with one another in their misfortunes. Finally he sells his flour ten per cent cheaper than the price at home before the "hard times" and takes goods ten per cent cheaper than he bought them at home before the factory closed. He finds by a close calculation that he gets just the same number of yards of cloth for the same number of barrels of flour, and that he is out for duty and freights just one quarter the value of the flour. As for his potatoes, cabbages and coarse grains which he could always sell to advantage before, he finds no market for now, and even his farm, and there is not a better in the country, (so every farmer thinks) would not sell for half its former price.

Elsewhere we publish a statement of the imports of the principal articles of manufactured goods in 1856, by which it is shown that we import nearly twenty four million dollars worth of goods the greater part of which might have been produced at home. Had this been the case there would have been no cry of over importation, no complaint for want of employment.

We have shown in a former number that if only a tenth part of our population remain unemployed for six months, the loss to the country, say for 200,000 people 150 days, at one dollar per day, wages and profits, would amount to *thirty millions of dollars*. A sum sufficient to balance our foreign debt and leave a handsome surplus. What a burlesque on profitable labour to see the unemployed of this city sent to spread the few handfuls of snow to be found in our capacious streets, a piece of work which the sun's rays would perform far more effectually. Now we find them scratching in the frozen ground with about as much success, but not so much method as a shanghai fowl. The returns from such mis-directed industry will we fear never be realized. Like the extraordinary efforts put forth by the lumberers whose labours, after spending millions of dollars on flour, pork and wages, has not unfrequently no other result than to destroy our valuable forests soon to be required for our own use. The whole returns often fail to pay the cost of carriage from the head waters of the Ottawa to the British port, sometimes not even the ocean freight. And these are the exports with which we endeavour to pay for twenty four millions of dollars worth of manufactured goods per annum, while our own manufacturing resources are undeveloped and our artisans thrown on the charitable for support.

Let our public men examine the trade returns and they will find us importing thirty-two thousand dollars worthy of *tobacco pipes per annum*, which if made at home would do more to relieve the unemployed than all their charitable efforts put together, while it would retain the money in the country. A duty of thirty per cent would accomplish this without raising the price of the article. And even if the pipes cost double could not the labourer better afford to pay a penny for his pipe with constant employment, than a copper while dependent on the soup kitchen for his support. Let our philanthropists *cap the climax* by giving with the plate of soup an *imported pipe*. It is the last one the poor labourer will require while he has no money to buy *tobacco*. Importing pipes will soon end in "putting his pipe out" altogether.

To show how completely we have deceived ourselves as to the effect of a high tariff, we have only to refer to the article of printing paper, on which, considering how poorly people "pay the printer," the duty has been reduced to five per cent. There is a large paper manufactory near the Suspension Bridge, on the American side, which furnishes many Canadian firms with printing paper. Why does that establishment remain on the other side? Simply because by so doing it has free access to the American markets, and to ours by paying a trifling duty of five per cent. Put the duty at 30 per cent. and what would be the result? Just this: The Company would establish a branch on the Canadian frontier, where there are equal facilities and instead of increasing the price of the paper, it would be diminished by at least the amount of duty, while the hands employed would add to our population, and by consuming dutiable goods, add to the revenue of Canada, what is now added to that of the United States. The whole question might be discussed in the same way, but we will only allude to another article of manufacture in support of our views. Manilla rope is now admitted into the Province free of duty, while the Manilla is charged a duty of 15 per cent. It is principally imported here from New York, where it is made and where it must continue to be made till the duty is taken off the raw material and placed on the rope. It could be made here equally cheap, but our present tariff prohibits its manufacture in Canada. Hemp rope used in ship building, has hitherto been mostly imported from England, and admitted free with a view to benefit our ship builders, but whatever may have been the necessity for this before rope-walks were established, we think it will now be found that if our own rope makers got all the business, they could soon furnish the rope at English prices, and probably better suited to the wants of the trade. And even if the price was a trifle higher for a time, our ship builders in return for having their own business better protected, should be prepared to make some sacrifice, if necessary, for the general good. The duty on Manilla, we may also state, prevents the manufacture of wrapping paper as well as of mattresses. Put a duty of thirty per cent. on paper, said an extensive American manufacturer to us a few days ago, and admit the raw material free, and I will remove my mill and hands to Toronto, and furnish you paper cheaper by the freight and duty than I do now.

From what we have said, we think it cannot be doubted that the establishment of manufactures would soon place the trade of the country on a better footing. If this picture is not overdrawn, surely it becomes the duty of every true Canadian, to advocate the measure here recommended. More especially is it incumbent on the Government to aim at the adoption of such a policy, as there cannot be a doubt that it would ultimately, if not immediately add to the revenue, and relieve them of the interest on the Grand Trunk Railroad, which, by the immense increase of local traffic, would, if properly managed, be self-sustaining. However much the authors of the Grand Trunk prospectus may be blamed, we venture to predict that so soon as the trade of the country is placed on a proper footing, the statements contained in that prospectus will be more than realized. Canadian legislation, like the undertaking alluded to, has generally been commenced at the wrong end, and when Parliament and the country is convinced of this, we may look for better times.

Admitting the desirableness of the measures proposed, the great diffi-

culty is to carry them out. Existing interests, as well as the revenue, must be attended to—great changes cannot be suddenly enforced, and trifling changes will defeat the object in view. The proper way appears to us to be, to provide that the duty on the more important articles of manufacture shall be 30 per cent, say after the 1st of July, 1859, thus giving a guarantee to those who will invest their capital in such manufactures, that by the time they are prepared to supply our market, they will have this advantage. In the mean time the duty might be raised on the less important articles, such as crockery, glassware and tobacco pipes, which would give ample employment to our present population. Any falling off in the revenue from this source, would be more than made up by the extra consumption of other dutiable goods. This would not exclude the question of reciprocity in manufactures with the United States, being discussed or adopted hereafter, as, after a fair start, any Canadian manufacturer would gladly accept that instead of protection. The threatened repeal of the present reciprocity treaty, might alarm our farmers, as that measure coming into operation during war prices in England, and while a large expenditure of foreign money was going on in Canada, has been greatly over valued. The statement published elsewhere, of the principal imports and exports under the Reciprocity Treaty, in 1856, shows that if we except flour and wheat which could have been shipped direct to England, and lumber, which they must have, we have imported far more than we have exported of the products of the soil. So far at least as Upper Canada is concerned, it has only served periodically to glut our markets with American butter, cheese, potatoes, eggs, apples, vegetables, &c., and thus by discouraging home production and leaving us to depend upon an uncertain foreign market, injured both the producer and the consumer.

It is true the "trade" between the two countries has wonderfully increased, but if Jonathan takes a fancy to John Bull's eggs, and John Bull is equally fastidious and fancies Jonathan's eggs, we really do not see what either has gained by the transaction. To our simple minds the exchange of commodities of this kind, has been of little benefit to Canada. Toronto has imported from the United States, what Montreal has exported to the same country, and had we dealt with one another like Montreal and Quebec, we would have been equally well supplied, and our own Railroads, Steamboats and Canals, benefited thereby. At present, American Railroads are deriving a large revenue from Montreal exports and Toronto imports, while our own unsurpassed means of transportation are nearly deserted. There is not, we think, much danger of the Americans repealing the present Reciprocity Treaty as a *retaliatory* measure. They will doubtless judge that treaty on its own merits, and without reference to future legislation. Our neighbours are not in the habit of entering into business arrangements without a fair share of the advantages likely to arise—Probably like ourselves, they find that trading *jack-knives* is a very unprofitable "speculation." So far as Canada is concerned, there cannot be a doubt that to foster our internal trade would be much more advantageous to the farmers than the Reciprocity Treaty itself, as it would give them markets at their own doors, almost equal to those of Boston, Lowell, or New York. We freely admit that the fear of losing the Reciprocity Treaty, and the idea that increased duties would cause increased prices, are the great difficulties to be overcome, and until our agriculturists are convinced that their true interests lie in encouraging a home

market instead of depending on a foreign and uncertain one, we fear it will be impossible for the present or any other ministry to deal with the question without exposing itself to certain defeat.

With a view to bring this subject more prominently before the public mind, we would recommend that a convention of Manufacturers be held at the Seat of Government or elsewhere, when the condition of the manufacturers of the Province would be made known, their wants and grievances discussed, and such suggestions thrown out either by amending the tariff or otherwise, as would furnish the ground work of future legislation in the interests of Canadian industry and progress.

On behalf of the unemployed of Toronto, we would here state that while grateful for the aid extended to them at this trying time, they have little reason to be grateful to a country where they have been so cruelly disappointed, and the feeling of humiliation with which many of them receive the proffered aid, tells of better days in the past and brighter hopes for the future. However unwilling to leave the flag to which they have ever looked with pride and under which they have trusted for protection, they will not remain long in a country which cannot afford them honorable employment.

The soup kitchen of the House of Industry, however commendable for its legitimate object, is not the place on which the independent mechanics of the the United Kingdom have been taught to depend. From an intimate knowledge of the present circumstances and feelings of the working classes, we can assure the country and the legislature, that unless prompt and efficient measures are adopted to give steady employment to all classes of our population, the emigration from Canada, during the coming summer, will exceed that of any former season. All men cannot engage in agriculture, nor is it desirable that they should do so. The distress at present existing in most Canadian cities, is heart-rending in the extreme. Not among the worthless and depraved, but among those whose commendable industry has hitherto supplied all their wants. To our own knowledge, respectable parents have been compelled to sell piece by piece of their best clothing; and even the mementoes of the children whom death has claimed, have been offered up on the altar of affection to support the living.

We ask the press of Canada, to give this question an attentive consideration, and to *speak out* on the subject. We ask our legislators to look more to commercial than to constitutional reforms, lest they justify the application of the words, to their case, "they ask for bread, and you give them a stone."

The next few weeks of Canadian legislation will decide the question, whether we are to continue in our present embarrassed condition, or enter at once upon the career of prosperity within our reach.

For the Canadian Merchants' Magazine.

Protection to Canadian Manufactures.

From various symptoms in and out of Parliament it appears pretty evident that a feeling is daily gaining strength, that our past Provincial policy has partaken too freely of so called free trade principles, and that a new party is about to arise under the banner of Protection to Canadian interests, which to the minds of superficial observers will appear to be based upon altogether retrograde principles. In Britain the very name of Protectionist has almost become a bye-word, so that, in the popular mind, it is invested with a signification of being behind the times, and adverse to the advancing enlightenmen

of the age; and as protection is *prima facie* synonymous with increased taxation, it is a hard task to indoctrinate the minds of the masses with the belief, that

True patriots they who wou'd be understood
To tax their country for their country's good.

Besides a free trade cry as opposed to protection would be as good a stalking horse as a "no popery cry," if people can be excited by an appeal to their fanaticism much more easily can they be excited by an appeal to their pockets. The question is yet in its very infancy, and the form which it is first assuming, is in the direction of a revision of the tariff with a view to increased duties, on the importation of such goods as can be produced in the country, and it may be almost said to have taken the specific form of a proposal to raise our tariff rates to the same as those that obtain in the United States. That is at least a very obvious mode of attaining the end proposed, but it would undoubtedly be looked upon in Britain at this day as an *aggressive policy*, it would be looked upon in the States as a *retaliatory policy*, a piece of base ingratitude for the blessings and advantages(?) of the Reciprocity Treaty, and by our own people, it would be regarded as a *grinding policy*, "palpable to feeling as to sight," in the enhanced prices they would inevitably be called on to pay for commodities of wear in their present impoverished condition, so that they might be ready to exclaim with Macbeth, whose inquietude (by the way) arose from nothing but a phantom after all, "Take any form but that and our firm nerves shall never tremble." Now there can be no doubt that betwixt the institution of avowed protective duties for a specific purpose, and the attainment of that purpose, which would even to some extent be problematical a considerable interval of higher prices must prevail, until the internal competition which it is the object of the protective duties to foster can be brought to bear. "Rome was not built in a day," neither can mills, machinery, capital and labour be organized, in weeks, months, or it may be even years, even when organized their effects on the home market in respect of a downward tendency would be gradual, and little noted, probably not attributed to the true cause, while the rise, attained by an unmistakable "turn of the screw" would jar on the feelings and clash with the interests of all. Besides in doubling duties you double the incentive to fraud, and as this has been proved not to be unachievable under our system, and more especially the United States system of *ad valorem* levying, it may give us additional pause. It may be asked then is nothing to be done for the revival of our languishing commerce? while every interest in the country is suffering from a state of collapse? I say by all means let us have protection for our home industry, but let us enquire whether this cannot be attained by other means than an *aggressive* or *prohibitory* external policy. Leaving the present import duties untouched and thereby not directly interfering with the interests of those who may consider their commercial prospects bound up in their intactness, as we may do as we like with our own internal affairs, "with which a stranger intermeddled not." I would suggest the inauguration of an *internal policy of protection*, or it may rather be called encouragement to home manufactures through a system of equivalent *bonuses* on Canadian goods consumed in Canada it is presumed that in the first instance our desire for home manufactures is the supply of the Home Market, and only when we have a surplus would it be necessary or desirable to seek a more distant one, therefore taking the two heaviest articles of import, viz., cotton and woollen goods on which the present rate is 15 per

cent, instead of raising that to 30 let a bonus of 7½, 10 or even of 15 per cent be given to all home manufactured cotton or woollen goods *sent into Canadian* consumption; the question of protection in this way for the end in view would appear to be as broad as it was long, but it would not obtrude so offensively on the senses, nor bear so directly on the pockets of the people, while it would afford true protection at the very point where it is required. When we come to consider the machinery with which this system of Home protection could be carried into effect, no very great or insurmountable difficulties present themselves, while most valuable advantages would be gained by bringing the manufactures of the country under a system of statistical returns which would be very valuable indices of trade.

Let an act be introduced affirmatory of this principle of protection, providing first for a registration of manufactories claiming to be manufactories entitled to the advantages of the bonus act.

Let such particulars be given as, situation, name of firm, nature of manufacture and number of hands employed, &c. &c.

As the manufactured goods would pass to the consumers through the wholesale merchant, they would be invoiced to him in the usual way while the goods themselves, accompanied by certificate of their manufacture, would go to the bonded warehouse or examining warehouse of the custom house, where, when the wholesale merchant came to claim and enter these for drawback or bonus, they would be unpacked, examined, compared with the invoice and an ineffaceable mark put upon each piece, denoting that they had passed the customs, and prevent them being returned to the factory *fraudulently*, and passed a second time for drawback, this check mark, in respect of goods in the piece could be easily done, and a little ingenuity would readily suggest check marks for other goods. In hosiery and smaller goods for instance, it might be made imperative to leave a few lengthened threads of the warp beyond the body of the fabric and in a particular recognisable form, which being cut off on passing examination no subsequent manufacturing process could replace the bona fides of the invoice as a direct purchase and not a mere agency would of course be established by the usual declaration, and any goods proved to have been attempted to be twice passed might be made seizable, and any manufacturer convicted of fraud or attempted fraud subject to having his name erased from the register of manufacturers, and suspended from the advantages of the act. The goods checked and compared, a warrant for bonus and drawback on the amount of invoice would be given to the *entering merchant* by the customs authorities payable to the *manufacturers* order, on the first day of the succeeding month, which the purchasing merchant would at once transmit by post to the manufacturers, and which would at any time be a negociable instrument through any Bank or branch of a Bank. By such a system the manufacturer would at once receive protection for his article both to the extent of the duty on the competing imported article and the internal bonus; manufactories now in operation would at once receive additional impetus, capital would be attracted accompanied by skilled labour, for the establishment of additional mills, but they would neither participate in the advantage, nor change the present interests until they became producers, and began to do exactly what we want them to perform.

The more this system of protection is examined *minutely* the more will it be found suited to our circumstances and superior to any mere protective or

prohibitory duties, because it exactly meets the manufactory at the point where manufactures have hitherto failed and gives a tangible and material guarantee for their sustentation. Capital may easily be found for the erection of necessary buildings, purchase of sites and water privileges, and even the erection of machinery. All these items are in their nature tangible and material representations of capital, which cannot take wings and flee away. It is that undiscovered country that lies beyond — that wilderness of credit, in which the *floating* capital represented by labour has become hopelessly engulfed, that has killed out such of our attempted manufactories as have been unsuccessful. If we examine the history of some of these, it will be found the old story, capital mill, excellent machinery, thorough knowledge of the department of manufacture, large and increasing trade — then comes the turning point, long credits, collections impracticable, “cannot get enough to pay the hands,” want, dispersion to other employments, decay, capital represented by the mill, hopelessly unproductive, ruin, and there an end. Now this system of bonus, would just “send another man to the wheel” at the moment of greatest danger. If after the other requisites are supplied, the expended labour capital represented by the manufactured goods may be taken at 15 per cent or any other ratio on their value, this amount returned by way of bonus or drawback *as the goods are sent into the consumption of the country*, would not only place the manufacturer beyond the risks incident to the credit system so far as his *labour* investment of capital is concerned, but its immediate return in a continuous and never failing stream to its source, might be likened to the functions performed by the heart in the human frame, sustaining life and action, and keeping the whole fabric in working condition, while the principle of making the return through the wholesale merchants direct purchase only, would act as a *check on over-production*, from which great evils periodically flow to large manufacturing communities

An adoption of such a system in which I cannot see there would be any thing utopian in a new and struggling country, might necessitate the adoption of some other means of raising revenue, but it would be evident that a decrease of revenue from imported goods would only be an index of internal prosperity, and that besides we would not be left on a sea of conjecture as to its cause and effects, for a Dr. and Cr. account would be kept in own custom house as betwixt imported and home manufacturers, and the progress of the supplanting process at any time ascertained with perfect accuracy. Other minor details which might develop themselves in the progress of the question, it is unnecessary to enlarge upon. But the principles of this new scheme of protective policy is humbly submitted as at least worthy of consideration. The present crisis is evidently a turning point in the history of Canada, it is felt by all that to be or become a self sustaining country we must rely less on agriculture alone and attract both capital and labour for other and no less important industrial pursuits, “Man does not live by bread alone.” We have great destinies committed to us by the Almighty Architect of the universe, and as He the great Arbiter of the destinies of nations, at a critical point in the history of his ancient people commanded their law giver, “speak unto the children of Israel that they go forward,” so on our forward or retrograde motion at the present juncture, may depend our most vital interests as a people, and the step now suggested is respectfully submitted as being one in the right direction.

J. A.

JOURNAL OF MERCANTILE LAW.

Important to Merchants.

SUPERIOR COURT MONTREAL. }
February, 22nd, 1858. }

Sinclair vs. Ferguson; Mills et al. vs. Ferguson; and Robertson et al. vs. Ferguson.

These three suits were issued under the 17th Article of the *Coutume de Paris*, and claimed thereby a privilege, which, it is said, is, by these cases, for the first time asked for in the Courts of Lower Canada. The plaintiffs set up the sale and delivery of merchandize on a term of credit to the defendants—that subsequent to the sale, the plaintiffs became insolvent—that in consequence of the insolvency, the debts became due—that the goods they sold, or a great part of them, still remained in the defendants' possession, and, therefore, they prayed to be allowed to retake possession of the goods they had sold, and recover judgment against the defendants for the value of whatever portion of the said goods as may not be found in the defendant's possession at the time of the seizure.

Monk & Macrae, assisted by Ed. Carter, Esq., as Counsel, urged, among other objections:—

1. That the affidavits upon which the writs issued were informal.
2. That the writs were defective.
3. That the 177th Article of the Custom of Paris did not give the vendor of goods, sold on a term of credit, the right to revendicate.
4. That the privilege given by this article of the Custom was lost to the vendor if the goods were not *en totalite*, in an entirety, at the time of seizure.
5. That the service of the declarations at the Sheriff's office was insufficient.

Mr. Popham, for the plaintiffs, urged reasons in support of the sufficiency of the writs and declarations, and further maintained:—

1. That the privileges mentioned by the 176th and 177th Articles of *Coutume de Paris* were not new privileges introduced, but simply the application of a privilege which had always existed in the laws of France (and which had its origin in the *Commissory Pact* of the Roman law) to cases where otherwise it may be supposed such privilege would not apply.

2. That under the 177th Article of the *Coutume de Paris*, the vendor has the choice of three things:—

1. If the goods sold be under seizure at the suit of another creditor, he could, by opposition, claim to be paid the proceeds of the sale of these goods, in preference to all other creditors of the purchaser.

2. But, if the goods remain in the undisturbed possession of the purchaser, the vendor could sue out an attachment seizing the goods, and asking them to be sold, and the proceeds thereof given to him by special privileges.

3. Or, he had, in addition, another privilege, which, though it may not have been acted upon, still existed by our law, namely, the right, when the

merchandize remains in the undisturbed possession of the purchaser, who has become insolvent, to demand back the goods, or such of the goods as may be found in the Defendant's possession; and at the same time, to demand that he be compelled to pay for such of the said goods as may not be found in his possession at the seizure.

3. That by reference to the Ordinance 7, Geo. IV., cap. 8, it will be seen that the service of the declarations in the Sheriff's Office was sufficient.

Mr. Justice Mondelet rendered judgment.

These cases were of the greatest importance to the commercial community. They came before the court on an issue raised by an *Exception a la forme*. They had been argued with great zeal and ability on both sides, and he had given them a careful consideration. They were professedly taken under the 177 Art. of the custom of Paris, and demanded re-possession of merchandize sold on a term of credit, in consequence of the insolvency of the purchasers. The Affidavits, Writs and Declarations had been met by the Defendants with *Exception a la forme*.

The first question which thus arose was—Is an affidavit necessary in such cases? He held that it was not. These articles of the Custom of Paris were in full force. They were not effected either by the Ordinance of 1777, or by the Ordinance of 1785, which required affidavits in suits issued under their provisions. In France he could not find that any affidavit was required; and, therefore, he held an affidavit to be unnecessary. As it was unnecessary, it would be idle to take up any of the objections which had been urged against those made in the present suits.

The second question for consideration was, whether the present actions had been properly taken out under this 177 Article of the Custom? He thought they had. At first sight it would appear that it only applied to two cases. 1st. To the case where the goods sold were seized by another creditor, when the vendor could ask, by opposition, to be paid by special privilege the proceeds of the sale. 2nd. To the case where the goods sold remained in the undisturbed possession of the Debtor, where the vendor can seize the merchandize and ask that it be sold and the proceeds paid to him by special privilege. But upon investigation he found, (as had been maintained by the Plaintiffs' Council) that this article applied to a third case, where the purchaser had become insolvent, the vendor can retake possession of goods sold on a term of credit.

As to the question of the validity of the service of the declarations he held, that the service at the Sheriff's office was sufficient.

Exceptions dismissed with costs.

BANKRUPTCY REFORM.

Since our first article was in type the above extract has been met with in a English paper of late date, and it will be observed, that this Province is in the favourable position at least for "*entirely recasting*" the Bankruptcy Laws, as the Lord Chief Justice of England expresses it, and in our opinion the sooner the operation is earnestly given into, the better for the country.

Imperial Parliament—House of Lords—Thursday, Feb. 18.

THE BANKRUPTCY LAWS.

Lord Brougham moved the first reading of a Bill for amending the Bankruptcy and Insolvency Laws. He believed the measure would greatly improve the present state of the law, and afford considerable relief both to creditors and debtors. He did not intend to do away with existing District Courts, his only object being to localise bankruptcy, and give the option of going before County Court Judges or District Courts. Another part of the Bill would give a power of punishing fraudulent bankrupts with imprisonment, but in cases where there had been no fraud, he proposed to do away with imprisonment altogether.

The Lord Chancellor said he would give the Bill his careful consideration, and in a future stage would be prepared to say how far he would agree with its details. There were some of them from which he entirely dissented. He did not believe that bankruptcy cases would be satisfactorily dealt with by the County Court Judge, and he was of opinion that it would be dangerous to give them the power of imprisoning debtors. He hoped in a very short time to be able to lay a Bill upon the table upon the same subject which had received the full consideration of the Board of Trade.

Lord Campbell said he despaired of obtaining any satisfactory result until the whole Law of Bankruptcy and Insolvency was entirely recast.

Lord Wensleydale expressed a similar opinion.

After brief observations from Lord Stanley of Alderley and Lord Brougham, the Bill was read the first time.

JOURNAL OF BANKING, CURRENCY & FINANCE.

Monthly Averages of Canadian Banks.

Bank of British North America and Gore Bank not included.

Date. 1857.	Capital.	Discounts.	Specie.	Circulation.	Deposits.
March 31.	\$16,119,187	\$33,927,218	\$2,025,715	\$11,338,376	\$8,306,435
April 30.	16,295,597	33,232,219	2,145,249	10,859,571	8,507,157
May 31.	16,844,834	32,470,986	2,114,084	10,226,624	8,795,065
June 30.	17,246,140	32,307,199	2,210,933	10,511,876	9,650,326
July 31.	17,924,667	32,243,981	2,262,167	10,760,167	8,625,924
Aug. 31.	18,092,888	32,931,843	2,272,310	10,777,358	8,621,015
Sept. 30.	18,044,701	33,968,627	2,024,081	11,507,205	8,837,278
Oct. 31.	17,887,692	33,082,530	2,135,270	10,711,813	8,142,254
Nov. 30.	17,940,354	31,273,693	2,553,435	9,866,435	7,455,129
Dec. 31.	17,991,288	30,745,735	2,217,237	9,157,976	8,137,484
Jan. 1858.	18,041,513	30,468,213	1,982,638	8,450,573	8,358,437

STATEMENT OF BANKS ACTING UNDER CHARTER

NAME OF BANK.	CAPITAL.		LIABILITIES.			
	Capital authorized by Act.	Capital paid up.	Promissory Notes in circulation not bearing interest.	Balance due to other Banks.	Cash Deposits not bearing interest.	Cash Deposits bearing interest.
Quebec Bank	\$ 1,000,000	\$ 991,530	\$ 531,595	\$ 35,571 48	\$ 306,495 02	\$135,387 73
City Bank of Montreal	1,200,000	1,177,440	436,052	130,342 69	369,625 22	207,068 40
Bank of Montreal	6,000,000	5,744,800	2,313,597	168,475 48	1,365,674 14	656,114 46
Commercial Bank	4,000,000	3,750,869	1,237,740	512,960 72	665,503 16	473,506 10
Bank of Upper Canada	4,000,000	3,110,250	2,306,947	258,837 61	2,871,387 98	144,184 37
Banque du Peuple	1,200,000	921,815	317,483	34,551 57	230,756 59	230,172 70
Molson's Bank	1,000,000	747,183	265,882	29,549 94	234,604 79	42,851 14
Zimmerman Bank						
Niagara District Bank	1,000,000	227,165	175,941	22,052 42	38,249 74	18,094 50
Bank of Toronto	2,000,000	417,465	301,711	22,281 71	34,451 95	103,366 88
Ontario Bank	1,000,000	183,154	107,417	1,787 35	22,024 17	.....
Total	22,400,000	17,271,663	8,014,425	1,206,410 97	6,147,772 76	2,210,665 28

January, 1868.

Statement of Assets and Liabilities of Banks issuing Notes under the Free

NAME OF BANK.	ASSETS.				
	Debentures deposited with the Receiver General.	Real Estate.	Furniture and other Assets.	Debts due by other Banks, and Notes of other Banks.	Bills Discounted.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
(a) Bank of British N. America	478,833 33	.....	.....	.....	.....
(b) Zimmerman Bank	35,017 00	.....	.....	.....	.....
(b) Niagara District Bank	36,000 00	.....	.....	.....	.....
Molson's Bank . . . . .	.....	.....	.....	.....	.....
Provincial Bank	120,000 00	1,600 00	5,989 19	.....	35,173 45
Bank of the County of Elgin	100,000 00	.....	1,328 00	4,705 00	62,327 21
Total	769,850 33	1,000 00	7,317 19	4,705 00	103,500 66

(a) Issues \$1 and \$2 Notes only under the above Act.

(b) Acting also under Charter.

(c) Acting entirely under Charter.

CHAS. CAMBIE, Registrar.

January, 1868.

FOR THE MONTH OF JANUARY, 1858.

Total Liabilities.	ASSETS.								Total Assets.
	Coin and Bullion.	Landed or other Property of the Bank.	Government securities.	Promissory Notes or Bills of other Banks.	Balance due from other Banks.	Notes & Bills discounted & other debts due to the Bank not included under the foregoing heads.			
\$1,009,049 23	\$163,036 24	\$ 14,000 00	\$20,600 00	\$30,033 67	43,925 23	\$ 1,834,240 26			\$2,095,236 40
1,163,088 31	171,525 18	34,000 00	231,238 35	90,823 77	35,884 65	2,063,325 15			2,566,597 10
4,695,861 06	628,902 28	\$13,935 47	596,266 67	160,082 30	378,369 89	9,363,941 91			11,451,398 52
2,889,729 98	358,426 22	161,750 12	400,000 00	136,147 60	247,388 65	5,975,066 85			7,282,379 41
5,581,356 96	336,497 00	178,435 53	343,902 10	164,889 00	334,343 23	7,227,823 26			9,175,870 03
821,963 86	102,530 42	55,952 17	101,542 05	28,976 17	30,961 64	1,624,106 11			1,944,068 56
572,887 87	85,462 84	19,790 82	200,000 00	19,604 93	60,794 02	978,231 12			1,363,853 53
254,267 66	27,411 11	1,826 33	80,899 99	5,773 76	14,766 36	407,979 30			538,666 85
461,680 54	88,495 76	.....	102,400 00	17,643 85	32,197 75	672,979 72			913,717 11
131,206 82	14,888 02	2,423 38	18,400 00	7,073 40	24,429 72	253,519 49			320,733 96
17,579,274 41	1,967,175 07	782,113 57	2,084,649	650,928 48	1,803,061	30,364,713 17			37,652,540 50

JOHN LANGTON, AUDITOR.

Banking Act, to 31st Jan., 1858, (13th & 14th Vic., Cap. 21, &c., &c., &c.)

			LIABILITIES.				
Debts due by Individuals.	Specie in Vauits.	Total Assets.	Notes in Circulation.	Deposits.	Debts due to other Banks.	Other Liabilities.	Total Liabilities.
\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
.....	.....	478,833 33	204,398 00	.....	.....	.....	204,398 00
.....	.....	35,017 00	35,000 00	.....	.....	.....	35,000 00
.....	.....	36,000 00	36,000 00	.....	.....	.....	36,000 00
.....
75,233 29	7,210 07	244,606 00	119,066 00	5,600 00	.....	.....	124,666 00
4,838 32	8,303 20	187,491 73	41,744 00	23,121 46	15,061 15	1,169 32	81,095 93
80,041 61	15,518 27	981,928 06	436,148 00	28,721 46	15,061 15	1,169 32	481,099 93

JOHN LANGTON,
AUDITOR.

The London Joint Stock Banks.

The following information from the London *Standard* relative to the London Joint Stock Banks, will be interesting to many persons in this country.

The half-yearly meeting of the metropolitan joint-stock banks having just terminated, the opportunity is afforded of presenting an analysis of their transactions exhibiting the respective liabilities, assets, capital, reserve fund, and net profits, together with the amount of dividend and bonus, and rate of dividend and bonus for the past half-year. With reference to current liabilities, the accounts of the London and Westminster Bank show a decrease of deposits, compared with the former balance sheet, of £24,037; the Union of London, of £1,228,727, the London and County, of £323,856; The commercial of London of £116,098; the Bank of London, of £90,163; and the Unity, of £36,239. The accounts of the London Joint Stock Bank present an increase of £39,050, and those of the City Bank an increase of £140,742. The aggregate sum of current and deposit accounts amounts to £41,271,115, being a decrease of £1,638,328 on the previous half-year. The total paid up capital amounts to £3,750,000, and the reserved fund to £708,197.

Year Established.	BANK.	LIABILITIES.		ASSETS.
		Current and Deposit Accounts.	Total Liabilities.	Total As- sets after paying Dividend and Bonus.
		£	£	£
1834	London and Westminster.....	13,889,021	14,889,021	15,050,196
1836	London Joint-stock.....	10,737,580	14,337,580	11,566,424
1839	Union Bank of London.....	9,645,943	10,245,943	10,428,094
1839	London and County.....	3,533,422	4,033,425	4,156,163
1839	Commercial Bank of London...	921,626	1,121,636	1,202,556
1855	City Bank.....	1,388,933	1,688,933	1,727,268
1855	Bank of London.....	1,114,843	1,414,843	1,416,915
1855	Unity Bank.....	139,774	289,774	228,618
		41,274,115	45,020,245	45,776,234

CAPITAL AND PROFITS.

BANK.	Capital Paid up.	Reserved Fund	Net profits for the half-year ending Dec. 22, 1857.	Div'd and bonus for the half-year.	Rate of div'd and ct. bonus for half-year
	£	£			ct.
London and Westminster.....	1,000,000	158,596	66,175	70,000	7
London Joint-stock.....	600,000	187,014	74,319	67,500	11½
Union Bank of London.....	600,000	150,000	40,474	45,000	7½
London and County.....	500,000	105,000	28,750	30,000	6
Commercial Bank of London.....	300,000	75,000	11,840	9,000	3
City Bank.....	225,000	28,000	7,670	5,625	2½
" ".....	*75,000				
Bank of London.....	300,000	45,878	303	7,500	2½
Unity Bank.....	150,000	nil.	nil.	nil.	nil.
	3,750,000	708,540	247,540	234,624	

* Issue of new shares to be added to paid up capital.

The Usury Laws.

As the repeal of the Usury Laws is to come up for discussion during the present Session, the following remarks made by W. Workman, Esq., President of the City Bank Montreal, at a late meeting of the Board of trade of that city, are interesting, as showing the views held by a large portion of the mercantile community. We notice also an important letter in the Montreal Gazette, on the same subject, under the signature of T. S. B., which we shall endeavour to find room for in our next. It is to be hoped that any alteration of these laws will tend to greater freedom in negotiating commercial paper either through the Banks or otherwise, whether their total repeal would in the present state of the country, promote the interests of those who owe money on mortgages and such securities, is a question on which the public mind is very much divided:—

“ Mr. William Workman said that his opinions being well known on the subject under discussion, as President of one of the Banks in the city, he did not intend to say much at this meeting, but he would trespass a few moments on their indulgence in reply to the remarks of certain members who advocated the repeal of the obnoxious laws under consideration, but who would not permit the banks to participate in the proposed measure of relief. If, for instance, the laws of the country were found to interfere with the free action of any branch of trade, and we were discussing the propriety of removing such restriction, how would it look, if—while we admitted the necessity of the change, which, in the present case, we all appear to do—we opposed its application to large holders or wholesale dealers in such commodity or branch of trade? Such a course would be considered very illogical and unreasonable, he thought; yet this was the very course adopted by those who, while they admitted the necessity of immediate relief from the injurious effects of the Usury Laws, yet would refuse to the Banks a participation in such relief. He had no hesitation in asserting that if the Banks were excluded from the measure proposed, if they were not left as free as to the rate of interest, they might charge as other parties, that the benefits to the country of a change in our present Usury Laws which were expected, would not be realized. The Banks, in being confined to a uniform or fixed rate of interest, were compelled to select the paper of those houses which from their general dealing in exchange or otherwise could remunerate the Bank for the money borrowed. By this course, the mercantile portion of the community monopolized a very large portion of banking accommodation, while other parties—no matter how good or safe they might be, from the fact of their having no means of indirectly paying the Banks the market price of money—could get no accommodation, and were consequently forced into the hands of small or private lenders, who charged them double what they could purchase from the Banks for, were the Usury Laws repealed *in toto*. If the Banks were permitted to raise or lower the rate of interest according as they saw the demand for money increase or decrease, such an index would act as a warning to the public of the commercial condition of the country, In England, when the Bank of England repeats its advances in the rate of interest, the country is warned of the coming storm; and had our Banks in Canada possessed this power, previous to the recent panic, a great deal of the subsequent commercial distress would undoubtedly have been prevented. The principle of the

rate of interest regulating the currency and credit of a country, is long since admitted in the highest commercial nations. In the recent permission given by the British Government to the Bank of England, to exceed its issue, there was no limit put upon the amount of such over issue; no amount was named but there was a stipulated high rate of interest named by the Government, evidently shewing that they considered *this* the prime regulating point in the premises. But, it is said by some, the Banks already enjoy privileges, from their charters which compensate them for want of freedom as to the rate of interest. Now what were these privileges? Circulation of their bills is the chief, we are told. Now respecting circulation of bank currency, there was a large amount of popular error afloat. It would be acknowledged, he supposed, that if the circulation of the Banks cost them nothing, its greatest benefit would be the legal interest on it—say 6 per cent. But from this 6 per cent. must be deducted, first—

Tax on circulation to the Government.....	1	3/4	cent.	} 3 1/2
Provision of gold, held in reserve against it.....	1 1/2	3/4	cent.	
Cost of plates	1/2	3/4	cent.	
Officers and labor.....	1/2	3/4	cent.	

making altogether 3 1/2 per cent, and leaving only as a profit to the Banks 2 1/2 per cent, on the circulation, equal to about 1 per cent, on the banking capital of the Province. And when it was borne in mind the great benefits the country enjoyed from the Bank circulation, that from the fact of the existence of one sovereign in the vaults of a Bank, three more or the representatives of three or four more were created by the contrivance of Bank circulation, so to speak, and the country enjoyed the benefit of such increase, in the augmented capital, higher prices and many other advantages, the country ought not carelessly to speak of all the advantages of circulation as accruing to the Banks, and refuse them redress of other grievances on such grounds. In some of the neighboring States, the legal interest was 10 per cent. In our very centre a foreign corporation had a charter to lend at 8 per cent; and this too on the very choicest of securities—real estate. And with these facts staring us in the face, the Banks are told that they shall not charge more than 6 per cent; and that too not on real estate, but upon a much more unsafe and fluctuating security—merchants' bills. Can anything be more absurd than the continuance of such a law?"

JOURNAL OF INSURANCE.

INSURANCE COMPANIES DOING BUSINESS IN CANADA.

CANADIAN OFFICES.

HEAD OFFICE.

Canada Life Assurance Company.....	Hamilton.
British America Fire and Marine Insurance Company.....	Toronto.
Provincial Fire and Marine Insurance Co.....	do.
Western Fire and Marine Assurance Co.....	do.
Provident Life Assurance and Investment Co.....	do.

Erie and Ontario Fire and Marine Ins. Co.....	Niagara.
Montreal Fire and Marine Ins. Co.....	Montreal.
Montreal Mutual Fire Ins. Co.....	do.
Cobourg Mutual Fire Ins Co.....	Cobourg.
Home District Mutual Ins. Co.....	Toronto.
British America Friendly Society.....	Montreal
Niagara District Mutual Fire Ins Co.....	; St. Catharines.
Farmers' Fire Insurance Company.....	Hamilton.
Gore District Mutual Fire.....	Brantford, C.W
Imperial Fire, Marine and Life.....	Quebec.
Johnstown District Mutual Fire.....	Brockville.
Mutual Fire Insurance Company.....	Prescott, C. W.
Midland District—Fire.....	Kingston.
Mutual Fire.....	Beauharnois.
Niagara District Mutual—Fire.....	St. Catharines.
Quebec Fire Insurance Company.....	Quebec.
Stanstead Mutual—Fire.....	Stanstead.

ENGLISH OFFICES.

Royal Fire and Life Insurance Company	Liverpool.
Phoenix Fire Insurance Company.....	London.
London and Liverpool Fire and Life Insurance Company..	do.
Equitable Fire Insurance Company.....	do.
Britania Life Insurance Company of London	do.
Colonial Life Assurance Company	Edinburgh.
Eagle Life Insurance Co. of London, England.....	London.
International Life Assurance Company.....	do.
Professional Life Assurance Company.....	do.
Unity Fire and Life Assurance Company.....	do.
Beacon Fire and Life Insurance Company.....	do.
Anchor Fire Insurance Company.....	do.

UNITED STATES OFFICES.

HEAD OFFICE.

Great Western Fire and Marine Ins. Co	Philadelphia.
Ætna, Fire, Life and Marine Ins. Co.	Hartford.
Home Ins. Co.	New York.
Connecticut Mut. Life Ins. Co.....	Hartford.
Farmers and Mechanics' Ins. Co.....	Philadelphia.
Continental Ins. Co.....	do.
Exchange Mut. Ins. Co.....	do.
Mutual Life Ass. Co.....	New York.
Mutual Benefit Life Ins. Co.....	Newark.
North-Western Fire and Marine Ins. Co.....	Oswego.
Pacific Mutual Ins. Co.....	New York.
Buffalo Fire and Marine Ins. Co.....	Buffalo.
Star Fire Insurance Co.....	Ogdensburgh
Hartford Fire Insurance Co.....	Hartford.

TRADE AND NAVIGATION.

Free Trade in Reality and Reciprocity in Earnest.

We notice that some Upper Canada Journals oppose the proposal to assimilate our tariff in manufactured goods, to that of the United States, on the ground that such a policy is based upon the "exploded doctrine" of protection. We are sure this idea proceeds upon an entire misapprehension of the facts. The advocates of this policy would but too gladly introduce *free trade* in manufactures with the United States, knowing the advantages which Canada possesses for the manufacture of many kinds of goods; but what they complain of is, that while we admit their manufactures at from 2½ to 15 per cent, we are met with a duty of from 30 to 40 per cent, should we by the due development of our industry require to seek an outlet for our surplus productions. So far from a high duty on such goods as we have facilities for producing at home, increasing the price, it would have a contrary effect as is shown by our remarks on the tariff elsewhere; and we do hope for the prosperity of Canada, that the whole press will speak out on this subject, as we find many journals are now doing with excellent effect. The following from the *London Free Press*, places the matter in its true light:

"The New York Tribune correctly apprehends the prevailing sentiment in Canada, when it says that "Annexation is indefinitely postponed." The feelings of the people lean to a Nationality, or, at any rate, to such an Independence as would be equal in effect to a Nationality. We do not imagine, however, that either Jamaica, or any other portion of the West Indian Islands, could be included in any arrangement that may be effected, though it is quite possible that one of the younger branches of the royal family may, ere long, assume the position of Viceroy over the Canadas, New Brunswick, Nova Scotia, Newfoundland, and the Hudson's Bay Territory. But a Nationality presupposes a national policy. A policy which will tend to develop the peculiar resources of the country, irrespective of other considerations. And if such is not to be the case with Canada, it would be better to remain in a chrysalis colonial state, for no advantages could arise to the people from entering upon a higher and more fully developed state of existence, if unaccompanied with distinctive aims. Now that the time has confessedly passed away, when colonies are regarded merely as so many means by which the mother country can be enriched, it is quite proper for our politicians to ascertain what policy is best suited for fostering and the building up of Canada, irrespective of the interests of the British manufacturer. Years ago, it might have been deemed little short of a tendency to "rebel," to have suggested that any interests could possibly exist in the colony which were not entirely in unison with those of the manufacturers in England; but since responsible government has been granted, and now that all the leading British statesmen repudiate the old doctrine that the colonial policy of Great Britain should be to restrain the action of the colonists, such an idea cannot be for a moment entertained. The right has been accorded to us of fostering and protecting our interests, even if, in so doing, the course adopted should seem antagonistic to the interests of a portion of the British public. Up to the present period there has not existed any fostering policy. Canadian industry, young as it is, has been placed rudely in contact with those of older

and more wealthy communities, and the consequence has been that manufactories where they have arisen, have been snuffed out, or prevented from obtaining a foot-hold. This may have been a necessity to some extent, because in new countries the land claims the first attention, and then manufactories arise after the land has been brought into considerable cultivation. But the question may now be asked, "Has not Canada reached such a position as to render the fostering aid of the State towards manufactories a matter of policy, if indeed, not one of absolute necessity?"

It must be apparent to all that the population of Canada—outside that of the long established agricultural portion—is in a state of deep commercial distress. It is useless to ascribe this to a sympathy with the monetary crises which have had a temporary existence in other countries, (as it was attempted to do in the Governor's speech,) for it must be evident that the cause lies far deeper than that. That commercial depression in Canada has not been of recent date, nor an infliction of that temporary kind such as alighted on British and American commerce, but which is now passing away. The ruinous state of trade now existing—evidences of which obtrude themselves on every eye—is not a thing of a few weeks, but has been going on steadily for two years past, deepening in its intensity, week by week, day by day.

For months past, it has been thought that the lowest point of depression had been reached, but still the commercial indicators have continued to mark a lower and lower degree, till at last "zero" has been nearly touched. Now people endeavour to delude themselves that there will be a turn in affairs. They hope, now, as they did before, that the retrogression has ceased, and that as "it is a long lane which has no turning," so that the turn in the lane has been reached at last which is to conduct us out of the mirey way and lead to more pleasant prospects. But if the question is asked, "why should we believe that an improvement is about to take place, and that Canada will soon be as flourishing in her prospects as ever?" it is found that the question is very difficult to answer to the satisfaction of any one. From what is our wealth to proceed? The land is already painfully tasked to produce wheat for exporting purposes, and if we could suppose that wheat could be extracted from the ground year by year in perpetuity, all of which could be sold at \$1 per bushel, still that would not be sufficient to meet the wants of the existing population.

From what, then, is our wealth to proceed? We need some means of producing more value than at present, for year by year the country is importing more than it exports, and though this was done during last year to an extent of more than \$12,000,000, yet stocks on hand do not show a corresponding amount. Even in 1857, people had so far began to feel the pressure, that stringent economy had been introduced, and thus the surplus of imports does not indicate our extravagances so much as our exigencies. As a people, we buy from all other peoples, and all we have to offer in exchange is wood, wheat, and wool. But the most considerable staple—wheat—is not a reliable product. It fluctuates in quality and quantity, as well as in price, and though it may yield a fair amount of riches one year, it may leave us in poverty the next. For example, taking the yield of marketable wheat to have been as great in the year 1857, as in that of 1856, yet as the selling price is only one-half, the available money profit produced, cannot be as much by two-thirds, or more. With what then, have we to pay for the goods imported? If a manufacturing system could be fostered in Canada, a large

amount of imports could be dispensed with, and the money thus kept in the country which is now drained out to compensate the balance of trade which is against us. So long as such a course is pursued, we shall remain a poor people—constantly liable to the most excruciating depressions, such as that we now labor under. But if the wool which is exported at 20 cents per lb., and which is reimported at 70 cents to \$1.50, in the shape of cloth, stockings, rugs, carpeting, blankets, &c., &c., was manufactured here; if the hardwood which is bought up cheaply by the Americans, manufactured in the States, and re-imported here could be retained and made up into useful articles in the country, Canada would benefit by the operation. So, too, with numerous other Canadian products, which are exported in a raw, and re-imported in a manufactured state, the difference in value, which represents the profit, being so much loss to the Province. If some means are not adopted to retain the skilled labourer and the mechanical and manufacturing population, the existing towns will dwindle into decay; the home market for agricultural produce will become less and less valuable; the smaller products of the farm will become unsaleable; the farmers will be driven to cultivate grain crops more and more, and the consequent ruin of the agricultural interests will not long lag behind that of the manufacturing.

The Reciprocity Treaty which at present exists with the States is but a one sided affair, for while they attack Canadian manufacturers with a duty of 25 to 50 per cent. their manufactures meet with a duty of but 15 per cent., and some only 5 per cent. No capitalists are found coming to Canada to establish manufactories, for the market is small, while the competition of the United States and England is immense. Men from the Eastern States never think of settling here and branching out into manufacturers, but go west, because by so doing they retain the whole United States market. If there was Free Trade between Canada and the States, a market of thirty millions would be opened immediately, and then Canada would possess immense advantages as a seat of manufactures. For having unlimited water-power and cheap fuel, and lying geographically in the centre of the most populous part of the Union, hundreds of enterprising men would settle here then, and commence manufacturing in accordance with the wants of the country, and the adjoining United States market. To gain this would be the best stroke of public policy for Canada, and if it would be accomplished by raising our tariff as against European manufactures to a level with that of the United States the boon could be cheaply acquired. Failing in obtaining Reciprocity on a Free Trade basis, recourse must be had to a *reciprocity in duties*, so that the Canadian manufacturer will not be placed at a disadvantage. Canadians are willing and able to compete in a fair field, but no necessity exists for them to accept competition at a disadvantage to themselves.

Imports and Exports under the Reciprocity Treaty in 1856.

Table compiled from the Trade and Navigation Returns, showing the Imports and Exports between Canada and the United States, in 1856, of articles admitted free under the *Reciprocity Treaty*.—Several small articles may be omitted as they do not appear in the Returns.

ARTICLES.	IMPORTS.	EXPORTS.
Animals	£118,474 6 2	£332,595 7 9
Ashes.....	1,799 5 5	73,737 13 6
Balsam .....	.....	1,442 10 0

ARTICLE.	IMPORTS.	EXPORTS.
Bones .....	.....	38 2 6
Buckwheat.....	303 17 9	.....
Bur and Grind Stones.....	4,451 11 5	.....
Bran.....	.....	426 16 3
Barley and Rye.....	4,115 14 1	225,700 6 11
Bark.....	551 6 3	.....
Broom Corn.....	9,825 15 9	.....
Butter.....	11,241 11 10	83,106 16 0
Cheese.....	38,415 0 0	98 17 4
Coal.....	96,340 4 7	.....
Cotton Wool.....	4,383 11 5	.....
Dye Stuffs.....	6,453 8 11	.....
Eggs.....	2,643 1 9	17,235 15 5
Fish.....	38,132 13 9	33,477 0 0
“ Oil.....	62,297 17 10	1,761 17 0
“ Products of.....	72 8 1	.....
Firewood.....	15,115 8 11	19,900 9 7
Fruit, Dried.....	11,515 13 4	.....
“ “ Undried.....	34,395 19 9	1,576 18 3
Flax, Hemp & Tow, Unmanuf'd	20,270 12 11	.....
Furs and Skins, Undressed....	13,707 7 11	18,285 2 10
Grease and Scraps.....	13,191 6 10	.....
Gypsum.....	1,560 12 3	3,537 9 0
Hides and Pelts.....	*20,000 0 0	53,165 19 8
Hay.....	945 7 0	768 7 2
Hops.....	4,157 2 2	4,535 5 7
Horns.....	.....	840 11 11
Indian Corn.....	209,575 9 2	9,718 18 2
Lard.....	35,533 1 4	8,664 6 1
Maple Sugar.....	.....	165 18 6
Meats (Pork excepted).....	123,571 19 6	1,614 9 0
Manures.....	2,774 19 11	.....
Meal.....	9,178 18 10	9,878 4 5
Marine Cement.....	3,536 3 8	.....
Oats.....	31,185 17 1	112,813 7 11
Ores of Metals.....	1,488 0 0	14,978 0 0
Peas and Beans.....	1,215 9 4	28,611 10 3
Pork (Mess).....	230,870 14 0	11,155 3 6
Pitch and Tar.....	1,964 12 6	.....
Plants and Shrubs.....	15,839 15 1	.....
Poultry.....	1,735 5 2	5,924 6 0
Rags.....	217 15 0	3,485 12 4
Rice.....	10,042 15 4	.....
Seeds.....	16,926 5 1	19,965 11 6
Slate.....	5,011 10 0	.....
Stone and Marble.....	15,947 12 5	6,079 1 3
Soda Ash.....	793 6 10	.....
Tallow.....	88,880 5 7	406 18 9
Tobacco, Unmanufactured.....	26,739 18 10	246 7 6
Turpentine.....	6 8 8	.....
Vegetables.....	8,514 17 4	2,205 1 1
Wool.....	5,205 5 9	78,215 6 6
	£1,371,027 13 8	£1,186,459 9 6
Wheat.....	423,519 19 4	1,504,128 9 5
Flour.....	199,320 5 0	1,043,755 2 2
Lumber.....	33,421 17 0	704,486 6 8

Total Imports.....£2,027,289 9 0 Total Exports £4,436,829 7 9
 *NOTE.—We find Hides imported stated in the Returns at £62,892 2 5—this of course includes foreign hides.

Georgian Bay Canal.

The following from the *Chicago Democratic Press*, gives a good synopsis of Mr. Tully's Report on the proposed route of the Georgian Bay Canal:—

At length we have something definite and reliable upon the subject. The report of the engineer, Kivas Tully, Esq., with an excellent map of the route, is before us. It is specially gratifying to us that the particular route so often noticed in these columns, is found from actual survey to be the best, and it is a source of still greater satisfaction to ourselves and we have no doubt to the business public, that the work, though expensive, is proved to be entirely feasible.

The report commences at the Lake Ontario terminus; but in our synopsis of it we shall begin at the Georgian Bay, as being the most natural in contemplating the work from our stand point. And here let us request our readers to place a map before them, for even though it be a small one, a much clearer and more definite idea can by this means be formed of the location and the importance of this great enterprise. Let us further premise that on the subject of terminal harbours at the mouth of the Nottawasaga River on the Georgian Bay, and at the mouth of the Humber on Lake Ontario, the report shows that ample accommodations can be secured at a reasonable expense. The report also shows that Lake Simcoe, which is the summit, affords an abundance of water to feed the canal; in fact a very large surplus beyond what can be used for canal purposes. The estimates are made for a canal of sufficient size to pass vessels of a thousand tons burthen.

From the mouth of the Nottawasaga on Georgian Bay the route lies for twenty miles up the valley of that river, and presents no engineering difficulties whatever. From this point, where it leaves the river to Kempenfeldt Bay on Lake Simcoe, is only nine miles. The greatest depth to be excavated in this nine miles is 78 feet, and the total amount of excavation is 6,000,000 yards, and the estimated cost of these nine miles is put down at £1,500,000. The total distance from the Georgian Bay to Lake Simcoe is twenty-nine miles, and the lockage to be overcome 130 feet, requiring 11 locks of about 12 feet lift.

Lake Simcoe is navigable for vessels of the largest class, and furnishes twenty-four miles of the distance without expense. The total length of the summit level, including the nine miles last referred to, Lake Simcoe, the portion of the canal through the marshes of the Holland River, and the ridge south of Lake Simcoe where the canal would begin to descend to Lake Ontario, is fifty-six miles. The entire length of the route surveyed is one hundred miles, so that the summit will embrace more than half the entire distance.

Between the Holland and the Humber rivers is where the real serious difficulty in the way of the construction of the canal is to be found. Supposing ourselves standing on the south side of the ridges, we quote the language of the report:

“ Along the valley of the Humber there are no engineering difficulties of an extraordinary character as far as the 23rd section (north of Lake Ontario) at the town line of Vaughan and King, where the deep excavation through the ridges commences. This excavation extends ten miles. [Here it reaches the marshes of the Holland River, which empties into Lake Simcoe.—*Eds.*]

The greatest depth to be excavated will be 197.76 feet or 2.24 under 200 feet. This will be the greatest depth from the summit. The ridges present a gradual inclination north and south; the slope to the north being five and a half miles in length, and the southern slope four and a half miles; total ten miles. The depth of this excavation will average 90 feet, and will contain nearly 48,000,000 cubic yards, and being composed, as far as can be conjectured, of light clay and gravel, will not cost more than 24 cents per yard, making a total of 12,000,000. From the 33rd section, (commencing on Lake Ontario) to the 48 to Cook's Bay at Lake Simcoe, the canal would pass through the Holland River marsh, following its course except at the bends of the river, which are cut off. A considerable portion of this river is of an available capacity, and would require light alterations averaging 150 feet in width, with a depth of water from 9 to 12 feet.

We present the following table in full showing the estimated cost of the work:—

ESTIMATE.

Quantity.	Des. of work.	Rate.	
63,300,000 c. y.	earth excavated,	\$0 25,	\$15,825,000
	50 Locks comp.,	80,000 00,	4,000,000
	4 Dams,	5,000 00,	20,000
	25 Waste weirs,	4,000 00,	100,000
	2 Harbor acc.,	200,000 00,	400,000
	2 " L. Simcoe,	100,000 00,	200,000
	50 Acc. bridges,	5,000 00,	250,000
	15 Culverts,	8,000 00,	120,000
	Land Damages,		200,000
			<hr/>
			\$21,115,000
Engineering and contingencies,			1,055,750
			<hr/>
			\$22,170,750

The lockage from Lake Simcoe down to Lake Ontario is 470 feet, making the entire lockage of the canal 600 feet, requiring 50 locks of 12 feet each.

We omit any reference to the other three routes surveyed, as a synopsis of the facts in reference to the one which proved to be the best is sufficient for our purposes. It shows conclusively that the work is entirely practicable, and at a cost which will insure its construction at no distant day.

Other important questions still remain to be discussed. Does the commerce of the west require the construction of the Georgian Bay Canal? Will it pay the interest on the cost of its construction? If it would not pay now, will it be likely to do so by the time it can be completed? To these questions our fellow citizen, Col. R. B. Mason, will at once address himself, and whatever conclusion he shall arrive at, we doubt not will command the respect and the entire confidence of the scientific and the commercial world. The results as soon as they are reached, will be presented to our readers.

So important, however, do we deem this work, and so deep is our interest in it, that we present a few considerations from facts already known, which may tend to throw some light upon the question as to whether the Canal

would pay interest on its cost. In the first place we have been assured that the average delay and expense of lightening vessels over the St. Clair Flats would be at least fully equal to the delay by lockage and the cost of tolls upon the Georgian Bay Canal. Many believe that in these two regards the route by the St. Clair River would be found in practice to be the most expensive; but suppose them to be only equal, the amount of saving on the transport of the commerce of the lakes, which shippers could afford to pay as an additional tax to the Georgian Bay Canal, would be limited by the amount saved for transit on the shorter distance by this route. The amount saved on the distance to New York by Oswego, Mr. Tully puts down at 405 miles, and the time four days. The amount saved on the distance to Quebec and Liverpool is 587 miles. Making no account of the time, which by the way, is a very important element, and taking the average distance 450 miles, we present the following table:—

The present value of Lake Commerce as shown by official documents of previous years, must now be about.....	\$700,000,000
Half east and half west.....	70,000,000
Transport on the Lakes is equal at a low figure to about say five per cent.....	85,000,000
Suppose we assign to Lake Michigan, the upper portion of Lakes Huron and Superior, say one third.....	12,000,000
The average distance of Lake transport is, say 1,200 miles. It would be shortened one-third by this route, and the cost therefore is reduced one-third. This saving would be twelve millions of dollars, one-third of.....	4,000,000
This would be equal to an annual interest of five per cent....	80,000,000

This it will be seen, is nearly four times the estimated cost of the work. Either the amount of commerce or the tolls, on this hypothesis, might be reduced two-thirds, and yet the Canal would yield a revenue sufficient even now to warrant its construction.

But he must be utterly ignorant of the extent and the resources of the vast and magnificent country west and northwest of Lakes Michigan and Superior who does not know that their commerce, immense as it now confessedly is, is but just beginning, to be developed. Let any man examine the map, with a knowledge of the rapidity with which this country is filling up with a population of great intelligence and unswerving energy, and he cannot doubt that the child is born who will see our lake commerce increase a dozen fold. Begin the Canal on the first of May next, and before it can possibly be completed our lake commerce will have doubled, and the necessity of the Georgian Bay Canal will be increased in a corresponding ratio. If Canada will take hold of the work in earnest and build it, we will guarantee that the West will furnish it with a satisfactory amount of business.

Whatever be the immediate result of the present movement, now that it has been proved to be entirely practicable, we have an abiding faith that we shall live, if spared to the age of our fathers, to see this great work completed. It would add very materially to the value of every acre of land west of the lakes, and its effect upon the growth and prosperity of our own city cannot be estimated. The agitation which has resulted in this survey, originated in these columns sometime in 1853, and for several months the *Press* was the

only journal here to advocate it. By some of our contemporaries our opinions have been treated with sneers and our efforts with contempt. If however, we have in any way contributed to open another magnificent water-line of transport to the ocean, if by any means we can influence its early completion and thereby benefit the millions who are hereafter to find homes in the Mississippi Valley, we shall have secured an abundant reward for all the labour and the expense we have incurred in calling the attention of the world to its manifest advantages.

Imports of Manufactures into Canada in 1856 exclusive of Fancy Goods,
Silks, &c. &c.

Brooms.....	£6286	1	5
Cigars.....	20,148	5	3
Suuff.....	1815	9	9
Starch.....	13,335	4	8
Whiskey.....	73,345	15	6
Sugar Refined.....	44,268	17	10
Vinegar.....	6,068	8	9
Tobacco Manufactured.....	127,698	8	8
Boots and shoes.....	126,230	12	10
Other Leather Manufacturs.....	51,410	19	2
Leather Tanned.....	104,194	2	7
Ale and Beer.....	31,022	11	9
Blacking.....	2,937	12	7
Candles.....	27,905	4	6
Clocks and Watches.....	25,552	9	3
Carpets.....	35,955	12	4
Clothing Made.....	54,137	18	6
Combs and Brushes.....	13,077	0	6
Corks.....	3,827	10	2
Cottons.....	1,257,233	16	11
Iron and Hardware.....	645,853	16	9
Porcelian and Earthenware.....	71,024	2	2
Furs.....	42,393	1	7
Hats and Caps other than Fur.....	62,038	16	2
Glass and Glassware.....	76,706	10	11
Gunpowder.....	12,156	3	3
India Rubber Goods.....	12,372	0	3
Locomotives.....	24,090	0	0
Machinery.....	134,056	11	11
Musical Instruments.....	40,487	6	8
Paint and Colors.....	65,289	10	1
Paper Hangings.....	24,369	14	10
Paper.....	18,053	2	11
Pickles and Sauces.....	9,165	10	11
Soap.....	34,439	16	4
Hosiery.....	45,719	3	8
Straw Goods.....	49,708	3	9
Tobacco Pipes.....	8,292	19	6
Wooden Manufactures.....	89,638	6	4
Woolens.....	1,044,837	7	11
Iron and Iron Manufactures.....	447,044	0	3
	£4,984,187	9	1

Imports of Articles admitted Free from the United States not under the Reciprocity Treaty in 1856.

Anatomical Preparations.....	£581	0	0
anchors	315	19	9
Books.....	108,427	7	8
Bookbinders Tools.....	548	13	1
Busts and Casts.....	400	16	8
Burr Stones, Wrought.....	1,945	3	10
Copper in Bars, Rods and Sheets.....	10,649	19	2
Cordage	17,314	13	3
Chain Cables	319	18	0
Drawings	9,078	12	8
Felt Sheeting.....	1,683	18	10
Hat Plush.....	579	1	11
Lead, Pig and Sheet.....	1,965	6	4
Military Clothing	842	7	6
“ Stores	526	10	10
Philosophical Instruments.....	788	8	0
Printing materials.....	19,647	9	5
Sailcloth.....	4,284	13	2
Varnish, Bright and Black.....	226	6	2
Type, Metal, Blocks.....	334	0	0
Yellow Metal.....	1,451	5	6
Veneers	2,609	6	1
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	£184,520	17	0

Exports of Manufactures from Canada to the United States in 1856.

	£	s.	d.
Cotton.....	276	12	6
Candles.....	9	0	0
Fur.....	4,282	3	9
Glass.....	221	10	0
Hardware.....	4,050	3	4
India Rubber.....	2,147	1	11
Indian Barkwork.....	72	5	0
Leather.....	439	19	11
Machinery.....	1,257	0	0
Musical Instruments.....	85	0	0
Carriages.....	1,449	8	6
Straw.....	2,406	9	9
Sugar Boxes.....	9,231	0	0
Soap.....			
Oil Cake.....	5	0	0
Biscuit.....	7	4	5
Wood.....	3,337	11	7
Woolens.....	124	12	5
<i>Liquors:—</i>			
Ale, Beer and Cider.....	954	5	2
Whisky.....	1,422	1	0
Other Spirits.....	1,057	10	3
Vinegar.....	4	18	0
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Total manufactures exported to United States.....	£32,860	17	6

Imports of Manufactures from the United States in 1856.

Tobacco.....	£126,671	6	2
Brooms.....	6,282	4	2
Snuff.....	1,794	5	5
Coffee, Manufactured.....	852	5	6
Cigars.....	18,935	16	6
Starch.....	10,108	14	0
Cordials.....	280	13	5
Whiskey.....	68,018	14	9
Sugar, Refined.....	20,140	8	2
Vinegar.....	3,065	8	2
Other Manufactures paying 20 per cent.....	53,362	2	0
“ “ “ 15 “.....	1,589,311	4	9
“ “ “ 2½ “.....	155,152	7	3
Manufactures free and not included in the foregoing.....	184,520	17	0
Total Manufactures imported.....	£2,238,496	7	3

From the London Post, February 1.

The “Leviathan” Afloat.

The “Leviathan” is at length afloat. Yesterday, as if to give the lie as far as possible to the carping and quibbling of amateur engineers, the great ship rose substantially from her cradles, buoyant on the bosom of the rising tide, and, majestically slow, moved from her birthplace, amidst forges and foundries, to take her place on the opposite side of the river—no longer a mere iron boiler of ship-shape, but an actual living vessel. It was a proud thing as the vessel moved from her ways, completely under command, to see the chairman, Mr. H. T. Hope, who has loyally upheld the vast undertaking amidst so many discouragements, shaking hands on the vessel’s deck with Mr Brunel, and heartily congratulating him on the final achievements of their long anticipated success. Mr Brunel himself, took what he seemed to consider rather a result than a success, as coolly as he has borne the ignorant abuse which has beset him, and the lying prophecies of failure so rife for some time past. Not so, the multitudinous assemblage around and about the vessel, along the shores on either side, and crowded upon the river in craft of every size and description. These, as soon as the motion of the vessel was perceptible, greeted her advent upon the water with vigorous shouts of welcome, every one present seeming to rejoice in the prosperous consummation of an enterprise which in daring has never been equalled, and in skill will hardly be surpassed.

Standing on the deck of the huge ship, towering high above the dwarfed looking craft in the river, and overlooking half of the metropolis, the river dotted with hundreds of wherry boats, and the tug steamers swarming around the ship, throwing up their clouds of dark black smoke, a scene of extraordinary excitement was presented to the observer. Then far and wide, borne on the air, came the sound of chimes and bells of churches and chapels, and then the falling and clank of ponderous chains, which one by one were loosed and fell away from giddy heights around the ship; there was the noise of orders conveyed by the stentorian lungs of Captain Harrison, magnified a hundred-fold through the speaking trumpets; then Mr. Prowse, the chief officer, echoed in a voice of thunder, some unintelligible words of command,

and a hundred men rushed instinctively to fulfil it, some gliding down chains and ropes, with a contempt for neck and limb, which made the blood run cold, some armed with sledges and hammers, such as Vulcan might have wielded. A barge, which had some of the hauling apparatus on board, got entangled in the starboard paddle-wheel of the ship, almost immediately after she was afloat, and rather interfered with her progress, until a mechanic, nobly daring, armed himself with an axe, and jumping aboard, hewed a hole in the side of the barge, let in the water and scuttled her. "Go ahead," now shouts the captain; the steam tugs strain, the hawsers grow rigid as iron bars, the ship once more moves, the old familiar yard, which was her birth-place, recedes imperceptibly, and with the slowest possible progress—only seen by watching intently the spires and tall chimneys on shore, or the motionless masts of the shipping afloat, the centre of the river is gained. From this point one hundred men work the tremendous capstans at the fore, and haul the ship to her moorings; steamers, low down to the water's edge with their freight of passengers, cheer lustily; the people on deck give a returning shout; Brunel is complimented again and again; Captain Harrison is congratulated; Mr. Yates, the secretary, looks smiling; Mr. Hope, the chairman, appears animated; prospects of dividends brighten the faces of a few of the largest shareholders; Trotman's face beams with a refulgent smile, as they make the good ship fast to his unyielding anchors; Howlett has taken his last magnificent photograph on board the ship, with a portrait of the chairman of the company in the foreground; Hobbs is as happy as though he had picked the most intricate lock in Christendom; there is a general shaking of hands all round, and, thanks to that able commissariat officer, Trotman, a leviathan round of beef and the contents of a well assorted hamper, afford a grateful and welcome opportunity of making the first meal in the big ship, which, rough though it be, is not beneath the notice of the Marquis of Stafford, Lord Dufferin, Mr. C. E. Stewart, of the London and North Western Railway, and other persons of note, whose interest in the undertaking has attracted them to Millwall.

The ship now lies at her moorings, just her own length from the spot on which she was built, in 19 feet at low water, although she draws at present only 14 feet by the bows, and 16 feet 6 inches by the stern.

The "Leviathan" will probably remain at her moorings for three months, while completing her interior and other fittings, and during a portion of this time it is expected the public will be admitted, under certain regulations, to view her.

The Import and Export Trade of Great Britain in 1856.

We find the following synopsis of the trade of Great Britain in the *Edinburgh Advertiser*. It will be seen that England looks more to her exports than her imports, a policy which Canada would do well to imitate.

The Board of Trade returns for the past year will be studied with more than ordinary interest, for they exemplify the effects of a crisis more peculiar in its origin and more aggravated in its pressure than any which has yet overtaken the commercial community. Like the layers or strata of the geologist,

the successive monthly returns of the past year furnish unimpeachable records of the late convulsion, and present to us the spectacle of a steadily increasing commerce being suddenly arrested and paralysed. Not until the returns for the past and present months are likewise published can a true idea of the disastrous effects of the crises be obtained; for the present we can only illustrate them by reference to the returns up to the end of December. The gradual increase of our commerce of late years is a matter of notoriety, and may be seen in the following export-returns for the last three years:—

	1855.	1856.	1847.
Exports.....	95,688,085	115,826,948	122-155,237

The sudden blight that overtook this steady growth towards the end of last year is made apparent by the great diminution of exports shown in the following monthly returns;—

	1856.	1857.
Six months ended 30th June.....	£56,968,416	£60,826,381
July.....	9,266,701	11,441,258
August.....	10,753,292	11,638,805
September.....	10,216,671	11,068,875
October.....	10,666,951	10,985,789
November.....	10,272,075	8,285,815
December.....	10,045,226	7,148,041

The total for the year, as we have shown above, gives a surplus of 6½ millions over that for 1856, despite the great falling off in the last two months of 1856, or of 6 millions compared with the average of the first ten months of 1857!

The condition of the chief branches of our export-trade during the last three years may be judged from the following table;

	1855.	1856.	1857.
Cotton Fabrics.....	27,578,746	30,204,166	30,421,056
Cotton Yarn.....	7,200,395	8,028,575	8,691,863
Wool.....	986,526	950,193	1,088,918
Woollen Fabrics.....	7,718,374	9,500,478	10,705,471
Woollen Yarn.....	2,026,095	2,889,042	2,941,765
Linens.....	4,118,013	4,887,780	4,511,454
Linen Yarn.....	932,981	1,365,890	1,647,879
Silk Manufactures.....	1,082,592	1,758,657	1,798,717
Silk Thrown Yarn.....	440,751	1,293,399	1,110,761
Leather.....	1,141,576	1,756,451	2,301,079
Metals.....	13,488,677	17,995,414	19,237,854
Hardwares and Cutlery.....	2,959,610	3,747,598	4,016,327
Machinery.....	2,243,163	2,716,451	3,883,023

The value of our exports last year to foreign countries was £85,839,990, of which amount the United States took above 10 millions, or nearly a fourth. To British Possessions our exports were £37,115,247, of which amount upwards of 23 millions went in equal proportions to Australia and the East Indies.

Turning to the imports, we find that the quality of raw cotton taken for manufacture is considerably less than in 1856, although, owing to the higher value current, about the same price must have been paid for it. The imports of corn are likewise somewhat less than in the previous year, but the

quantity is large considering the abundance of the past harvest. Tea, on the other hand, shows a great interest—nearly six million lbs; but this is part compensated by a falling off to the extent of three million lbs. in coffee and cocoa. In tobacco there has also been a great increase.

The following figures relate to the chief items of the return in which any change is very apparent:—

	1855.	1856.	1857.
Live Animals No.....	272,340	238,281	280,847
Corn, qrs.....	6,288,343	9,301,523	9,089,511
Cocoa, lbs.....	4,471,553	3,762,724	2,777,194
Coffee, lbs.....	35,876,116	35,140,251	34,518,555
Tea, lbs.....	63,453,950	63,295,643	69,159,843
Tobacco, lbs.....	30,493,587	31,579,168	32,856,913
Cotton, raw, cwts.....	7,962,071	9,141,842	8,654,777
Flax, cwts.....	1,293,435	1,687,041	1,866,250

We may add that it appears from these Returns that the amount of Gold exported during last year was unusually large,—namely, £33,566,968, against £18,505,468 in 1856, and £15,061,500 in 1855. But, as was to be expected when such good bargains were to be got in this country, the case was reversed during the two last months of the year, when £7,189,622 were imported, against £1,977,305 in 1856, and £5,212,371 in 1855.

COMMERCIAL REGULATIONS.

Sound Dues Treaty between Denmark and the United States.

CONVENTION BETWEEN THE UNITED STATES AND HIS MAJESTY, THE KING OF DENMARK, FOR THE DISCONTINUANCE OF THE SOUND DUES; DONE AT WASHINGTON, THE 11th DAY OF APRIL, 1857.

The United States of America and his Majesty, the King of Denmark, being desirous to terminate amicably the differences which have arisen between them in regard to the tolls levied by Denmark on American vessels and their cargoes passing through the Sound and Belts, and commonly called Sound dues, have resolved to conclude a convention for that purpose, and have named as their plenipotentiaries, that is to say, the President of the United States, Lewis Cass, Secretary of State of the United States, and his Majesty, the King of Denmark, Torben Bille, Esq., Knight of the Dannebrog, and decorated with the cross of honour of the same order, his said Majesty's Charge d'Affairs near the government of the United States, who, after having communicated to each other their full powers in due form, having agreed to and signed the following articles:—

ART. 1. His Majesty, the King of Denmark, declares entire freedom of the navigation of the Sound and the Belts, in favour of American vessels and their cargoes, from and forever after the day of this convention shall go into effect, as hereinafter provided. And it is hereby agreed that American vessels and their cargoes, after that day, shall not be subject to any charge whatever in passing the Sound or Belts, or to any detention in the said waters; and both governments will concur, if occasion should require it, in taking measures to prevent abuse of the free flag of the United States, by the ship-

ping of other nations, which shall not have secured the same freedom and exemption from charges enjoyed by that of the United States.

ART. 2. His Danish Majesty further engages, that the passage of the Sound and Belts shall continue to be lighted and buoyed as heretofore, without any charge upon American vessels or other cargoes on passing the Sound and the Belts, and that the present establishments of Danish pilots in these waters shall continue to be maintained by Denmark. His Danish Majesty agrees to make such additions and improvements in regard to the lights buoys, and pilot establishments in these waters as circumstances and the increasing trade of the Baltic may require. He further engages that no charge shall be made in consequence of such additions and improvements on American ships and their cargoes, passing through the Sound and the Belts. It is understood, however, to be optional for the masters of American vessels either to employ in the said waters Danish pilots, at reasonable rates fixed by the Danish government, or to navigate their vessels without such assistance.

ART. 3. In consideration of the foregoing agreements and stipulations on the part of Denmark, whereby the free and unencumbered navigation of American vessels through the Sound and the Belts is forever secured, the United States agree to pay to the government of Denmark, once for all, the sum of seven hundred and seventeen thousand eight hundred and twenty-nine rix dollars, or the equivalent, three hundred and ninety-three thousand and eleven dollars in United States currency, at London, on the day when the said convention shall go into full effect, as hereinafter provided.

ART. 4. It is further agreed, that any other or further privileges, rights or advantages, which may have been or may be granted by Denmark, to the commerce and navigation of any other nation at the Sound and Belts, on her coasts and in her harbors, with reference to the transit by land through Danish territory of merchandise, belonging to the citizens or subjects of such nation, shall also be fully extended to and enjoyed by the citizens of the United States and by their vessels and property in that quarter.

ART. 5. The general convention of friendship, commerce, and navigation, concluded between the United States and his Majesty the King of Denmark, on the 26th of April, 1826, and which was abrogated on the 15th of April, 1856, and the provisions contained in each and all of its articles, the fifth article alone excepted, shall, after ratification of this present convention, again become binding upon the United States and Denmark; it being, however, understood that a year's notice shall suffice for the abrogation of the stipulations of the said convention hereby renewed.

ART. 6. The present convention shall take effect as soon as the laws to carry it into operation shall be passed by the governments of the contracting parties, and the sum stipulated by the United States shall have been received by or tendered to Denmark; and for the fulfillment of these purposes, a period not exceeding twelve months, from the signing of this convention, shall be allowed. But if, in the interval, an earlier day shall be fixed upon and carried into effect for the free navigation through the Sound and Belts, in favor of any other power or powers, the same shall simultaneously be extended to the vessels of the United States and their cargoes, in anticipation of the payment of the sum stipulated in article three; it being understood, however, that in that event the government of the United States shall also pay to that of Denmark four per cent interest on said sum, from the day the said immu-

nity shall have gone into operation, until the principal shall have been paid as aforesaid.

ART. 7. The present convention shall be duly ratified, and the exchange of ratification shall take place in Washington, within ten months from the date hereof, or sooner if practicable.

In faith, thereof, the respective plenipotentiaries have signed the present convention, in duplicate, and have thereunto affixed their seal.

Done at Washington, this 11th day of April, in the year of our Lord 1857, and of the independence of the United States the eighty-first.

LEWIS CASS
TORBEN.

JOURNAL OF MANUFACTURES.

Is there a Field for Manufacturing Enterprise in Canada ?

If ever there was a time when the resources of Canada and the capital of England could be profitably united that time has now arrived, and efforts will doubtless be made, and are now being made, to secure to us a portion of that redundant wealth now lying idle in the mother country.

There are two ways by which capital can be introduced into the country, little different in their immediate effects, but widely so in their future consequences. The one proposes to borrow foreign capital, the other to make that capital our own. The one may be partially attained by abolishing the usury laws, the other still more successfully by fostering our own manufactures.

If we borrow ten millions of dollars in England at ten per cent. we shall send the whole amount out of the country in ten years and be still the principal in debt. Abundance of money will induce over importations as heretofore, and only end in greater embarrassments. If on the other hand, we introduce English and American capitalists to invest that amount in Canadian manufactures, not only will the whole principal and interest remain in the country, but our home trade and markets will be improved, while our importations will be chequed by home production and the balance of trade restored. Canada is now called upon to chose the one or the other, or both these methods of obtaining the required amount of Capital. Let her weigh well the consequences and calculate the ultimate results of her policy on those important questions.

There cannot be a doubt that proper protection to our own manufactures would introduce in a very short period ten or even fifteen millions of dollars into this country.

According to the statement published by the Committee of the Montreal Railway celebration of 1856, the following sums had been invested in the buildings and machinery of the two Rubber companies, apart from working capital which swelled the amount to over fifty thousand pounds or \$200,000 :

Montreal Company	Buildings,	-	-	-	£9,402
"	"	Machinery,	-	-	7,616
Canada	"	Buildings,	-	-	13,880
"	"	Machinery,	-	-	8,000
					<hr/>
					£38,898

Or nearly forty thousand pounds for buildings and machinery alone, to say nothing of the amount of working capital.

By referring to the trade returns we find that from 1849 to 1852 before the factories were established, the annual imports of Rubbers did not exceed £25,000 per annum, yet with this fact to guide them, these companies invested a sum equal to double the annual imports. Now as our whole imports of manufactured goods is over twenty-five millions of dollars per annum, of which at least twenty millions of dollars worth would be manufactured in the Province, are we not below the mark in estimating the introduction of ten millions of foreign capital in the establishment and working of the necessary manufactories.

On this subject we have much pleasure in publishing the following extract from a letter of a Manchester House to a gentleman in this city, and although it has been privately answered, we shall endeavour for the benefit of our English readers to reply to the questions it contains in our next issue, and in the meantime invite information from our friends in Canada on the subjects referred to.

The following is the extract :

You would greatly oblige by conveying to us in as clear and concise a manner as possible the principal resources and advantages of Montreal, Kingston and Toronto, as places to be chosen for manufacturing purposes.

The questions to which we wish particularly to direct your attention are the following :—

1st. The spinning and manufacture of Cotton goods such as you know to be made in Manchester for the home and foreign trade ?

2nd. What is the cost of the raw materials and the facilities for obtaining them ?

3rd. Is water-power convenient, and coals moderate in price ?

4th. Is there wool of various qualities to be obtained in Canada or the United States adapted for low and middle class woolen fabrics such as flannels, blankets, serges, tweeds, &c. &c.

5th. What amount of capital would you deem necessary in Canada to build a mill such as ours, and would it be difficult to obtain workers for the various departments ?

6th. What advantages would native manufactures have over those of England and the United States as to the cost of raw materials, duties, &c.

7th. Are the people disposed to wear or give a preference to native manufactures ?

8th. Do you know any impediment at present existing or that would likely arise to hinder the development of manufactures in Canada in the event of capitalists investing an equal amount in mill stock, &c., to what they at present do here ?

9th. Is it safe at present to advise the investment of capital for the manufacture of the usual staple goods of Yorkshire and Lancashire in the Colony ?

10th. Would there in your opinion be any difficulty in competing with the United States manufactures as to the price and make of the class of goods specified ?

* * * * The Government and friends of Canada seem to bestow all or nearly all, their attention, on the development of the landed interests of the country, never for a moment reflecting, upon the daily growing desire of the masses of our manufacturing population, particularly the moderate capitalists, to seek for better remuneration and a most extended field of labour in our growing colonies. I am safe in stating that there are hundreds of manufacturers here and elsewhere in England, who only want to know from authentic information and statistics, that there is an opening for them, to be induced to remove *all their machinery and hands* rather than struggle as many are now doing in England.

You are aware that our mutual friend O—— visited Canada last summer. He was delighted with the country, but could find no one from whom he could obtain such particulars as to the state of trade and the advisability of engaging in manufactures as to enable him to come to a decision. Your absence he very much regretted as you could no doubt have given him much valuable information. If he settled in Canada he would spend thirty or forty thousand pounds in the colony."

The above is a sample of correspondence continually received from England, "Show English Capitalists," says a friend of the writer, "that they can engage with advantage in manufactures in Canada, and you will soon have all the money you want, and will not need to mortgage your property to raise money at high rates of interest to carry on your business."

STATISTICS OF POPULATION.

Canadian Emigration, Past and Future.

The efforts which the Government as well as the friends of Canada generally, have put forth to obtain a large immigration into the country, have not been attended with those results which, considering the great natural advantages, as well as the political privileges we enjoy, might have been expected to flow from them. Of the large number of emigrants who have passed over our rivers and railroads, a comparatively small portion have remained in Canada, and even of those who have remained for a time in our midst, many have since removed to the United States. The vast Prairies of the Western States doubtless offer, at first sight, advantages over our heavy timbered lands, where the clearing of the forest may almost be regarded as the work of a lifetime. To induce emigrants to settle amongst us something more requires to be done, than to give them a bush lot in some back settlement, where their only prospect is a long and dreary isolation from the busy world, and the sacrifice of all those social comforts which add so much to the pleasures and enjoyments of civilized life. Our efforts in this direction have hitherto proceeded upon the idea, that Canada must be regarded as an agricultural country only, that our great business should be to encourage agriculturists to settle amongst us, forgetting that the success of the farmer, like that of the mechanic or manufacturer, must depend very much upon the demand for his produce *at the place of production*. The poor farmer, in

his first efforts at clearing the forest, has now to collect and burn the logs which are of no value to him, beyond the little potash that can be made from them, if indeed he has the means of making even that. The many minor productions of the farm, the orchard and the garden, are of little value at a distance from the principal cities, and even in many parts of the country his oats and peas are too bulky to send to market, and must be used to raise Pork, to compete with the cheaper fed article of Ohio and Illinois. While urging fair play to our own industry, we hold that every country should direct its energies to the production of such articles as they are best fitted by nature to produce, and we cannot regard, without regret, the struggles of the early settler, without markets for his firewood, vegetables, potatoes, coarse grains, &c., and compelled to pay one hundred per cent in advance of English, and fifty per cent in advance of American prices, for his store purchases.

Canadian immigration has been of late years almost a failure. It is true many agriculturalists have settled in the borders of the old settlements, or bought out equally enterprising men who, in their turn, have removed to the Western States; but there has been no general movement into the back settlements of the country. No evident determination to "go up and possess the land." From a statement contained in the Governor General's Speech at the opening of Parliament, it appears that a measure is to be introduced into the legislature to encourage the settlement of our wild lands; but we fear no inducements held out to settlers will be sufficient to arrest them in their progress westward, unless by the introduction of manufactures into the country we are able to offer employment to all classes of emigrants, and at the same time better prospects to the farmer, that he will find at home a profitable market for every article of his farm, from the stick of cordwood to the bushel of wheat.

It appears to us that our efforts to induce immigration into Canada has very unwisely been directed to obtain a large influx of the labouring classes, without any corresponding amount of capital to secure them profitable employment. Hence we see them, if agriculturists, thrown upon the country merchants for the means, at long credit, to commence their operations, and whatever may be their industry or thrift, they find it a very unprofitable business to buy their store goods at two prices, and sell their produce at half price. If a mechanic, or accustomed to factory labour, the emigrant is thrown into the cities, where the same absence of manufactures is equally felt. He struggles on for a time, but after a fruitless effort to sustain himself, he, in all probability, removes to the United States, where manufacturing enterprises are better protected.

If one class more than another is wanted in Canada, it is the moderate capitalists with from one to fifty thousand pounds, to engage in the various branches of manufacture, for which our climate is suited. And it is to be regretted that while we have obliging and kind emigrant agents, who do what can be done for the poor under the circumstances, there is no proper officer to give information or advice to the capitalist seeking a profitable investment for his capital, or meditating removal to our shores. It may be said that capitalists are able to judge for themselves what inducements the country offers to them, but such is not the case. Every man who came to this country possessed of moderate means, knows the difficulties he had to contend against, in seeking out a profitable field of enterprise. Coming amongst us without any

definite object, he is driven from pillar to post in the endeavour to find some suitable means of employing his capital and skill. One friend recommends this, another that, a third tells him to wait till he has more knowledge of the country, while a fourth, like Job's comforters, assures him that nobody ever does any good in Canada, till he has spent all he brought with him. He soon begins to be of the latter opinion himself; as he finds his money going at railroad speed, and alarmed at the dreary prospect before him, he in all probability returns to a country with fewer, but better known means of profitable investment. Indeed, if he even remains amongst us, ten to one, but he engages in some enterprise with a very imperfect idea of the probable results. We say there is no reason why an English manufacturer should not come here with a definite understanding as to what branch of business he intends to pursue. Still less is there any reason why men should even come amongst us and not be able to obtain all the required information, from some qualified officer in the Bureau of Agriculture or elsewhere. Suppose a capitalist wishes to engage in the cotton or woollen manufacture, is there an officer who can give, or who is called upon to give the necessary information? What, for instance, is the present and probable future consumption—the extent of the present manufactures—the cost of the raw material and facilities for obtaining it—the extent and availability of the water powers of the Province—the facilities for obtaining labour—the amount of protection afforded—the effects of climate on the manufacture—the cost of real estate and the wages of mechanics; what factories, foundries, or other establishments are idle, and the reason why; what the terms of credit and the general prospects of prompt payments; what the Banking facilities; what markets are available for the sale of surplus productions. These and many other questions require to be answered to the satisfaction of the intelligent capitalist, before he can decide to remove to this country, or being here to continue amongst us.

Let our readers refer to the letter of an English manufacturer, in our present number, and say whether with such an officer, the party who visited Canada last summer, could not have obtained the desired information. Whether the Woolen Factory at Cobourg, now idle, while we are exporting two hundred and fifty thousand dollars worth of wool per annum, and importing over four millions of dollars worth of Woolen goods, might not have been in successful operation at this moment.

Above all, we trust immediate and ample protection will be afforded to Canadian enterprise. We see no reason why the capitalist coming up the St. Lawrence, should be induced by an unequal tariff, to choose the American side.

We regret to see intelligent men assume, with an air of superior wisdom, that high duties necessarily add to the price of an article. It can only do so if the article cannot be produced as well at home, or if there is no home competition. We now import from the United States, manufactured goods, to the extent of eight millions of dollars per annum, and as these are protected in their own markets by a duty of 30 per cent, it follows according to this theory, that we are paying 45 per cent for our goods, say 30 per cent for American duties, and 15 per cent for our own. No, gentlemen: the cheapest market for an article is the great seat of the manufacture, and if we have proper facilities for manufacturing, it should be our endeavour by protective duties or otherwise, to bring the great centres of these among ourselves.

A Nova Scotian View of the Union of the Colonies.

Every inhabitant of British North America, says *The Halifax Express*, from Newfoundland to Hudson's Bay, who, amidst the various avocations of life, has ever cast a glance at the position of the Colonies under British rule, must feel that a union of the Colonies is an event of time, and not of chance.

The natural position of the group of dependencies in the northern extremities of the American continent, indicates the formation and gradual growth, at no distant day, of a great northern confederacy, which, from the elements that enter into the structure of society in British North America, must, when consolidated, display a strength and durability corresponding to the materials of which it is composed.

It would be unreasonable to expect that a number of young and thriving countries so situated, geographically speaking, as to assist and supply, each to the other, advantages which separately are a nullity, but jointly, the source of wealth and power, can long remain neutral or indifferent to the manifest advantages, that must, of necessity, follow a union of the Colonies. The social and political improvement—the commercial facilities—the influence abroad and sense of security at home, would be the smallest items in the aggregate of benefits that would result from the accomplishment of such a measure.

This region—larger than Europe—capable of sustaining an immense population in opulence—and of absorbing the surplus emigration of the Old World for years to come—has already within its borders a population of four millions of inhabitants, who form a respectable beginning for a young nation. The foundation of the great Republic, which, stretching from the Atlantic to the shores of the Pacific Ocean, seeks to absorb Central America and turbulent Mexico in its alreedy enormous agglomeration of States, was laid by one-fourth less of a population in a more easily accessible country.

When we survey the exhaustless fisheries on the Banks of Newfoundland, the thought flashes across the mind in these days of commercial disaster, that the Bank of England and the Bank of France may fail, but the Bank of Newfoundland will never fail to furnish ample employment to thousands of hardy fishermen, to give to the nation to whom they belong a great nursery for seamen—to rear a hardy race inured to the perils of the sea—to form the nucleus of a navy that in time might cause the flag of the union to be respected throughout the world. Nova Scotia has the iron and coal—the gypsum and the granite; New Brunswick the ships and timber; Canada the wheat and grain. Within themselves they possess the guarantee of a glorious future. The river fisheries and the water power—mineral wealth and agricultural capacities of unlimited extent—all indicate a natural fitness for union, and, with union, success so marvellous, that the mind shrinks from sketching the picture.

The Republics of the South are hastening to decay. The North—free, vigorous, and slow of action—possesses strength, endurance, and elements of greatness, only to be eliminated by the genius of her sons; and the tide of American filibusterism, or, as it is now termed, of the disguised armed emigration to the South, when seated in Nicaragua and Cuba, may one day turn to

the North; and in the event of war with England, in what position would these colonies, especially Canada, be placed? There is no doubt but that her hardy yeomanry would defend their country, but at what cost? As in India, then would be felt the need of a Railway from Halifax to Quebec. Shut out during the winter, except by a long and tedious journey through the wilderness, the absence of union, and the projects that must of necessity attend, would be felt as a truly national calamity throughout the empire.

In times gone past, it was the policy in time of peace to prepare for war; but amid the crash of arms in other parts of the globe, we remain in fancied security, though it needs no spirit of prophecy to foresee that one day we, in the North, shall either have to fight or be absorbed in that great tide of democracy that claims the control of the continent as its destiny. It is not more than a century since volunteers from Maine and Massachusetts found their way to the walls of Quebec; and the railways that intersect that district to-day, would greatly facilitate a similar movement in case of difficulty with the Republic.

Self preservation is the first law of nature; weakness incites rapidity, strength repels it. Active, constant progress can alone induce security. When a country is floating on the full tide of prosperity—thousands of emigrants annually landing on her shores—vast tracts of land cleared for the plough—every arena of industry thronged with a busy, surging crowd—every invention eagerly adopted—every profession filled to overflowing—thousands destitute, you feel that the day may come when a turbulent democracy, flushed with expectations, eager for the diffusion of the doctrine “to the victors belong the spoils,” will not be over scrupulous in attempting to wrest what they may desire from their neighbours. Wisdom scans the possible and probable, and prepares for every contingency that may arise; foolishness is satisfied with the present security, and generally pays the penalty. We are not alarmists, and if there was no possibility of danger, still union ought to be the unceasing cry of every public journal in the British Provinces. Without it they are powerless—united they are invincible, and might bid defiance to the world.

The germ of greatness lies in the spirit of a people, and where a race sprung from the same stock meet in close proximity to each other, one actuated by the favor of democratic freedom, and the other restrained by the inertia of dependence, it necessarily follows that some influence must be evoked as a counterpoise to the more active principle, and the only medium possible at present as a check, is union, equality, or submission. The free spirit of the north has no other choice; it can never crouch in submission, and the race for equality must be entered on equal terms. Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and Newfoundland were intended by nature to form one country. It is clearly the duty of every inhabitant to endeavor to speed so great a cause without delay.

BANK NOTE REPORTER.

COUNTERFEITS.

BANK OF BRITISH NORTH AMERICA.

2's altered from 1's, are in circulation.

BANK OF MONTREAL.

5's, a steamer, on upper right corner—cattle on the left end—5 in the centre and on the lower right corner—an eagle between the signatures.

5's, Toronto Branch, let. A—pay Baker—in the genuine the word "value" to the left of Toronto, is directly over the word Toronto: in the counterfeit the nose of the small dog comes very near the "T" in Toronto; in the genuine it is an eighth of an inch from the T.

5's, altered from 1's—has a V in a circle at the bottom.

5's, altered from 1's—vig. a female reclining on a figure 5, clumsily altered from the figure 1.

10's, "Parliament" on the left side of the bill is spelled without the *a*.

10's, altered from 1's—vig. Britannia with a spear and shield, and the head is placed after the signature of the cashier; the genuine 10's have a ship, and "Bank of Montreal" is in one line.

10's, perfect imitation of genuine English plate—has no water-mark, and has a somewhat blurred appearance.

BANK OF UPPER CANADA.

10's altered from 1's: vig. railroad train.

10's altered from 1's; vig. a beehive; the true 10's have for vig. a landscape view.

10's, let. C.; close imitation; Nov. 1st, 1839; general appearance darker than the genuine, particularly in the foreground of the vig. and the figure X at the bottom.

CITY BANK MONTREAL.

10's, vig. British coat of arms; male bust on left end; "Parliament" is spelled "Parliament;" has a bluish look.

COMMERCIAL BANK OF CANADA.

5's, horse and rider on lower right and left corners.

5's, superious—vig. a female leaning on a wheel.

10's, vig. flying Mercury in clouds, with 10 and scrolls each side; marine view on lower right corner; X, roses and thistles on the left; imitation of genuine, but of a little dark color. This is a dangerous counterfeit.

20's, altered from 4's, vignette railway cars.

GORE BANK.

20's & 50's—This Bank has no 20s. or 50s.

NIAGARA DISTRICT BANK.

5's, altered from 1s.—vig. lion and unicorn—milkmaid on left. 10's altered from genuine 1s—bank has no 10s.

QUEBEC BANK.

2's, altered from 1s. Well done.

10's, vig. man and woman—female on each end.

10's, altered from 1s. The altered bill has the letter X substituted for the figure 1 on the upper corners. The genuine tens have the figures 10 on the corners.

20's altered from 1s. The words twenty dollars, partly encroaches on the first of the word currency.

ZIMMERMAN BANK.

5's, 10's, & 20's, altered from 1s—vig. suspension Bridge—female, anvil, and hammer on right—Clifton house on left. In the genuine 20's the name of the bank is on the Top of the bill; in the altered bills the name of the bank is below the Suspension Bridge.

BANK OF BRITISH NORTH AMERICA

HEAD OFFICE—London, England. Charles McMab, *Secretary*.
 Head Office in the Colonies—Montreal. T. Paton, *Gen. Manager*.

		DISCOUNT IN	
		Montreal.	Toronto.
BRANCH at	Montreal.	Robert Cassels, Manager	par par
"	"	Brantford. James C. Geddes, Mang'r	$\frac{1}{2}$ par
"	"	Halifax, N. S. S. N. Binney, Mang'r.....	5 5
"	"	Hamilton. Geo. Taylor, Mang'r	$\frac{1}{2}$ par
"	"	Kingston. Samuel Taylor, Mang'r	$\frac{1}{2}$ par
"	"	London, C.W. Thomas Christian.....	$\frac{1}{2}$ par
"	"	Quebec. F. W. Wood, Mang'r	par par
"	"	St. John, N. B. C. F. Smithers, Mang'r	5 5
"	"	Toronto. W. G. Cassels, Mang'r	$\frac{1}{2}$ par
Agency at	Dundas.	W. Lash, Agent	$\frac{1}{2}$ par
"	"	Ottawa. A. C. Kelly, Ag't	$\frac{1}{2}$ par
Agents in	New York.	R. C. Ferguson, F. H. Grain & C. F. Smith.	
"	"	Scotland. National Bank of Scotland, and Branches.	
"	"	Ireland. Provincial Bank of Ireland, and Branches.	
"	"	West Indies. Colonial Bank.	
"	"	Australia. Union Bank, and Branches.	

BANK OF THE COUNTY OF ELGIN.

(Notes secured by deposit of Government Securities.)

Head Office—St. Thomas, C.W. Edward Ermatinger, *Mang'r*..... $\frac{1}{2}$
 All Foreign business transacted through the Commercial Bank of Canada.

BANK OF MONTREAL.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Montreal.	Hon. P. McGill, <i>President</i> .	
		D. Davidson, <i>Cashier</i>	par par
Branch at	Quebec.	J. Stevenson, Manager	par par
"	"	Toronto. R. Milroy, Mang'r.....	$\frac{1}{2}$ par
"	"	Hamilton. A. Milroy, Mang'r	$\frac{1}{2}$ par
"	"	London, C.W. Wm. Dunn,	$\frac{1}{2}$ par
"	"	Brockville. F. M. Holmes, Mang'r	$\frac{1}{2}$ par
"	"	Kingston. A. Drummond, Mang'r	$\frac{1}{2}$ par
"	"	Cobourg. C. H. Morgan, Mang'r	$\frac{1}{2}$ par
"	"	Belleville. Q. Macnider, Mang'r	$\frac{1}{2}$ par
"	"	Bowmanville. G. Dyett, Mang'r	$\frac{1}{2}$ par
"	"	Brantford. A. Grier, Mang'r	$\frac{1}{2}$ par
"	"	St. Thomas. E. M. Yarwood, Mang'r.....	$\frac{1}{2}$ par
"	"	Ottawa (late Bytown). P. P. Harris, Mang'r	$\frac{1}{2}$ par
Agency at	Woodstock	W. T. Buchanan, Agent.....	$\frac{1}{2}$ par
"	"	Cornwall. W. Mattice, Agent.	$\frac{1}{2}$ par
"	"	Whitby. Thos. Dow, Ag't	$\frac{1}{2}$ par
"	"	Peterboro. R. Nichols, Ag't	$\frac{1}{2}$ par
"	"	Goderich. H. McCutcheon,	$\frac{1}{2}$ par
"	"	Simcoe. S. Read, Ag't	$\frac{1}{2}$ par
"	"	Port Hope. R. Richardson, Ag't	$\frac{1}{2}$ par
"	"	Picton. J. Gray, Ag't	$\frac{1}{2}$ par

BANK OF MONTREAL (CONTINUED.)

			DISCOUNT IN	
			Montreal. Toronto.	
Agency at	Guelph.	R. M. Moore,	.....	$\frac{1}{2}$ par
" "	Perth.	John McIntyre,	.....	$\frac{1}{2}$ par
" "	Three Rivers.	M. Stevenson,	.....	par par
Agents in	London—The Union Bank of London.			
" "	Liverpool—The Bank of Liverpool.			
" "	Edinburgh—The British Linen Company, and Branches.			
" "	Glasgow—	Do.	do.	do.
" "	New York—The Bank of Commerce.			
" "	Boston—The Merchants' Bank.			

BANK DU PEUPLE.

			DISCOUNT IN	
			Montreal. Toronto.	
Head Office—	Montreal.	J. DeWitt, <i>President.</i>		
		B. H. Lemone, <i>Cashier.</i>	.....	par par
Agents at	Toronto,	E. F. Whittemore & Co.		
" "	Quebec,	Quebec Bank.		
" "	Bowmanville,	John Simpson.		
" "	London, Eng.,	Glyn, Mills & Co.		
" "	New York,	Bank of the Republic.		
This Bank issues no Notes at its Agencies.				

BANK OF UPPER CANADA.

			DISCOUNT IN	
			Montreal. Toronto.	
Head Office—	Toronto, C. W.	Wm. Proudfoot, <i>President.</i>		
		T. G. Ridout, <i>Cashier</i>	.....	$\frac{1}{2}$ par
Branch at	Brockville ...	R. F. Church, <i>Cas'r</i>	.....	$\frac{1}{2}$ par
" "	Hamilton ...	Alfred Stow, "	.....	$\frac{1}{2}$ par
" "	Chatham ...	George Thomas, "	.....	$\frac{1}{2}$ par
" "	Kingston ...	W. G. Hinds, "	.....	$\frac{1}{2}$ par
" "	London ...	Jas. Hamilton, "	.....	$\frac{1}{2}$ par
" "	St. Catharines,	H. C. Barwick "	.....	$\frac{1}{2}$ par
" "	Montreal ...	E. T. Taylor, <i>Manager</i>	.....	par par
" "	Quebec ...	J. F. Bradshaw, "	.....	par par
Agency at	Barrie ...	E. Lally, <i>Agent</i>	.....
" "	Belleville ...	E. Holden, "	.....	$\frac{1}{2}$ par
" "	Berlin ...	Geo. Davidson, "	.....
" "	Brantford ...	T. S. Shortt, "	.....
" "	Chippawa ...	James Macklam, "	.....
" "	Cornwall ...	J. F. Fringle, "	.....
Agency at	Goderich ...	John McDonald, "	.....
" "	Lindsay ...	J. McKibbon, "	.....
" "	Niagara ...	T. McCormick, "	.....
" "	Ottawa ...	R. S. Cassels, "	.....
" "	Port Hope ...	J. Smart, "	.....
" "	Sarnia ...	Alex. Vidal, "	.....
" "	Stratford ...	J. C. W. Daly, "	.....
" "	Three Rivers, C.E.	P. D. Dumoulin, "	.....
" "	Windsor, C.W.	Thos. E. Trew, "	.....

Bank Note Reporter.

BANK OF UPPER CANADA (CONTINUED.)

DISCOUNT IN
Montreal. Toronto

Agents at	Albany, N. Y...	Bank of the Interior.
" "	Boston ...	Blake Howe & Co.
" "	Edinburgh ...	British Linen Company.
" "	London, Eng...	Glyn, Mills & Co.
" "	" "	Coutts & Co.
" "	" "	Barclay, Bevan, Tritton & Co.
" "	" "	Bank of London.
" "	New York ...	Bank of Commerce.

BANK OF TORONTO.

DISCOUNT IN
Montreal. Toronto.

Head Office—Toronto	...	J. G. Chewett, <i>President.</i>		
		Angus Cameron, <i>Cashier</i>	$\frac{1}{2}$	par
Agency at	Barrie ...	Angus Russell, <i>Agent</i>		
" "	Cobourg ...	J. S. Wallace, "		
" "	Newcastle ...	Samuel Wilmot, "		
" "	Peterboro ...	Alexander Monro, "		
" "	Oakville ...	John T. M. Burnside "		
Agents at	London, Eng...	City Bank.		
" "	New York, U.S.	Bank of Commerce.		

CITY BANK, MONTREAL.

DISCOUNT IN
Montreal. Toronto.

Head Office—Montreal.		Wm. Workman, <i>President.</i>		
		F. Macculloch, <i>Cashier</i>	par	par
Branch at	Toronto ...	Thomas Woodside, <i>Manager</i>	$\frac{1}{2}$	par
" "	Quebec ...	Daniel McGee, "	par	par
" "	Sherbrooke ...	W. Ritchie, "		no issues
Agent at	Dublin ...	National Bank of Ireland.]		
" "	London, Eng...	Glyn, Mills & Co.		
" "	New York ...	Bank of the Republic.		

COLONIAL BANK OF CANADA.

Authorized Capital, \$2,000,000.

Head Office—Toronto. A. M. Clark, *President.* _____, *Cashier.*
This Bank is not yet in operation.

COMMERCIAL BANK OF CANADA.

(Formerly Commercial Bank of the Midland District.)

DISCOUNT IN
Montreal. Toronto.

Head Office—Kingston.		Hon. John Hamilton, <i>President.</i>	C. S.	
	Ross, <i>Cashier</i>			$\frac{1}{2}$ par
Branch at	Belleville ...	Andrew Thompson, <i>Manager</i>		par
" "	Brookville ...	James Bancroft "		par
" "	Galt ...	William Cooke, "		par
" "	Hamilton ...	W. H. Park, "		par
" "	London ...	J. G. Harper, "		par

		DISCOUNT IN	
		Montreal.	Toronto
Branch at	Montreal, Thomas Kirby,.....	par	par
" "	Port Hope, W. F. Harper.....	½	par
" "	Toronto, C. J. Campbell.....	½	par
Agency	Chatham, Thomas McCrae.....		
" "	Ingersoll, W. Sage.....		
" "	Perth, Anthony Lesslie.....		
" "	Peterboro, Wm. Cluxton.....		
" "	Port Stanley, E. C. Warren.....		
" "	Prescott, John Patton.....		
" "	Quebec, Joseph Wenham.....	par	par
" "	Stratford, U. C. Lee.....		
" "	St. Marys, Thomas D. Tims.....		
Agents	Albany, New York State Bank.....		
" "	Boston, Merchants Bank.....		
" "	Dublin—Ireland; Boyle, Low, Pim & Co.....		
" "	Edinburgh—Scotland; Commercial Bank of Scotland.....		
" "	Glasgow " Clydesdale Banking Company.....		
" "	London—England; London Joint Stock Bank.....		
" "	New York, Merchants Bank.....		
" "	Oswego, N. Y., Luther Wright's Bank.....		

GORE BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head office,	Hamilton, A. Stevens, <i>President</i> . W. G. Crawford, <i>Cashier</i>	½	par
Agency at	Chatham, C. Warteriss, <i>Agent</i>		
" "	Galt, " John Davidson ".....		
" "	Guelph, " T. Sandilands ".....		
" "	London, " ".....		
" "	Paris, " James Nimmo ".....		
" "	Simcoe, " D. Campbell ".....		
" "	Woodstock, " James Ingersoll ".....		
Agents	Albany, N. Y.; New York State Bank.....		
" "	Edinburgh, Scotland,—Union Bank and Branches.....		
" "	London, England,—Glyn, Mills & Co.....		
" "	New York, Ward & Co., and Merchants Bank.....		

MOLSON'S BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Montreal, Wm. Molson, <i>President</i> ; W. Sache, <i>Cashier</i>	par	par
Agency at	Toronto, John Glass, <i>Agent</i>	½	par
Agents at	Boston, U. S.; J. E. Thayer & Brother.....		
" "	New York, Mechanics Bank.....		
" "	London, England; Glyn, Mills & Co.....		

NIAGARA DISTRICT BANK.

Head Office—	St. Catharines. Hon. W. H. Merritt, <i>President</i> . C. M. Arnold		
	<i>Cashier</i>		
Agency at	Ingersoll, C. E. Chadwick, <i>Agent</i>		
Agents.—	London, England,.....Bosanquet, Franks & Co.,		
	New York.....Bank of the Manhattan Co.		

This Bank was established under the Free Banking Law of Canada, in 1854, but was incorporated by Act of Parliament in 1855, and is now one of the chartered Institutions of the country.

ONTARIO BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—Bowmanville ...	Hon. John Simpson, <i>President</i> .		
	D. Fisher, <i>Cashier</i>	$\frac{1}{2}$	par
Agent at New York ...	Bank of the Republic.		
“ “ London, Eng. ...	Glyn, Mill & Co.		

PROVINCIAL BANK—STANSTEAD.
(Notes secured by deposit of Provincial Securities.)

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—Stanstead, C. E.,—W. Stevens, <i>President</i> ,.....	J. W. Peterson <i>Cashier</i>	$\frac{1}{2}$	5
Agents in Montreal.....J. D. Nutter & Co.			
“ New York.....			
“ Boston.....			

The notes of the Provincial Bank are not taken in deposit by any of the other Banks or Branches—the Brokers in Montreal redeem them at one-half per cent. discount. In Toronto and other western cities they are bought in large sums at two and one-half, and, in smaller amounts, at five per cent discount.

QUEBEC BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—Quebec, James Gibb, <i>President</i> —C. Gethings, <i>Cashier</i>		par	par
Branch at Toronto, W. W. Ransom, <i>Manager</i>		$\frac{1}{2}$	par
Agency at Montreal, Banque du Peuple, Agents.....			
“ Ottawa, H. V. Noel, “			
“ Three Rivers, John McDougall, “			
Agents at Fredericton, N.B. ; Central Bank, “			
“ London, England ; Glyn, Mills, & Co., “			
“ New York, U. S. ; Maitland, Phelps, & Co.			
“ St. John, N. B. ; Commercial Bank, New Brunswick ...			

ZIMMERMAN BANK.

Head Office—Clifton, C. W.—Jos. A. Woodruff, <i>President</i> .			
	J. W. Dunklee, <i>Cashier</i> .	$\frac{1}{2}$	par
Agents in New York, Atlantic Bank.			

PRIVATE BANKERS AND EXCHANGE BROKERS.

- MONTREAL.**—C. Dorwin & Co., St. Francois Xavier Street.
 “ J. D. Nutter & Co., Place D'Armes, Publishers of C. M's Bank Note Reporter.
 “ Geo. W. Warner, St. Francois Xavier street.
 “ D. Fisher & Co.,
 “ J. E. Malhiot.
- TORONTO.**—E. F. Whittemore & Co., Toronto Street. Agents for La Banque du Peuple.
 “ W. H. Bull & Co., King Street.
 “ W. B. Phipps, Toronto Street.
 “ John Cameron, Wellington Street.
 “ Wm. Weir & Co., Front Street.
- HAMILTON.**—Hamilton, Davis & Co.
 “ Nelson Mills & Co.
- LONDON,** C. W.—B. F. Breddome.
- QUEBEC.**—B. Fian.

RAILWAY RETURNS.

*Receipts of the Ontario, Simcoe, and Huron Railroad for the months of
January and February, 1858.*

January—Amount received for Passengers.....	\$6,836 34
“ “ Freight	5,227 44
“ From Other Sources.....	510 86
Total.....	\$12,574 65
No. of Passengers....6510	Tons of Freight....2039
February—Amount received for Passengers.....	\$5,463 14
“ “ Freight.....	6,296 11
“ Form Other Sources.....	507 47
Total.....	\$12,266 72
No. of Passengers....5068	Tons of Freight....3077½

SAMUEL SKELTON, *Superintendent's Clerk.*

Returns of the Great Western Railway.

	1857	1858
Week ending 29th January.....	\$38,844 52	\$38,991 46
“ “ 12th February.....	45,269 50½	31,594 39
“ “ 19th “	43,503 24½	32,991 15
“ “ 26th “	48,591 18	36,367 35½
“ “ 12th March.....	50,945 76½	39,692 03

Returns of the Grand Trunk Railway.

	1857	1858
Week ending 16th January.....	\$36,711 17½	\$31,673 29½
“ “ 23rd “	27,720 55	41,911 55
“ “ 13th February.....	36,590 80	30,697 68½
“ “ 27th “	55,663 42	41,939 83½
Total traffic since 1st, July 1857	\$1,578,331 15½	
“ “ same period last year.....	1,111,956 72	

COMMERCIAL SUMMARY AND REVIEW.

TORONTO, March 16, 1858.

We have to record a continued dullness in the general business of the country, and the same scarcity of Money in commercial circles that we have had to contend against for so many months. There is abundance of money, however, seeking permanent investment at from 10 to 12 per cent. per annum, which cannot fail to have a beneficial influence on the market.

In the Produce Market, prices, generally, have advanced since the date of our last, but "Supplies," says Matthews and Maclean's Circular, "have fallen off, owing to the want of good sleighing, thaws, and the strength of the sun having wasted the snow off our roads on the front. The back Townships have yet good roads, and it is hoped the Farmers there will turn out as much as they possibly can to the Millers in their respective districts, although a large majority of the latter have not the wherewithal to buy, on account of the tight grasp held by our Banks on their Safes. The weather is mild, and if it continues, our Ports will, before long, be open. Steamboat stock will be a drug this coming season, on account of the want of trade, or rather the facilities afforded by our Railroads, which now extend round Lake Ontario, and which are determined to run low. The best Lake Stock for the future will be good fore-and-aft-Schooners, well found and manned. Freights will open low. Offers have already been made by Freight Agents, &c., for first open water at 3c to Oswego, 3½c. to Ogdensburgh, per bushel, for Wheat, and other ports in proportion.

The dullness that pervades every branch of trade is strikingly shown by the returns of the Ontario, Simcoe, and Huron Railroad, published in our present as number, compared with the earnings for the same period last year, a statement of which we subjoin:—

	1857.	1858.
January.....	\$19,345 65	\$12,574 64
February.....	22,234 60	12,266 72
Total for the two Months.....	\$41,580 25	\$24,841 36
Decrease in 1858.....		\$16,738 89

We notice from a Circular issued by W. B. S. Moor, Consul-General of the United States, for the British North American Provinces, that all dutiable goods, and goods claiming exemption from duty under the Reciprocity Act, exported to the United States, must be accompanied with Invoices and certified to by the Consular Officers appointed for that purpose.

We trust these regulations will be enforced, as we have heretofore found it impossible to obtain accurate statements of exports from Canada, particularly of free goods. The large amount heretofore put down as "estimated short returns from Inland Ports," being pure guess work, and altogether unreliable as indicating the true state of trade between the two countries.

For our review of the Produce Market we are indebted to the *Toronto Globe*:—

WHEAT.—The receipts from farmers' waggons, during the week, have been small, generally less than one thousand bushels per day. The total receipts by rail and teams are, however, slightly over seventeen thousand bushels. The prices paid have been materially the same as during the past two weeks, although, if there is a movement, it is towards improvement. For ordinary to good samples, 90c to 95c (4s 6d to 4s 9d) has been paid pretty freely; while for prime descriptions, from 95c to \$1 (4s 9d to 5s) has been realized frequently. The latter figure, and even as high as 5s 1½d, is of course paid only for the choicest lots, free from blemish. Inferior wheat, for distilling purposes, is not worth more than 80c. (4s.) per bushel.

There has been a good deal of competition among the buyers, who represent different interests—purchasing mainly, however, to fill speculative orders. All that is received has gone into store for early spring shipment, swelling the amount in store to over one hundred thousand bushels.

The following are the receipts, shipments, and amount in store, up to Tuesday night :—

Wheat—In store last report, bushels.....	87,912
Received since.....	17,810
	<hr/>
	105,722
Shipped.....	<hr/>
	105,722

FLOUR.—The firmness and buoyancy recently noticed in the flour market is yet apparent, although the sales of the week are light. Holders are firm, and generally above the views of buyers; yet the advance of the week previous has generally been sustained. A few speculative purchases have been made by Americans, but the high rates demanded for good shipping lots deterred them from repeating the transaction. Small lots for immediate shipment continue in request, and on sales of these our quotations, as follows, are based :—Superfine No. 1, \$350 to \$370; Fancy, \$380 to \$4; Extra, \$410 to \$425; Double Extra, \$430 to \$450 per brl.

The following is the movement in flour, at this point, during the week:—

Flour—In store last report, barrels.....	26,275
Received since.....	4,645
	<hr/>
	30,920
Shipped.....	532
	<hr/>
At present in store.....	30,388

We understand there are about 22,000 Bbls. of flour in store at Hamilton, waiting open water for shipment.

SPRING WHEAT is in better request at 65c. to 75c. (3s. 3d. to 3s. 9d.) per bushel, the latter being the exceptional price. For seed 80c. to \$1 (4s. to 5s.) has been paid.

BARLEY has come in slowly, and has brought 40c. to 45c. (2s. to 2s. 3d.) per bushel as an average figure, with occasional purchases at 50c. (2s. 6d.)

OATS have become scarce, and prices have again taken an upward movement. They are now named at 30c to 32c (1s 6d to 1s 7d) per bushel.

PEAS are in good request at 45c to 50c (2s 3d to 2s 6d) per bushel. Very fine samples, well cleaned, would bring from the latter figure to 2s 9d per bushel

SEEDS—There is not much activity in the seed market. The current quotations paid to farmers are—Timothy, per 48 lbs, \$1 50 to \$2; Clover, per 100lbs \$4 75 to \$5

POTATOES are more plentiful, but the demand is far from being as active as earlier in the season. Sales of loads are reported at 55c to 60c (2s 9d to 3s). Some choice varieties have realized 65c (3s 3d) per bushel.

APPLES are not so much in request except when retailed by the peck and bushel. Good varieties when sold in this way realize 75c to \$1 (3s to 5s) per bushel. By the barrel they will bring \$2 to \$2 50.

PORK—The market for dressed hogs is active, with very light supplies. Price continue to advance and our quotations now are \$6 to \$6 5 per 100 lbs for good pork.

BUTTER—Fresh is not plentiful, and choice lots readily command 20c to 22c, (1s to 1s 1d) per lb. Tub is very plentiful but the stock on hand is not of good description. No 1 is worth 13c to 15c (8d to 9d). No 2 is hardly saleable at 8c to 10c (5d to 6d) per lb.

RYE is in good demand at 60c, (3s) per bushel.

POULTRY is more freely offered. Chickens are worth 45c to 50c (2s 3d to 2s 6d) per pair. Geese 50c (2s 6d) each. Turkeys 90 to \$1 25 (4s 6d to 6s 3d) each, the ruling rate being \$1.

CHEESE is unchanged. American is readily sold at \$9 to \$11 per 100 lbs.

EGGS come in more freely, and prices are not so high, ranging from 15c to 16c (9d to 10d) per dozen.

BEEF is not offered so freely. Slaughtered from farmer's sleighs is sold at \$5 25 to \$5 50 for hind quarters, and \$3 50 to \$4 50 for fore quarters, per 100 lbs. Cattle are in very poor demand, and named at \$5 per 100 lbs., deducting one third for shrinkage.

SHEEP are unchanged. They sell at \$4 to \$5 each. Calves are not in demand at \$4 to \$6 each.

WOOL is worth 9d per lb. Sheep skins are in better demand, and we have to advance our quotations to 60c to 75c, (3s to 3s 9d) each, for fresh slaughtered. Beef hides are not very firm at \$4 per 100 lbs. Calf skins 6d per lb.

Wool does not come in so freely, and the market yesterday and day previous was not well-stocked. The price per load ranges from \$4 50 to \$5 each. On the wharves wool is held at \$5 to \$5 25 per cord.



TOTAL IMPORTS & EXPORTS BETWEEN CANADA & THE UNITED STATES IN 1856.

As the trade between Canada and the United States is likely to come up for discussion, during the present Session of Parliament, we subjoin a summary of that trade compiled from the Trade and Navigation Returns;—

	Imports.	Exports.
Wheat	£423,519 13 4	£1,504,128 9 5
Flour	199,320 5 0	1,043,755 2 2
Lumber	33,421 17 0	704,486 6 8
Other Free Goods (Rec.).....	1,371,027 13 8	1,186,459 9 6
Manufactures	2,053,975 10 3	32,860 17 6
" Free.....	184,520 17 0	
Groceries, Liquors, &c.....	1,410,341 15 0	23,247 13 5
Grand Total.....	£5,676,127 11 3	£4,494,937 18 8

Excess of Imports over Exports, £1,181,189 2 7

In the Trade returns we find £559,725 entered as short returns of Exports at Inland Ports. This we think will be balanced by goods sent to agents and entered under value and smuggled goods.

TORONTO STOCK MARKET.

(CORRECTED BY F. P. STOW.)

Toronto, March 18th, 1858.

DESCRIPTION.	SHARES.	PAID UP.	DIVIDEND LAST SIX MONTHS.	RATE.
Bank of Upper Canada.....	£ s. d.			
Bank of Montreal.....	12 10 0		3 per cent.	12½ discount.
Commercial Bank.....	50 0 0		3 per cent.	15 per cent. prem.
Bank of British North America.....	25 0 0		4 per cent.	10½ do do
Core Bank.....	50 0 0	All.	3 per cent. & bonus	None.
City Bank, Montreal.....	10 0 0		3 per cent.	Nominal.
Toronto Gas Company.....	21 0 0		3 per cent.	6 per cent.
Ironhill Gas Company.....	12 10 0		5 per cent.	
Western Assurance Company.....	10 0 0	5 per cent.	None.	Nominal.
British America do.....	12 10 0	15 per cent.	None.	
Provincial do.....	20 0 0	45 per cent.	None.	
Great Western R. R.....	25 0 0	20 per cent.	4½ per cent.	
Government Debentures.....	20 10 0	All.	{ 6 per cent. inter't	Par.
Municipal Loan do.....	...	...	{ 6 per annum.	10 per ct. dis.
County & Town do.....	...	...	{ Do.	1 to 2 per cent. dis. paran.

MONTREAL STOCK MARKET—PREPARED BY THE BOARD OF BROKERS.

BOARD ROOM, EXCHANGE, MONTREAL, March 13th, 1858

DESCRIPTION.	Shares.	Paid Up.	Dividend Last Six Months.	Buyers.	Sellers.
Bank of Montreal	200 00	whole.	3 per cent.	115½ per ct.	None.
Bank of Montreal, New Stock	200 00	60	3 per cent.	114	None.
Bank of British North America	200 00	whole.	3 per cent.	115	121 per ct.
Commercial Bank of Canada	100 00	whole.	4 per cent.	110½	110½
City Bank	100 00	whole.	3 per cent.	106	116½
City Bank, New Stock	80 00	50	3 per cent.	106	107
Bank of Upper Canada	50 00	do	4 per cent.	87	90
People's Bank	50 00	do	4 per cent.	103	103
Molson's Bank	50 00	40	4 per cent.	108	None.
Montreal Mining Company's Consols.	20 00	\$14 85	None.	None.	\$1 20
Quebec and Lake Superior Mining Company	8 00	4 10	.....	None.	None.
Lake Huron Silver and Copper Mining Company	5 00	0 75	.....	None.	None.
Canada Mining Company	5 00	0 40	.....	\$0 10	\$0 20
Huron Copper Bay Mining Company	4 00	0 25	.....	10	\$0 20
Champlain and St. Lawrence Railroad Company	200 00	whole.	None.	15½	17½ per ct.
Grand Trunk Railroad Company	100 00	whole.	6 per cent. per annum.	50	None.
Great Western of Canada	100 00	whole.	4 per cent., 6 mos.	90	None.
Montreal Telegraph Company	40 00	whole.	5 per cent., 6 mos.	112½	None.
Montreal City Gas Company	40 00	whole.	3 per cent., 6 mos.	books closed.	None.
Government Debentures, 20 years	.....	.....	6 per cent. per annum.	99½	110½
Con. M. L. F. Debentures	.....	.....	7 per cent. per annum.	90	91
Champlain and St. Lawrence Railroad Bonds	.....	.....	6 per cent. per annum.	65	70
Montreal Exchange	400 00	whole.	2½ per cent. per annum.	70	75 per ct.
Montreal Harbour Bonds	.....	.....	8 per cent. per annum.	102½	105 ct.

STOCKS.

BANK OF MONTREAL.—Continues to advance—115½ having been paid—and no stock being to-day procurable even at that rate.
BANK OF MONTREAL NEW STOCK.—No Sellers—would command 114.

BANK OF BRITISH NORTH AMERICA.—The views of buyers and sellers are too widely apart to admit of transactions
COMMERCIAL BANK, MIDLAND DISTRICT.—Has further advanced, the latest sales being at 110½.

CITY BANK.—A considerable amount has changed hands during the week, from 106 @ 106½; the market being, to-day, heavy at the latter rate.

BANK OF UPPER CANADA.—No sales—quotations nominal. Sellers at 90.
PEOPLE'S BANK.—A large amount of Stock has changed hands, and the price has advanced to 103, with few sellers.

MOLSON'S BANK.—Sales at 108—which is offered to-day, without sellers.
MONTREAL MINING COMPANY CONSOLS.—Heavy—and with little doing. Rates nominal.

CHAMPLAIN & ST. LAWRENCE RAILROAD STOCK.—No sales of consequence. Buyers of stock at 10½—and of 7 per cent. Second Mortgage Bonds at 06.

GRAND TRUNK RAILROAD.—No late transactions—very little stock offered.
GREAT WESTERN OF CANADA.—No sales.
MONTREAL TELEGRAPH COMPANY STOCK.—112½ offered and refused.

MONTREAL CITY GAS COMPANY.—Books closed.
GOVERNMENT DEBENTURES.—Nominally, as quoted.
CONSOLIDATED MUNICIPAL LOAN FUND DEBENTURES.—Enquired for, and readily saleable at 90.
IN OTHER STOCKS.—Nothing to report.
EXCHANGE.—Bank Bills (60 days) have declined to 10½ prem., and private (60 days) to 8½ prem.

ENGLISH PRODUCE AND LUMBER MARKETS.

The following is from Kenneth Dowie & Co.'s Circular of February 26, 1858:—

	s.	d.	s.	d.
Canada Wheat—Mixed to White.....	6	4	7	3
Do. and American Red.....	6	0	7	2
Canada Flour—No. 1 Super.....	22	0	23	0
Fancy.....	23	0	24	0
Extra.....	25	0	26	0
Sour.....			None.	
Western Canal Flour.....	20	0	22	0
Canada Peas.....	40	0	43	0
Oatmeal.....	27	6	0	0
Indian Corn, Yellow and Mixed.....	34	0	34	6
Do. White.....	33	0	34	0
Pot Ashes.....	32	6	33	0
Pearl Ashes.....	33	0	33	6
Quebec Yellow Pine.....	1	0	1	4½
Do. Red do.....	2	6	1	9
Oak.....	1	6	2	9
Elm.....	1	9	2	0
Quebec Yellow Pine Deals, 1st.....	300	0	320	0
2nds.....	200	0	220	0
3rds.....	150	0	155	0
Pipe Staves.....	35	0	60	0
Pun do.....	14	0	22	0

REVIEW OF THE MONTREAL MARKETS.

MONTREAL, March 13th, 1858.

Although a few orders continue to be received, business continues dull and Auction sales go off heavily. In Groceries there is an improved feeling. Dry Goods Stocks are already well assorted in anticipation of the Spring trade.

There is little doing at the Custom House, as most of the goods are going into bond.

Money continues quiet. The small amount of business doing renders good commercial paper scarce and easily negotiated. It cannot be said however, that the money market is easy, and when our merchants are called upon to pay duties on the goods now in Bond, the present scarcity of money will be more severely felt.

We are indebted to the *Montreal Herald* and *Gazette* for the following Review of the Grocery and Provision Markets:—

SUGARS.—Bright Muscavado has not been very plenty, and fair has readily brought \$7,50, while inferior has been sold as low as \$6,75 to \$7. Montreal Refined is quoted as follows:—Ground 12c; Extra do. 12½c; Crushed A, 11c; Yellow, 8c to 10c; Sugar House Syrup, 50, 40, 35c. No Loaf or Dry Crushed.

MOLASSES and SYRUP continue as formerly quoted.

TEAS are not in much request. Some lots of Twankey have, however, changed hands at 30 cents for inferior, 33 to 34 cents for fine, and 35 to 40 cents for Hyson skin.

COFFEE has rather improved during the week. Sales of good Rio have been easily made at 8d per lb., and as high as 1s has been paid for Java.

FRUIT—Raisins have advanced during the week, 15 to 20 cents per box.

SALT and FISH have ruled low this winter, the quality of the latter has been generally inferior. Green Cod is scarce, and has been placed at \$5 per barrel.

ASHES.—Pots have been in active demand throughout the week at gradually advancing rates; sales of to-day are fully 15 cents above former quotations. Pearls remain nearly as last quoted; receipts small.

FLOUR.—The business of the week has not been large, the demand nearly confined to local trade, with a few shipments eastward. The receipts of Superfine being moderate have been fully met by the demand, best brands readily fetching \$4 40 to \$4 45. Fancy is unchanged and demand moderate. Extra is very little enquired for, and only choice lots taken at outside quotation. Double Extras are saleable at \$5 50. There are no sales for future delivery reported this week, nor are any good brands of Superfine offered.

OATMEAL.—Is somewhat scarce, the latest sales were at \$4 25; at which it is now held.

GRAIN.—No sales of Wheat are reported; none offering for Spring delivery. Oats remain as last quoted, with fair demand for milling. Peas are still in active demand for shipment; good lots are readily saleable at 85 cents per minimot. Barley is offered at 70 cents in shipping parcels; Distillers pay 60 cents for small lots. Corn—Nothing to report.

PROVISIONS.—Beef remains nominally as last quoted; no enquiry. Pork is a shade easier.—Mess has been sold in small lots at \$18 during the week, at which it is now held; the stock here is small. Prime Mess is nominal at quotation; no sales, nor any quantity in the market. Prime—None offering. Butter has been in brisk demand both for the local trade and for Quebec; choice lots are a shade firmer. Lard is somewhat scarce, but unchanged.

PRODUCE.	\$	\$
ASHES—Pot.....	Ⓢ cwt 6 60	@ 6 65
Pearl	6 60	@ 6 69
FLOUR—Canada Fine	Ⓢ bbl. 196 lbs. 3 35	@ 3 60
Superfine No. 2	4 10	@ 4 20
Superfine No. 1 United States	4 35	@ 4 40
Superfine No. 1 Canadian	4 35	@ 4 45
Fancy	4 50	@ 4 60
Extra Super	4 80	@ 5 00
Double Extra	5 00	@ 5 30
Rye Flour	3 00	@ 3 25
INDIAN MEAL	Ⓢ 196 lbs.	None.
OATMEAL	Ⓢ 200 lbs	@ 4 19
WHEAT—Ⓢ 60 lb.		
Wheat (U. C. and U. S. White)		None.
U. C. Spring		None.
Red Winter		None.
Milwaukie Club		None.
Chicago Spring		None.
BARLEY	Ⓢ minimot 0 55	@ 0 60
OATS	Ⓢ minimot 0 35	@ 0 37½
PEAS—White	Ⓢ minimot 0 80	@ 0 85
INDIAN CORN	Ⓢ 56 lbs.	None.
PROVISIONS—Beef, Mess	Ⓢ bbl.	None.
Prime Mess		None.
Prime		None.
Cargo		None.
PORK—Mess	Ⓢ bbl 17 50	@ 18 00
Prime Mess	14 00	@ 14 50
Prime	11 50	@ 12 00
Prime, in bond, foreign inspected		None.
Cargo		None.
BUTTER—Inspected No. 1	Ⓢ lb.	None.
Inspected No. 2		None.
Uninspected	0 12	@ 0 14