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THE
CANADIAN
MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

FEBRUARY, 1858.

Credits:

PUBLISHED BY WM. WEIR & Co.,
FRONT STREET.

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ERRATUM.

At page 390 for the words in italics "It is not so much the circulating medium that affects," &c., read "It is not so much the circulating medium that affects the trade, as the trade that affects the circulating medium."

CANADIAN MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

VOL. II.

FEBRUARY, 1858.

No. 5.

Our Financial Difficulties.—Their Cause and Cure.

It is said that great emergencies produce great men, but whether our present commercial troubles are of sufficient importance to call forth the display of extraordinary talents, remains to be seen. We cannot doubt that in any case Canada will ultimately emerge from the difficulties of her position. Her natural advantages and the energies of her people are sufficient to restore to a very great extent her disordered trade. But it is not the less necessary on that account to enquire into the causes of the present depression, as on our knowledge of these must depend the success of remedial measures, and the prevention of similar calamities. Why *all* countries are liable to periodical revulsions is a question of political science worthy at all times of serious consideration. Why *our* country now suffers so severely is matter for more immediate and practical enquiry.

It is generally admitted that the large foreign balances now against us is the principal cause of the present depression. The great questions then are, how have those adverse balances arisen? How they can be settled, and how prevented in future? That such adverse balances exist, a glance at the imports and exports of the last two years furnishes unmistakable evidence. There can be no graver error than to suppose that all we require is *currency* to restore our trade. Flour and meat are as necessary as gold to develop our resources, and the policy which drives these out of the country to meet our foreign indebtedness, whatever be the state of the foreign markets, is as suicidal as that which drives out the gold.

It is a nation's surpluses, not her necessaries that she ought to send abroad. While we export the raw material, whether in the shape of flour, meat, wool, hides or any other article, and import goods which might have been manufac-

factured at home with equal advantage, we not only loose the cost of freight, but sacrifice what is of far more importance, a steady and profitable home market.

In 1856 our imports were.....	£10,896,096
“ “ exports were.....	8,011,754
	<hr/>
	£2,884,342
Add interest on public debt.....	225,223
“ “ Bank Stock held abroad, about.....	150,000
“ “ on other stock and debentures, about.....	350,000
“ “ due on Merchant's accounts.....	150,000
Amount paid Foreign Insurance Companies, say.....	50,000
	<hr/>
Total estimate bal. against us.....	£3,809,565

ESTIMATE OF THE TRADE OF 1857.

Imports, say.....	£9,600,000
Exports, say.....	6,011,000
	<hr/>
	3,588,250
Add same amount of interest.....	925,223
	<hr/>
Estimated bal. against us.....	£4,513,473

We ask those who urge the immediate shipment of our produce whether at present prices, every barrel of flour and bushel of wheat in the country, would liquidate the balances of the last two years alone.

Mr. Hutton of the Bureau of Agriculture estimates the wheat crop of Canada in 1857 at.....	Bushls.	27,000,000
Home Consumption.....	13,750,000	
Seed.....	2,700,000	
	<hr/>	
		16,450,000
	<hr/>	
Amount left for export		10,550,000

This calculation is based upon the exports of 1856 and twenty per cent. added: but the crop of last year was not equal to that of 1856, and we much doubt if the amount available for shipment will reach nine million bushels. As, however, the returns for 1857 will include a large part of the crop of the previous year, the falling off in the returns will not be so great as some may imagine.

In our estimate of exports of produce in 1857, we have based our calculations on the supposition that twenty-five per cent. less of our produce has gone forward. This with one-million bushels added to the yield would give three-million bushels on hand more than is usually carried to the business of the following year. Let us value the wheat at one dollar per bush, gives.....

.....	£750,000
Suppose an equal amount of the produce of the forest remaining in the country over the average of former years	750,000
	<hr/>
	£1,500,000

And this is nearly all we have to meet the balance of over *eight millions of pounds* against us in two years alone. A sum equal to the whole Bank stock of the country with deposits added. Western Canada claims to have consumed two thirds of all Canadian imports, and if such is the case she has two thirds of this vast indebtedness to meet, which helps to explain the reason why times are harder here than in the lower province. There they have relied more upon their manufactures than their crops, and while we have been paying them the same price for manufactured goods, they have only paid half the usual price for our products. They have thus been able from the sale of their manufactures not only to pay us for our flour, but to pay foreign countries for their purchases as well. The utter folly of relying so entirely upon the products of agriculture is thus at once apparent. With such a balance sheet as is here presented, it is folly to say that our merchants generally have met their engagements with promptness. They could only have done so by drawing against our exports or remitting the gold. The latter could not have been done to any extent, and as a simple matter of fact, we can only have remitted some fourteen millions of pounds to meet over twenty two millions. It is true that the merchants of Montreal and Toronto may have sold a part of their Bank or other stocks on foreign account, but this will only add to our future indebtedness by withdrawing a larger amount from the province in the shape of interest.

To provide a remedy for this state of things is a serious question and one that claims the immediate attention of the country and the Legislature. Not only must our exports equal our imports, but exceed them sufficiently to cover past deficiencies before our accounts can be balanced. Our foreign trade may be placed on a better footing either by increasing our exports or decreasing our imports. The former is of course the most desirable but the most difficult to accomplish. We endeavoured to show in our last that the farmer who sent his produce to, and bought his goods in a foreign market, suffered a loss of from thirty to forty per cent., and it is this loss that is constantly increasing the balance against us. The farmer is continually working at a disadvantage, as every effort he makes to increase his exports, demands a greater increase of imports and sinks the country only deeper in the mire. Through the absence of that home trade which gives England her best and steadiest market, the Canadian farmer pays fifty per cent. more for his goods, and receives twenty per cent. less for his produce than his English neighbour. Hence the Canadian farmer soon discovers, yet he cannot tell the reason, that farming in Canada is not like farming in England, that the profits will not pay for assistance, and that as Dr. Franklin said,

“ He that by the plow would thrive
Himself must either hold or drive.”

He could at once see the stupidity of carrying his crop to his neighbour's thrashing mill instead of getting mill of his own, but he does not see, and the country does not see, that to send our flour and our wool to another country and bring back the manufactured goods, instead of bringing over the machinery, is equally absurd. Our design in the above remarks is to show, that as a general rule and under ordinary circumstances no amount of agricultural development can alone restore our trade to its normal condition.

Referring to the trade of 1856 we find the exports stated as follows:—

Produce of the mine.....	£41,411	18	8
“ “ Sea.....	114,086	13	7
“ “ Forest.....	2,504,970	15	5
Animals and their products.....	641,014	16	11
Agricultural products.....	3,743,068	17	8
Manufactures.....	93,407	0	4
Other articles.....	10,799	14	4
Ships built at Quebec.....	303,269	7	6
Short returns.....	559,725	0	0
	£8,011,754	4	5

Under a fuller development of Canadian industry and a nearer approach to the exports of other countries, our exports would show somewhat as under:

Produce of the mine.....	550,000
“ “ Sea.....	500,000
“ “ Forest.....	2,000,000
Animals of their produce.....	750,000
Agricultural Products.....	2,200,000
Manufactures.....	4,000,000
Other articles.....	50,000
Ships built for sale.....	500,000
Short returns.....	750,000
	Total Exports.....
	£11,300,000

The item of manufactures alone will challenge discussion in the above. We have deducted two millions from the exports of Breadstuffs and Lumber to feed and house the increased population. But this amount would not be required, as the number of our people now unemployed, some for a part and some for the whole year, and who must be fed in any case, would add very much to the results of manufacturing industry. There is at least a tenth part of the population above the age of fifteen who are unemployed six months in the year, whose labour if profitably employed in manufactures would be worth on an average one Dollar per day, this for 200,000 people for 150 days would add to the wealth of the country the startling sum of seven millions five Hundred thousand pounds, an amount nearly equal to the entire exports of the country wasted through want of employment for a tenth part of our population for six months.

But here we are met with the important question, Where shall we dispose of our goods? We answer; pay our imports with them. Not certainly by sending linens to Ireland, cottons to England, or laces to Brussels, but by dealing with those whose markets if available on fair terms would yield fair returns. For many years we have been large importers of manufactures from the eastern, and of produce and meats from the western States. To the east we send flour in return, to the west we ought to send our manufactures, as they are now supplied from equally dear and far more distant markets. At present they take only gold, and we thus pay them gold for Pork alone to the extent of one million Dollars per annum, and consume that pork

in producing lumber to lie on hand or be sold in England according to circumstances. We do not forget, yet it is scarcely worth taking into account, the recent trade in *unmanufactured lumber*. What Canada requires is reciprocity in manufactures with the United States. Our position, means of transportation, waterpowers, and natural resources, give us advantages for an extensive trade with the west, the value of which rightly used cannot be estimated.

But it may be said this is a remedy beyond our reach. Then we have only another, capable of immediate application, and in the present state of the country little less effective, that is, to reduce our imports.

Imports however can only be reduced by increasing home manufactures, and these cannot be profitably increased unless there is a wide field, or a sure home market for their sale. At present there is neither the one nor the other. We are thus forced in self-defence to abandon our cherished free trade theories. Free exchange is the normal state of trade and therefore the best. But this implies reciprocity. Exceptional or artificial legislation by one nation may force similar legislation on its neighbour, and the sooner our legislators are convinced of this, the better will it be for the interests of the country.

Under an amended tariff our imports and not our exports would be most affected. A tariff on United States manufactures similar to their own, and some alterations in our tariff generally, would lessen our imports of manufactures about £3,000,000, lessen our exports of produce about one million pounds, and increase our exports of manufactures to foreign countries to nearly the same extent.

We are aware that many parties are of opinion, that more Banking accommodation, cheaper money, the abolition of the usury laws, &c., is all that is required to restore our trade, but we ask these gentlemen, and they are clear headed business men, what would be your first enquiry if asked to invest your funds in manufactures; simply this: Is there a steady profitable market? Give us such a market, gentlemen, and we will guarantee you *currency* in abundance without a resort to government notes, time debentures or inconvertible paper, unless these may be necessary to help us over the difficulties of past mismanagement.

We enter not here upon the "money question;" any improvement in that direction would doubtless increase our prosperity and render it more permanent. We must bear in mind, however, that money laws like free trade, will be influenced very much by the action of other nations, and reforms however sound may be rendered impossible through the unwise legislation of other countries.

So far as the purposes aimed at are concerned, there is little difference of opinion between us and those who advocate monetary reforms as the great remedy for our embarrassed trade. All agree in the language of Isaac Buchanan that, "the principle which should be adopted as the basis of a Canadian policy, is a patriotic, or, if you will, selfish stand for the interests of Canadian industry and labour. Leaving England and the United States

to attend to their own industry as to their own affairs generally, Canada should legislate with a single eye to Canadian interests."

But while agreeing as to the necessity that exists for fostering our home trade, we differ as to the means to be employed to accomplish that object. We hold that money is the *facilitator*, not the *creator* of legitimate trade; that it is the multiplying, not the propelling or motive power; the fly wheel that increases the revolutions, not the steam engine or water power that propels the whole. We see in steady, available and profitable markets, the great motive power to all successful enterprise. So long as the money remains in the country, it circulates with a rapidity and power almost incredible. When it leaves the country, it performs the same important services elsewhere. Experience as well as common sense teaches us that so long as the interchange of commodities between individuals or nations remains equal in value, so long will the money circulate freely between them, but when a large balance remains on one side, the money necessarily remains to liquidate that balance. So long as these ever changing balances occur only between individuals in our own country, the money does not leave us (while it may be forced into other channels,) and impelled by that irresistible force which characterises the movements of available capital, it continues to radiate in ever widening circles to every corner of the land. But the moment the aggregate balance is against the country; that moment the circulating medium ceases to return, and we are left to the clumsy expedients of barter, aided to some extent by what remains of Bank capital, private credit, or the issue of debentures. Without questioning the propriety or even the necessity of improving our money laws by establishing a National Bank or the issue of debentures, we do not believe that any such improvement would effectually restore our trade. If the American manufacturer is still permitted to enter our market while we are denied access to his, by selling his goods for our flour or other products, he just as effectually shuts up our manufactories by supplying our wants, as if he carried off our gold. As Mr. Buchanan truly says, "if all the warehouses in Toronto were full of Bank bills, so long as they are properly secured, not one dollar more would find its way into circulation, than what was demanded by the wants of trade." *It is not so much the circulating medium that effects the trade as the trade that effects the circulating medium.* No wise man will carry on his business at a loss, or with little prospect of a profitable market and that market cannot be created by the issue of "promise to pay," but must depend upon the actual wants of the country. If these wants are supplied by the foreign manufacturer, while we cannot enter his market unless by sacrificing our goods, how can *currency* or even *capital* itself be of any service to our manufacturers? For a time they might set the wheels of trade in motion, but the return of prosperity would itself be the cause of succeeding adversity by flooding our country with foreign manufactures.

The remaining expedient that has been suggested, is to encourage more public undertakings, and thus secure a larger influx of foreign capital. This, under different circumstances, would doubtless be of advantage, but could be of no permanent value at the present time. Let our readers consider for a moment the real shape in which these

"foreign investments" have been made. Within ten years there has probably been spent in Canada on public works, and chiefly by foreign capital, a sum exceeding *twenty millions of pounds currency*. How much of this sum has Canada ever received in gold? Certainly not one twentieth part. No sooner has a million of Grand Trunk stock or a petty City debenture of a thousand dollars, been sold in England, than instead of bringing over the gold to stimulate our home industry, we have been only too glad to have the amount placed to our credit to balance our accounts there. While giving the security of the Province for the interest on what we are pleased to call money, we have actually received that money in the shape of goods, a great part of which we should have produced at home. Had our home industry been fully developed while this large expenditure was going on, at least ten millions of pounds would have reached us in gold, and there would have been no need for those expedients now suggested to meet the difficulties of our position.

To develop that trade, to stimulate that industry, we see no other effectual remedy than to assimilate our tariff to that of the United States. Our feelings and the feelings of the mercantile classes generally, are against high duties, but after patient investigation we are reluctantly forced to the conclusion that Canada's true policy consists in discarding mere theories, and being guided in her commercial regulations by the teachings of experience.

The alteration of our money laws, and the establishment of a National Bank, are not at variance with these views, but while admitting their importance in increasing our prosperity, we cannot see how they could build up that prosperity without the aid of a discriminating tariff.

Annual Report of the Toronto Board of Trade.

The Annual Meeting of this Board took place on 1st inst., at the Merchants' Exchange, E. F. Whittemore, Esq., 1st Vice President, in the Chair. There was a large attendance of members present.

NORTH-WEST THROUGH LINE OF STEAMERS.

F. W. Cumberland, and J. L. Grant, Esquires, attended the Meeting on behalf of the Northern Railway, with the view of raising the sum of \$15,000 toward the establishment of a through line of Steamers from Collingwood to Chicago. Mr. Cumberland explained that three steamboats had been offered for a tri-weekly line, and a large business was anticipated. A bonus of \$15,000 dollars was asked, however, and the people of Collingwood having guaranteed \$5,000, the remainder it was hoped would be secured in Toronto.

After a discussion in which Messrs Worts and McMaster, and others took part, the resolution was adopted in favour of the appointment of a Committee to obtain subscriptions amongst the citizens of Toronto for the purpose stated. The Committee was then named, as follows:—Messrs. Whittemore, Worts, Thompson, Romain, McMaster, Harris, Henderson and Ince, with power to add to their number.

The Annual Report was then read, as follows:

ANNUAL REPORT OF THE BOARD OF TRADE 1857.

At the close of the year, your Council beg to submit their annual retrospect of the past year's transactions.

One of the first subjects which occupied the attention of the Council was the Navigation Laws, which have been a subject of continual complaint on the part of Canadian ship-owners, and the shippers of produce.

When the freedom of trade in the natural products of the soil, and the free navigation of the St. Lawrence were conceded by the treaty of Reciprocity, it was but reasonable to expect that the restrictions on the navigation of the lakes and inland waters would soon be abolished. As the law now stands, Canadian vessels are prevented from touching at two American ports in succession, and *vice versa* with American vessels, which is felt to be a grievance by both parties, as it fetters the trade with unnecessary restrictions.

A memorial was therefore presented to both Houses of the Legislature, requesting their coöperation with us for their removal, and in furtherance of the object in view, the Secretary was instructed to correspond with the chief cities of the American frontier, to solicit their assistance in carrying our views into effect; but, as yet no response has been received from any of them, and unless our Government can be induced to urge the matter on the attention of the Imperial Government, no relief need be looked for in the premises.

USURY LAWS.

The attention of your Council has been directed from year to year to the amelioration or abolition of the Usury Laws. After much labour in vain, they return to the subject with some degree of reluctance, but under the impression that recent events may have produced a change of opinion in the minds of our fellow-subjects of Lower Canada, who have heretofore opposed legislation on this question, they once more return to its consideration. The present monetary crisis, which has shaken to its centre the commercial credit of the civilized world, has shown, conclusively, the absurdity of putting a fixed value on the use of money. In London, during the panic, the rate of interest rose to 10 per cent. per annum, and in Paris, as well as all the chief European cities, interest rose in proportion to the demand for money, whilst here, in Canada, where money is never over abundant, we were restricted to 6 per cent., and at the same time we were paying the increased rate on our balances abroad. This anomalous state of things must soon be remedied, or our monied institutions will be unable to extend the necessary accommodation to the public. the effect of these antiquated laws is to prevent the introduction of foreign capital into the country, which is felt as a serious drawback to our prosperity, especially at the present crisis, when it is so much required. Your Council have repeatedly petitioned Parliament for their repeal or modification but hitherto without success. The present moment, however, seems more auspicious for renewing our efforts, as a new Parliament is about to assemble for legislation; chiefly composed of men entertaining ideas on this subject in advance of many of their predecessors, and from whom wise and sound legislation is looked for.

It is the opinion of the Council that the abolition or modification of the Usury Laws would do much to ameliorate the present financial pressure, by inducing the introduction and employment of foreign capital, in developing

the resources of the country. With a view to obtain this object, it is suggested that united action on the part of the various Boards of Trade be taken in petitioning Parliament at its next session.

INSOLVENT DEBTORS' LAW.

At the commencement of the last session of Parliament, action was taken for the repeal of the law commonly known as the Insolvent Debtors' Act, under the operations of which unscrupulous debtors largely availed themselves to get rid of their obligations, to the great prejudice of their creditors; this law was so generally acknowledged to be obnoxious that no difficulty was experienced in its immediate removal from the Statute Book.

In connection with this subject, your Council are impressed with the necessity of having an Insolvent Debtors' Law, by means of which the fraudulent debtor could be summarily punished, and the fair trader, when in difficulties, be enabled to obtain a full discharge from his debts on surrendering all his goods and property for the general benefit of his creditors; such a law would impose more confidence in men who were honestly inclined, and would be a terror to those contemplating fraud on their creditors.

GEORGIAN BAY CANAL.

During the last session of Parliament a petition was presented in favour of a grant for completing the survey of the Georgian Bay Ship Canal, (a project which your Council are most anxious to see realized). An appropriation of £500 was made by the Government, which was insufficient to complete the survey, in consequence of which some members of the Council, viewing the matter as deeply affecting the interests of the trade of Toronto, generously advanced a sufficient sum to enable the engineer to complete his work, which is now finished, and his report is in a forward state of preparation for publication.

It will be necessary for our successors to endeavour to obtain an additional grant from the Government, so as to reimburse the members of the Council as well as to provide for the expenses incurred by the engineer for this important undertaking.

The question of appointing a British Consul at the Port of Oswego, was brought before your Council and favourably entertained, on the ground of our great and growing intercourse with that port; a petition for that purpose was addressed to her Majesty the Queen, and forwarded through His Excellency the Governor-General to the Home Government.

ASSESSMENT LAWS.

Petitions were presented to the Legislature against the unjust and anomalous state of the Assessment Laws, which bear injuriously on the trading community as compared with professional men and others, whose capital is employed in the purchase of mortgages, debentures, &c.

This subject has frequently been before the Council, as well as the Parliament, but with out hitherto receiving that attention which its importance demands. The law, at present, assesses merchants on their *capital*, which is often more apparent than real, whilst professional men and others are only

taxed on the *interest* of their *income*, which is a manifest injustice to the merchant. Your Council cannot see the justice in discriminating between the two classes, and they confidently look to the Legislature for placing both parties on equal footing for assessment.

HUDSON'S BAY TERRITORY.

The monopoly of the Hudson's Bay Company was discussed and petitioned against, and from the public attention which that subject now occupies, your Council have reason to believe that a speedy and just settlement of that important question will be concluded, by means of which the inhabitants of that distant territory will be placed in possession of their just political rights, at present held in abeyance by the Hudson's Bay Company, as well as the right to trade with whoever they choose—a freedom which every British subject claims the privilege of enjoying.

JURY LAWS.

The Jury law system, one of the greatest safeguards of the liberties of the people, has frequently, of late, been brought under the notice of your Council, and from close attention to its working, they are under the impression that some alteration has become necessary for the better administration of justice.

The law at present compels twelve men to agree on a verdict, which is, not unfrequently obtained against the honest convictions of a weak minority; and on the other hand it frequently happens that a factious minority obstruct the ends of justice by withholding their assent to a verdict notwithstanding the clearest evidence and the charge of the Judge in opposition to their opinion. In view of this state of things, your Council are of opinion that justice would be better administered, and much litigation avoided, by assimilating our jury laws to those of Scotland, or otherwise, by which a certain majority would carry a verdict without doing violence to any one's honest convictions.

Several measures deeply affecting the commercial interests of the country were introduced and discussed in the last Parliament, some of which had particular reference to Toronto. In view of the importance of these subjects a Committee of the Council was appointed to confer with the City members for the protection of trade. Action was taken against the bill compelling Foreign Assurance Companies to invest a large amount of their funds in Canadian securities, as having a strong tendency to confine Insurance operations to our local institutions, which, it is well known, are inadequate to meet the business frequently offered to them. In consequence of this opposition, the bill was arrested in its progress and allowed to drop. A petition was also presented against the Metropolitan Water Company which sought to levy a frontage tax on all the property in the city for its special benefit. Your Council feeling assured that such a bill would enormously increase our taxes—which are already burdensome enough—without any commensurate benefit to the city, appeared before a Committee of the Legislature and successfully opposed its passage.

COMMERCIAL COURTS.

The propriety of establishing Commercial Courts was frequently discussed in Council, by means of which, it was contended, much unnecessary litigation would be avoided, and a more uniform foundation laid down for the laws regulating Commerce in the Province. No definite action being taken on this subject it will form a fit measure for future deliberations.

DECIMAL CURRENCY.

The alteration which has taken place in the denomination of the currency is regarded as a step in the right direction, and it has been suggested with much reason, that decimal weight should be used in the sale of merchandise, such as is now sold by the 112 lbs., the advantages of a decimal currency cannot be properly appreciated in the absence of proper coins to represent the new order of things; as those now in circulation neither represent the Halifax currency nor the decimal parts of a dollar, in consequence of which disarrangement of our circulating medium, it will be necessary for the banks or the Government to provide a substitute for circulation which should be in accordance with the American currency.

FLOUR INSPECTION.

It was found necessary to make a change in the inspection of flour at this port so as to correspond with the inspection at the other ports in the Province, which is an advantage to the exporter, inasmuch as it confers an uniform character on our flour abroad.

BY-LAWS.

During the past year a new code of By-Laws was adopted, printed, and circulated among the members and others, which, it is hoped, may be the means of improving the attendance at the general meetings. Your Council observe with pleasure the increased interest with which their transactions are viewed both by the merchants and the public at large, which may be attributed, in some measure, to the interesting subjects discussed at their meetings, as well as to a growing feeling that hitherto the merchants have not taken that position in public affairs which their experience in the country and their standing as a body of intelligent men entitle them to hold.

Many new members were added to the Board in course of the year, so that we now reckon a greater number than at any previous period of our history; nevertheless there are several prominent merchants whose presence at our meetings would add much to the interest of our proceedings, some of whom we yet hope to see occupying their proper position at the Board.

GENERAL RETROSPECT.

In closing the last annual report, allusion was made to the then prosperous state of the country. For years past Canada has made vast improvements in building railroads, and clearing her forests for the production of the fruits of the earth, besides other material advances in the improved style and proportion of our buildings,—as a necessary consequence trade flourished and became extended to meet the growing wants of a thriving community. In

the midst of this state of prosperity we were suddenly startled by the occurrence of a complete monetary revolution in the United States; a revolution which upset the calculations of the most experienced in business.

The panic soon spread from the Atlantic cities of the States to London and Glasgow, and from thence to all the chief trading cities of Europe, where its effects are yet being felt by the utter prostration of many old established houses possessing large surplus means. From the intimate connection between Canada and the chief cities of the United States and England, we could not expect to escape unscathed from the general storm, and, in consequence, we record, with deep regret, much derangement and a general depression of business in the country.

It would appear as if it were becoming a settled principle in commerce that monetary panics or sudden revolutions from a system of universal credit to a general want of confidence, should occur periodically; but it does not appear as if the teachings of former experience were of much practical use in averting the disaster.

Without attributing the present depressed state of business to any particular cause, it may not be out of place to notice, incidentally, the enormous increase in the importations which has been going on for years past, at a much greater ratio than the wants of our population would seem to warrant. If importers had confined themselves to the legitimate wants of the trade, instead of over-stocking the market with quantities of goods in excess of their regular demand, the country, as well as they themselves, would have been in a better position for sustaining the present pressure for money.

Concurrent with the monetary crisis, a serious depression took place in the value of all sorts of produce, and to such an extent does this prevail, that one dollar now would purchase more than double the quantity of flour or grain it would have done last year. Although our crops were abundant they were much injured by the bad weather in harvest, which, with a late season, made them a month behind their usual time in getting to the market; and from the low prices prevailing, the farmers had but little inducement to bring out their produce, consequently the greater part of the crop yet remains in their hands; a circumstance which adds materially to the present scarcity of money.

POSITION OF THE BANKS.

Amidst all these drawbacks, we have the satisfaction of recording the honourable position of our Banks; all of which have continued to pay specie on demand, and have maintained their position, both here and abroad, alike creditable to themselves and to the country.

In this connection, however, it may not be out of place to state that well-informed parties give it as their opinion that a large amount of the over-trading that has been going on may fairly be attributed to our banks. It being alleged that the directors of these institutions participating in the general spirit of speculation, which has obtained during the last few years, have, for the sake of more immediate large profits, been in the habit of granting individuals accommodation to an extent not justified by any principle of sound policy, and, as a natural consequence, much of our banking capital that should be available at all times in assisting to develop the agri-

cultural and productive resources of the country is now locked up; which has in some degree rendered it necessary to contract the currency of the country to an extent that operates greatly to the prejudice of legitimate business.

As neither the Bank of British North America or Gore Bank report their issues to the Government, it is impossible to get at the exact amount of paper money now afloat, but judging from the statistics furnished by the other Banks, the contraction that has taken place last year in Canada cannot be less than four and a half millions of dollars; and, in addition to this, the Banks, during the time mentioned, have had an increase to their paid up capital of over one and a half million, which makes an aggregate sum of six millions of dollars withdrawn from active employment; a circumstance in itself amply sufficient to produce a monetary crisis much more severe than has yet been experienced, and it speaks well for the general soundness of the country, that the consequences have not been more disastrous. It will be seen by the annexed statement that the Upper Canada Banks have not been curtailing business to the same extent as their kindred institutions in the Eastern part of the Province, and it is worthy of remark that the Banks of Lower Canada, finding it difficult at any time to keep out more than a very limited circulation in their own immediate locality, have, during prosperous times, anxiously sought for and obtained an immense circulation in Western Canada; and the unprecedented contraction referred to, has, therefore, as a matter of course, pressed with peculiar severity on this section of the Province.

Appended to this Report, will be found a comparative statement of the Bank circulation for the months of December of 1856 and 1857 respectively, and also the annual Customs' returns for the port of Toronto for the last and previous seven years, which show a serious falling off in both the imports and exports as compared with late years; a decrease which there is reason to apprehend will still more seriously affect the returns of the current year, notwithstanding which it cannot be doubted, from the well known resources of the country, and the energy of our people, that the dark clouds which now obscure our commercial horizon will soon be dispelled, when by a system of limited importations and rigid economy in business, a gradual restoration to prosperity will take place, and a bright future, mellowed by past experience, will again present itself to the enterprise of our merchants.

All of which is respectfully submitted.

THOMAS CLARKSON, *President.*

CHAS. ROBERTSON, *Secretary.*

Toronto, 25th January, 1858.

THE LAW OF ARREST.

As the calculations on which the trader bases his hopes of success fail under extraordinary circumstances to meet his requirements, so the laws which in ordinary times are sufficient to regulate our trade, fail in times like the present to meet the wants of the country. While prosperity is abroad and fills our sails, we give little heed to the unskilful mariner who runs his vessel among the breakers, his cry for help generally meets with more

blame than sympathy. It is far different however when a commercial hurricane has involved honest and even careful men in hopeless embarrassment, their case excites sympathy and commands attention.

These remarks have especial reference to the case of embarrassed traders at the present time, and to the laws which Canadian wisdom has enacted for their protection or punishment. Under ordinary circumstances little law is necessary to the adjustment of commercial transactions, and many seem to think the less the better. Under this impression the Bankrupt law of Canada has been abolished, and unless such laws are properly framed, this can scarcely be matter for regret. We have also professed to abolish imprisonment for debt and to leave the debtor and creditor to settle their affairs by mutual arrangements or the courts of law. But in the relations between debtors and creditors, cases frequently arise, when the ordinary process of law will not reach the defaulting debtor. He may meditate removing to distant parts where the law cannot reach him, or when its doing so would be attended with extraordinary trouble and expense. Under these circumstances the law has wisely provided that the debtor intending such a course, may be arrested and held to bail till he has satisfied the claim against him. Such a provision seems at first sight the simplest act of even-handed justice. But alas for the boasted perfection of human reason and the vaunted wisdom of legal skill. It seems indeed impossible for the ablest men to frame laws which the verriest pettifogger if sufficiently unscrupulous, cannot abuse or evade. Experience alone can teach us to provide against the abuse of the most perfect enactments. And past experience has taught us that the present law of *capias* is defective and liable to the greatest abuse, and that of late it has been abused in the most shameless manner. The law designed to meet the case of dishonest traders who are about to place themselves beyond its reach, is by an abuse of that law, converted into an instrument of punishment or used as a means of obtaining an unfair advantage over other creditors. We do not urge the repeal of a law which constituted as society now is, seems to be necessary in extreme cases, but we trust such amendments will be made to provide against its abuse as will teach unscrupulous men that they cannot trifle with the sacredness of an oath, or the liberty of the subject with impunity. That while the honest creditor may conscientiously claim the protection of the law to save him from the designs of the fraudulent, the unscrupulous must be taught that he cannot be permitted to perjure himself for the miserable purpose of saving a few dollars at the expense of the more for bearing creditors.

But the law having once permitted the arrest of the debtor, should not end here, but is bound to deal with him as circumstance may require. At present the debtor when once arrested, is obliged to find bail or remain in gaol. Thus the law perpetuates what it professes to have abolished. Once brought within the pale of the law, the party arrested should be punished if guilty of wrong, and discharged if no crime shall be proved against him. This forces upon our consideration the necessity that exists for a well considered Bankrupt law, and in framing such a measure we would here venture upon a few suggestions of a preventative character. Experience teaches us that much commercial embarrassment arises from want of proper attention to a frequent and careful balancing of the traders books and a correct knowledge

of his real position. This could be remedied by providing that all traders whose average liabilities exceed one thousand dollars should take a just and true inventory of their affairs at least once a year, and file the same under seal in some public repository for future reference in case of insolvency. It might be further enacted that any trader whose estate showed less than seventy-five cents on the dollar on such examination, should be compelled to disclose the state of his affairs to his creditors and obtain their consent to his continuing in business. It might also have a good effect to obligate all parties granting a bill or note to state on the face of the instrument whether it was given for "value received" or for "accommodation." Accommodation endorsers may be necessary to legitimate trade, but accommodation bills drawn and accepted for the sole purpose of raising money, are a curse to the merchant, a continual source of anxiety to the Banker, and a fruitful source of financial and commercial embarrassment. Bills of sale and assignments also merit particular attention. When will our merchants learn that there are enough honest and competent men in the country to do its legitimate business? That a bill of sale may save the worthless remnants of a valuable stock, but is not like the welcome letter of the independent trader, with its long order and large remittance. Why will such men be opposed by men of straw, who, poor fellows, often break their own hearts and ruin their future prospects by engaging in business under such "blighting auspices." Let us return to sound principles of trading, which can alone yield satisfactory results, and advance our country towards the high destiny that undoubtedly awaits her.

To return from this digression:—We are pleased to see our London friends moving in this matter. The bitterness of election contests were forgotten or blended in harmonious union, by a public meeting recently held on the subject of imprisonment for debt. Successful and unsuccessful candidates vied with each other in condemning a measure, the abuse of which seems to have reached a climax on the banks of the Canadian Thames.

We subjoin the speeches of two of the gentlemen who addressed the meeting referred to, and as they are both members of the legal profession, their statements on the nature and effects of the law are of much importance.

W. ELLIOT, Esq.—He believed the truest and best test we could apply as to the sufficiency of any law was experience. We might make laws in our closets or houses of parliament, we might comment upon them in our newspapers, but after all, they had to stand the test of experience. The law of arrest, as it now stood, had existed in the Province since 1845. By it, one person owing another, that is, any debtor could be cast into prison, on affidavit being made by any one that the debtor owed him a certain sum; and that he (the creditor) had good reason to believe that the debtor was about to leave the Upper Province. There was no man in the city, therefore, who was not subjected to be arrested at any time, provided he owed a debt not below £10. Was that law just and expedient or was it not? He thought that the power of arresting any man was a power that should be very carefully allowed to any one, and only in extreme cases. The law in England was not the same as here; greater regard was there paid to the liberty of the subject. There it was not competent for a person to arrest any one unless he made application to a judge, and went through preliminaries requiring great caution. On this ground alone he thought it might be questioned if too much latitude

was not given to the arbitrary exercise of power here. (Hear, hear.) He had supplied himself that day with some statistics in regard to the matter, which might be of use in forming a judgment upon it. He found that in 1857 there had been 151 writs of *capias* placed in the hands of the Sheriff of Middlesex. Of these only 36 had been un-executed. In other words, only 36 had not been caught. And yet in every instance the person who caused the writ of *capias* to issue must have *sworn* that he thought his debtor was about to leave the country. If so many were "about to leave," was it not strange that so few really left? (Hear, hear.) But of the 36 writs not executed, a large proportion were not put in force, because an arrangement was come to between the parties, or from other causes of that nature; this made the proportion of affidavits which must have been false appear greater; The same held good with regard to *Ca Sa's*. Of these there had been 82 issued, 13 of which alone were un-executed. (Hear, hear.) He regretted he could not find the statistics of arrest for debt in England, but he was sure that the disproportion between them and those here must be very great. It seemed as if persons here who found any difficulty in collecting their debts, went as a matter of course, to get a *capias* issued. (Hear, hear.) Numbers, he was sure, had left the Province through apprehension that this course might be pursued towards them, who would have remained and been good citizens here if they could have felt that the law would have been conscientiously executed. These persons could hardly be blamed for taking time by the forelock, although the effect of the course might be to leave their affairs in the hands of those who could not realize the value of their estates, and the community on that account suffered loss. It might be said that were there no law of arrest, a man might defy any one to collect a just debt. Were this so he thought the injuries to the community would not be so great as those inflicted by the present law, and of two evils, one should choose the less. A salutary and efficient bankruptcy law, he thought, might be enacted, which, while it protected the debtor, would also protect the creditor, by preventing partial assignments, and by rendering it impossible for one man to come in and realize the lion's share of estate, leaving the other creditors to fare as they best could. (Hear, hear.) He knew a man here who left his shop when times became hard, and leaving his wife and children, went to Cleveland to settle some business. Having done so, he came back to London, was *capias*-sed, lay in gaol three months, while his goods were fritted away, his wife and family suffering, and the creditors losing their money. Nor was this an isolated instance. (Hear, hear, and sensation.) He was delighted to see such a large meeting that night, and believed it would be one of a series, the result of which would be the doing away of the obnoxious law. He would conclude by reading the resolution entrusted to him.

JOHN WILSON, Esq., Barrister, and late M. P. P. for London, in addressing the meeting, did not think that the present law in spirit was bad, but its practical working was oppressive, and the operation of the law for the past twelve years showed it to be an engine of oppression. (Cheers.) It was originally intended to meet extreme cases—that of men who had sold out and intended to go. If its operation had been confined to those cases we should not have to meet here to-night. But as it was used it was a terribly oppressive law, and he would like to see it repealed. He took exception to

what his learned friend (Mr. Elliott) said about the mercy of the English law. There, a man could be imprisoned for the mere debt; but here he could not. (Cheers.) As to the *capias* law in England it worked thus: on the application for the *capias*, if the judge thought that from the peculiar circumstances of the case that there was good reason to suspect that the party intended absconding, then he granted the *capias*. In England, you have to state your reason to the judge; here, you simply affirm that you have a reason. The difficulty here is, that a man is not bound to disclose his reason as in England. The difference between the two laws was, that in England it was left to the judge to decide, and here to the creditor's own affirmation. (Applause.) Now the present law had been made the means of harassing many, and to induce them to run away. Of the number of *capiases* issued he found that 12 had issued from his own office. As regards the class of debtors, two of this number were *capiased* for £90. He was induced to release them, but both absconded, leaving him to pay £50. (Laughter.) In another case a man got it by his offering a security on 50 acres of land. He had not been sharp enough to examine the title, and he, too, absconded. [Renewed laughter.] Sometimes fraudulent cases of this nature would occur. He considered the real test of a man's honesty was when you put him in a corner; but this was an argument against the present law, for if you pressed a man, he did what he otherwise would not do, he ran away. With regard to a remedy, suppose we did away with the present law. He did not think that the bankrupt law would do. It had been tried and found oppressive. The English bankrupt law would not do either. The Lower Canadian law was better. It worked thus:—when an execution issues, the whole of the goods and chattels, lands and tenements of the debtor, are seized by the Sheriff, who advertises that such is the case, and notifies all creditors to file their claims, by a certain day. The creditors then rank equally. The difficulty of the present law in Upper Canada was, that the *capiases* were used to push a man to give preferential assignments. Do away with this and the other would fall. If you made a law by which, if a man divided his property among his creditors, and got released from all claims upon him, that would be a right law. (Applause.) Now, the bankrupt law was only intended for persons who traded, and nine tenths of the people of the country would not come under such a law, for perhaps not one-tenth of the population were engaged in trade. We should have another law as well, to meet those who don't trade, and who were the bulk of the debtors. We want a law to relieve every honest man who had fallen into misfortune. [Cheers.] He had, last year, been one of those who tried to frame such a law, but they could not achieve it, for there were too many of them, and too many opinions prevailed, and did not succeed. If a number of merchants and lawyers would set about it, he had no doubt that a law suited to the county could be devised. He commended the Lower Canadian law for operation here. A man should be in a position to call his creditors together, and by a process of law, compel obstructive creditors to come into an arrangement, by which he might divide his effects among them and start anew. No man who had got judgment first should be allowed to take preference over others who had not pushed their claims. [Loud cheers.] When a person arrested a man falsely, he should be made to explain to the jury's satisfaction, that the persons

he arrested was about to run away, or else forfeit his debt. That would prevent the present abuse of the law. It was not that the law was so obnoxious, but that the abuse of it was glaring. He was willing it should be abolished, but we should seek something else in its place. He hoped the legislature would select such persons to frame a law, as would be satisfactory to the community, Mr. Wilson concluded his speech, which was listened to with marked attention, by moving the third resolution.

Applications to Parliament.

Applications will be made to Parliament during the ensuing session for Acts:—

To incorporate a Company for constructing a Tram or Rail-Road from Colborne to Marmora.

To authorize the separation of the County of Durham from the County of Northumberland, and to establish the County Town thereof.

To amend a certain Act of the Parliament of the Province of Canada, passed in the eighteenth year of Her present Majesty's Reign, intituled, "An Act to authorize the construction of a Railway from Galt to Guelph."

By the Port Hope, Lindsay and Beaverton Railway Company to amend the Acts affecting the said Company, so as to empower the said Company to extend their Line of Railway to Lake Huron, and for other purposes.

To incorporate the Village of New Hope, in the Township and County of Waterloo.

To erect Stratford into a Town.

To vest in Thomas Gibbs Ridout, of the City of Toronto, Esquire, his heirs and assigns, that part of the Base Line Road allowance lying south of lot number eight, in the first concession of the Township of Hope, now in the Town of Port Hope.

To extend, alter and amend the several Acts of the Parliament of this Province, incorporating and relating to "The Brockville and Ottawa Railway Company."

By La Banque du People to amend its Acts of Incorporation.

To amend the Statutes Incorporating the Great Western Railway Company, by conferring on them power to increase their Capital by way of Preference Stock, or otherwise—as also for other purposes.

By the Corporation of the Seminary of Nicolet, for amendments to the Charter by which the said Corporation has been instituted.

To incorporate a Boys' Academy at St. Athanase.

To make Shubael Park an Attorney in Her Majesty's Court of Queen's Bench and Common Pleas, in and for Upper Canada

To incorporate the Ottawa Valley Railway Company, with power among other things to construct a Railroad to connect the Carillon and Grenville Railroad with the Grand Trunk Railroad.

To amend the Act incorporating the Union Bank of Canada.

To incorporate certain persons under the name and style of the "Globe Insurance Company," for general insurance purposes.

To construct a Railroad from Rockwood, in the Township of Eramosa, to Southampton, in the County of Bruce, with a branch to Owen Sound, in the County of Grey.

To repeal an Act passed in the 18th year of Her Majesty Queen Victoria, chapter 172, or to alter and amend the same, and for other purposes.

To enable a Company to construct a Boulevard or Public Road, on and around the Mountains adjoining the City of Montreal.

To enable Peter Wyckoff Rapelje, of the Village of Vittoria, in the County of Norfolk, surviving Trustee under a deed of Trust, bearing date the Eighth day of January, in the year of our Lord one thousand eight hundred and forty-six, to convey the land and real estate thereby held in trust to any person or persons that the *cestui qui trust* may devise, and to indemnify the said Rapelje against any liability or responsibility by reason of such conveyance, or by reason of any application of the proceeds arising from such property or the conveyance thereof as aforesaid.

To incorporate an Institution to be styled the "Canada Landed Credit Institution."

To re-unite School Section number five of the township of Trafalgar, in the county of Halton, with the town of Milton, separated by the Act incorporating the latter place.

To form a new County, to consist of the following townships:—Amaranth, Luther, Arthur and Minto, now in the County of Wellington; Melancthon, Proton, Egremont and Normanby in the county of Grey; Carrick in the county of Bruce; and Howick in the county of Huron.

By the Freelon Flour Manufacturing Company, to enable the said Company to rent, sell, or otherwise dispose of their Steam Grist Mill, in the Village of Freelon, as the said Company may deem fit.

For alterations and amendments of their charter, by the Toronto School of Medicine.

For an Act to vest in Trustees Lots numbers 20, in 5th concession and 25th, in 6th concession of the Township of York, containing by admeasurement 400 acres of land, and being a part of the Estate of Eliza Maria Arabella Smeathman, Daughter of Robert McDonell and wife of Charles Smeathman.

For amendment to the Act incorporating the Oakville and Arthur Railway Company.

By the Corporation of the Village of Fort Erie, in the County of Welland for an amendment to the Charter of said Village.

For authority to the municipality of the Town of Oakville to purchase the rights of the Trafalgar, Esquesing and Erin Road Company, and hold the road now covered by their Charter, and Macadamize the same, and collect Tolls thereon.

To incorporate "The Inland Transportation Company" of Montreal.

For an Act to secure to Robert Brampton an exclusive right to the use of certain improvements in Apparatus for Ventilating Houses and Public Buildings, patented to William Cooke for the United Kingdom,—the subscriber having purchased from the said William Cooke his rights in the same so far as respects this Province.

To incorporate a Company for the construction of a Railway from the

Niagara River within the limits of the town of Clifton, in the County of Welland, and thence passing through or near the town of Cayuga, in the county of Haldimand, Simcoe, in the county of Norfolk, and St. Thomas, in the county of Elgin, to Amherstburg or such other point or points on the Detroit River, as may be deemed most expedient.

For Amendments to the Charter of the "International Bank of Canada."

For an Act to authorize "The Chartered Bank of Canada," to carry on the business of banking in this Province under the terms of the Royal Charter, to incorporate the said Bank, and for other purposes therewith connected.

By the Ontario, Simcoe and Huron Railroad Union Company, for the passing of an Act to amend the several Acts affecting said Company with reference to the consolidation of the present Bonds of the Company, and for other purposes.

To incorporate the Montreal and Quebec Steam Boat Company.

To incorporate a Company to be styled "The South Quebec Wharf Company."

To incorporate the Village of Embro, in the township of West Zora, in the county of Oxford, C.W.

To authorize the Township Council of West Nissouri, to sell the road allowance between Lots Nos. 35 and 36, through said township, and to grant legal deeds for same, and to appropriate the proceeds of such sale of lands for township purposes.

By the Provincial Insurance Company of Toronto, to amend the present Acts affecting the Company in respect to the election of Directors, and for other purposes.

By the Corporation of the College of L'Assomption, to amend its Act of incorporation.

To amend the 3rd and 4th sections of an Act passed in the eighteenth year of Her Majesty's reign, intituled "An Act to incorporate the town of Whitby, and to define the limits thereof," by altering and reducing the limits or boundaries of the said town, and for other purposes connected therewith.

To construct a Railway from some point or points on the Niagara River through the towns of Simcoe, in the County of Norfolk, and St. Thomas, in the County of Elgin, to some point or points on the Detroit River, to be called "The Niagara and Detroit Rivers Railway," and for other purposes therein connected.

To have the county of Renfrew separated from the county of Lanark, for judicial purposes.

To incorporate certain individuals under the name or style of "The St. James's Club of Montreal"

To incorporate "Knox College."

To incorporate the Lumber Manufacturers of the Ottawa and its tributaries, as a body, to be designated "The Ottawa Lumber Manufacturers' Association," with powers for the better management and regulation of the trade connected therewith, and for other purposes.

To enable James Pearson, of the city of Toronto, to construct a Railway or Tramway, to connect a Quarry in the Township of Esquesing, in the County of Halton, with the Grand Trunk Railway at or near Georgetown, and passing through the eighth, ninth and tenth Concessions of Esquesing.

MERCANTILE AGENCIES.

"If there's a hole in a' your coats,
I'll red ye tent it,
A chiel's amang us takin' notes,
An' faith he'll print it."

We find, in a late number of the Montreal *Herald*, an account of the operations of Douglass & Co.'s Mercantile Agency, a system of *espionage* into mercantile transactions and merchants' standing which has been in operation for the last seventeen years. In Great Britain this kind of supervision is exercised by "Trade Protection Societies," who are regularly organized in the principal commercial cities, each member communicating to his fellow-members, or to the Society, any knowledge he may possess of the character and standing of parties applying for credit. By this means, a mutual society is established, by which a vast amount of valuable information is obtained and fraudulent designs frustrated. Whether such societies would suit the wants of a community in which it is too often the practice to recommend the worst, and throw doubt on the standing of the best customers, we are not prepared to say. It is possible that Douglass & Co.'s system is best suited to the present circumstances of the country. The wide field of its operations, and the enormous expense necessarily attending an establishment of this kind, show, at least, that this agency is largely patronized by the mercantile community, who must be supposed to be the best judges of its value.

Messrs. Douglass & Co. have not favoured us with a copy of their report, but the following remarks of our Montreal contemporary will probably more than compensate for any remarks of ours on the subject:

"We are indebted to Mr. Hall, the obliging manager of Messrs. Douglass & Co.'s Montreal Office, for a copy of this interesting, and, we believe, reliable *resume* of the commercial history of the past year in the United States and British Provinces of North America. Did our limits admit, we should have been glad to have given our mercantile readers the benefit of all the valuable information contained in it, but that not being in our power, we must confine our extracts to such of its features as appear to us most likely to interest Canadian readers.

"Before doing so, however, it may not be amiss for us to say a few words in explanation of the nature of the business carried on by the firm, of whose summary of commercial events we are about to avail ourselves, more particularly as we are inclined to believe its character and value to the mercantile community is, as yet, but very partially understood and appreciated, at least in Canada. The principal object, then, of Messrs. D. & Co.'s enterprise—established in New York, in 1841, and since extended to every large city in the Continent—is to obtain and furnish to the merchants and others, their subscribers, full and reliable information as to the property, character and responsibility of all parties engaged in trade throughout the entire continent of North America. Their 'Agency' is, in short, a vast, and we may add from our own personal investigation of it, a most admirably organized system of *espionage* into the circumstances, habits and general trustworthiness of every man engaged in trade, and consequently, either giving or taking credit in the United States and British Provinces.

"It is, in fact, a self-constituted, but none the less efficient, system of secret commercial police, for the protection of the honest, capable and prudent mer-

chant against the practices of the dishonest, incapable and imprudent. On the other hand, it cannot be disguised that, supposing such an 'Agency' to have merited and secured the general public confidence, the powers which its conductors possess might, either from incorrect information, or from interested or malicious motives, be exercised or abused to the discredit and injury of really respectable and trustworthy traders. Nor can we shut our eyes to the fact that the possession of power is always dangerous to the morality of its possessor, when his own interest is involved; and that it would not be easy to conceive any more effectual machinery for the levying of what is called "black mail" from the mercantile community than is supplied by an "Agency," such as we are describing—the weak, the timid, and above all the designing—which, we fear would include no inconsiderable proportion in every community—would be sure and large subscribers. It should be borne in mind, however, that the extent of evil which arises from the *abuse* of any human institution—the courts of law, the orders and ordinances of religion, the public press, for examples—is generally fairly proportionate to the extent of good arising from its *use*, and that, measurably at all events, the public opinion, which bestows the power, also supplies the check upon its misapplication. While, then, we see and point out the drawback to this, to us, at least, novel system of collecting and distributing 'useful knowledge,' we equally recognize its merits, and appreciate the valuable assistance which, if worked by upright, capable, and discreet men, it cannot fail to afford to every wholesale merchant in the regulation of his credits. We may mention that the position which Messrs. Douglass & Co. held toward the subscribers to their 'Agency,' is that of confidential *employees*; and that each subscriber, if he reveal to any other party the information obtained from them, does so on his own personal responsibility—legal as well as moral. We would merely add that the great and undeniable success of Messrs. Douglass & Co.'s enterprise in the United States—they having now, besides their gigantic headquarters in New York, associate and branch offices in every large city in the United States—affords a satisfactory guarantee of their able management, and of the growing faith of the commercial community in the practical advantages of their system.

“With these general remarks on the 'Mercantile Agency' business, we proceed to give our readers, from Messrs. Douglass & Co.'s annual circular, some idea of the vast extent of their field of operations, and of the amount of business, with its general results, therein transacted during the past year.

“There are, then, according to Messrs. D. & Co., 157,394 village and country stores in the United States, who are at all times indebted to the city sellers—merchants, manufacturers and jobbers—in an aggregate sum of \$2,282,000,000, or on an average, in \$14,500 each. Such is the enormous amount of credit, to protect and regulate which, Messrs. D. & Co.'s machinery of intelligence was projected and is kept in operation. The mercantile firms in the United States (exclusive of California and of the class of small retailers in the larger cities) are given at 204,061, which, estimating the population at 25,000,000, gives one store to every 123 souls, or say, to every 25 families. Of the business done by the country traders, during the past year, we have the following calculation, the 'circular' says:

“If the country storekeepers' general debt is, as hereinbefore estimated

\$2,282,000,000, it would be fair to infer that ordinarily the year's business would amount to all of double that sum, or \$4,564,000,000. For this we would deduct for light trade last spring, and the injury to sales this fall, 40 per cent., which would make the business for 1857, with the country merchants, amount to \$2,738,400,000, and as the losses for the year, by this trade were \$4,838,000, the percentage is about one and a-half.'

"The losses, upon the entire year's business of the country, are given as follows:

"There has been lost by 337 swindling and absconding debtors \$5,222,500, and by 512 firms which will pay nothing, their losses and confidential debts absorbing everything, \$20,309,005. There are 3,839 concerns owing \$197,010,500, and they are such cases as usually average 40 to 50 cents; and there are 435 houses owing \$77,189,000 which will pay in full if the times ahead prove to be ordinarily prosperous.

The total of the liabilities of 5,123 failures is put down at.....	\$299,801,000
But there will be realized from those who will pay in the full.....	\$77,189,000
And on the amount of 'ordinary' failures \$197,080,000 at 40 cents.....	\$78,832,000
	156,021,000

Leaving a final loss of.....\$143,780,000.'

"We do not find that Messrs. D. & Co. give any estimate of the whole amount of business of the United States, on which, it is calculated, the above sum of \$143,780,000, will ultimately be lost; but we are told that the city failures during the year, have been 2,352, in number, and the liabilities of the same \$257,963,000 or an average of \$109,000 each. Of these failures, from Dec. 25, 1856, to Dec. 25, 1857, in 26 cities of the Union, to which are added Canada East and West, and the other British Provinces, we have an elaborate statistical table, from which, as an example, we give the portions devoted to our own city and to Toronto.

"In Montreal there are stated to have been 909 stores, failures, 15; liabilities, \$523,000; average failures in former years 12; liabilities, \$445,000; of these failures 4 have arranged with their creditors, on an average of 52 cents on the dollar; swindling and absconding debtors, 2; liabilities, \$8,000; of debtors not classed as dishonest, but who will pay nothing, it would appear there has not been one in our community last year; and of those likely to pay in full, one is given, his liabilities amounting to \$70,000.

"In Toronto, 389 stores are given; failures, 25; liabilities, \$2,714,000; average failures of former years, 17; liabilities, \$1,270,000; of these failures three have arranged with their creditors, on an average of 58 cents on the dollar; swindling and absconding debtors, 2; liabilities, \$153,000; of debtors not classed as dishonest, but who will pay nothing, 3; liabilities, \$17,000; likely to pay in full, 4; liabilities, \$1,274,000.

"If Messrs. D. & Co's figures are reliable, and we have no reason to doubt at least their approximate correctness, the contrast which they afford between the results of the trade in Montreal and in Toronto, during the past

year, is assuredly but little creditable to our Western friends and customers; while, whether as compared with Toronto, or with any one city in the neighbouring Union, Montreal displays a soundness and solidity of which her citizens may well feel proud. Even the proverbial 'solid men of Boston' cut but a flimsy figure this year, when compared with our *cannie* Montrealers; while the high-flyers of New York have thrown all their ballast overboard and lie stranded in crowds on the barren shores of bankruptcy.

"The aggregate liabilities of the failures of the year in New York is \$135,129,000; in Boston, \$41,011,000; in Montreal, \$523,000; while our population may be taken at one-tenth that of New York and Brooklyn, and at a fourth that of Boston. We admit, of course, that population affords but a very imperfect test by which to estimate the amount of business transacted, and consequently the proportionate losses, which might fairly be expected to result from it; but freely admitting that the business done in New York and Boston during the past year, probably largely exceeded, in proportion to the population of these cities, the amount done in Montreal, in proportion to hers, there must still, we think, be left a very broad margin of congratulation on our part, in view of the annual balance of losses, in the three cities given by Messrs. Douglass & Co. That this satisfactory state of things is largely due to the prudence and foresight of our merchants, it would be most unjust to deny; but it would be equally unjust to refuse that credit to the wise and liberal management of our banking institutions, to which, measurably, may be attributed our escape from the very disastrous consequences entailed upon the merchants of New York and Boston, from the directly opposite course pursued by theirs. On this important subject of the banking system among our neighbours, and of its disastrous influence in producing and aggravating the monetary disturbances of the past half year, Messrs. Douglass & Co thus speak, and with this quotation we shall close our notice of their annual circular—they say:

"We entertain the common opinion, that the action of the officers of four or five of our strongest banks was the chief cause of the great disasters of the season. They concerted together and forced a rapid and merciless contraction upon all our city banks, carrying along with them those of the whole country. If the banks of New York city are to control the action of the banks of the United States, it is to be regretted that so small a number of them should be able, by combining, to determine the line of policy to be pursued by the whole body. The whole country is therefore interested that New York should have a steady and safe banking system; and if our Legislature should impose such restriction as the press generally have recommended, like the law of Louisiana, requiring them to have one dollar in specie for every three of liability, we should have as perfect a system, probably, of paper currency, as has ever been devised. If the control of our banks is trusted to unskilled hands the system ought not to be blamed for the difficulties which their mismanagement has caused. A wise action on the part of the banks would have driven into insolvency all that class whose condition warranted such treatment without putting one on the rack in order to discover the weakness of the few."

In connection with this subject we may mention that an effort is being

made in Toronto to establish a Trade Protection Society on similar principles to those now in operation in Great Britain, the nature and objects of which will be best explained by the following Circular which has been placed in our hands by the promoters of the scheme :—

Prospectus of the Upper Canada Trade Protection Society.

The present unsatisfactory state of Trade and Commerce throughout this Province, arising it is understood in a great degree from the undue expansion of mercantile credit, coupled with the absence of proper laws for the regulation of bankruptcy or insolvency, and the equitable administration and distribution of insolvent estates, induces a belief that the period has arrived, when the institution of a society for the protection of Trade, upon similar principles to those now in active operation throughout Great Britain, would be attended with beneficial results, primarily to those Merchants and Traders, who may feel disposed to become members, and aid the Institution with their influence and means of acquiring information for mutual benefit, and ultimately by restoring the general Trade of the country to a more healthy action.

It is therefore proposed to establish an association of Merchants and Traders, with head quarters in Toronto, under the designation of *The Upper Canada Trade Protection Society*. The objects of the Society shall be :

1. To take advantage (as in Britain) of the public and legal records of the country, for obtaining information of the registration of instruments, through the execution of which the standing of parties may be materially affected, and the interests of those dealing with them compromised; condensing such information when acquired, and conveying it periodically to members of the Society.
2. To obtain information as to the standing of parties in business, for the guidance and protection of members in giving credit; ascertaining the respectability of parties proposing to deal with them; removing groundless suspicions when such may exist, and thereby enable business to be transacted in greater confidence and security.
3. To protect members from fraudulent dealings, assist them when defrauded, institute thorough investigation into cases of fraudulent bankruptcy, assist in the prosecution of fraudulent bankrupts, and endeavour to promote uniformity and unity of action in cases of bankruptcy or insolvency, to secure the equitable rights of creditors and expose the acquisition of dishonourable preferences.
4. To diffuse among parties, with whom members transact business, information as to sound principles of trading, impress upon them the necessity of keeping correct business books, and instituting periodical investigations into their affairs, and to aid those with advice as to the best course to pursue when in difficulty.
5. To collect debts for members throughout the country, or elsewhere, through the medium of Agents or corresponding Societies.
6. To suggest or support all necessary measures for improving the commercial laws of the province.

For the attainment of these ends, there will be kept for the use of members, Registers of General Information, Registers of Frauds practised or attempted, Registers of Bankruptcies or Insolvencies, Registers of parties leaving particular neighbourhoods without having discharged their debts, and other memoranda of importance.

The Society to consist of ordinary members, being merchants or traders, constituted such by admission and adherence to the rules, and payment of an annual subscription in advance.

The Executive to consist of a Chairman, Vice Chairman and Directors chosen by the members. The Chairman, Vice-Chairman, and Directors at the top or the list to retire annually, but may be eligible for re-election.

The Directors to appoint Treasurer and Secretary, and such other officers as may be deemed necessary.

A preliminary meeting to constitute the Society will be held so soon as a sufficient number of parties willing to become members shall signify their acquiescence.

EDUCATION IN UPPER CANADA.

The Annual Report of the Chief Superintendent of Education for Canada West, for the year 1856, exhibits the most gratifying progress in every branch of our School system, and illustrates the growing conviction and interest of the people at large as to the education of their children.

The following statistics exhibit the progress of common school education:

RECEIPTS.

	1855.	1856.
Legislative Grant.....	£24,474	£29,869
School Trustees' Assessment.....	109,711	135,354
Municipal Assessment.....	45,123	54,526
Rate Bills on Children, and Subscriptions.....	30,807	34,966

EXPENDITURE.

	1855.	1856.
Maps and Apparatus.....	£2,064	£2,440
School Sites and Buildings.....	34,272	42,807
Repairs and Rents.....	5,921	10,196
Fuel, Stationery, and Contingencies.....	12,534	19,162
Teachers' Salaries	170,027	194,920
Total Expenditure.....	£224,818	£269,525

This is exclusive of Local Superintendents' Salaries which, in 1856, amounted to.....£5,060

COMMON SCHOOL POPULATION.

	1855.	1856.
Total Population between 5 and 16 years of age	297,623	.....
Total number of Pupils attending Schools.....	227,864	251,145
" of Boys.....	125,678	137,420
" of Girls.....	102,186	113,725

COMMON SCHOOL TEACHERS.

	1855.	1856.
Whole number of Teachers employed.....	3,565	3,689
Male Teachers.....	2,568	2,622
Female Teachers.....	997	1,067
Members of the Church of England.....	716	684
Roman Catholics.....	396	414
Presbyterians	998	905

Methodists	957	1,102
Baptists.....	183	224
Congregationalists.....	57	92
Highest Salary paid Male Teachers.....	£350	£350
Lowest " "		60
Highest " Female Teachers.....		125
Lowest " "		50

SCHOOL HOUSES.

The returns for 1855-6, are so imperfect as to be of little value. The whole number of School Houses reported in 1855 was 3,362. In 1856 there seems to be a decrease of 60 in the number of Schools, viz.:

Decrease in Frame Buildings	178	
" Log "	128	
		306
Increase in Brick Buildings.....	118	
" Stone "	128	
		246
Decrease in 1856		60

These returns are evidently incorrect, and we think the Teachers or Superintendents are much to blame in neglecting to furnish, not only the required information as to the value of the buildings, the materials with which they are built, &c., but even their dimensions, means of ventilation, description of seats and desks, extent of grounds, and other particulars so deeply affecting the health and comfort of the children.

On this subject, the remarks of Edward Scarlet, Esq., in his Report, are to the point, and even where log houses only can be "raised," it is of great importance that they be large and well ventilated, with some support for the back, however primitive. Let us not forget that the long hours spent in School are tedious and irksome to children, even under the most favourable circumstances. Mr. S. remarks:

"The most of our School Houses are built in such a way, and the seats and desks in them so formed as to occasion much unnecessary pain to the pupils who are placed in them, if they be not the cause of many of those diseases which bring hundreds of youths to premature graves. Think of apartments 18 feet by 24, with the upper floor 7 or 8 feet in height, with old-fashioned desks pinned to the walls, and sloped so as to allow the books a very easy descent, were they not retarded in their downward course, by a piece of board, nailed to the desk. The seats are all of the same height, without backs, as if purposely got up to inflict punishment on youthful delinquents. Would that the originators were obliged to sit on them six hours per day for a week; they would then know, by experience, how to make seats for children. There are, however, some noble exceptions, some that reflect great credit on the sections in which they are placed, and it affords me much pleasure to inform you that there are others in process of being built. I have noticed one sad defect in these new buildings, *i. e.* want of ventilation, either they are aired by letting down the tops of the windows,—which, *en passant*, is better than nothing,—or an aperture is made in the roof; but it is apparent that neither of these methods can properly ventilate a school-room, and more

especially in winter, when airy houses are more needed, owing to the rapid consumption of oxygen in the atmosphere by burning fuel in stoves, and by the numbers of children congregated together during that season of the year. It is a pity that trustees of our schools do not avail themselves of the services of Sheriff Ruttan, Cobourg, who thoroughly understands this matter, and who, as I am informed, has invented a stove that would ventilate a common school-room in about eighteen minutes."

SCHOOLS AND SCHOOL SECTIONS, &c.

While the number of School Houses has decreased, the number of Schools and School-Sections has increased:

	1855.	1856.
Number of School Sections.....	3,525	3,624
" Schools.....	3,325	3,432
" " closed or not reported.....	200	162
" Free Schools.....	1,211	1,263
" partly " 	1,665	1,567
" Schools with Rate Bill of 1s. 3d. per month, the highest rate allowed by law.....	1,153	1,149
Number of Schools with lower Rate Bills.....	544	543
Average time of Schools open.....	9m 20d.	10m 2d.
Schools opened and closed with prayer.....	1,003	1,001
" in which the Bible is read.....	1,063	1,854
Number of Maps sent out.....	1,304	2,020
" of Globes sent out.....	48	103
" of Schools provided with Maps.....		1,924
" of " Blackboards.....		2,480
" of " Globes.....		415
" of " Tablet Lessons.....		697
" of who use National Readers.....		3,054
" " " Arithmetics.....		3,000

We shall continue these statistics in our next, and conclude by giving the *Parliamentary School Grants for 1857*:

<i>Apportionments to Cities, Towns and Villages, for 1857.</i>		<i>Apportionment to Counties for 1857.</i>	
		Vienna.....	108 40
		Windsor.....	129 60
		Yorkville.....	140 00
			<hr/>
CITIES.			\$2,725 20
Toronto.....	\$4,400 00	1. Glengarry.....	\$2,256 40
Hamilton.....	1,920 00	2. Stormont.....	1,630 00
Kingston.....	1,520 00	3. Dundas.....	1,819 20
London.....	1,440 00	4. Prescott.....	1,458 00
Ottawa.....	1,120 00	5. Russell.....	478 40
	<hr/>	6. Carleton.....	2,991 20
	\$10,400 00	7. Grenville.....	2,322 00
TOWNS.		8. Leeds.....	3,385 20
Belleville.....	\$574 40	9. Lanark.....	2,865 20
Brantford.....	510 00	10. Renfrew.....	1,220 40
Brockville.....	440 00	11. Frontenac.....	2,168 80
Chatham.....	348 00	12. Addington.....	1,721 60
Cobourg.....	384 40	13. Lennox.....	776 40
Cornwall.....	190 40	14. Prince Edward.....	1,975 20
Dundas.....	369 60	15. Hastings.....	3,343 20
Galt.....	277 20		

Goderich.....	280 00	16. Northumberland	3,268 80
Guelph.....	384 00	17. Durham	3,152 80
Niagara.....	327 20	18. Peterborough.....	1,772 80
Owen Sound—in Township.....		19. Victoria	1,573 60
Paris.....	245 20	20. Ontario	3,359 20
Perth.....	200 00	21. York	6,041 40
Peterborough	243 60	22. Peel	2,711 00
Picton.....	189 20	23. Simcoe	3,378 40
Port Hope.....	440 00	24. Wentworth.....	2,661 20
Prescott.....	243 60	25. Halton.....	2,187 60
Sarnia.....	100 00	26. Brant.....	1,970 00
St. Catharines.....	554 40	27. Lincoln.....	1,962 00
Whitby	203 20	28. Welland	1,963 20
		29. Haldimand.....	2,178 00
	\$6,504 40	30. Norfolk	2,606 80
		31. Oxford.....	3,650 40
		32. Waterloo.....	3,155 20
		33. Wellington	3,199 20
		34. Grey.....	1,869 60
		35. Perth	2,525 60
		36. Huron.....	3,118 00
		37. Bruce	1,236 90
		38. Middlesex.....	4,243 60
		39. Elgin.....	2,817 20
		40. Kent.....	2,156 40
		41. Lambton.....	1,773 60
		42. Essex	1,957 60
			\$102,912 10
		Total Counties.....	102,912 10
		“ Cities.....	10,400 00
		“ Towns.....	6,504 40
		“ Town Municipalities...	936 00
		“ Villages.....	2,725 20
		Total.....	\$123,477 70
		Reserved as a basis on which to make an apportionment to Roman Catholic separate Schools estimated...	6,522 30
		Grand Total.....	\$130,000 00

WHY MERCHANTS ARE LIABLE TO FAIL IN BUSINESS.

THE *Prairie Farmer*, though rather severe in the following essay, tells some truths, which it would be well for our merchants to read, mark, learn, and inwardly digest. So intimately connected are the interests of agriculture and commerce, that we need not be surprised to find the *Prairie Farmer* reading a homily to the merchants of the land.

Few things are so precarious as commercial credit. Men who have borne up under repeated losses of thousands of dollars, have, in the end, gone down before so formidable a thing as a doubt. First a surmise, then a suspicion, next

a pressure, at last a protest, followed by a failure—such is the brief history of the downfall of many a dealer in foreign fabrics, whose daughter went forth arrayed in purple and fine linen, and whose house was furnished like unto the palace of a king.

There is a sad luck of manly honor and integrity among commercial men. They set up for themselves a strange standard of morality—a combination of a punctuality which must pay a debt the very hour in which it becomes due, and a license which sanctions any business that brings gain, whether by flattering the vanity of women, by gratifying the appetites of men, or by grasping gold from the dry bones of poverty. Almost all merchants and bankers who fail, know beforehand that their business is very unsafe. Most of them foresee that failure is inevitable; but instead of bowing at once, they continue to borrow money, try to make a show of wealth by increasing their business, stake the money of others on a desperate cast where success would simply postpone the ruin, miserably fail, and, in their fall, drag down hundreds of honest men who placed implicit confidence in their honor and business capacity. To this method of transacting business there are noble exceptions; but they are distinguished for their singularity.

We never believed that there was, necessarily, more hazard in the mercantile or the banking business than in farming. Farmers rarely become bankrupt, simply because they keep their expenditures below their incomes, and do not try suddenly to get rich by borrowing money and engaging in hazardous speculations. Suppose a man should attempt to borrow a hundred thousand dollars in order to bet at a horse race or a faro bank—would any prudent man furnish him with the means? would any upright man give him money for such a purpose? Gamblers can borrow money only from gamblers or from fools. And if borrowing money to speculate in sugars, for example, be not gambling, by what name shall we call it? The principle is just the same, whether we stake money on the swiftness of a horse, the turning of a card, or the failure of a crop. Suppose a man should borrow money for the ostensible purpose of buying a vast quantity of sugar and awaiting an expected rise in its price, and should, without consulting his creditors, bet the whole sum on a decrease in the next sugar crop—would not the lenders charge him with a violation of faith, a reckless misuse of their money, and appeal to the law for restitution? And yet there would be scarcely a shade of difference between the morality of the two transactions. The one would be like buying the horse to win money on his speed, the other would be simply betting on the race. In truth, the most striking difference between the commercial gambler and the horse jockey gambler is this—the one cheats scoundrels like him-self, the other cheats honest men. And it is this cheating and overreaching, this unmanly impatience that will not wait for the reward of honest industry, this eagerness for sudden and unmerited wealth, this reckless hazard of borrowed money, which strews all the paths of commercial life with the bleaching bones of bankruptcy, and robs the unsuspecting poor man of his small but well-earned substance.

A young man just liberated from the apprenticeship of a common clerk conceives the idea of becoming immensely rich in a few years, and resolves to open a wholesale dry goods store, or perhaps a large banking house. From his late employers he receives flattering letters of recommendation, just as

quack medicines receive puffs from newspapers; and from his mercantile acquaintances he begs testimonials, just as bad actors beg applause from the galleries of theatres. Armed thus with both the sword and shield of the commercial impostor, he obtains credit; borrows money; opens a splendid establishment; employs a dozen dashing clerks; marries a belle who must be attended by a train of liveried menials; rents a first-class house on the most fashionable avenue; receives on deposit the earnings of laborers and seamstresses; drives a splendid span of blooded horses; gives dinners, evening parties, and birthday balls; buys box tickets at the theatre; heads the list whenever a complimentary benefit is tendered to a favorite actress; occupies a front pew at church; never offers less than a hundred dollars at a donation party; spends the summer at Newport or Saratoga; announces his intention to visit Paris and London the ensuing spring; borrows, and borrows, and borrows till he can borrow no more—and then there is a startling rumor that a failure has occurred involving in ruin hundreds of industrious and economical people. The telegraph sends the astounding intelligence all over the country, editors consult their dictionaries for words to utter their regret and astonishment, commercial men tender their sympathy and express renewed confidence in the integrity of their unfortunate brother, and the cheated poor again commence their weary journey at the bottom of *their* steep and rugged path of life. The author of all this wasteful extravagance, and all this glittering falsehood, and all this pompous liberality, and all this snobbish admiration, and all this undeserved sympathy, and all this piteously abused confidence, absents himself from public assemblies till the nine days' tempest has blown over, and then comes forth to seek some new field of operation and play the same game over again.

The shivering beggar who steals a web of flannel is promptly arrested and punished. No sympathising crowd follows him to the grim entrance of the solitary and dreaded abode of counterfeiters, thieves, and assassins. No sorrowful paragraph reluctantly tells how, in an evil hour, he committed the unfortunate deed. And yet how small does his poor offence seem alongside of the enormous crimes of the wicked and reckless vagabond who steals the value of many thousand webs of flannel; who, though he never earned the daily food of a starveling dog, yet often squandered in a single night's licentious riot more than a whole year's wages of an industrious man; who beggared hundreds of families whose humble dwellings he was not worthy to enter; and who, a bankrupt debtor, yet wasting the substance of others with the most shameful extravagance, and covered all over with the recent stains of treachery, falsehood, fraud, and extortion—goes off the stage which he disgraced, not only unpunished, but with the sympathy of most whom he did not rob?

Every principle of honor tells us that no man should peril another when ruin is even probable. He should pause at once, and brave the danger which his own folly has brought upon him. The plain rules of common justice exempt the innocent from the punishment of the guilty. When a man willfully invites ruin which he might otherwise avert, and treacherously involves unsuspecting men in it, the public conscience must be sin-hardened if it does not pronounce him an infamous criminal, and the law which does not treat him as such must lack justice as much as he lacks virtue. Why should a merchant or a banker every day do with impunity what would forever ruin

the reputation of a farmer or a mechanic? It is good that disgrace should constantly attend upon bad conduct in a farmer; but why should it not also constantly attend upon bad conduct in a merchant? When a farmer, through extravagance or mismanagement, becomes bankrupt, he is called a swindler and a cheat; but when a merchant, through even worse conduct, fails in business, his bankruptcy is charged to the account of financial embarrassment. How strange that broadcloth or homespun should so change the complexion of crime!

The merchant is constantly exposed to loss by uncurrent bank notes; so is the farmer. He may be ruined by a reduction in the price of produce; so may the farmer. He may be hard pressed by his creditors; so may the farmer. He may be cheated by his debtors; so may the farmer. He may be reduced to poverty by sickness, by fire, by flood; so may the farmer. On the right hand and on the left, before and behind, he is exposed to evils; and the farmer is exposed to the worst effects of rain and drought, and to the ravages of untimely frosts and destroying insects. After summing up the whole matter, we find that for every danger to which the one is subject, an equal danger besets the other. We insist, therefore, upon the right to try them both by the same standard, and the conduct which, in a farmer, would be disgraceful, cannot be overlooked in a merchant. Let business men, as they call themselves, imitate the plain simplicity and the honest prudence of farmers, and there will be an end to the disheartening list of assignments and failures. It is no part of their duty to imitate the manners of the simpering fops of London and Paris, to squander the annual products of a farm at the benefit of a lewd actress, to sleep all day and spend the night amid riot and debauchery, to frequent the assemblies of men bloated with gluttony, dropping with wine, and reeling in obscene dances. No man has a right to spend more money than his ordinary income; and he who squanders the earnings of others, should be set down in the catalogue of thieves. Until the law ceases to make distinctions without a difference, the confiding poor man will hold his bank deposits by the precarious tenure of commercial conscience, and the defaulter will mock at the indignation of public opinion.

Interest and Cheap Currency.

The following article from *Hunt's Merchants' Magazine*, presents the views of a numerous class of writers on the currency question. We commend its careful perusal to those of our readers who take an interest in this intricate question, and would be glad to give those holding different views an opportunity of replying to this article through our columns:

"It is important to consider the nature of interest with reference to any movement for the reform of the currency. It is almost uniformly supposed to be the value of money, and this false idea is the cause of more obscurity, in the consideration of the currency question, than any thing belonging to the nature of the subject.

Interest indicates the value of debt—not of money. It is inversely as the quality of debt—the poorer the debt, the higher the rate of interest. This

applies to the whole mass as well as each individual debt, or to the average value of the debt in every community. That of California is the lowest in value, with panic exceptions, of any in the world. This is owing partly to the same cause that degrades the security and increases the quantity of debt here—namely, *debt banking*. The bankers of California grant two promises to pay the same dollar, upon the principle of our chartered banks, and of course, when pay-day arrives, the same result follows that always must attend this system of banking—somebody must break for the obligation based upon the dollar created without value. Yet they grant only book-credits—people love to deceive themselves by calling them “deposits.” Adams & Co., and Page, Bacon & Co., were ruined by this, with many other bankers and merchants. One would think there could be no occasion to add dollars of debt to the abundant gold currency of California; but there is no limit to the demand for dollars, whether made of gold or silver, or debt, because there can be no limit to the price of commodities attending the increase and consequent degradation of the currency. Money can be merged in price forever.

But the principal difficulty with California, is her position as a gold-producing country. This keeps the market glutted with commodities that, from the nature of the case, must flow there. The fact that the material of money is cheaper at the source of supply, is only the converse of the fact that commodities are dearer there than elsewhere. If it were not so, the gold could not be brought away. Nobody would send merchandise from New York to San Francisco, intentionally, if he could obtain as much gold for it—that is, as much price for it—here as there. California must keep down the *value* of her gold to sell it, and this can be done only by keeping up the *price* of her imports. Gold is almost her only crop; it is but an inferior want—the superior or more essential wants are food, raiment and shelter; to procure these she must sell her gold. Thus it is that prices, with accidental exceptions, must be higher there than elsewhere, and they will always attract an excess of imports. Prices cannot be low there permanently, therefore that excess, not wanted for money, is sold on credit, or advanced upon on time by commission merchants, at the high prices caused by cheap gold, the bills are discounted by the bankers, and the gold brought away for the sum of the proceeds. California is too new a country to possess much capital. Gold is not capital more than any other product of human labor, and relatively her commerce and her people are oppressed with a heavy debt. For these reasons the rate of interest is almost uniformly higher there than anywhere else. It is because of much debt and little capital.

As the quantity of debt, in relation to capital, increases anywhere, the quality depreciates in proportion—most especially is this law applicable to the currency. Therefore when our debt currency, in which I include credits as well as circulation, is at the highest, as in 1837, and in the middle of August last—when, according to the fallacious notion of our people, we have the most *money*—interest is at the highest. The truth is, then we have the most debt and relatively the least money, and much of the debt is in the worst place in which it can present itself—the *currency*.

As debt declines in amount it improves in quality, except during the frenzy of the change; and when the debt-currency is at the lowest, interest is at the

lowest. It was so in 1843-4, and now most of the debt existing four months ago having been removed from the market by defalcations and the reduction of bank loans, interest will fall below the legal rate in a very few weeks, (probably by the time this article is in type,) if the banks do not increase their loans, unless the same difficulties should reduce the currency of England below ours in relation to commodities. Indeed, it is there already on undoubted securities, and we may soon have all securities undoubted, if we will, and make an end of future bad debts.

These details respecting California, apply also to Australia, with the exception that Australia was a cultivated country possessing capital, when California was a wilderness, and has greatly the advantage of California in this respect. They are necessary to show the fallacy of the argument against a specie currency drawn from the instability of credits in California, and the high rate of interest prevailing there. The truth is, an expanded and consequently cheap currency is the most costly and wasteful machinery a nation can possess; the history of the world shows it to be uniformly unprofitable or disastrous. It is evil whether formed of the precious metals or of bank debt for a cheap currency and high prices of commodities are synonymous terms. It must encourage imports, check exports—excepting the precious metals which must be exported—and involve the community in debt; and bankruptcy follows in its train. This cannot fail to be obvious to every reflecting mind; nevertheless it has been unaccountably ignored by writers and talkers upon the subject of the currency.

A cheap currency is Adam Smith's great heresy, and here is his famous announcement:—"The substitution of paper in the room of gold and silver money, replaces a very expensive instrument of commerce with one much less costly and sometimes equally convenient. Circulation comes to be carried on by a new wheel, which it costs less both to erect and maintain than the old one."

This celebrated economist is as unfortunate in his illustration as in his argument with respect to paper money. A paper wheel would not seem to be very efficacious or valuable in a powerful machine. On the application of power, it is quite certain the machine would stop or run to destruction, and such, to my mind, is the effect of the paper substitute for money in the currency. It has thrown out of gear, repeatedly, all the machinery of commerce in every nation that ever adopted it, and the wild work we are having now is precisely owing to this nuisance in the centre of our system.

I have no quarrel with the bankers, and those who administer the system. They are with us and of us, and are no more responsible for its evils than others. They unquestionably lose as merchants and citizens, by its general evil effects, more than they gain as bankers. The reader, therefore, will comprehend the distinction between the system, which I condemn, and those who are engaged in its direction and details.

Dr. Smith understood perfectly well that every pound note, or every bank credit, added to the currency, expels its amount of gold and silver; but it never seems to have occurred to his mind that the additional currency must degrade the value of the whole, before the precious metals can be displaced—that they must be sold at the degraded value, and that the excess, which causes the degradation, must be thrown off in the inflated price of commo-

dities ; so that the metals are utterly lost to the community that substitutes the bank currency.

No man is more eloquent than he in praise of the policy which spreads the most widely a thorough cultivation of the soil, as the true means to secure the greatest wealth and prosperity to the nation ; yet he did not discover that, if the nation exports its gold and silver, it must retain the products, or stop the labor which renders that cultivation necessary—his argument thus defeating itself—and that debt must take the place of money, not merely in the currency, but in the repeated transactions that would otherwise be made for money.

This is a most important mistake of Dr. Smith's, that has exercised a wide influence in retaining debt in the currencies, and in disturbing the commerce of Europe and America. As a pioneer in the science of political economy, when few facts had been elaborated, upon which to form sound conclusions, it is not very surprising that this, which appears to be the only important error in his system, should have escaped his observation ; but it is unaccountably strange that Ricardo, Fullerton, Mill, and others, who have written at a comparatively recent period, should have followed him in this specious, but false and destructive doctrine.

What argument is there for a cheap currency, that does not apply, with equal force, to cheap houses, cheap furniture, cheap ships, cheap apparel, cheap food, cheap learning, and cheap everything? If this is true economy, how are we to have any wealth at all—in what can it be invested, and how are the people to be employed? Shall we return to barbarism, and put a stop to the employment and gains of our merchants, to promote economy? The argument is perfectly absurd ; it would reduce the city to a group of shanties, and carry us back to the destitution of mother Eve and her apron of fig-leaves.

Everything of utility is wealth. It is the same to us whether we produce or import it. In the former case, it is the direct product of our labor ; in the latter, the product of our labor supplies returns. Therefore wealth, obtained in gold and silver, is the sure means of disposing of an equivalent amount of our products for cash. To object to this as a dear currency, and complain of the loss of interest thereon, is as futile as to object to the fine warehouses and dwellings, or to anything else that constitutes the wealth of New York, and say that Irish shanties would be a great saving, and answer every purpose.

If there is anything in the world we want dear and valuable, it is the currency ; for while we can keep it more valuable than that of other communities, we cannot fail to sell commodities, buy money, and keep out of debt among ourselves and with the world. A valuable currency may be obtained in two ways, either by reducing its volume or by increasing commodities. The former, however, insures the latter, and is in direct opposition to our banking system ; for just in proportion as we cheapen money, by increasing the currency, we sell our money, stop our exports, and of course, limit the employment of our navigation, and limit cultivation, production and wealth ; and just in proportion as we pursue the opposite course, we thrive. Value, and therefore wealth, are the same at any price. A barrel of flour at \$5, is of the same value, with a given amount of currency, as at \$10, with double amount.

We cannot stop the gold producing in California. Under Providence, it is settling that country—that is all the good we can say of it; but if the same amount of labor were employed in any other production, it would be vastly better for the whole country, and would result in more wealth, and in securing a better population. It is only cheapening money, by raising the price of everything not made of gold; the only advantage being that we obtain gold leaf, plate, and trinkets in exchange, for less of other things. But we cannot stop it. What then, should we do? Certainly use the gold—all we can of it. Give it the most extended use, and thereby the greatest possible value. Away with the debt banking! Let us have room for the gold. We have room by withdrawing the debt from the currency, for \$400,000,000 of gold, before the rest of the world can take any of it, unless more is returned than taken away. By retiring the bank currency we can keep a constant balance of gold in our favour, with a constant increase in business, and decrease of debt. While we are obtaining it we shall pay for all the imports in flour, wheat, corn, fish, beef, pork, ashes, and everything else that we can send out of our ports, not to Europe only, but, in every direction, to all the world. But to do this, we must quit tampering with theories—we must use, and not neglect, the thing we promise to pay.

The quality, not the quantity, of the currency should be our constant care. If the quality is pure and unadulterated, the quantity will take care of itself. No foreign tariff, no foreign or domestic policy—short of war—no power on earth can prevent us from obtaining and retaining more gold, as we have relatively more productive labor, in proportion to population, than any other nation; except the abnormal power exercised, but not, in my opinion, constitutionally possessed, by the State Legislatures, of adulterating the currency in such manner that the mixture can be separated at will, the pure taken off at the adulterated value, and the dross left with us.

A constant effort is being made to place those who are satisfied with a pure currency in a false position. It is attempted to place us on the defense when we are plaintiffs in the cause. We are required to show cause why bank-notes, issued upon real estate, imaginary estate, and no estate at all, are not as good as gold; why notes issued upon the security of State stock are not perfect; why the whole real property of a kingdom or a nation may not be coined into money by the transmuting power of legislation, and why a promise to pay is not pay itself. To all this we reply, that gold is gold, and silver, silver. We are perfectly satisfied with them for currency. We are no theorists, and have no theory to propose—none to defend. We have nothing to do with negations in the case. We state the positive fact that gold and silver are money, possessing value; and that a promise to pay them is debt, and not value. By what rule of common sense we are called theorists it is difficult to comprehend. They are theorists who utter a promise to pay an ounce or a dollar of gold, and propose to pay it with anything else. Whenever and wherever such promises have been substituted for gold and silver, the result has been embarrassment and loss to many, and ultimate ruin to more or less of the community. Dispel the mischievous theory! Cease tinkering the currency with a paper wheel, and let us depend upon the solid material of gold and silver!

The paramount law in commercial finance, I conceive to be, that the cur-

rency should never for a moment exceed its natural volume. However little this may have been understood by the economists, or however much neglected, it will infallibly become a settled conclusion of Political Economy. Nothing can prevent a commercial country from obtaining and retaining its due share of the precious metals to form the natural volume of its currency; but that neglect of their use, and substitution of debt in their place, which degrades their exchange value. Because they form the medium of exchange, and a given weight of gold therefore becomes the price of other exchangeable things, people do not discover that in parting with gold for something else, they are merely exchanging one commodity for another—that there is reciprocal value in the exchange, and that the parting with any additional sum of gold, in making the exchange, is quite as likely to be owing to a fall in its value, as to a rise in the value of the thing purchased; but it is so. The recent high prices have been caused by the swollen and unnatural volume of the currency; they have been a degradation of the value of money, and not a rise in the *value*, but only in the *price* of commodities and property.

There is a surprising fallacy in the public mind respecting the quantity of currency required to circulate the products of the country. If the principle of debt is not in the currency, any quantity will be sufficient to transact any extent of business. If commodities increase and the currency does not, prices yield until the export trade takes off the commodities and returns specie. Prices conform to any volume of currency, more or less with equal facility. If expansion were not permitted, contraction, with the present increase of gold in the world, would be wholly impossible.

Debt in the currency is therefore a fatal principle. It cannot be introduced without being, in the first place, an addition to the natural volume of the currency, which, if not tampered with by legislation, would always be regulated by the labour and commodities offered in exchange therefor. The addition cannot remain. It must be lost in the inflated price of other things which cannot be sold, and thereby virtually cost us their equivalent in the gold exported, or it is paid away in the added price of imported commodities. If, with a natural currency, corn could be exported at \$1 per bushel, and by an artificial increase of its volume, the export of corn is stopped by a rise of price to \$1 10 per bushel, and \$1 10 of specie goes in its place, it is clear that the retention of the bushel of corn has cost us \$1 10 in gold. This is one form of the evil. Another is, that the foreign imports have the benefit of this rise of price, and the foreign commodity—a yard of silk for example—which, with a natural currency, could be bought for the price of \$1, and paid for in a bushel of corn, will rise to \$1 10, and must then be paid for in \$1 10 of gold, because the foreigner can take the gold to another corn-producing country and buy there 10 per cent more corn with that amount of gold than here. In either case we lose 10 per cent in standard gold, and shall continue to lose until the excess, which is mere disease in the currency, is thrown off. I am perfectly satisfied that, in this manner, our artificial money costs the country its whole sum in gold, and restricts our business to the same extent, instead of increasing it as many have supposed.

But there is another evil, of still greater magnitude, which is the prime cause of our present financial difficulties, and of all the financial difficulties.

we from time to time experience—namely, *the dollar of debt, created without value and placed in the currency, creates an obligation, or is of itself an obligation, that never can be paid.* If the bank should lend gold to its customer, it would be one thing—*value*—and there would be *value* in the hands of the customer to repay it. Nothing would be added to the currency thereby; no depreciation of the value of money and consequent rise of prices would result therefrom. But the bank lends quite another thing—it lends *debt* and no *value*. Nothing goes into the hands of the customer, or the community, to repay it. It is the difference between something and nothing—between value and no value; and yet this thing of no value becomes currency, in addition to the currency existing before, and necessarily adds itself to the prices of all things—labor and commodities. In other words, it depreciates the value of money for its whole amount.

Suppose the volume of the currency to be doubled in this manner, then a commodity that sold before for \$5, and probably for cash, would rise to \$10; and as this artificial money is obtained only by creating a debt in exchange, the commodity will almost certainly be sold on credit, for the debt banking system must be supported by debt, of course. The reciprocal debt of the people and the bank becomes \$10, which was only \$5, or nothing before. Probably the article will be sold three times over on credit, at the average price of \$10, creating \$30 of debt. When the liabilities of the banks return upon them in a demand for coin, they demand the same sum from their debtors; they demand a *value* which never existed; one-half the sum was mere *price*—it cannot be paid. The banks attempt to collect \$10, five of which they never loaned and never possessed. The people possess nothing for it but the debt of the banks, and the banks possess nothing for it but the debt of the people. It is a reciprocal demand for coin that is nowhere, or for an equivalent value that is nowhere—that never existed. It is reciprocal destruction—the fight of the Kilkenny cats. Payment is impossible, and the \$5 of artificial currency thus created, inevitably creates in this transaction \$15 of bankruptcy.

I am making a very moderate assumption in this illustration, for the capital of the bank is not *value*. It consists mainly of credits checked out of other banks, continued in an endless chain of debt, and when the demand comes for coin, it is not merely dollar for dollar they call back, but frequently five for one, depending upon the extent of their expansion. Moreover, the removal of a commodity between the producer and consumer probably averages five, all of which, by this system, must be made on credit; but the number and extent of these credits, whether longer or shorter, obviously depend upon the expansion or contraction of the bank loans. If five, then every bank contraction compels the settlement of five times its amount in bankruptcy. There are three most important points or doctrines, herein presented, to which I ask the especial attention of the reader:—

1. Interest must be dear, and debt plenty, when and where the currency is extended and cheap.

2. Every dollar of currency created without value, costs the nation its whole sum in standard gold, and restricts the business of the country. Europe adds her supply to the stream of the precious metals, flowing to the eastern nations from this country, upon the same unprofitable terms.

3. The dollar of bank money creates an obligation that never can be paid and repeats the defalcations for every obligation based upon it. History and experience demonstrate this fact in every bank contraction, great or small.

These may be my discoveries. I do not find them mentioned in the writings of the economists, but to my mind they are self-evident truth.

Such are the evils of our system of banking, resting as it does upon the competition of more than 1,400 banks, whose profit and whose existence depend upon the abnormal principle of making interest on their debt payable, and degrading the currency. Who would not issue "bills payable," without limit, if he could be permitted by law to charge interest thereon, and how is such a power to be restrained?

A great fact, like the general bankruptcy now prevailing in the commercial world, does not spring suddenly into existence by accident. Like every other fact of human history it has its primal element, or ultimate atom. That element or atom is the dollar of debt added to the natural volume of the currency, and all remedies for the financial evils, of such frequent occurrence in this country, must be directed to the removal of this destructive principle.

I think it would not be difficult to establish in New York the legitimate system of *banking with coin*, if the Legislature of the State would modify the usury law in favor of institutions conducted upon that principle, so as to permit them to borrow and lend money, and nothing else, without restriction as to the rate of interest. But the restraint upon their loans must apply to their credits as well as their circulation. The credits to lenders would be payable at stipulated dates; the credits to borrowers must not be loaned for a dollar or a moment. They would be merely the safe keeping of coin, liable to be drawn out at any moment.

But to facilitate this system of banking, I think a law of Congress is necessary authorizing the deposit of coin in the Sub-Treasury, and issues of certificates for the same, of the denomination of \$20, and upwards. A paper currency being necessary, it should be so much superior to any other as to have the preference in circulation. It should be free from doubt and subject to no evasion. Small payments for remittances would be necessary, for which coin would not be convenient, such as subscriptions to newspapers, etc. These could be paid in coin to the postmasters, who should be authorized to draw for the amount on the Sub-Treasurer in the city, to order. The national government can well afford to be put to some charges, and ought to take every available measure to relieve the country from the present system of banking with debt, which is continually piling debt upon the people and spreading bankruptcy and wretchedness over the land.

With these measures on the part of the State and the United States, I do not see why a currency of *money* might not be established in New York, and if there, its adoption by every other State would, I think, be a necessity—for the exchanges would be so constantly and so largely in favour of New York, that she would invariably take the coin for every convertible note or credit issued in the other States without value. It would be necessary to place this system under the supervision of a strong board of currency, for the whole State to enforce the law.

I am clearly of opinion that when, if ever, New York shall establish a specie currency, with no invasions, the present ruinous system of banking upon debt will be at an end in this country forever.

C. H. C.

JOURNAL OF MERCANTILE LAW.

THE LAW AS TO LANDS IN THE TOWNSHIPS OF LOWER CANADA.

The laws regulating the possession and sale of lands in Lower Canada are very imperfectly understood by the English speaking portion of the community, and the following article from the *Montreal Gazette*, which throws much light on this subject, cannot fail to be useful:—

We think it probable that many are not aware that we have been governed by two systems of laws, as regards lands in Lower Canada—yet such is undoubtedly the fact. Township lands have been governed by very different rules from the rest of Lower Canada. It has been well understood that the great body of our laws has come from France, and that a very different system obtains in the Eastern section of the Province from what obtains in the Western. But it is not so well understood that we have been in Lower Canada interested in another system of laws with respect to our Township lands. Yet this is a matter deeply interesting, not merely to lawyers, but it also comes home to all having an interest in these lands. It is not a speculative difference either. It touches our pockets. Whether for example, the eldest son should take the lands by right of primogeniture, as in England, or whether they should be divided among all the children, share and share alike, as under the system which we have from France; whether a woman should have a claim by law, on the death of her husband, in the lands of which he was seized during the marriage, to hold the third part during her natural life, as the law of Dower is in England;—or whether her claim by law was the life enjoyment of one-half of the lands of which her husband was proprietor at the time of the marriage, as is the rule of our French law, where its provisions are not excluded by an ante-nuptial contract;—whether again there was a community of property by law, in the lands acquired during the marriage, so that at the dissolution of the marriage the wife was proprietor of one half, as according to our French law, or whether such lands were by law the exclusive property of the husband, to be disposed of as he thought fit at his death, as in England;—these are some of the questions in which the proprietors of Township lands in Lower Canada have been interested, where the rights of husband and wife have not been otherwise regulated by the provisions of a marriage contract.

Among our lawyers the question, as to the law regulating Township lands, has been perhaps as much debated as any question which has occupied our Courts of law. Until lately, too, it has threatened as fruitful a field of litigation for our families as any which could be conceived. The discussion of the question goes as far back as the Conquest of Canada from France in 1759. One party have contended that the change of domination then introduced the whole body of the English laws, and that the French laws were only restored to the people by the British Act of 1774, as regards civil rights, leaving the English criminal law untouched as it was introduced by the Conquest; and further, that the re-introduction of the French laws only bore upon the

Seigniorial lands and those held *en roture*; and that the lands which the British Crown afterwards granted in free and common soccage, in which are to be comprehended the Township lands, were to be regulated by the English law.

Another party has maintained that, at any rate up to 1825, the laws of Lower Canada, as regards civil rights, were all derived from France.

Our best lawyers have taken one side or the other, and it may perhaps be added, generally according to their English or French origin.

From 1825, it may be said that the English law was undoubtedly the law regulating the Township lands as regards title by inheritance—as regards dower—and as regards alienation. At that date, the British Act, 6 Geo. 4, Cap. 59, was passed for the express purpose of removing doubts and quieting titles. Yet the question was seldom fairly brought before our Courts for discussion, and, if decided there, the absence of printed reports of the decisions of the Courts, made the decisions little known beyond the parties immediately concerned.

In the year 1851, the decision by the Superior Court at Montreal, in the case of Sir James Stuart and wife *vs.* Baxter Bowman, which involved the ownership of Township lands of great value, a case quite famous among the lawyers; and the reversal of that decision in Appeal in 1853, threw much light on the question we are considering; for though the Courts did not then settle the rule of law as to Township lands in consequence of finding other grounds for the decision they came to, yet the seven different judges who sat, gave their views at great length and with elaborate care, on the question of the law of Township lands, and their views have been preserved to the profession and the country by being printed in the 2nd and 3rd volumes of the Lower Canada Reports.

Finally a case was decided in the Court of Appeals in October last, at Montreal, on an appeal from Sherbrooke. It was the case of Wilcox *v.* Wilcox, which it is to be presumed sets the question for ever at rest. The decision, if we can state it correctly, decided the following points:—

Firstly: That before the British Act, 6 Geo. 4, cap. 59, commonly called the Canada Tenures Act, became law in Lower Canada, dower of married women under the French law was claimable on township lands:—

Secondly: That by this British Act, the law of England as to dower, descent and alienation was claimable *for the future* from the time that act had force, on these lands.

The above remarks are made for the purpose of calling the attention of our readers to an Act of last Session of Parliament, originated by the Hon. G. E. Cartier, which has introduced a new rule, for the avowed object of assimilating the law of real property in the townships to the French rules of law which have prevailed through the other portions of Lower Canada. This act is numbered 20 *Victoria cap.* 45, and is entitled, *An Act for settling the laws concerning lands held in free and common soccage, in Lower Canada.*

As the Act is of immense importance to a large portion of our population, we print it in another column, to which we refer our readers.

Its purport so far as it concerns our present purpose may be shortly stated as follows:—

Firstly: By Section 4, for the future, *i. e.* from the 10th June, 1857, the laws applicable to township lands in Lower Canada, with regard to all matters whatever, shall be the same as the laws regulating all other lands not subject to Seigniorial burdens or to use the words of the act: "Lands held by the tenure of *franc aleu roturier*," excepting in so far as our legislatures have expressly altered the law.

As to married women and their representatives, this provision shall apply to them, where the husband dies after the above date, whatever be the date of the marriage, saving always rights under marriage settlements.

Secondly: as regards the past, *i. e.*, previous to the 10th June, 1857. by Section 2, where the proprietor of lands held in free and common socage, shall have died intestate as to such lands, the same rules apply with certain exceptions as follows: "Unless they shall have agreed upon or assented to or confirmed, a different disposition or partition thereof, or shall have acquiesced therein during one year and one day from the death of such proprietor, by having allowed the same or any possession or act founded thereon, to remain unquestioned by them in any competent court during that time."

This Section 2 to be binding on minors, absentees and married women, and as well on the heirs and legal representatives of, or persons claiming through the parties, as the parties themselves.

This Section also contains a proviso in favour of *bona fide* purchasers or incumbrancers, whose titles are duly registered.

Section 5 is declaratory of what the law has been, as regards township lands, prior to the 10th June, 1857, in matters other than alienation, descent, and rights depending upon marriage, and declares that the law has always been the same as that governing lands held *en franc aleu roturier*, excepting in so far as our legislatures have altered the law.

Section 3 provides among other things, that nothing in the preceding Sections shall effect pending cases, or decisions having force of *chose jugée*.

The act has another important declaratory enactment of great interest to the public, as it settles a point which has been debated since 1831. It enacts that the Lower Canada Act 9, Geo. 4, cap. 77, intitled, "An Act for rendering valid conveyances of lands and other immoveable property held in free and common socage within the Province of Lower Canada, and for other purposes therein mentioned," has been in force since the 1st September, 1841.

We would add in explanation of the Act 9, Geo. 4, cap. 77, that *as regarded the past*, *i. e.*, prior to 1st September, 1831, among other things, it declares to be valid, all sales of township lands previously made, though not in the English form; and mortgages of such lands made according to the French laws. And, *as regarded the future*, *i. e.*, after the 1st September, 1831, sales and other conveyances, &c., of such lands should be valid, whether done in the English or French form, and mortgages made in the French form, *provided* the lands mortgaged were described in the instrument creating the mortgage.

JOURNAL OF BANKING, CURRENCY & FINANCE.

Trust and Loan Company of Upper Canada.

The half-yearly meeting of this Company was held on Wednesday, 9th of December, at the office 65 Moorgate-St., to receive a report from the electors and to declare a dividend.

Mr Chapman, Deputy Chairman, presided. —

Mr. Macdonald, the Secretary, having read the notice convening the meeting, the seal of the Company was affixed to the registry of Proprietors.

The following Report was taken as read:—

The Directors beg to submit the following statement of accounts for the six months ending the 30th September, 1857. The net profits during that period amount to £8,918 19s. 1d, which, added to the sum brought forward from March, gives a balance at credit of revenue of £9,230 18s. 10d. It is recommended that out of this balance a dividend at the rate of 7½ per cent. per annum (less income tax) be declared on the paid-up capital stock of the Company, that one-half of the surplus profits over 6 per cent. per annum be put to the reserve fund in accordance with the royal charter of incorporation, and that £250 be carried to the redemption of preliminary expenses. There will then remain the sum of £145 9s. 3d., to the credit of the next half-year's accounts, and £14,802 16s. 2d. to the credit of the reserve fund. The Shareholders are fully aware of the extraordinary pressure which has weighed upon the money market during the last few months, rendering any extension of the Company's business impossible. The disastrous panic in the United States has naturally affected a mercantile community so closely connected with them as that in Canada, but the Directors have the satisfaction of expressing their conviction that, although suffering from a temporary depression, the material interests of that Province rest upon a solid foundation. By desire of the Directors, Mr. Macdonald proceeded to Canada in the month of September last, and the result of his visit has been to confirm, in the strongest possible manner, their confidence in the value and security of the Company's investments in both sections of the Province, and they may add that an easy money market in England is alone required to enable them to extend operations with safety and advantage. As the current rate of interest prevents money being borrowed at a lower rate than that paid to the Shareholders as dividend, the Directors have decided on making the call of £2 per share now remaining unpaid on the new shares, notice of which is enclosed with this report.

The following is the Report of M. Saward, Auditor, and J. Anderson, Acting Auditor:—We have examined the above account, and compared it with the vouchers, and certify the same to be correct. We have also had the securities held in Canada verified by certificate in the usual way.

Trustees—Thomas Baring, Esq., M.P., Geo. Carr Glyn, Esq., M.P.

Directors—Sir Randolph I. Routh, K.C.B., President; William Chapman Esq., Deputy Chairman; James Hutchinson, Esq., Charles Morrison, Esq., William Gordon Thomson, Esq., Matthew Uzielli, Esq., T. M. Weguelin, Esq., M.P.

Secretary—T. Macdonald, Esq.

Bankers—Messrs. Glyn, Mills & Co.

Abstract of Expenses during the half-year ending 30th September, 1857, referred to in Revenue Account.

	CANADA.								
	Montreal.			Kingston.			London.		
	Currency.			Currency.			Sterling.		
	£	s.	d.	£	s.	d.	£	s.	d.
President and Directors in London, and Commissioners in Canada.....	365	0	0	630	19	2	600	0	0
Secretary, Auditors, Agents, and Office Salaries.....	148	10	0	420	12	6	422	10	0
Advertising, Printing, Stationery,....	29	7	5	49	7	3	50	15	2
Rent.....	45	0	0	50	0	0	100	0	0
Office Furniture.....	4	8	0	6	15	0			
Travelling Expenses.....	5	11	3	33	2	3	75	0	0
Petty charges.....	62	1	5	31	8	1	99	0	0
	659	18	1	1042	4	3	1347	5	10

RECAPITULATION.

	Sterling		
	£	s.	d.
Expended in London.....	1,347	5	10
“ in Canada,—at Kingston, £1,042 4s. 3d. Cy.; at Montreal, £659 18s. 1d.; total, £1,792 2s. 4d., equal to, at 9½ per cent. premium.....	1,399	0	3
Total.....	£2,746	6	1

Statement of the Accounts for the half-year ending 30th September, 1857.

DR.

Expenses in London and Canada, as per abstract.....	2,746	6	1
Interest paid to Bondholders and Shareholders.....	8,520	3	7
Bond Stamps and expenses of issue.....	116	11	8
Total disbursement.....	11,383	1	4
Interest due in Canada account.....	680	9	9
Canada 5 per cent. debentures account.....	68	5	0
Balance carried down, being the net profits for the half-year.....	8,918	19	1
	£21,050	15	2

CR.

Interest received in London.....	682	12	9
Registration fees.....	4	5	0
Interest received in Canada, £24,766 0s. 10d. Cy., equal to 9½ per cent. premium.....	20,363	17	5
	£21,050	15	2

Balance brought down		8,918	19	1
“ at credit, March 31, 1857	9,845	1	7	
Less dividend and income tax, paid in June, £7,500; amount carried to Reserve Fund, £1,783 1s. 10d. “ “ preliminary expense account, £250				
	9,582	1	10	
				341 19 9
Balance September 30		£9,230	18	10

Balance Sheet.

DR.

Shareholders' Capital, viz.:—

£5 per share on 25,000 shares	£125,000			
£3 per share on 25,000 shares	75,000			
Paid in anticipation of calls	14,362			
		214,362	0	0
Loans on debentures		315,375	0	0
Loan account		21,000	0	0
Income tax account		2,517	1	4
Sundry creditors in Canada, £1,893 10s. 1d. Cy., equal to 9½ per cent. premium		1,556	6	1
Reserve Fund account		13,468	6	8
Exchange account		1,241	17	11
Revenue account		9,230	18	1
Suspense account, £1,200 10s. Cy., equal to, at 9½ per cent. prem.		986	14	3
		£579,738	5	1

CR.

Cash—

At Bankers' in London	1,597	15	4	
Petty Cash		13	14	3
“ in Canada £6 14s. 7d. Cy., equal to, at 9½ per cent. premium		5	10	6
Bankers' in Canada, £6,442 19s. 7d. Cy., equal to, at 9½ per cent. premium	5,292	12	0	
				6,912 12 1
Investments—				
In London	20,880	0	0	
In Canada, mortgages, Cy., £549,056 5s. 3d.; Mon- treal Fire Loan, £86,932 4s. 9d.; Municipal debentures, £21,485 9s. 9d.; total, £657,473 19s. 9d., equal to, at 9½ per cent. premium	540,388	11	6	
				561,269 11 6
Sundry debtors in Canada, £6,857 19s. 9s. Cy., equal to, at 9½ per cent. premium		5,636	14	0
Ditto in London		65	8	9
Preliminary expense account		5,853	18	9
		£579,738	5	1

J. H. BRAUND, *Accountant.*

M. SAWARD, *Auditor.*

J. ANDERSON, *Acting Auditor.*

N. B.—Under a clause of the Royal Charter of Incorporation, one-half

of the profits exceeding a dividend of 6 per cent. per annum, must be, and is, carried to a sinking fund for the redemption of the capital of the Company.

The Chairman, in moving the adoption of the Report, expressed the great satisfaction he felt in being enabled to recommend to them, notwithstanding the adverse circumstances which prevailed for some time, the same dividend as was declared in July last, at the rate of $7\frac{1}{2}$ per cent. per annum. He need not advert to the various difficulties that had prevailed in the world since the last meeting. Looking at the astonishing reports of the disasters in the United States, it might be supposed that they extended to Canada, but he was glad to say that such was not the case. It was doubly gratifying that nothing had occurred to shake the value of the property, or any of the investments of the Company. Their Secretary had recently visited Canada and the agents of the Company with a view to test the working of their system. He had had also the advantage of personal observation and examining as to the value of the securities held by the Company, and it was doubly gratifying to the Directors that the result of Mr. Macdonald's inspection and inquiries confirmed the safe position of the Company and the perfect security of their investments; and nothing but time was required to bring things round into a favourable position, so as to enable the Company to realize the great object they had in view—large profits. After they had heard Mr. Macdonald, he (the Chairman) would be ready to answer any question that might be deemed requisite. (Hear, hear.)

MR. MACDONALD'S DESCRIPTION OF CANADA.

Mr. Macdonald then entered into a very lucid and minute statement, giving an account of his visits to the various places in Upper and Lower Canada where the property was situated upon which the Company had lent their money. He left England early in September last, and before the end of that month reached Upper Canada. He first proceeded to Montreal, thence to Quebec, and from that city through Canada West to Detroit on the River or Lake St. Clair, the extreme boundary of the Province in that direction. In Canada East, he found more real wealth than he expected, and a people mainly of French origin, possessing the habits of care and frugality which distinguish that race. They exhibited a great difference in their habits and manners to the Anglo-Saxon race, who had principally settled in Canada West. In Montreal he was surprised at the appearance it presented. The old town was nearly replaced by new streets and buildings that would vie with Regent-Street. He found they had lent large sums of money on those buildings, but the sum lent formed but a small proportion of the cost of those buildings—sums of £500 and £600 were lent on buildings that had cost £4,000 or £5,000. The loans were for the purpose of enabling the houses to be finished. Nothing could be safer than their loans in Montreal. Their investments in Canada East were perfectly safe and satisfactory. From Montreal he proceeded by the Grand Trunk Railway to Kingston, and thence at once to the West. At places around Niagara they had some loans, and on arriving at St. Catharines, near the Falls, he did not know that he had ever seen so beautiful an agricultural district. It was certainly the finest he ever saw—it was a most beautiful country. He found that their money was lent

on very valuable properties, and he could scarcely understand how it was that so much ease and apparent affluence existed. From St. Catherine's he went on the Great Western Railway to Brantford, and also examined their securities there. They had lent money when the prices were low, and he could not find that any of their loans or buildings had been too large—on the contrary, a large margin was preserved. They had a road case in hand there which involved some litigation, but he had no doubt they would soon get it settled. From Brantford he proceeded to London, which was situated half-way on the line or about the centre of the Great Western Railway. It was the centre of the richest agricultural district in Canada. The prices of Canada produce had ruled high for some time past, the crops had been large, the farmers had made large purchases of goods, some useful and some useless, and thus locked up a quantity of money. London being so attractive, new traders opened business there, when prices were at the highest, competition ensued, and the usual results followed. He had seen the managers of the banks there, and after what he had seen and heard he had come to the conclusion that the depreciation of things in London would be of the greatest value to the country; the prices of everything had been run up to a preposterous amount. When he told them that the purchase of ground for a certain shop in one of the streets, about 28 or 30 feet frontage, was at the rate of £7 a foot, they would see how much the value of land in towns was run up. The agricultural interests were sound as possible, and if the farmers had bought too much land, the difficulties would gradually disappear; at the same time the Company had no reason to complain, for of the interest due to them on the 1st October, more than the half of it was paid before the 30th of that month. In fact, they had never paid them better before. He then went to Detroit, which was on one side of the River St. Clair, with Windsor on the other, united by a ferry. He thought it likely that a Railway would be made to the South of the Great Western Railway, over ground which the Great Western should have occupied. There were thousands of acres of rich land in that district and an immense field for this Company's operations. The city of Hamilton was one of the prettiest he had ever seen, the hills in its vicinity were covered with beautiful country-houses. They had large and good loans in Hamilton. The city had risen from almost nothing—twenty years ago—to a very considerable place, which showed the immense progress that had been made. They had something like £25,000 lent there, and they had no difficulty with it whatever, with the exception of one bond of the corporation, but that would no doubt be arranged. In the vicinity of Hamilton they had some loans which were all well secured. Toronto was the seat of Government, and a place of some importance; they had £10,000 there and in its neighbourhood. When money became easier they would be able to open up a large field for their operations in Toronto. In Belleville the same appearance of ease which he had seen in other places prevailed. Houses were in course of erection with white marble fronts, beautifully executed, as if the people did not know what to do with their money. From Belleville he went to Montreal, and then returned to the United States. He was compelled to tell the Board, as the result of his visits and investigations, that no security could be better than what they possessed; he was, in fact, perfectly delighted with their investments,—nothing could be more secure.

The Chairman said he hoped the explanation given by Mr. Macdonald was satisfactory. With regard to the call of £2 per share upon the new issue of shares, stated in their report, they would perceive that it was a matter of expediency with them to raise the money.

A Shareholder thought that some explanation was due, with respect to the call of £2 per share; he believed that it would raise about £36,000, of which he believed £14,000 had been paid in anticipation. It would not do to raise money to lend at the present rate of interest, but he supposed the object was to pay off the debentures coming due in this country.

The Chairman said, in answer, that the £36,000 was required, partly, for paying off debentures, but, at the same time, the Honourable Proprietor must see that it would not be altogether right to stop all operations because of the present high rate of interest. Temporary loans were very different to loans for four or five years. They had, for the present confined themselves to temporary loans. It was evidently better to raise money on their shares than to sustain a positive loss by borrowing money at the present rate. It would not do to pay 10 per cent. at any time. They had paid at the rate of 6 per cent. per annum for the last borrowed money.

After some observations with respect to the working expenses,

Mr. Macdonald remarked that it was impossible to over rate the advantages of Lower Canada for their operations.

Mr. Unwin thought the renewal of loans very good for the Solicitors, but no advantage to the Company.

The Chairman stated that when their profits increased the expenses would not increase in any thing like that proportion.

The report was then unanimously adopted, and a dividend at the rate of $7\frac{1}{2}$ per cent. per annum was declared for the half-year ending the 30th of September.

A vote of thanks was then passed to the Chairman and Directors for their able management, and to Mr. Macdonald (the Secretary) for his very clear and satisfactory statement in respect to their affairs in Canada.

The meeting then separated.

Business of Canadian Banks in 1857.

City Bank, Montreal and Branches.

	Capital.	Circulation.	Deposits.	Specie.	Gt. Securities.	Discounts.
	\$	\$	\$	\$	\$	\$
January.....	1,131,816	873,408	645,062	184,043	176,438	2,381,240
February.....	1,134,172	818,442	603,367	208,048	176,438	2,347,637
March.....	1,134,720	783,478	577,587	221,205	176,438	2,306,131
April.....	1,135,128	733,047	599,712	206,531	176,438	2,281,059
May.....	1,135,224	657,704	728,077	178,082	176,438	2,221,422
June.....	1,152,609	703,381	648,163	201,128	176,438	2,142,676
July.....	1,158,976	695,761	628,308	195,913	176,238	2,181,798
August.....	1,169,968	689,043	630,288	201,469	176,438	2,247,735
September...	1,171,272	690,505	600,065	178,662	176,438	2,202,218
October.....	1,171,272	629,098	471,948	155,475	210,438	2,130,567
November...	1,171,808	547,469	559,189	191,990	206,438	2,047,901
December...	1,177,280	509,532	483,869	178,143	206,438	1,961,781

Bank of Montreal.

1857.	Capital.	Circulation.	Deposits.	Specie.	G. Securities.	Discounts.
	\$	\$	\$	\$	\$	\$
Jan...	5,481,720	3,824,844	3,144,589	852,740	562,800	11,266,160
Feb...	5,494,080	3,645,338	2,889,441	755,181	562,800	11,254,443
March	5,502,600	3,483,645	2,762,404	746,787	662,800	11,087,113
April.	5,509,740	3,276,970	2,686,581	792,248	562,800	10,364,703
May...	5,522,900	3,163,616	2,853,974	748,372	562,800	10,312,217
June..	5,651,380	3,234,324	2,941,846	767,816	562,800	10,536,447
July..	5,665,620	3,120,942	2,761,268	797,916	562,800	10,241,532
Aug..	5,665,980	3,060,267	2,767,018	796,255	566,800	10,077,110
Sept..	5,666,960	3,291,395	2,739,834	787,767	566,800	10,437,006
Oct...	5,671,840	3,228,534	2,331,529	884,491	566,800	10,375,951
Nov..	5,673,320	2,900,991	2,256,512	807,705	566,800	9,953,164
Dec...	5,738,720	2,561,755	1,682,144	819,963	566,800	9,403,614

Bank of Upper Canada.

1857	Capital.	Circulation.	Deposit.	Specie.	Gt. Securities.	Discounts
	\$	\$	\$	\$	\$	\$
Jan...	2,898,470	3,171,803	1,721,243	318,377	769,646	7,294,873
Feb...	2,910,895	3,069,734	1,251,702	324,866	771,213	7,412,679
March	2,924,230	3,055,278	1,504,479	311,158	754,663	7,633,225
April.	2,934,960	2,995,606	1,435,437	299,048	741,713	7,727,237
May...	3,035,195	2,880,510	1,912,574	323,051	620,032	7,613,950
June..	3,047,210	2,847,011	2,708,286	438,393	248,935	7,679,201
July...	3,075,285	2,842,568	1,888,711	432,117	273,651	7,314,961
Aug...	3,094,390	2,765,783	1,875,791	442,172	273,301	7,378,710
Sept...	3,103,280	2,863,086	2,565,404	371,129	314,267	7,705,746
Oct...	3,104,550	2,679,207	2,401,803	276,019	333,851	7,542,377
Nov..	3,104,550	2,780,888	2,581,185	406,254	331,880	7,288,784
Dec...	3,108,070	2,542,799	2,640,381	434,202	341,497	7,455,321

Commercial Bank.

1857.	Capital.	Circulation.	Deposits.	Specie.	Gt. Securities.	Discounts.
	\$	\$	\$	\$	\$	\$
Jan...	3,079,820	1,743,336	1,586,298	533,178	365,000	5,836,484
Feb...	3,178,220	1,583,241	1,669,420	529,103	365,000	5,888,210
March	3,267,820	1,440,062	1,533,306	396,283	365,000	5,879,695
April.	3,298,480	1,323,888	1,418,008	490,534	365,000	5,688,926
May...	3,328,480	1,240,308	1,497,726	501,884	365,000	5,557,363
June.	3,492,980	1,215,679	1,608,692	418,852	365,000	5,369,998
July..	3,515,460	1,243,998	1,413,100	409,591	365,000	5,592,754
Aug..	3,561,220	1,430,140	1,332,768	420,025	365,000	5,963,516
Sept...	3,611,820	1,623,691	1,176,216	341,006	365,000	6,213,560
Oct...	3,747,320	1,504,037	1,337,137	349,815	374,000	6,219,033
Nov...	3,748,820	1,435,672	1,254,996	481,592	388,600	6,011,287
Dec...	3,748,820	1,328,443	1,391,443	345,127	399,200	6,041,938

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	\$ 991,730	\$ 528,846	\$ 36,037 65	\$ 312,202 66	\$131,748 71
City Bank of Montreal . . .	1,200,000	1,177,280	509,532	141,614 46	288,474 58	195,395 34
Bank of Montreal	6,000,000	5,737,720	2,561,765	153,001 37	1,264,837 58	517,307 12
Commercial Bank	4,000,000	3,748,820	1,328,443	146,126 10	876,440 55	515,003 03
Bank of Upper Canada	4,000,000	3,108,079	2,542,799	364,855 44	2,447,018 96	193,363 45
Banque du Peuple	1,200,000	921,605	322,090	62,694 35	206,283 73	232,483 02
Molson's Bank	1,000,000	736,963	306,903	12,491 87	192,639 12	34,438 43
Zimmerman Bank						
Niagara District Bank	1,000,000	229,051	18,764	18,324 66	62,170 80	16,371 01
Bank of Toronto	2,000,000	412,175	368,587	10,410 12	40,026 52	120,079 58
Ontario Bank	1,000,000	175,914	109,504	1,028 98	25,750 63	
Total						

January, 1858.

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

ASSETS.

NAME OF BANK.	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 . .	478,933 33	.....	.....	.....	.....
(b) Zimmerman Bank . . . . .	.....	.....	.....	.....	.....
(c) Niagara District Bank	51,666 00	.....	.....	.....	.....
Provincial Bank	120,000 00	1,600 00	5,950 97	.....	33,699 45
Bank of the County of Elgin . . .	100,000 00	.....	1,328 00	5,340 26	84,901 22
Total					

(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, 1858.

FOR THE MONTH OF DECEMBER, 1857.

Total Liabilities.	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.	Total Assets.	
\$1,037,830 22	\$148,847 41	\$ 14,000 00	\$20,000 00	\$24,452 53	109,772 13	\$ 1,901,115 61	\$2,118,187 68	
1,133,016 37	178,143 47	34,000 00	206,438 35	86,218 45	66,459 52	1,961,781 03	2,533,040 82	
4,898,901 07	819,963 07	310,501 10	566,800 00	236,724 71	325,934 45	9,403,614 30	11,663,537 63	
2,898,012 67	345,127 15	181,462 12	399,200 00	84,464 70	200,929 28	6,041,938 89	7,233,122 14	
6,544,086 85	434,202 85	170,373 29	341,497 74	190,059 00	63,447 85	7,456,321 84	9,240,902 57	
823,431 10	104,793 02	55,952 17	101,542 05	29,990 18	6,380 21	1,637,749 47	1,936,613 70	
846,555 41	104,879 70	19,775 67	200,000 00	21,923 50	21,128 72	955,561 05	1,323,268 64	
275,631 01	35,137 38	1,826 33	80,865 99	7,531 00	28,585 02	408,369 13	565,297 85	
529,103 23	107,057 93	.....	102,400 00	18,895 75	48,978 43	712,111 15	989,443 29
138,284 41	16,180 29	2,387 13	17,600 00	8,478 76	17,470 91	249,571 90	311,666 99	

JOHN LANGTON, AUDITOR.

Banking Act, to 31st Dec., 1857, (13th & 14th Vic., Cap. 21, &c., &c., &c.)

			LIABILITIES.				
Debts due by Individuals.	Specie in Vaults.	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	199,319 00	.....	.....	.....	199,319 00
.....	.....	61,666 00	36,466 00	.....	.....	.....	36,466 00
74,431 41	7,993 17	243,085 00	117,485 00	5,600 00	.....	.....	123,085 00
3,563 42	12,111 29	207,243 10	47,690 00	39,863 93	15,416 00	1,310 00	104,278 93

JOHN LANGTON.
AUDITOR.

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	31,173,693	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

* In former numbers the October returns gave the deposits at \$8,142,254. On examining the figures we found an error in the Canada Gazette of \$2,000,000, the figure 2 in the line of deposits having been omitted in the Bank of Upper Canada Return.

Interest Paid on the Public Debt of Canada since 1842.

COMPILED FROM LOVELL'S CANADA DIRECTORY.

1842.....	£ 79,644	8 1	1849.....	£182,727	19 11
1843.....	96,354	19 2	1850.....	202,130	12 5
1844.....	123,641	12 8	1851.....	225,350	3 11
1845.....	143,723	7 0	1852.....	215,442	14 3
1846.....	147,951	16 5	1853.....	227,383	15 1
1847.....	151,145	8 3	1854.....	226,131	18 7
1848.....	169,187	10 6	1855.....	219,470	12 11
			1856.....	225,223	15 7
	£913,659	2 1	Total in 15 years,	£2,637,520	14 9

ACTS RELATING TO SAVINGS BANKS.

The following Act now in force in the State of New York, is deserving of consideration in Canada, where few of our Savings Banks make any returns to Government, or any statement of their affairs to their depositors:

SEC. 1. The several Savings Banks or institutions for savings now incorporated, or which may hereafter be incorporated, shall, on or before the twenty-fifth day of January, and on or before the twenty-fifth day of July, in each year, make a report in writing to the Superintendent of the Bank Department, of the condition of such Savings Banks or institutions for savings, on the first days of January and July; which report shall be verified by the oath of the two principal officers thereof; and shall state therein the total amount due to depositors; the total amount of assets of every kind; the principal sum of each and every bond and mortgage, with the estimated value of the property on which it is based; the amount invested in stock, designating each particular kind of stock, and the estimated market value of the same; the amount loaned upon the security of stock, with a description of all stocks so held; the amount, if any, loaned on personal securities; the amount invested in real estate; the amount of cash on hand, or on deposit in bank, with the names of the banks where de-

posited, and the amount placed in each; and the amount loaned or deposited in any other manner than herein described. The report of January in each year, shall, in addition, also state the number of open accounts; the amount deposited, and the amount withdrawn: also, the amount of interest received and the amount placed to the credit of depositors during the year preceding; and the date of such report. Any willful false swearing in respect to such reports, shall be deemed perjury, and subject to the punishments prescribed by law for that offence. And if any savings bank or institution for savings, shall fail to furnish to the Superintendent of the Banking Department, its report at the times herein stated, it shall forfeit the sum of one hundred dollars per day for every day such report shall be so delayed; and the said superintendent may maintain an action in his name of office to recover such penalty, and when collected, the same shall be paid into the Treasury of the State.

SEC. 2. It shall be the duty of the Superintendent of the Bank Department, on or before the twentieth day of February in each year, to communicate to the Legislature a statement of the condition of every savings bank and institution for savings from which reports have been received for the preceding year; and to suggest any amendments in the laws relative to savings banks or institutions for savings, which in his judgment may be necessary or proper to increase the security of depositors.

SEC. 3. Whenever any savings bank or institution for savings shall fail to make a report in compliance with this act, or whenever the Superintendent of the Banking Department shall have reason to believe that any savings bank or institution for savings is loaning or investing money in violation of its charter or of law, or conducting business in an unsafe manner, it shall be his duty, either in person, or by one or more competent persons by him appointed to examine their affairs; and whenever it shall appear to the Superintendent, from such examination, that any savings bank or institution for savings has been guilty of a violation of its charter or of law, he shall communicate the fact to the Attorney-General, whose duty it shall then become to institute such proceedings against said savings bank or institution for savings, as are now authorized in the case of insolvent corporations. The expense of any such examination shall be paid by the savings bank or institution for savings so examined, in such amount as the Superintendent of the Banking Department shall certify to be just and reasonable.

NEW YORK BANK CLEARING HOUSE.

The *United States Insurance Gazette* contains an account of the operations of the New York Bank Clearing House, from which we extract the following interesting particulars:—

“The expenses of the Clearing House, not including the expense of printing for the several banks, which is apportioned equally, is borne and paid by the several banks belonging to the association, according to their respective capitals, as follows:—

Banks having capitals of less than \$500,000 pay \$100 each annually; banks having capitals of less than \$1,000,000, and not less than \$500,000

pay \$200 each, annually; banks having capitals of \$1,000,000 and over, pay \$300 each, annually; and in the same proportion if more funds become necessary.

About five minutes to ten o'clock every morning, except on Sunday, the porters of the various banks may be seen hurrying into the Clearing House, No. 82 Broadway, on the second floor. Within a hollow square nearly filling a room about twenty-five by one hundred feet, stalls are arranged for the representatives of all the banks in the city, who are accessible over their respective counters from the passage way around the outside of the room. Precisely at ten o'clock the manager, Mr. Lyman, in a clear, business-like voice, and with a gentle tap of a wooden mallet, requests "Order, gentlemen." The previous noise and confusion having instantaneously subsided, he in the same peremptory tone, ejaculates "Take your places." Each bank representative seats himself at his stall, and with a tap of the bell, the process of "making exchanges" commences. Each porter has brought with him in a valise, or box, or drawer, the packages of notes and checks of various banks taken by his bank on the previous day, all neatly done and marked in separate parcels. He also has a list of the amount of these sums on the several banks, and as he passes each stall, he throws down the package, and the clerk or representative of the bank signs a receipt on the list. Thus all the porters move completely around the room, making their exchanges with all the banks in their circuit and receiving receipts for the packages delivered. The whole operation occupies about seven minutes, and thus on an average twenty-five millions of dollars daily change hands in less time than a woman would discuss the price of a yard of tape. The porters then carry off to their respective banks the exchanges which have been respectively received from the other banks, and the clerks proceed to strike their balances. They add up the amounts brought and received, and if the former are more than the latter, the bank becomes a creditor of the Clearing House. If the amount received is greater than the amount brought, the Clearing House becomes a creditor of the bank for the balance. The statements of all the clerks are then handed in to the assistant manager of the Clearing House, whose duty it is to see that they are all right. The "balances" of the banks are then charged, not to each other, but to the Clearing House. The clerks must have their checks or statements ready by half-past one. At half-past twelve p. m., the day's business being "proved," the debtor banks, or those whose receipts have been more than their payments on account of "exchanges," commence to pay their differences to the manager of the Clearing House, and must, under the penalty of fine, be all finished by half-past one o'clock. The credit banks, or those whose exchanges have been in their favor, then commence at half-past one o'clock to receive their differences in rotation, occupying about half an hour. Thus, instead of chasing one another about the city all day, the banks that owe the others, simply pay the Clearing House, and the others go to the Clearing House and get it. Though the payments of the Clearing House are nominally in specie, there is, as will be seen by the Constitution, Art. 16, a simplification by which the carrying about of ponderous bags of coin, is avoided. The Bank of America is now the "depository" of the other banks, and certificates issued by it representing the coin on special deposit are received and paid as specie at the Clearing House.

Promptness and accuracy being the soul of this business, all banks not in their stalls by ten o'clock precisely, are fined \$2 for the benefit of the general fund. If a clerk makes an error he is fined \$1. If he does not discover the error in half an hour, the fine doubles, and if not in an hour, the fine quadruples.

The immense amount of business transacted in a short period of time may be faintly comprehended from the fact that the exchanges generally range from fifteen to forty millions of dollars daily, and the balances, all of which have to be counted twice in the Clearing House, range about a million dollars daily.

The following table shows the operation of the Clearing House for the four years of its existence:—

EXCHANGES FOR THE FISCAL YEAR ENDING

October 11, 1854,	\$5,750,455,987 06
October 1, 1855,	5,407,912,098 38
October 1, 1856,	6,906,213,328 38
October 1, 1857,	8,333,226,718 06
Total,	<u>\$26,397,808,131 88</u>

BALANCES FOR THE FISCAL YEAR ENDING

October 11, 1854,	\$297,411,493 69
October 1, 1855,	289,694,733 14
October 1, 1856,	371,714,489 33
October 1, 1857,	365,313,901 69
Total,	<u>\$1,132,134,617 85"</u>

Could not the Clearing House system be introduced with advantage into mercantile transactions? Millions of dollars of outstanding accounts might be liquidated in this way without the use of a single dollar.—Ed. C. M. M.

Liabilities of Express Companies—Important Decision.

An important decision as to the liabilities of Express Companies has just been rendered. The circumstances are as follows:—The American Express Company having been entrusted by Messrs. Marshall and Ilsley, of Milwaukee, with \$7,500, to deliver to the State Bank in Madison, Wisconsin, made a tender of the money after banking hours, and the Bank refused to receive it. During the night the express safe was robbed of its contents, including the \$7,500. Suit was brought by Marshall and Ilsley to recover the money of the Express Company, who claimed that having once made a tender of the money, they were no longer responsible for it as common carriers, and that they kept it over night as a mere matter to plaintiffs. In this view the jury coincided and returned a verdict for the Express Company.

An Important Financial Movement.

In the New York Legislature, on Friday, Hon. J. Jones, introduced without opposition a preamble and resolution, which met the warmest approbation of the House, instructing their Senators and requesting Representatives in Congress to endeavour to procure the passage of a general law of the United States, making equal and just provisions for the protection of creditors, the relief of insolvent debtors, and to regulate commercial intercourse between the citizens of the different States. The resolution represents that the business of the country has been in a great measure broken up by the financial revolution, thereby producing an immense amount of private suffering, mortification and bankruptcy, and that no immediate or permanent relief can be expected, except in the manner above indicated.

Financial Prospects in the United States.

The financial condition of the United States appears to be slowly, but steadily improving. We find the following remarks on this subject in Lawrence & Co's Bank note list of Saturday last:—

The week closed with little of activity among the merchants. The spring trade has scarcely yet begun, and it is hardly possible to foresee or predicate the results of this season's business. We hear it generally remarked that the Southern trade will be very fair, and that a good demand may be anticipated for domestic and staple goods; also, that should the foreign imports be moderate their will be scarcely goods enough on hand to meet the wants of the entire country. We apprehend, however, that the supply of foreign merchandize will be ample enough under the most favorable circumstances that can possibly exist, and in most cases at very moderate prices. We regret to say that the shipping interest is much depressed, and vessels are lying alongside our docks and wharves, utterly useless, and a loss to their owners; we trust that this will not long continue to be the case, and hope to hear of a speedy revival of business among the ship owners of South Street and other localities. The produce in the hands of the farmers, and on hand in the Western store houses is immense — and last year's crops are annually rotting in the lands of some of the produce speculators. The farmers also are blind to their own interest or they would make every effort to find a market for their grain before the close of the present spring. Never in our history as a nation were the great elements of prosperity and national wealth more abundant than now. The Banks of New York are beginning to increase their accommodations to their customers, and their discount line shows a very marked increase. The banking capital of this city is fully equal to all demands, and all that is requisite is to begin prudently, but boldly, to facilitate the mercantile public. Cotton has an upward tendency, and will no doubt, be extensively shipped to Europe at a good profit to the Southern planters. Bills drawn against cotton shipments are quite readily negotiated, and at a fair rate of exchange. The stock market shows an advance on almost the entire list of stocks called

up and regularly sold at the Board. In good State stocks the demand for investment is such as to keep them at a high rate of premium, wherever the regular dividend is duly met, and is seven per cent per annum. We shall have an exceedingly easy money market during the summer months, and much of the capital now unemployed, will, without doubt be seeking investment at low rates of interest.

The Coins and Currency of Constantinople.

The subjoined account of the Turkish currency at Constantinople is extracted from a letter to the Department of State of the United States:—

It is quite necessary that American merchants trading at Constantinople, and also the collectors of the customs in the United States, should be informed that there is a *paper currency* in circulation at this capital, which is not allowed to circulate out of it; and that, in consequence nearly all of the specie has been driven by it into the interior of the empire. All trade is carried on here in this paper currency, and all invoices of goods are made out in it.

The value of this paper currency fluctuates very much, and its rise or fall is greatly affected by various causes; frequently by political occurrences and news. A few years ago the value of the Spanish dollar was always given in the bulletins of commerce and prices current, published here, as it was a coin then in circulation at Constantinople; but, from causes unknown to me, it is now rarely quoted, and the coin is never seen here in commerce. I am not aware that the American dollar has ever circulated, or even been known here; and its value has, certainly, never been quoted in any of the publications of this capital.

The value of various Turkish, as well as foreign coins, is published in the daily bulletins of the *Journal de Constantinople* and *La Presse*; and these fluctuate very much. Their value differs greatly in each port or city of the Ottoman Empire. At Erzroom the Turkish pound values at 150 piasters; The same at Rodosto, only forty-five miles from this place, and 145 piasters at Pendick, still nearer. At Smyrna the Turkish pound is quoted at 108 piasters. At this city the fluctuations vary, not only daily, but often several times during a day, which will be seen in the published bulletins.

In the bulletin on the 16th inst., the Turkish pounds, in exchange for Turkish paper money, is quoted at 122 25-40 piasters; whilst, on the 7th of last month, it was quoted at 118 25-40 piasters. So great was the fluctuation of the value of Turkish and foreign money here, that the journals complained of it. As aforesaid, political occurrences or reports affect very much the credit of the paper currency of the Sublime Porte, increasing the discount upon it; and consequently, the gold and silver coins in the market rise proportionally. Bankers and money brokers in this place speculate largely in these fluctuations, and are accused of creating and promoting them.

I should here take occasion to add, that as will be perceived in the bulletins, there are two distinct valuations of the Turkish and foreign specie quoted, viz.:—the one being that of "exchange," or of payments for bills

of exchange at the Bourse, and the other, that of the market value used in payment of goods and merchandise, which is always in *kaimeh*, or paper currency.

To day the Turkish pound here, is quoted at 122 25-40 piasters, and the Medjidich at 24 20 40 piasters, in exchange for the paper currency, and at 125 piasters of the Turkish pound, and at 25 piasters for the Medjidich in the purchase of good; whilst the same pound remains fixed at Smyrna at 108 piasters, and the same Medjidich at 21½ piasters. Last year, at this date, the same pound valued here at 140 piasters, and at Smyrna it remained always at 108 piasters.

Another peculiarity regarding the currency of this place may be mentioned here, showing that it offers an exception to all the other places in the empire; which is, that there is a premium at Smyrna for Constantinople, and that it varies according to the fluctuation to all the other places in the empire. Thus, on the 11th ultimo, this difference of *agio* or premium for the market of Constantinople was from 8½ to 9 per cent. and on the 15th it was at 11 a 12 per cent. Here, to-day, the discount of money on the market of Smyrna is at 16 per cent; so that it is necessary to pay here 1,000 piasters to have in Smyrna 840 piasters; whilst to-morrow, or the day following this discount may diminish or decrease, and the same will be the premium at Smyrna.

It will consequently be observed that at Constantinople, on account of its paper currency, which has a most unstable value, the gold and silver Turkish coins change their value at an analogous rate; whilst their value remains the same in other places in the empire, where the paper currency is illegal, and that, for this same reason, these places have a premium varying in each respectively on Constantinople.

From the preceding it will be seen that the rate of the value of any given coin in Smyrna is no criterion for a certificate of the value of the dollar at Constantinople; for whilst it varies very seldom, and then but little, at the former place, the fluctuations are daily and very considerable here. Indeed, the value of the dollar is in no manner connected with that of the pound English or Turkish; and much less with that of the Medjidich. As an example, whilst the English pound of \$4 84 was considered at the exchange of Constantinople as valuing 134 piasters, it was quoted in trade at 135 piasters; and though at this rate the dollar should only be 28 9-100 piasters, it is well known that it valued 32 piasters.

In the "Manual of Coins and Bullion," published by the Mint of Philadelphia in 1842, the English sovereign is marked at \$4 85.6; the pillared dollar of Spain \$1 00.4; the Mexican dollar at \$1 01 4.5; and the difference, therefore, between these and the American dollar is so trifling that it would be difficult to draw a distinction here.

I may add in conclusion, that the dollar values here, in paper currency, 30 piasters, or 32 piasters, and, consequently, the piaster values at 3 33-100 cents., or 3 12-100 cents., at the date stated therein. I am confident that this is as near the truth as can be attained, where the dollar is a fictitious coin, that scarcely exists at the present time at all, in a currency, which is so changeable as to render it extremely difficult to define its value. But at Smyrna, as herein shown, the value of coins fluctuates seldom and slightly.

FINANCES OF THE SANDWICH ISLANDS.

The *Hae Hawaii* furnishes the following statement of the receipts and expenditures of the government of these islands, for the year ending March 31, 1857 :—

Balance in the Treasury,		EXPENDITURES.	
April 1, 1856.....	\$28,096 84	For civil list	\$39,472 27
RECEIPTS.		Dep'tm't of the Interior	52,624 08
From foreign imports.....	114,341 83	Government press.....	9,332 31
Internal commerce.....	33,137 46	Dep't of For'n Relations....	9,139 86
Taxes	64,976 94	Dep't of Finance.....	21,538 67
Government press.....	7,508 82	Dep't of Public Instru'n....	45,204 23
Fines and penalties.....	20,167 27	Dep't of War.....	28,291 13
Fees and perquisites.....	11,687 32	Dep't of Law.....	48,099 76
Government realizations... ..	51,113 62	Bureau of Public Works... ..	56,096 00
Miscellaneous sources.....	16,998 76	Miscellan's expenditures....	21,147 56
Total receipts.....	\$348,028 86		\$330,945 86
Balance.....			\$17,083 00
Total.....			\$348,028 86

JOURNAL OF INSURANCE.

Provincial Insurance Office, Toronto.

CIRCULAR TO THE SHAREHOLDERS.

TORONTO, January 8, 1858.

SIR:—At a Meeting of the Board, held yesterday, I was specially instructed to call upon you for the *immediate* payment of the Installments still remaining due on the Shares you hold in the Capital Stock of this Company, and I beg that you will, as soon as you receive this, do me the favor to remit me the amount due, or write to me that you have received this circular and will make the remittance *within a very few days*. There can not be allowed a longer delay without direct prejudice to the best interests of the Company,—with which your own are interwoven.

Permit me, as the newly-appointed Manager, to remark that I view with great regret the sum still unpaid by the Stockholders on call; because a prompt payment will enable us to discharge the present liabilities of the Company, and win back full public confidence so much lessened by a want of that promptitude in paying claims when due, which is justly held by those who insure as a chief characteristic of a really good company, and a practice which gives a strong arm of power to our Agents in obtaining business for the Company. Shareholders stand really in their own light by withholding the amount of their calls, and thus preventing the Directors from paying just and acknowledged claims, and giving strength to the distrust which has been to some degree created toward this Company.

From a long experience of nineteen years in Insurance, both in London and on this continent, I am pleased to be enabled, conscientiously, to assure you that my investigation into the past history and present condition of this Company enables me to believe that with the new reforms now made and in progress at this office—the steady attention and care paid by the Directors to the trust reposed in them—sustained, as I trust they will be, by the cordial and prompt support of the whole body of Shareholders—the Company will gradually, but surely, emerge from the cloud which now hangs over it, and become one of the most prosperous and popular companies in America. It has within itself *elements* of success equal to the achievement of this result.

The Circular of 11th December, which limited the time of payment to 20th December, was based on the hope that you would earlier have had the Annual Report so long delayed;—but only very recently in your possession. I hope to hear from you soon; and in conclusion, beg to tender you my assurance that my utmost attention—time—and care, are devoted to an energetic (and what, I trust, will prove successful) discharge of the important duties confided to me. I am, Sir, your obedient servant,

J. LEANDER STARR, *Manager.*

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 Com, any.....	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 As. 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.....	Ogdensburg
Hartford Fire Insurance Co.....	Hartford.

Losses by Fires in the United States in 1856 and 1857.

The following table, according to the New York *Herald*, shows the loses by fire in the United States during each month in the years 1856 and 1857 :

Months.	1856.		1857.	
	No. fires.	Loss.	No. fires.	Loss.
January.....	18	\$1,007,000	21	\$1,012,000
February.....	22	1,480,000	19	1,798,000
March.....	21	1,435,000	24	1,765,000
April.....	15	1,817,000	30	1,900,000
May.....	17	1,481,000	18	698,000
June.....	19	1,160,000	18	1,094,000
July.....	23	4,096,000	15	1,387,000
August.....	13	1,345,000	19	1,310,000
September.....	26	1,712,000	19	1,245,000
October.....	16	1,160,000	16	1,511,000
November.....	20	3,041,000	24	1,597,000
December.....	17	1,135,000	9	425,000
Total.....	227	\$21,159,000	230	\$15,702,000

Add to the above the amount of property destroyed by fire, where in each instance the loss was less than twenty thousand dollars, and the aggregate would be increased to probably twenty-seven millions in 1856, and to twenty millions in 1857. With the above was published a table of the—

LIVES LOST BY FIRES DURING 1857 AND 1856.

Months.	1857:		1856.	
	Fires.	Lives Lost.	Fires.	Lives Lost.
January	8	18	16	32
February.....	6	9	8	21
March.....	9	11	7	7
April.....	8	32	8	14
May	8	12	5	6
June	5	5	3	4
July	2	7	7	23
August.....	5	11		
September	4	5	9	23
October.....	8	32	6	10
November	9	16	11	37
December.....			9	17
Total.....	72	158	89	183

TRADE AND NAVIGATION.

THE FUR TRADE.

We (*Quebec Gazette*) asked a question some time ago, why Canada had not a share in the fur trade. We will compare the facilities existing for the trade now, with the delays and dangers at the time the chief part of it was carried on by the North West Company, who sent all their goods in canoes by the Ottawa and lakes, getting furs in return, by the same route. It took 40 to 50 days to reach Fort William, the freight—owing to the number of portages—being from £20 to £30 per ton; with these disadvantages, they took the greater part of the trade from their rivals, the Hudson's Bay Company. Goods can now be delivered at Fort William from Montreal, per steam, in ten days, at £2 per ton; or by the Grand Trunk and Simcoe railroad and steam, in five days at £4. So it will be seen that the Hudson's Bay Company cannot compete with private traders. The Americans are getting a large part of this business, which our people should have. To compare the routes to the Red River, by the St. Lawrence and lakes, and by the North West Company, and that by Hudson's Bay, we will refer to the case of the Canadian Rifles, who were one hundred and twenty days from Toronto to the Red River, which could have been done in twenty, *by rail* and steam. Sir George Simpson, to show the English that there was no route by the St. Lawrence, sent the troops this dangerous voyage. Memorials should be sent from all the boards of trade and municipal bodies of Canada to the Imperial legislature, for the abolition of the Hudson's Bay Company.

DUTIES COLLECTED IN 1857.

Statement of Customs Duties collected in the Province during the year 1857 distinguishing the amounts collected in each section of the Province.

PORTS.	TOTAL DUTIES. Lower Canada.	TOTAL DUTIES. Upper Canada.
Amherst (Mag. Islands).....	430 14 0	..... ..
Amhersburgh.....	..... ..	1501 19 10
Bath.....	..... ..	304 8 4
Bayfield.....	..... ..	76 2 3
Beauce.....	..... ..	..... ..
Belleville.....	9 8 4	5426 4 11
Brantford.....	..... ..	7760 12 5
Brighton.....	..... ..	127 8 0
Brockville.....	..... ..	5193 6 3
Bruce.....	..... ..	..... ..
Burwell.....	..... ..	1493 13 6
Bytown.....	..... ..	8970 17 3
Chatham.....	..... ..	4334 8 2
Chippewa.....	..... ..	720 15 11
Clarenceville.....	363 8 7	..... ..
Coaticook.....	2867 7 6	..... ..
Cobourg.....	..... ..	7368 14 2
Cornwall.....	..... ..	398 19 10
Colborne.....	..... ..	1299 9 3
Collingwood.....	..... ..	66 17 9
Coteau-du-Lac.....	64 4 3	..... ..
Cramahé.....	..... ..	553 18 6
Credit.....	..... ..	183 9 0
Dalhousie.....	..... ..	5085 7 8
Darlington.....	..... ..	1729 5 1
Dickenson's Landing.....	..... ..	131 0 11
Dover.....	..... ..	2197 9 3
Dundas.....	..... ..	3664 5 11
Dundee.....	317 8 3	..... ..
Dunville.....	..... ..	1266 16 0
Elgin.....	..... ..	6 15 10
Fort Erie.....	..... ..	2697 13 5
Freligsburgh.....	696 4 7	..... ..
Gananoque.....	..... ..	487 12 6
Gaspe.....	1809 9 2	..... ..
Georgeville.....	189 1 1	..... ..
Goderich.....	..... ..	1514 2 9
Grafton.....	..... ..	26 7 2
Guelph.....	..... ..	1933 12 8
Hamilton.....	..... ..	104,233 5 10
Hemmingford.....	656 10 11	..... ..
Hope.....	..... ..	4611 13 6
Huntingdon.....	19 16 4	..... ..
Isle Verte.....	..... ..	..... ..
Kingston.....	..... ..	26,452 15 1
Kingsville.....	..... ..	153 8 3
Lacolle.....	161 8 4	..... ..

PORTS.	TOTAL DUTIES.		TOTAL DUTIES.
	Lower Canada.		Upper Canada.
London.....	.....	.....	26149 16 9
Maitland.....	.....	.. ..	26 12 6
Morrisburgh.....	.....	.....	383 16 2
Milford.....	.....	.....	38 4 3
Montreal.....	461690	9 3	..... ..
Napanee.....	.....	.....	665 5 11
Newcastle.....	.....	.....	1048 3 2
Niagara.....	.....	.....	1529 15 4
New Carlisle.....	2370	10 6	..... ..
Oakville.....	.....	.....	1316 12 5
Oshawa.....	.....	.. ..	1220 2 1
Owen's Sound.....	.....	.....	137 10 9
Paris.....	.....	.....	5459 1 7
Penetanguishene.....	.....	.....	..... ..
Philipsburgh.....	605	13 4	..... ..
Picton.....	.....	.....	2555 0 4
Potton.....	81	13 0	..... ..
Prescott.....	.....	.....	7772 13 0
Quebec.....	88037	8 10	..... ..
Queenston.....	.....	.. ..	1673 5 6
Rimouski.....	.....	.....	..... ..
Riviere-au-Raisins.....	.....	.....	1 15 7
Rondeau.....	.....	.....	1 2 11
Rowan.....	.....	.....	379 15 4
Russeltown.....	117	8 4	..... ..
Sarnia.....	.....	.....	2261 6 0
Sault St. Marie.....	.....	.....	562 4 9
Saugeen.....	.....	.....	150 10 11
Stamford, now Clifton.....	.....	.....	4904 18 5
Stanstead.....	825	13 1	..... ..
St. Johns.....	594	7 8	..... ..
Stratford.....	.....	.....	1580 4 7
St Regis.....	87	18 10	..... ..
Stanley.....	.....	.....	1556 2 11
Sutton.....	246	9 3	..... ..
Three Rivers.....	213	16 0	..... ..
Trout River.....	161	0 2	..... ..
Toronto.....	.....	.....	144,727 14 6
Trenton.....	.....	.....	357 0 11
Wallaceburgh.....	.....	.....	524 11 4
Wellington.....	.....	.....	91 5 7
Whitby.....	.....	.....	1565 19 1
Windsor.....	.....	.....	4048 14 8
Woodstock.....	.....	.....	2068 11 10
	£562,617	9 7	£417,556 1 0
Total Amount of Duties collected.....			£980,173 10 7
Amount collected in Lower Canada over Upper Canada,....			145,061 8 7

The Canadian Route to the Sea-Board.

The advantages which the Grand Trunk Railway offers to commercial men having goods destined for America are now becoming understood better in

the West and at the Eastern sea board. An illustration of this fact is given in the *State of Maine* of Thursday last:—

Messrs. Noyes, Weston & Co, flour merchants of this city, have just discharged into their store on Commercial Street, Iowa flour, brought all the way by land from the Mississippi River to Portland, a distance by railway of 1284 miles. This flour was raised in the interior of Iowa, brought to Rock Island for market, sold to Portland merchants, and then placed on board the cars for Detroit. Instead of going to Chicago, it went 142 miles on the Rock Island Railroad to Joliet, 40 miles south of it, for Detroit direct,—distant 293 miles, or 435 miles from Rock Island, then by the Great Western Railway 224 miles to Toronto, thence by the Grand Trunk Railway 625 miles to Portland. This, we believe is the first start of a through business between Iowa and Portland. Iowa flour is not a new article in this market, but it has usually changed hands on the route. On the completion of the Victoria Bridge, there will be no occasion to tranship flour but once between Iowa City, Council Bluffs, or Omaha City in Nebraska, and Portland. The Mississippi is crossed by a bridge at Rock Island, and cars are now loaded at Iowa City for Detroit, 490 miles, where goods are shipped on the broad gauge cars for Portland, 849 miles distant, or 1337 miles from Iowa City. That Portland is to become a great shipping port of western produce, no longer admits of a question. All we now require is capital and a class of merchants suited to this new business. These will come in good time.

The Trade of Montreal.

We abridge from the *Montreal Gazette* the following statistics of the trade of Montreal.

Arrivals and Tonnage from Sea for last 11 years;

Years.	Vessels.	Tons.	Years.	Vessels.	Tons.
1846..	221	55,868	1852.....	185	41,154
1847.....	221	63,308	1853.....	252	60,507
1848.....	164	42,157	1854.....	258	71,072
1849.....	150	37,703	1855.....	197	45,056
1850.....	222	46,867	1856.....	222	69,962
1851.....	275	58,385	1857.....	203	65,712

IMPORTS.—Total value of Imports from 1846 to 1857:—

Years.	Imports.	Exports †.
1846.....	£2,303,908	£ 395,075
1847.....	2,063,420	403,017
1848.....	1,707,434	417,902
1849.....	1,637,409	439,005
1850.....	1,793,695	436,193
1851.....	2,294,710	529,807
1852.....	2,311,471	681,866
1853.....	3,503,697	913,757
1854.....	4,055,145	755,372
1855.....	3,093,145	704,129
1856.....	4,036,174	1,304,333
1857.....	4,212,135	1,190,328

† The exports include those by Rouse's Point, St. Hyacinthe and Coaticook.

GOODS IN BOND.—*The value of Goods remaining in Bond was:—*

In 1850.....	£ 62,308	In 1854.....	£271,414
1851.....	85,291	1855.....	226,756
1852.....	91,609	1856.....	128,353
1853.....	135,207	1857.....	386,269

Increase in 1857 over 1856, 200.9 $\frac{1}{2}$ cent.

BONDED GOODS FOR CANADA WEST.—*The value of Goods entered at this Port, under Frontier Bond for Canada West, for following years, was:—*

In 1851.....	£457,286	In 1855.....	£480,851
1852.....	397,191	1856.....	799,499
1853.....	704,836	1857.....	778,777
1854.....	953,046		

Decrease in 1857, as compared with 1856.....2.6 $\frac{1}{2}$ cent.

IMPORTS FROM UNITED STATES.—*The value of Goods entered for consumption, from the United States, for the following years, was:—*

In 1851.....	£ 250,088	In 1855.....	£1,374,474
1852.....	641,342	1856.....	1,467,205
1853.....	766,292	1857.....	1,322,945
1854.....	1,036,359		

Decrease in 1857, as compared with 1856.....9.8 $\frac{1}{2}$ cent.

IMPORTS UNDER RECIPROCITY TREATY.—*Summary Statement of Goods imported from the United States, under the Reciprocity Treaty, during the years 1856 and 1857:—*

Articles.	1856. Value.	1857. Value.
Animals.....	£ 2,335	£ 4,073
Dye Stuffs.....	1,751	1,132
Broom Corn.....	3,323	3,936
Burr or Grindstones.....	525	1,225
Butter.....	415	1,283
Cheese.....	3,753	4,689
Coal.....	1,520	2,652
Fish.....	7,141	5,283
Fish Oil.....	12,622	9,309
Firewood.....	6	.....
Fruit, Green.....	8,740	8,565
Flax, Hemp and Tow, unmanufactured.....	14,409	13,769
Flour and Breadstuffs.....	130,666	198,110
Furs and Skins, undressed.....	10,309	17,346
Grain.....	208,395	114,846
Hides and Pelts.....	7,087	16,487
Hops.....	57	683
Lard.....	20,772	6,139
Mear's.....	19,764	3,706
Ores of Metals.....	1,488	2,980
Pitch and Tar.....	387	709
Poultry.....	33	15
Rags.....	26	942
Rice.....	1,128	411
Slate.....	1,753	810
Stone and Marble unwrought.....	924	.....
Tallow.....	38,228	40,731
Timber and Lumber.....	4,119	7,238
Tobacco, unmanufactured.....	12,135	11,873
Vegetables.....	580	156
Wool.....	39	982

Totals.....£514,430

£480,084

Decrease in 1857, as compared with 1856, 6.6 $\frac{1}{2}$ cent.

Trade and Navigation.

E

CLASSIFIED EXPORTS BY SEA.—*Classified Statement of Values of Products Exported by Sea, for following years:—*

	1857.	1856.	1855.*	1854.
The Forest.....	£198,035	£178,685	£114,174	£138,256
The Mine.....	4,107	5,730	11,060	3,837
The Sea.....	3,938	686	519	527
Animals and other products.....	101,107	28,686	14,919	23,531
Grain and Agricultural Products.....	378,651	516,982	177,771	286,359
Manufactures.....	39,158	22,778	12,252	5,699
Sundries.....	4,339	903	2,913	201
	£729,335	£754,451	£333,609	£458,410

VALUE OF EXPORTS BY SEA.—*Value of Exports by Sea, for following years, distributed to Countries of Destination:—*

	1857.	1856.	1855.	1854.
Great Britain.....	£425,290	£616,093	£193,680	£299,304
N. America.....	97,657	135,433	132,408	154,457
W. Indies.....		.....	50	.....
U. States.....	205,566	2,235	4,593	860
Other Foreign Countries.....	822	690	2,877	3,789
	£729,335	£754,451	£333,609	£458,410

Value of the Principal Articles of Dry Goods entered at this Port for following years:—

ARTICLES.	1857.	1856.	1855.	1854.
	£	£	£	£
Cotton and Flax waste.....	2536	1660	1234	583
Cotton Wool.....	756	2370	2046	1978
Woollen Goods.....	510053	454666	273274	545432
Lace Goods.....	6968	8073	4444	13762
Hosiery and Haberdashery.....	30467	35722	26766	49711
Carpets.....	15415	18363	11960	18283
Clothes.....	2028	1688	4575	5181
Cotton Yarn and Warp.....	16573	11099	7989	8933
Cotton Goods.....	601271	486316	249878	493652
Silk.....	121098	92614	63826	117705
Linen Goods.....	50251	55277	23994	39043
Cotton Wick.....	2481	1728	1621	1542
Straw Goods.....	11171	10690	4631	10057
Fancy Goods.....	103790	100790	36643	37174
Hats and Caps, other than Fur.....	14958	7131	7068	20502
Parasols and Umbrellas.....	1526	2592	2923	4263
Felts.....	898	1099	1484	1550

Value of the Principal Articles of Hardware entered at this Port for following years:—

ARTICLES.	1857.	1856.	1855.	1854.
	£	£	£	£
Telegraph Wire.....	453	4416	1479	6164
Iron—Old Scrap and Pig.....	40320	24101	7445	68558
Boiler Plate.....	2026	1361	3717	9854
Round and Square.....			764	2795
Wrought Iron Cranks.....	91	566	183	1561
Steel.....	23801	19961	8959	21441
Lead.....	6012	2868	2215	2330
Anchor.....	55	346	513	856
Chains, other than Chain Cables.....	3540	2471	3196	12147
Wheels and Axles, for Railroad purposes.....	6968	3078	29555	not enum'r
Copper.....	4785	2719	1052	1945
Tin and Zinc.....	25025	35997	7483	2830
Hoop Iron.....	25537	28414	13003	23399
Railroad Bars.....		21554	6279	36625
Bar, Rod and Sheet Iron.....	160966	156350	84374	26764
Hardware.....	227690	204723	194733	369174
Machinery.....	16421	20921	67017	56722
Chain Cables.....	1233	954	355	not enum'r

Statement of Vessels Entered inwards from Sea, distinguishing British and Foreign; also those which cleared outwards for Sea, during the year 1857:

WITH CARGOES. (From & to what Countries.)	ENTERED INWARDS.						CLEARED OUTWARDS.					
	BRITISH.			FOREIGN.			BRITISH.			FOREIGN.		
	No.	Tons.	Men.	No.	Tons.	Men.	No.	Tons.	Men.	No.	Tons.	Men.
United Kingdom—Steamers	8	7118	464	...	...	...	8	7118	470	...	...	...
S. Vessels	80	46353	1457	1	...	382	10	65	2954	108	1	466
Nova Scotia	46	4003	208	...	...	...	13	790	51	...	...	...
New Brunswick	14	1119	58	...	...	...	26	2841	147	...	...	...
Newfoundland	8	792	39	...	...	...	4	319	19	...	...	...
Prince Edward Island	...	...	...	...	...	...	1	522	21	...	...	...
Hudson's Bay	1	522	22	...	...	...	7	431	24	...	...	...
Lower Ports in Canada	8	504	30	...	...	...	...	...	...	...	...	...
British West Indies	1	140	7	...	...	...	...	...	...	...	...	...
Foreign do	2	250	12	...	...	...	...	...	...	...	...	...
France	7	1753	61	...	...	...	...	...	...	...	...	...
Spain	6	917	42	...	...	...	...	...	...	...	...	...
Portugal	...	...	...	2	417	21	...	...	...	1	184	10
Belgium	6	2702	82	1	740	22	...	...	...	...	...	...
Holland	...	...	...	1	172	7	...	...	...	...	...	...
Norway	...	...	...	1	466	19	...	...	...	...	...	...
Esquimaux Bay	1	80	4	...	...	...	...	...	...	...	...	...
China	1	253	12	...	...	...	...	...	...	...	...	...
Total wit Cargoes...	189	60518	2498	6	2186	79	161	44238	2012	2	650	29
IN BALLAST	13	2842	100	1	166	8	46	19779	674	3	1154	40
Total in Ballast	18	2842	100	1	166	8	46	19773	674	3	1154	40

Exports via Rouse's Point.

TOTAL EXPORTS via Rouse's Point from 1852 to 1857:—

1852	£163,604	1855	£141,158
1853	137,672	1856	208,887
1854	114,103	1857	201,608

Decrease in 1857, as compared with 1856, 3.5 per cent.

Exports via Coaticooke.

TOTAL EXPORTS via Coaticook for 4 years:—

1854	£181,577	1856	£333,829
1855	234,530	1857	460,993

Increase in 1857 over 1856 38 per cent

The above distributed:—

	To United States.	To other Countries.		To United States.	To other Countries.
1854	£191,577	Nil	1856	£320,517	£13,312
1855	177,773	£56,777	1857	451,588	9,405
Increase to U. States 1857 over 1856			£231,071, or 40.9 per cent.		
Decrease to other countries during same period			3,907, or 29.3 per cent.		

The Imports of Green Coffee for following years were:—

Years.	lbs.	Value.	Remaining in Warehouse at close of following years:—	lbs.	Value.
1851	270,091	£6,087	Years:—		
1852	453,092	9,655	1851	61,543	£1,008
1853	408,811	9,160	1852	34,797	871
1854	542,089	12,625	1853	5,325	141
1855	410,151	10,737	1854	22,354	627
1856	505,489	14,509	1855	12,355	177
1857	225,149	8,266	1856	52,402	1,683
Decrease in value in 1857, as compared with 1856			1857		
..... 43 per cent.			47,022		

The Imports of Sugar for following years were:—

Years.	Cwt.	Hhds.	Remaining in Warehouse at close of following years:—	Years.	Cwt.	Value.
1850	75,253	6,271		1851	18,034	£22,261
1851	87,418	7,285		1852	9,057	11,935
1852	85,705	7,142		1853	14,152	14,759
1853	119,978	9,998		1854	27,737	27,958
1854	139,549	11,637		1855	28,662	31,049
1855	150,973	12,581		1856	27,706	48,596
1856	143,985	11,909		1857	31,565	75,439
1857	124,802	10,400				

|| 12 cwt per Hhd
Decrease in 1857, as compared with 1856, 13.3 per ct.

The Imports of Refined Sugar (including Bastards,) for following years were:—

In	Years.	Cwts.	Hhds.	Remaining in Warehouse at close of following years:—	Years.	Cwts.	Value.
1850	8142	1018		1851	4913	£9817	
1851	13985	1748		1852	67	160	
1852	3607	451		1853	1807	3191	
1853	12194	1524		1854	6901	7761	
1854	19278	2410		1855	1301	2557	
1855	2769	346		1856	1576	3642	
1856	13170	1646		1857	715	2092	
1857	11638	1454					

|| 8 cwt per Hhd
Decrease in 1857, as compared with 1856, 11.6 per ct.

The Imports of Molasses for following years were:—

In	Years.	Galls.	*Puns.	Remaining in Warehouse at close of following years:—	Years.	Galls.	Value.
1850	362,157	2786		1851	24721	£ 805	
1851	323,454	2498		1852	85700	2288	
1852	660,118	5078		1853	120275	4542	
1853	876,532	6743		1854	145262	5331	
1854	886,098	6816		1855	20735	2838	
1855	811,995	6246		1856	50582	3354	
1856	1,109,623	8512		1857	98520	9329	
1857	920,750	7082					

|| 130 galls per pun
Decrease in 1857, as compared with 1856 16.8 per ct.

The Imports of Tea for following years:—

Years.	Lbbs.	Value.	Remaining in Warehouse at close of following years:	Years.	Lbs.	Value.
1851	842568	£ 51634	1851	114828	£ 6801	
1852	1942729	111798	1852	325549	22038	
1853	2240299	138411	1853	482249	32762	
1854	2018169	188536	1854	56431	38137	
1855	1937519	110698	1855	647679	30470	
1856	1916396	115332	1856	171065	9388	
1857	1717378	125927	1857	660834	47452	

Increase in Value in 1857 over 1850... 8.1 per cent.

The Imports of Window Glass for following years were:—

Years.	Value.	Remaining in Warehouse at close of following years:	Years.	Value.
1851	£13,117	1851	£1,849	
1852	8,989	1852	1,184	
1853	16,763	1853	748	
1854	22,008	1854	2,431	
1855	14,575	1855	2,371	
1856	18,719	1856	nil.	
1857	30,637	1857	3,349	

Increase in 1857 over 1850... 63.7 per cent.

Imports of Wines and Spirits in the following years:—

Years.	WINES.		BRANDY.		GIN.		RUM.		WHISKEY.	
	Galls.	Value.	Galls.	Value.	Galls.	Value.	Galls.	Value.	Galls.	Value.
1851	160,817	£20,695	149,717	£23,379	46,627	£ 3,831	18,557	£1,532	18058	£ 2040
1852	200,486	25,894	105,333	17,273	56,185	4,865	28,876	2,207	35520	3221
1853	244,284	33,308	104,226	29,138	115,166	11,480	37,425	3,140	44713	4524
1854	362,672	66,089	213,262	71,683	67,487	8,170	27,511	3,407	142600	14905
1855	172,205	43,834	127,712	54,559	113,500	13,507	23,818	2,904	89515	11102
1856	167,674	45,334	124,333	50,540	97,327	12,799	35,708	7,361	49980	6928
1857	389,913	96,171	86,864	45,509	108,776	14,666	14,543	2,556	84633	13103

REMAINING IN BOND in the following years:—

Years.	WINES.		BRANDY.		GIN.		RUM.		WHISKEY.	
	Galls.	Value.	Galls.	Value.	Galls.	Value.	Galls.	Value.	Galls.	Value.
1851.....	80,315	£10,394	55,027	£ 8,580	5,180	£ 448	4,257	£ 368	7340	£ 771
1852.....	130,992	16,937	34,467	5,670	nil.		10,570	883	12,34	1060
1853.....	116,301	10,066	23,944	6,892	37,081	3,466	6,886	568	587	137
1854.....	221,384	37,584	79,295	24,717	24,466	2,206	11,402	1,637	114.2	1637
1855.....	173,130	40,334	104,914	38,124	43,624	5,317	8,622	949	9172	1185
1856.....	31,754	9,029	26,677	11,965	8,251	970	16,652	2,018	2305	239
1857.....	247,968	64,684	59,316	31,978	58,085	7,393	16,486	21,101	8828	6184

LOSSES ON THE LAKES.

Captain D. P. Dobbins, Secretary to the Board of Lake Underwriters' has compiled an elaborate statement of the disasters on the Lakes during 1857, of which the following is a recapitulation:—

Total loss of property in 1856.....	\$3,126,744
“ “ “ 1857.....	1,387,935
Decrease.....	\$1,738,809
Loss on Hulls by Steam in 1857.....	393,647
“ Cargoes “ “	84,495
Total loss by Steam.....	\$ 478,142
Loss on Hulls by Sail in 1857.....	570,579
“ Cargoes “ “	339,213
Total loss by Sail.....	\$ 909,793
Amount of Steam Tonnage totally lost in 1857.....	4,781 Tons.
“ Sail “ “ “	10,658 “
Total Tonnage lost in 1857.....	15,439 “
Total loss of Life in 1857.....	490
“ “ “ “ 1856.....	407
Increase	83
Total Tonnage on Lakes in fall of 1857 - - - - -	388,868
Total value Lake vessels in fall of 1857 - - - - -	\$15,195,400

THE LUMBER TRADE.

At a meeting of the principal lumberers on the Ottawa, held in Aylmer on the 9th instant, the following resolutions were unanimously adopted:—

Moved by Mr. Conroy, seconded by Mr. McConnell:

That this meeting being of opinion that the organization of a “Board of Lumberers” is of paramount importance to all interested in the Lumber Trade of the Ottawa, do hereby resolve, that application be made to the Legislative Assembly of this Province at its next Session, for an Act of Incorporation, whereby the said Trade may be managed by such Board, to be constituted in such manner as may best conduce to the interests of all engaged and interested therein.—Carried.

Moved by Mr. D. Macklin, seconded by Mr. Skead:

That with the view of carrying into practical execution the foregoing resolution, the following gentlemen be named as a Committee to take all the necessary initiative steps for obtaining the said Act of Incorporation, or, if found necessary, an amendment of "The Ottawa Board of Trade Act," and that the Member for the City, and the Counties of Ottawa, Carleton, Pontiac, and Renfrew, together with the Honble. P. M. Vankoughnet, be requested to take charge of such Bill (as may be framed) in its passage through the House of Assembly and Legislative Council,—said Committee be composed of Messrs.

Allan Gilmour, James Skead, G. and J. J. Harris, J. Supple,
Geo. Bryson, D. McLachlan, R. Connell, Jas. Doyle
R. Conroy, C. McDonnell.

Any three of the above named gentlemen to form a quorum.

Prices of Eleven Articles for Forty Years.

Prepared for *Hunt's Merchants' Magazine*, by *D. M. Balfour, Esq., of Boston, Mass.*

The figures in the subjoined table indicate the wholesale prices on the 1st day of January in each year. In all cases where the articles are dutiable, short price is indicated. Coffee and tea have been admitted free of duty since 1833 :

Year.	Mess Beef pr bbl.	Mess Pork pr bbl.	Cod fish per quintal.	Balto. H. S. flour per bbl.	Rice per 1000lbs	St Dom coffee lb.	Yng. hyson tea lb	Muscova- do sugar per 100 lbs.	salted hides per lb.	N. O. mid. fair Cotton per lb.	Smy. wash wool lb.
	\$	\$	\$	\$	\$	cts.	cts.	\$	cts.	cts.	cts.
1819..	15 37	22 50	3 50	9 25	3 37	23	60	14 50	15½	28½	25
1820..	9 75	16 00	2 87	5 12	3 30	21	54	8 12	12¾	19	16
1821..	8 62	13 12	2 67	4 12	3 12	22½	53	8 55	12½	17½	18
1822..	7 75	13 00	3 25	7 25	3 00	20¾	50	6 25	18	17½	14
1823..	8 00	12 50	2 75	7 75	2 87	18½	52	6 12	17	14¾	13
1824..	8 12	11 87	2 56	6 81	3 87	13¾	62	8 63	17¾	17½	13
1825..	9 25	13 09	2 87	5 75	3 31	10¾	55	8 75	16½	17	12
1826..	9 50	12 25	1 94	3 87	3 37	12	61	9 37	14¾	18	12
1827..	9 12	13 25	2 35	5 87	3 75	9¾	49	7 10	15¾	14	11
1828..	9 87	14 12	2 87	6 12	3 19	8	47	9 62	16¾	12¾	12
1829..	10 25	13 25	2 25	9 00	3 75	7	49	7 05	12¾	12¾	7
1830..	9 12	11 75	2 05	5 37	2 87	6½	42	7 80	14¾	13¾	12
1831..	8 50	12 25	2 37	5 75	2 62	7½	43	5 25	16¼	13	24
1832..	10 25	13 75	2 75	6 87	3 12	11	68	5 15	15	10¾	25
1833..	10 62	14 37	2 56	6 25	3 50	12	68	7 25	13¾	12½	17
1834..	10 50	12 00	2 25	5 75	3 00	12½	60	5 00	13½	15½	23
1835..	10 75	15 50	2 12	5 25	3 25	10	37	6 37	14½	19½	30
1836..	10 75	19 00	2 57	7 75	3 25	11¾	47	6 95	13¾	18¾	17
1837..	14 50	26 75	3 12	11 25	3 12	11½	42	7 07	12	19½	21
1838..	14 25	20 50	3 19	9 50	4 12	8½	45	7 25	14	12	20
1839..	16 00	23 50	3 30	8 69	4 12	9¾	38	5 56	15¾	16	20
1840..	12 59	14 73	2 37	6 18	3 62	10	57	6 05	14¾	11¾	20
1841..	10 18	13 21	2 62	5 50	3 62	9¾	67	5 87	16¼	10½	20
1842..	8 25	9 97	2 00	6 37	3 25	8¾	56	3 75	14¾	10	20
1843..	6 78	9 41	1 75	4 50	2 87	5¾	47	3 90	12¾	7¾	20
1844..	7 00	10 25	2 50	4 75	2 50	5¾	47	3 95	12¾	9¾	21
1845..	7 25	9 25	2 37	4 75	3 25	5¾	55	4 75	11¾	6¾	17
1846..	8 40	13 25	2 62	5 75	4 75	5¾	62	6 40	12	8¾	17
1847..	9 00	10 31	3 12	5 50	4 00	6¾	58	7 30	11	11¾	14
1848..	8 62	11 75	3 56	6 0	3 87	6¾	58	4 50	10¾	9¾	18
1849..	11 00	13 75	2 12	5 50	3 25	5½	55	4 00	9	7¾	13
1850..	10 00	10 37	2 37	5 25	3 25	10¾	55	5 05	10¾	12½	14
1851..	10 10	12 25	2 62	5 25	3 62	10¾	38	5 15	14	15	19
1852..	10 00	14 75	2 62	4 75	3 50	8¾	38	4 55	11½	9¾	18
1853..	13 25	20 50	3 50	6 25	4 62	8¾	38	4 75	14½	11¾	21
1854..	14 25	16 25	3 00	7 62	4 50	11¾	38	4 50	21	11¾	23
1855..	16 25	16 00	2 75	9 62	5 62	9¾	35	5 35	19	10¾	20
1856..	14 25	18 75	3 75	9 50	5 37	10¾	35	7 50	26	11¾	20
1857..	15 25	20 60	3 25	7 37	4 50	10¾	35	9 75	31	14¾	21
1858..	14 50	15 62	3 25	5 50	3 75	9½	37	5 87	19	10	28
Avg'e	10 19	14 63	2 72	6 51	3 67	10½	50	6 52	15½	13¾	18

Consumption of Tea, Sugar, and Coffee in the United Kingdom.

A British parliamentary paper, just issued, gives some very interesting and useful information regarding these leading articles of consumption. The following tabular statement shows an astonishing increase in the consumption of tea and sugar, per head, since 1841. The poverty of the Irish people, says the Belfast *Mercantile Journal*, is too apparent in the great disparity between their consumption and that of the people of Great Britain, but since 1841 there has been a most gratifying increase. Of tea, Ireland consumed in that year only 10 ozs. per head, whereas now she uses 1 lb. 7 ozs. per head; and of sugar, she uses 8 lbs. 7 ozs. against 4 lbs. 10 ozs. at that period.

The annexed is a comparative account, showing, for the years 1841 and 1856, the aggregate quantities of tea, coffee, and sugar consumed in England, Scotland, and Ireland, respectively; and showing also, for each of those divisions of the United Kingdom, the average quantities consumed by each individual of the population:—

	TEA.		Average consumd. by each individual.	
	1841.	1856.	1841.	1856.
	Consumption.		Lbs. Ozs.	
	Lbs.	Lbs.	Lbs. Ozs.	Lbs. Ozs.
England	28,803,156	47,986,635	1 13	2 8
Scotland	2,985,176	6,583,233	1 2	2 3
Ireland	4,867,335	8,708,344	0 10	1 7
United Kingdom	36,675,667	63,278,212	1 6	2 4
	COFFEE.		Average consumd. by each individual.	
	Lbs.	Lbs.	Lbs. Ozs.	Lbs. Ozs.
England	26,118,572	33,019,884	1 1	1 12
Scotland	1,179,750	1,197,685	0 7	0 6
Ireland	1,072,535	778,385	0 2	0 2
United Kingdom	28,370,857	34,995,954	1 1	1 4
	SUGAR.		Average consumd. by each individual.	
	Cwts.	Cwts.	Lbs. Ozs.	Lbs. Ozs.
England	3,308,997	5,773,608	23 4	33 15
Scotland	339,108	839,778	17 7	31 0
Ireland	409,795	458,129	4 10	8 7
United Kingdom	7,057,900	4,071,515	17 0	28 2

Prices of Breadstuffs in New York for Ten Years.

In circular by Mr. EDWARD HILL, flour and grain broker, New York, he published the annexed table, showing the comparative prices of breadstuffs in that market. The prices given were those current on the 1st of September of each year:—

	State Flour.	Red Wheat.	White Wheat.	Ind. Corn.
1848.....	\$5 94 a 6 00	\$1 00 a 1 05	\$1 18 a 1 30	62 a 72c.
1849.....	5 25 a 5 50	95 a 1 10	1 10 a 1 28	60 a 63
1850.....	4 25 a 4 50	80 a 90	90 a 1 13	61 a 62
1851.....	3 87 a 4 00	60 a 65	90 a 1 05	57 a 58
1852.....	4 31 a 4 46	70 a 95	1 00 a 1 10	71 a 72
1853.....	5 75 a 6 00	1 15 a 1 23	1 35 a 1 42	75 a 78
1854.....	9 75 a 10 00	1 60 a 1 88	1 90 a 2 10	86 a 88
1855.....	5 90 a 6 50	1 50 a 1 54	1 62 a 1 65	60 a 70
1856.....	7 50 a 8 75	1 75 a 1 85	1 90 a 1 93	87 a 88
1857.....	5 75 a 6 35	1 40 a 1 52	1 35 a 1 78	84 a 93

Prices of State flour, on 1st September, 1857, were relatively not more than half as high as they were in 1854, because the standard of inspection is much higher now than then. Extra State flour is now as good as medium Genesee was then, and liberal purchases were made, on 1st September, 1857, at from \$5 60 to \$6 25 per barrel, and for the higher figure a really good flour was obtained.

New Export and Import Duties in Jamaica.

Our exchanges from Kingston, Jamaica, to December, 28th 1857, are chiefly occupied with the proceedings of the Legislature. The most important measures of the session relate to the finances of the colony, to the subject of immigration, and to the improvement of the main lines of communication throughout the island. The financial measures involve a considerable revolution in taxation as it has existed in the island heretofore. The hereditaments tax, which for many year has produced great discontent, has been permanently abolished. Proprietors will, for the future, instead of paying direct taxes on an assumed value of their respective estates, be required only to pay, in the shape of an export duty, on the produce they may actually export. The export duty to be levied, in lieu of the hereditaments tax, has been fixed on the following scale:—

	s.	d.		s.	d.
Sugar, per hhd. of 18 cwt.....	3	0	Beeswax	2	0
Rum, per punch. of 96 galls....	2	6	Arrowroot	1	0
Coffee, per tce. of 750 lbs.....	4	0	Cocoanuts, 1,000.	1	0
Pimento, bag.....	1	6	Mahogany, 1,000 ft.....	5	0
Woods, except mahogany, ton.	1	0	Honey, cwt.	1	0
Ginger, cwt.....	1	0			

In addition to these duties on export, it has been agreed to levy the following duties, which are additional to the tariff, and which effect articles of consumption, to commence on the 19th December, 1857:—

	s.	d.		s.	d.
Soap, box of 56 lbs., each.....	1	0	Tobacco, manuf., 100 lbs.....	7	0
Tobacco, manufactured, lb.....	0	2	Segars, 100.....	1	0

Duties to be levied on the undermentioned articles now in bond and imported on and after the 18th December:—

	s.	d.		s.	d.
Gin, gall.....	1	0	Lucifer matches, gross.....	5	6
Brandy.....	1	0	Tea, lb	0	2
Ale and beer, ton of 152 galls.	20	0	Sperm & composi't'n candles, box	2	0
Wine	60	0			

JOURNAL OF MANUFACTURES.

NEW INDUSTRIAL LIFE.

We commend the following remarks from the *Toronto Colonist* to the careful perusal of our readers:—With all our industry and natural resources, the balance of trade is continually against us, and it is now generally admitted that this can only be remedied by stimulating the internal trade of the Country. In vain will capitalists be appealed to, to invest money in manufacturing enterprises while they see us shut out from our neighbours' mar-

kets, and denied protection in our own. The theories of Adam Smith however sound, will not suit the ideas of men who, in investing their means look for sure and steady returns. Let us have reciprocity in manufactures with the United States, or failing that, a tariff similar to theirs, *at least for American manufactures*; and we shall soon see many of the factories of Lowell and other American Cities transferred to our own country, and infusing new life and prosperity into every branch of Canadian industry. The following is the article referred to:—

The severe financial pressure under which every Provincial interest now suffers, will not be without its uses, if it serve to direct attention to the need that exists for thorough and an intelligent reconsideration of the bearings of legislation upon the development of industrial life. The fashion of taking things for granted, because no passing controversy exists concerning them, and of accepting as true, opinions that have only popularity to recommend them, is suddenly checked by times like these. Men are thrown back upon thought or wonder; realizing the necessity of judging a policy by its results rather than its pretensions, and intent upon nothing so much as the discovery of means which shall prevent the prolongation or widening of the calamity. Some qualification is wanted, perhaps, to render this remark literally true; for, unquestionably, the first impulse of men in seasons of panic and wide-spread depression, is limited to the single purpose of self-preservation. How to save themselves from utter ruin, is the first idea in the minds of most. But equally certain is it, that as the imminent danger passes away, the questions arise, What influences have imparted force to the difficulties? and, is it, or is not, possible, by wise legislation, to mitigate the consequences of the evil, and in some degree prevent its recurrence?

Neither of these interrogatories implies belief in the absolute sufficiency of acts of parliament. Neither presupposes the idea that it is possible, by legislative contrivances, to avert the inconveniences and losses incident to mercantile folly or individual speculation and extravagance. While the world lasts, retribution will tread close upon the heels of overtrading and general recklessness in expediture; and not the most ingenious Utopia can arrest the righteous law. Admitting so much, we remain free to consider whether, in the first place, Governmental policy has not contributed to the creation of that disproportion betwixt imports and exports, which, despite of sophistry is the index to not a few of our disasters; and whether, in the second place, an amended policy may not adapt the monetary affairs of the Province to a juster standard than that now acknowledged, and also infuse into our trade and commerce more complete reliance upon home resources and home industry, than has been cultivated under the system which by a strange perversion of terms is called Free Trade. Of the prevalence of a disposition to subject our banking system to the test of sound general principles, and to initiate changes of a character more sweeping than many appear inclined to admit, there cannot be a doubt. Make full allowance for the tendency of individuals to exaggerate the importance of cherished theories, and for the fact that theorizers are more likely than plain practical people to figure before the public, on platform or in the press: still, an unmistakable conviction is abroad, that the monetary machinery of the Province is imperfectly adapted to its exigencies, and that steps ought to be taken to secure a currency equal to our wants, and not liable to sudden contraction under an impulse of fear or caprice.

On many grounds it is to be hoped that the demand for practical reform will take a wider range than appears to be contemplated by those who have written and spoken upon the currency question. We are alive to its significance. We appreciate its importance to the industry and commerce of the country. But it should not be allowed to force into the background, or to drive from the stage altogether, that wider, and in our judgment more important, question, which connects the tariff of the Province with the protection or discouragement of its industry.

The common mistake in the application of political economy to commercial legislation, is, that there are certain principles universal in their bearing, and that are to be reduced to practice without reference to circumstances. The thorough disciple of Adam Smith is always cosmopolitan in his estimate of economical measures. He treats us to nicely rounded periods touching the universality of truth, the wrong of expediency, the duty of carrying out what he deems right views, regardless of consequences; and so forth; all which reads smoothly, and in its own way may be proper enough, but is nevertheless of little value in determining the precise nature of the measures calculated to promote the prosperity of a particular people.

As Canadians, we cannot too soon awake to a knowledge of the marked distinction that ought to be drawn betwixt the economical principles adapted to England, and those widely different principles which are best adapted to the peculiar position of this country. Practically the distinction is well nigh ignored. It is supposed that a policy which events have forced upon England, and which accords with her vast accumulated capital, her developed resources, her mechanical skill and power, and her enormous mercantile marine, is equally suited to a sparsely populated colony, with little capital, with resources all but untouched, and with manufacturing industry struggling to obtain a subsistence. This is a blunder that ought not to be persisted in. We applaud Free Trade, while Protection—unpopular though the word may be in Western Canada—is the policy really fitted to meet the wants and enlarge the power of the Province.

That Protection is in many quarters unpopular, is a fact arising from the glib generalizations, which are the weapons of superficiality in economical discussions. The indiscriminate application of abstract principles, is the ever-ready resort of politicians, who, logically speaking, have no good ground to rest upon. The true statesman is he who grapples with the actual wants of his country, comprehends its weakness and strength, and constructs a policy corresponding to the means at command and the end to be achieved. The charlatan, on the contrary, devours Adam Smith, without digesting him, and without being aware, that on his merits, Smith is entitled to comparatively little weight; and having thus easily possessed himself of theories, the country is treated to their exercise, and is expected to thrive under them, notwithstanding their unfitness.

We are not advocating Protection with a view to the advancement of any special interests. Such interests exist, of course, and Protection would do them good service. We contend for it, however, as one of the main features of a comprehensive Canadian policy—a policy harmonizing with our circumstances, promoting our present prosperity, insuring us to some extent against the frequency of revulsion, and tending to prepare us for the honorable discharge of duties which destiny assigns to Canada.

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 spelt "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 20s 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. Patton, *Gen. Manager*.

			DISCOUNT IN	
			Montreal.	Toronto.
BRANCH at	Montreal.	Robert Cassels, Manager	par	par
"	"	Brantford. James C. Geddes, Mang'r	½	par
"	"	Halifax, N. S. S. N. Binney, Mang'r	5	5
"	"	Hamilton. Geo. Taylor, Mang'r	½	par
"	"	Kingston. Samuel Taylor, Mang'r	½	par
"	"	London, C.W. Thomas Christian	½	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	½	par
Agency at	Dundas.	W. Lash, Agent	½	par
"	"	Ottawa. A. W. Kelly, Ag't	½	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*..... ½
 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	½	par
"	"	Hamilton. A. Milroy, Mang'r	½	par
"	"	London, C.W. Wm. Dunn,	½	par
"	"	Brockville. F. M. Holmes, Mang'r	½	par
"	"	Kingston. A. Drummond, Mang'r	½	par
"	"	Cobourg. C. H. Morgan, Mang'r	½	par
"	"	Belleville. Q. Macnider, Mang'r	½	par
"	"	Bowmanville. G. Dyett, Mang'r	½	par
"	"	Brantford. A. Grier, Mang'r	½	par
"	"	St. Thomas. E. M. Yarwood, Mang'r	½	par
"	"	Ottawa (late Bytown). P. P. Harris, Mang'r	½	par
Agency at	Woodstock.	W. P. Street, Agent	½	par
"	"	Cornwall. W. Mattice, Agent	½	par
"	"	Whitby. Thos. Dow, Ag't	½	par
"	"	Peterboro. R. Nichols, Ag't	½	par
"	"	Goderich. H. McCutcheon,	½	par
"	"	Simcoe. S. Read, Ag't	½	par
"	"	Port Hope. R. Richardson, Ag't	½	par
"	"	Picton. J. Gray, Ag't	½	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.	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. Pringle, "			
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 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>	½	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>	½	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> .....	.....	½	par
Branch at	Belleville ...	Andrew Thompson, <i>Manager</i>	½	par
" "	Brookville ...	James Bancroft "	½	par
" "	Galt ...	William Cooke, "	½	par
" "	Hamilton ...	W. H. Park, "	½	par
" "	London ...	J. G. Harper, "	½	par

		DISCOUNT IN	
		Montreal.	Toronto
Branch at	Montreal, Thomas Kirby.....	par	par
"	" Port Hope, W. F. Harper.....	$\frac{1}{2}$	par
"	" Toronto, C. J. Campbell.....	$\frac{1}{2}$	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> .	$\frac{1}{2}$	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>	$\frac{1}{2}$	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.

MONTREAL STOCK MARKET—PREPARED BY THE BOARD OF BROKERS,
BOARD ROOM, EXCHANGE, MONTREAL, Feb. 18th, 1857.

DESCRIPTION.	Shares.	Paid Up.	Dividend Last Six Months.	Buyers.	Sellers.
Bank of Montreal	200 00	whole.	3 per cent.	110% per ct.	110% per ct.
Bank of Montreal, New Stock	200 00	60	3 per cent.	109 1/2	1 0
Bank of British North America	250 stg.	whole.	3 per cent.	None.	None.
Commercial Bank of Canada	100 00	whole.	3 per cent.	108 1/2	108 1/2
City Bank	40 00	whole.	3 per cent.	104	104
City Bank, New Stock	50	50	3 per cent.	103	103 1/2
Bank of Upper Canada	80 00	whole.	4 per cent.	81 1/2	82
do	50 00	do	4 per cent.	103	103
People's Bank	50 60	40	4 per cent.	104	None.
Molson's Bank	29 00	\$14 85	None.	\$1 25	\$1 40
Montreal Mining Company's Consols	8 00	4 10	.....	None.	None.
Quebec and Lake Superior Mining Company	5 00	0 75	.....	None.	None.
Lake Huron Silver and Copper Mining Company	5 00	0 90	.....	\$0 10	\$0 30
Canada Mining Company	4 00	0 25	.....	\$0 30	\$0 30
Huron Copper Day Mining Company	200 00	whole.	None.	15	20
Champlain and St. Lawrence Railroad Company	100 00	whole.	6 per cent. per annum.	45	46 1/2
Grand Trunk Railroad Company	100 00	whole.	4 per cent., 6 mos.	None.	None.
West. Western of Canada	100 00	whole.	5 per cent., 6 mos.	110	110
Montreal Telegraph Company	40 00	whole.	3 per cent., 6 mos.	85	86
Montreal City Gas Company	40 00	whole.	3 per cent., per annum.	99	par
Government Debentures, 20 years	.....	.....	6 per cent., per annum.	86	None.
Con. M. L. F. Debentures	.....	.....	7 per cent., per annum.	69	None.
Champlain and St. Lawrence Railroad Bonds	.....	.....	2% per cent., 6 months	70 per ct.	75 per ct.
Montreal Exchange	400 00	.....	.....	2 prem.	None.
Montreal Harbour Bonds	.....	.....	.....	.....	.....

STOCKS.

BANK OF MONTREAL.—In good demand at 110%, at which rate there are no sellers to-day.
BANK OF MONTREAL N & W STOCK.—Offering at 110 1/2, at a small amount.
BANK OF BRITISH NORTH AMERICA.—Nothing doing in this stock.
COMMERCIAL BANK, MIDLAND DISTRICT.—Steady at 108%
CITY BANK.—Nominally 103 1/2
BANK OF UPPER CANADA.—The latest sales were at 82, at which it is heavy. Buyers at 81 1/2.
PEOPLE'S BANK.—Has declared a dividend of 1/4 per cent for the past 6 months, payable on 1st March. Sellers at 101 ex-dividend.
MOLSON'S BANK.—No stock offering.
MONTREAL MINING COMPANY CONSOLS.—Have been sold as low as \$1.20 per share, there being to-day buyers, but no sellers, at \$1.25.
CHAMPLAIN & ST. LAWRENCE RAILROAD.—The stock is in good demand, at an advance of 1/2 per cent. upon late quotations. There have been sales at 15, which is now offered and refused.
GRAND TRUNK RAILROAD.—Small amounts offered at 46%: buyers offering 48.

GREAT WESTERN OF CANADA.—Offered at par. No buyers over 90.
MONTREAL TELEGRAPH COMPANY STOCK.—Continues steady at 110. No large amounts offering.
MONTREAL CITY GAS COMPANY.—No sales.
GOVERNMENT DEBENTURES.—Peculiarly at par.
CONSOLIDATED MUNICIPAL LOAN FUND DEBENTURES.—None in market; could be sold at 86.
IN OTHER STOCKS.—Nothing to report.
EXCHANGE.—Nominally unchanged—demand inactive

COMMERCIAL SUMMARY AND REVIEW.

Review of the Toronto Markets.

TORONTO, 17th February, 1858.

Since the date of our last we have no important improvement to note in the general business of the country, but the absence of any unfavorable event in commercial circles is at least matter for congratulation.

We have now good winter roads and a general movement of produce all over the Province, which cannot fail to have a beneficial influence on the general trade of the Province.

The accumulation of specie both in England and New York, and the reduction by the Bank of England of the rate of interest to four per cent. will no doubt be speedily felt here, particularly as there is no doubt but Parliament will at once raise the rate of interest from 6 to 7 per cent. if not higher.

Among produce merchants the general complaint is want of money. On this subject Mathews & Maclean's private circular observes :

" Good sleighing has made a general move all over the Province, and vastly increased our supplies; the principal thing now wanted by our Millers and Shippers is Money, and if our Banks would only view this all-important matter in the same light as our oldest and wealthiest Merchants, they would at once discount produce paper freely, at 90 days, to safe Millers and Shippers; this would carry us into the Spring, or opening of navigation, when the regular course of Exports would soon bring into the Province a large supply of actual wealth, and once more place Canada in a fair position. But our Banks will not move, they rather prefer to assist the embarrassed Importers, whose heavy imports, for the last few years, they have themselves induced, and who work on the mere fiction of bills payable and receivable, or, as it really is, bills payable, and payable (mere paper) for the purpose of obtaining from them a high rate of exchange on home drafts, than lend the honest Millers who pay them a fair legitimate remuneration, and who are the principal upholders of our Province.

FLOUR—During the past week a few thousand barrels have changed hands at \$3.50 to \$4. No 1 to common extra bought to hold until Spring, and a few barrels for the same consumption at the same figures. The French flour pressing on the English market, keeps the English quotations low, and indeed is affecting the sale of American and Canadian flour to some extent in our home markets. However, the prices now paid for Wheat will not admit of a decline on flour, our Millers, for the most part, sell as soon as they can turn from 100 to 500 barrels, according to their respective mills. Some favourite and known brands are held above selling figures, and they are well worth the asking price, being manufactured from selected sound Wheat, a scarce article this year, in large quantities.

WHEAT—Our supplies were about 1000 bus. per day, the first of the week, but towards the end our Market returns showed from 3,500 to 5000 bus. per day, principally good average samples, which sold at 85c. to 95., and a few extra 97½c. for Fall, and 73c. to 77c. for Spring. It is the opinion of many, our best samples have yet to be brought to market.

We are indebted to the *Globe* for the following review of the Grocery trade :—

The general character of the business done during the past week has been much the same as during the one previous, notwithstanding the good sleighing we have had.

SUGARS have been in small request, and prices are slightly lower. We quote bright at \$8.75 to \$9 per lb., medium \$8.50 to \$8.75 for both Cuba and Porto Rico; refined are firm, and sales light. In New York the arrivals of new Cuba have been small, and with light stocks the market exhibits considerable steadiness. The business transacted in this article in Montreal has been small, quotations ranging from 41s 3d to 45s per cwt. for dark to bright Porto Rico, and 40s to 44s per cwt. for dark to bright Cuba,

TEAS.—No change to note. At a public sale in New York last week, there was an active demand, and all offered was sold. At private there was considerable enquiry from the trade, and sales were made at good prices.

TOBACCOS are dull, and in small demand. We notice that in New York the business done has been small and prices are if anything lower.

In Wines and Spirits there is little or no movement, articles of luxury as these may be termed, being dispensed with in these hard times. We observe one or two auction sales in Montreal, but the quantities disposed of were small, first lots only having been sold.

Review of the Montreal Markets.

MONTREAL, Feb. 15th, 1858.

Business continues quiet—much less active than usual at this season of the year. There is little of interest to report, and in the absence of local topics of discussion, parties are looking forward to the opening of parliament and the measures likely to be introduced. The *Witness* has the following remarks on the subject of a Bankrupt law and the currency question, subjects which have created much discussion in Canada West.

There is so much said in the newspapers about an insolvent debtor's law, and so many persons stand in need of it, that we have little doubt an attempt will be made in the coming session to rush through some crude enactment for annulling obligations, which if adopted will in its turn be repealed with similar haste after its baneful consequences have been developed. There is no possible law or administration that will make bad businesses good, or render swindling debtors honest, and bad as things are it is of great consequence that they should not be made worse. It is very difficult to estimate all the consequences of any alteration of the laws which regulate the relations of debtor and creditor; and, generally speaking, the less law in the matter the better. Commercial Courts might be established for the settlement of commercial disputes, which should have equitable, and to some extent criminal jurisdiction in manners of fraud and also be able to enforce settlements of insolvent estates, when the debtor and three fourths of the creditors in number and amount were agreed as to the mode, but were hindered by a small minority of harsh or unreasonable creditors. Whatever is done, however, should be as clear and simple and well considered as possible.

It is a great anomaly that commercial laws should be made by a legislature consisting chiefly of lawyers, inasmuch as the interests of the merchants and the lawyers are diametrically opposed to each other. The one class would have everything settled in the easiest shortest and least expensive way, but the more frequent, the more prolonged and the more expensive the litigation, the better for the other.

FLOUR.—The market has ruled steady throughout the week, without any perceptible change in prices. The best brands of Superfine, from sound wheat, are comparatively scarce, and not obtainable under inside figure. Several inferior lots were sold at \$4.30 @ 4.35. Fancy has been placed, in several instances, at \$4.60, while some lots are offered at \$4.50. Extra is still neglected at quotations; Double Extra is wanted at \$5.40. Several lots, of 1,000 barrels each, have been sold for delivery in May and June at \$4.50.

INDIAN MEAL.—In retail demand only.

OATMEAL.—Is obtainable at \$3.80 $\text{\textcircled{P}}$ bbl of 200 lbs. The stock is still small.

GRAIN.—A shipping lot of Chicago Spring Wheat has been on the market at 95 cents., for delivery in May. A lot of U. C. Spring, same delivery, sold at 95 cents. $\text{\textcircled{P}}$ lbs. In coarse grains there are but few sales worth noting, nor has any stock accumulated here. Oats sell readily at 35 cents, $\text{\textcircled{P}}$ minot. Peas have been in active request for shipment via Portland: about 3000 minots sold at 90

cents; the demand has now subsided. Barley is in demand for distilling purposes at quotations. Corn is in retail demand only at quotation.

PROVISION—Beef remains at quotations. No stock here. Pork is a shade firmer, some holders asking \$17 for Mess; the latest sales were at \$16.50. Prime mess and prime are unchanged. Butter is in fair demand for local consumption. Ordinary lots are neglected at inside quotation. Lard fetches 12½ cents. 7 lb in kegs.

Canadian Politics at the Opening.—What Parliament must do for the Province.

“If you wish to see a perfect state of *higgledy-piggledy*, you have only to look at the present state of parties in this country. Why, there is no man, however full of talent, however high in station—there is no public man—no great leader, or combination of great leaders, who can secure a majority of the House of Commons from day to day, because the old relations of party are broken up and macadamised. (Cheers.) The old party ties are scattered to the winds, and you could no more form the old *partus ancus* than you could collect the dust of the Great North of England Road, and put it into the shape of its original granite. (Loud cheers) That is not a state of things in which the Government of this country can be carried on for any time. (Hear, hear) If no public man or combination of public men can carry on the Government of this country, then I say it is necessary that there should be some change **BUT YOU CANNOT HAVE ANY CHANGE IN THE HOUSE OF COMMONS EXCEPT YOU CHANGE THE CONSTITUTION OF THAT BODY.** Parties are now in about a similar condition to what they were in after the passing of the Catholic Emancipation Act, with this difference, that there is a greater break up now for corn was a greater blow to them than Catholics. (Cheers and laughter.) As it is impossible for the government of the country to be carried on without leadership and without purpose, for it is the very absence of purpose which makes parties in the House of Commons so unmanageable and anarchical, so it is impossible that the Government and Parliament can continue long in this position, and therefore the leaders of parties and political men are looking round for the reconstruction of *partus*.”—From Mr. Cobden's speech at the meeting of the Parliamentary and Financial Association, at London, 24th of April, 1850.

To the Editor of the Canadian Merchants' Magazine :

HAMILTON, 31st January, 1858.

SIR,—How very truthfully this expresses the position of matters at present here, as well as in England! In both countries there are the elements of greatness and prosperity, but the master mind of a patriotic philanthropist, is wanted to reduce them from the chaos caused by our ruinous monetary or industrial legislation. To ascertain the disease is necessary to the cure of it, and it is therefore valuable to have from Sir Robert Peel's *master*, Mr. Cobden, the admission of the *higgledy-piggledy* introduced by the advent to influence of the political economists—or *soudisant* free traders, whose principle is a denial of the principle of EMPIRE as well as of ORDER, and of every other principle, except conspiracy of the governing class against the weak, or

men of labour and in favour of the strong, or men of money. In former times national conspiracies were by the people against the ministry, but now that patriotism and even philanthropy have given way to political economy under the false name of freedom, the government or ministry is a conspiracy of men against their own industry and country, instead of being a mere embodiment of patriotic or, if you will, *locally selfish* principles. The great truth we have in our legislation lost sight of, is that clarity must begin at home, although it must not end there.

In fact, at this moment, such a thing as "party," based upon a principle distinct from its opponents, has ceased to exist; and in the future it will be told, to the everlasting credit of the spirit of *British party*, that it refused to live when principle was bar-facedly laid aside by our politicians. The consequences of the two great parties repudiating principle is, that the best feature of the British government, a constitutional opposition in the Legislature, continually acting under the responsibility of having the Executive handed over to it, in consequence of its distinctive principles, has ceased to exist. The Government of this day, because sitting in the name of Liberty or responsible Government, neglects the state of our distressed population in a way that our old tory or family compact Government did not dare to do, for fear of such conduct being attributed to the bad principle of the Government of those days. In the monetary crisis of 1837, either fear of the people or humanity prevailed, and parliament was called together to stop specie payments; but in 1857, neither the fear of the people nor humanity prevailed and parliament was not called together to staunch the out-flow of the country's life's blood—Specie.

We are of those who fear that responsibility, either to the Crown or the people, can never again be fully attained, except by having the Prime Minister popularly elected, like the President of the United States, and remain in the Executive of the country for a certain term of years, with no connection with the Legislature, or with the making of the laws, his duty being simply to carry out the laws made by the people, and sanctioned by the Crown, his responsibility being to the Courts of Law. Such an arrangement would give us all the advantages of the United States, and also all our own advantages, and the likelihood would then be, that they would seek annexation from us, rather than we from them. We do not see that such an arrangement would interfere essentially, in Canada, with the existence among us of a British Governor General; it would relieve him from a great deal of detail, which no British official can do, without endangering the popularity both of himself and the home Government; but he will still have the important duties of Foreign Minister and Commander of the Forces with the power of the veto if any law is passed in the Canadian Parliament contrary to the prerogatives of the Crown, a thing which need not be feared. Far from supposing that such an arrangement would weaken the stability of the throne, we believe it is the only way to strengthen the loyalty of the Province. He is the British Government's worst enemy, who says that the stability of the Throne can be preserved otherwise than through its being strengthened in the affections of our masses, or labouring classes.

The affections of colonists can only be retained by their being left to manage their own affairs in their own way. The colonists are the Queen's most

loyal subjects, but they find that British statesmen have no knowledge or sympathies in common with them. They see that what is called political economy, and which, in reality is a *commercial atheism*, or absence of all practical principle, has led to a sort of political *Buddhism* at home, just as it would (did we permit it) in Canada. The national politics are already involved in that chaos with which ours are threatened; they have dwindled into a heartless and unprincipled philosophy; a philosophy (as Schlegel says of Buddhism) "*which, by a dialectic or ideal course, has been led into a chaos of void abstraction and pure nihilism, and more scientific observers have ever judged it to be an absolute system of atheism.*" — a commercial atheism in fact.

Principles are, of course, "undying," though they may be banished from a country as from a mind, and though policy or "temporising" may usurp the place of principle, as unfortunately happened with the minds of all the British statesmen who, till lately, were most prominent—prominent, just because standing on the rock of patriotism. The only distinction now left us to draw is between men who are the *active element*, and men who would *stand still* till the waves of revolution overthrow the institutions of this country, as want of employment did those of France. We must look to the former class, seeing that *the finality men will be sure to prove themselves and their principle incapable of finding employment for the masses, or, in other words, of governing the Province.* The reality of the greatest and best paid employment for each particular locality must practically be attained, or the *principle of Empire* is shewn, to this extent, to have failed. In fact no intelligent man can be a patriot, in Canada, who does not hold the principle that *manufactures ought not to be centralized* in Britain, but should be diffused as widely as possible through the Empire. We must come to acknowledge that *circumstances are the only facts in political economy; allowing therefore, each country or colony under the British flag to adopt whatever policy its particular circumstances dictate;* it being always open to her Majesty's subjects at home, who think that any particular colony has secured to itself uncommon advantages, to remove to such colony, without requiring to go beyond the pale of British law, or protection of the British Government. It is not the colonies that have the responsibility of having departed from the glorious old colonial system, which is described by an able writer (Mr. Bliss, on the Colonial System) thus:—"during two centuries that policy has been in operation, and within that period has created a larger and richer Empire than Rome acquired in seven; and as the present age would judge the opinion of any Roman senator, had Rome produced, or history preserved the conceit, that the greatness of his country was not in consequence of its military policy, but in spite of it; so, probably, will posterity esteem the British statesman who affirms that the wealth and greatness of this Empire are in spite, not in consequence, of its Colonial system. But it was, in fact, from 1806 that the Colonial system, which had been intermitted during the war, was restored, after the hostilities waged by some countries against the power, by others against the commerce of Great Britain, had given her the severest lesson of the miseries and dangers of foreign dependence. In 1807, the Americans, in their wisdom, as the phrase is, of their public acts, interdicted all intercourse with the British

dominions, and renounced the commerce of the sea. The intercourse between the northern and southern colonies immediately revived. War with Prussia had preceded this, war with Denmark followed; and the ascendancy of France, and the extension of the Continental system throughout the north of Europe, caused such embarrassment and dismay in this country, that its Ministers seem to have resolved never again to suffer it to depend upon precarious sources of supply for articles of the first necessity. To the Continental system of France, and the non-intercourse of America, was opposed the Colonial system of Great Britain, and it discomfited both."

But now that the political economists have given the American produce the same untaxed access to the British market as is enjoyed by Canadian produce, it is clear that Canada must stand up for some peculiar advantages for herself, through her own legislation. Until she does so, her population can, with reason, say that, so far as material advantages are concerned, they would be better under the American flag, seeing that the farmer on the south side of the line enjoys both American and British advantages, while the farmer on the north has only British advantages. So that we should even be driven by anxiety to preserve Canada to England, to take every means to foster our provincial labour. An able writer in *Hunt's Merchants' Magazine* expressed, as well as it ever has been expressed, the value of a home market for breadstuffs:—"After all (says he) the home market is the great market for our breadstuffs. What becomes of the vast amount of wheat that is grown in the country? The product, we have already seen, is about 100,000,000 bushels, and only about 6,300,000 bushels are sent abroad. The State of Ohio alone produces three times as much as we export annually; and the little State of Delaware produces twice as much Indian corn as our annual export. It is not possible to state the exact amount of wheat which is consumed in the country by those engaged in other pursuits than agriculture. If we take those engaged in manufactures and trades, in mining, in the fisheries, in all their forms, in commerce and navigation, in all their varieties, and the learned professions, with their families and dependants, it would amount to one quarter of our population, viz.: 5,000,000 persons who are not producers, but consumers of breadstuffs. These will consume one barrel of flour, or five bushels of wheat per head, making a constant market for 25,000,000 bushels of wheat, equal to about one-fourth of our whole product. The New England States alone consume, annually 1,400,000 barrels of flour, or 7,000,000 bushels of wheat more than they produce; which is about 700,000 bushels more than our entire export." * * * *

"Above all, we are in favour of the protective system because it promotes the interest of the labourers of the country. This, after all, is the interest which requires most protection. The rich man can rely upon his money for his support. If the times are hard, his money becomes more valuable, as it will command a better interest, and furnish him more of the comforts and luxuries of life. But to the poor man—the labourer—who has no capital but his ability to toil, to such an one a prostration of business is absolute ruin. Now, as the protective policy is calculated to revive business, and give the labourer the due reward to his toil, we regard it as the poor man's system—as his rightful inheritance.

"This system has already done much for the poor man. There is no arti-

cle of clothing which goes into the consumption of the poor man's family so extensively as cottons in various forms; and this policy has reduced the price of common cotton cloth more than three-quarters. Those shirtings which, in 1816, would cost thirty cents per yard, can now be purchased for six cents; and other cottons have fallen nearly in the same proportion. We commend this to the special consideration of those who eat their bread in the sweat of their brow, who constitute the great mass of the people.

"We say, in conclusion, that Congress not only possesses the power to lay protective duties, but the good of the country demands the exercise of this power. So thought the 'Father of his Country'—so thought the patriots and sages of the revolution. And shall the mere theorists of this day, with their refined closet-dreams, lead us from the paths which our fathers have trod, and which experience has shown us to be paths of wisdom and prosperity?"

"Every feeling of national honour, every dictate of patriotism, every interest in the country, cries out against it."

There is endless proof that the bullionists or great men of the money market in England, are afraid of republican legislation, just because they know that it would be sure to be *protective*.

In Mr. Senior's *Mercantile Theory of Wealth*, we have the following evidence of the Political Economists being aware that protection to native industry is popular, and would be the rule under universal suffrage:—"If the unhappy prejudices that now exist on this subject should continue, and if the extension of representative government should increase the power of public opinion over the policy of nations, I fear that commerce may not long be enabled to retain even that degree of freedom that she now enjoys." "I have perfect reliance on the knowledge and good intentions of our present Ministers—but very little on the knowledge possessed by the country at large. And if Ministers are unsupported by the country at large—if each class, in turn, is to be permitted a complete or a partial monopoly, and bribed by this sacrifice of the general and permanent interest [the interest of the annuitants and tax-eaters, whom Sir James Graham calls "the drones of the hive], of the public to its own partial and immediate advantage—to allow others to clamour for the power to exercise a similar oppression—if Ministers are not aided by the public voice in their struggles against individual rapacity—we shall tread backwards with greater rapidity, the few steps which we have so laboriously gained. In a representative government, where each individual may proclaim, in their uttermost exaggeration, his sufferings and his fears, where the power arbitrarily to do good is chained by the same fetters which restrain the power arbitrarily to do evil—where, in short, public opinion is omnipotent, and is, on these subjects, so ill-informed, and therefore so easily misunderstood—there appears at first sight, no limit to the extent to which individual interest, popular prejudice, and national jealousy, might next carry the system of exclusion."

And of the conspirators of the money market, who hold their unholy orgies over that grossest of all the acts of the political economists—Sir R. Peel's money bill of 1819—none ever did the harm, as influencing the public mind, which Dr. Chalmers, (the brightest ornament of any Church) did on the subject of political economy; and strange to say, by it also was this great

man's mind perverted into a distrust of the working-classes for whom it may be said that he had lived; for in his "Political Economy in connection with the Moral State and Moral Prospects of Society," we find the following:—

"A liberal politics forms no guarantee, but, we doubt, the opposite, for a liberal political economy. This is a subject on which the popular and philosophic mind are not at all in harmony; and the very admission into Parliament of so large an influence from the will of the humbler classes may, after all, endanger the cause of sound legislation, on every topic where the seeming and the substantial interests of the country are at variance.

And the *Manchester Guardian*, the talented organ of the free traders in England, puts it beyond doubt that the present race of economists have as little hearty dependence on the working classes, as had the fathers of political economy. In a leading article during the troubles in France in 1850, he had the following—"The fact being concealed that the barefaced insincerity of many of the members to the democratical principles they professed at the hustings, was the instigating cause of the present danger in France, which was used as an excuse by Thiers and the Economists, to make a *first*, if it is not perhaps a very vital, deviation from the popular principle!—"That neither France nor any other large European state can be safely subjected to the action of a legislative body elected by universal suffrage, has been more than sufficiently proved; and therefore some modification, now or hereafter, of the French electoral law will be indispensable. But whether any such modification will meet the danger that now threatens the country, may well be doubted." Finally, we have the following from the pen of Ebenezer Elliot, the Corn Law Rhymer, dated 17th October, 1849:—"It is remarkable that Free Trade has been carried by the Middle Classes, not only without the assistance of the working classes but in spite of their opposition." This is worse than the early Whigs who were outdone by the Tories as Free Traders; indeed Mr. Fox, the late Lord Grey, Burke and Sheridan, were decidedly opposed to the delusive theories of free trade. This is admitted in the *Edinburgh Review*, of January, 1846. "We must in candour admit and lament that those maxims of policy taught by Dr. Adam Smith, which bind nations together by the reciprocal benefits of commerce (there is no reciprocity) produced less effect on the minds of the Whig leaders, than that of Mr. Pitt."

The French Economists were equally afraid of the people's power being exerted against their theories. Dugald Stewart in his elements of the "*Philosophy of the Human Mind*," observes—

"The foregoing observations on the general aim of the economical system, refer solely (as must appear evident to those who have perused them with attention) to the doctrines it contains on the article of Political Economy. The theory of government which it inculcates, is of the most dangerous tendency; recommending in strong and unqualified terms, an unmixed despotism, and reprobating all constitutional checks on the Sovereign authority. Many English writers indeed, with an almost incredible ignorance of the works which they have presumed to censure, have spoken of them as if they encouraged political principles of a very different complexion; but the truth is, that the disciples of *Quesnai* (without a single exception), carried their zeal for the power of the monarch, and what they called the unity of legisla-

tion, to so extravagant a length, as to treat with contempt those mixed establishments which allow any share whatever of legislative influence to the representatives of the people. On the one hand, the evidence of this system appeared to its partizans so complete and irresistible, that they flattered themselves monarchs would soon see, with an intuitive conviction, the identity of their own interests with those of the nations they are called to govern; and on the other hand, they contended that it is only under the strong and steady government of a race of hereditary Princes, undistracted by the prejudices and local interests which warp the deliberations of popular assemblies, that a gradual and systematic approach can be made to the perfection of law and policy. The very first of Quesnai's maxims states, as a fundamental principle, that sovereign authority unrestrained by any constitutional checks or balances, should be lodged in the hands of a single person; and the same doctrine is maintained by all his followers: by none of them more explicitly than by Mercier de la Riviere, whose Treatise on "*The Natural and Essential order of Political Societies*," might have been expected to attract some notice in this country, from the praise which Mr. Smith has bestowed on the perspicuity of his style, and the distinctness of his arrangements." And M. Dupont in his work *Sur L'Origine et Progres d'une Nouvelle Science*, goes all lengths in expressing his distrust of popular institutions.

And a more fatal national delusion never existed, than that of England having been led to place faith in the doctrines of Adam Smith and the political economists; and this delusion we are sorry to say, has been caused by the deepest deception having been practised by the press and popular literature of the day. Indeed the actual degradation or helplessness of the public mind on this subject in England, is greater than a philanthropic writer some time ago gave great offence by indicating as possible; we allude to *Allison on Population*, who says:—

"It may be relied on, that if the bulk of the people become corrupted, either from the selfishness of repose, the enjoyments of pleasure, the passions of power, or the luxuries of opulence, the press will become the most fatal instrument that ever was devised for destroying the liberties of mankind; for it will throw its enervating spell over their minds, and deprive them even of the wish to regain their freedom."

The foregoing assertion, however startling, we will prove, and the proof shall be derived from the leading economists themselves, they having been under the necessity of admitting that the true characters of the main branches of the science of Social Economy have not been discovered by them, although with the assistance of Peel, Cobden and the Free Traders in the British Parliament, with the aid of a cosmopolitan press, they deceived the public into this fatal supposition.

The proof which we will adduce first, is derived from the writings of Mr. M'ulloch, who, himself being a disciple of Adam Smith, and acknowledging him as his leader and master, has, nevertheless, admitted in a passage in the introductory part of his own work, that his master was very deficient. The following is the passage:—

"However excellent in many respects, still it cannot be denied that there are errors, and those too of no slight importance, in '*The Wealth of Nations*.' Dr. Smith does not say that, in prosecuting such branches of industry as are

most advantageous to themselves, individuals necessarily prosecute such as are, at the same time, *most* advantageous to the public. His leaning to the system of M. Quesnay—a leaning perceptible in every part of his work—made him so far swerve from the sounder principles of his own system, as to admit that the preference shown by individuals in favor of particular employments is not always a *true test* of their public advantageousness. He considered agriculture, though not the only productive employment, as the most productive of any; the home trade as more productive than a direct foreign trade; and the latter than the carrying trade. It is clear, however, that these distinctions are all fundamentally erroneous. . . . Perhaps, however, the principal defect of ‘The Wealth of Nations’ consists in the erroneous doctrines laid down with respect to the invariable value of corn, and the effect of fluctuations in wages and profits on prices. These have prevented Dr. Smith from acquiring clear and accurate notions respecting the nature and causes of rent, and the laws which govern the rate of profit; and have, in consequence, vitiated the theoretical conclusions in those parts of his work which treat of the distribution of wealth and the principles of taxation.”—*Principles of Political Economy, by J. R. McCulloch*.

If we examine carefully the foregoing extract we cannot fail to discern how great those deficiencies are which the pupil alleges against the master, for he declares him to have been ignorant of the true character and value, firstly, of home trade; secondly, of foreign trade; and, thirdly, of the carrying trade between nations. A pretty extensive category of ignorance this is; and then, in addition, he declares that the master was not able to discover the laws which govern the rate of profit. Now, as all increase of wealth is comprehended by the term profit, so failing to discover and apprehend the whole subject of the creation of wealth.

The next category of deficiencies, admitted by the schoolmen themselves, we derive from the writings of Mr. Malthus. They are comprised in the following passage:—

“Since the era of these distinguished writers, the subject has gradually attracted the attention of a great number of persons, particularly during the last twenty or thirty years. All the main propositions of the science have been examined, and the events which have since occurred, tending either to illustrate or confute them, have been repeatedly discussed. The result of this examination and discussion seems to be, that on some very important points there are still great differences of opinion. Among these, perhaps, may be reckoned, the definitions of wealth and of productive labor—the nature and measures of value, the nature and measures of the principles of demand and supply; the origin and progress of rent; the causes which practically retard and limit the progress of wealth; the level of the precious metals in different countries; the principles of taxation, &c.”—*Principles of Political Economy, by T. R. Malthus, edition 1836, page 3*.

By these passages from the writings of Malthus, containing his *latest* judgment, for the work has been published since his death, you will see how much the writers on Political Economy have left for succeeding inquirers to explore, to discover, and to explain to the world.

The next evidence which we will adduce, is derived from the recorded judgment of a scientific and practical statesman, one who, having attached himself

to the liberal political party, before entering on public life in the House of Commons, devoted himself with the Edinburgh schoolmen, to an especial study of the science of Political Economy. We allude to Francis Horner. He studied patiently and perseveringly Adam Smith's work. He studied also the science of Political Economy. The result of his studies are communicated to us in the following passages:—

“We have been under the necessity of suspending our progress in the perusal of ‘The Wealth of Nations,’ on account of the insurmountable difficulties, obscurity and embarrassment in which the reasonings of the 5th Chapter are involved. It is amusing to recollect the history of one's feelings on a matter of this kind. Many years ago, when I first read the ‘Wealth of Nations,’ the whole of the first book appeared to me as perspicuous as it was interesting and new. Some time afterwards, while I lived in England, I attempted to make an abstract of Smith's *principal* reasonings, but I was impeded by the doctrine of the *real measure of value*, and the distinction between nominal and real price; the discovery that I did not understand Smith, speedily led me to doubt whether Smith understood himself,—and I thought I saw that the price of labour was the same sort of thing as the price of any other commodity, but the discussion was too hard for me, and I fled to something more agreeable because more easy.”—*Memoirs of Francis Horner*, vol. 1, page 163.

“There has been nothing new very lately in the line of Political Economy, through Brougham's work and Malthus's are a great deal for one year. An indirect application was made to me to furnish a set of notes for a new edition of ‘Smith's Wealth of Nations.’ This, of course, I declined, because I have other things to attend to; even if I had been prepared for such an undertaking, which certainly I am not yet, I should be reluctant to expose Smith's errors before his work has operated its full effect. We owe much at present to the superstitious worship of Smith's name, and we must not impair that feeling till the victory is more complete. There are very few practical errors in the ‘Wealth of Nations,’ at least of any great consequence, and until we can give a correct and precise theory of the nature and origin of wealth, his popular, and plausible, and loose hypothesis is as good for the vulgar as any other.”—*Memoirs of Francis Horner*, vol. 1, page 229.

The opinions just quoted are those of a man who was expressly educated as a *scientific* statesman, and who was introduced and received in Parliament with this high character.

We cannot fail to mark the deep importance of his words when he declares that a *correct and precise theory of the nature and origin of wealth*, has not been discovered either by Adam Smith or by any other member of the school.

The writer who has appeared last on the stage of literature of those who are connected influentially with the modern school of Political Economists, is Mr. John Stuart Mill: the work of this writer having been very recently presented to the world. The estimation in which Mr. Mill holds the work of Adam Smith—that work which our most influential and leading statesmen have of late declared to be all-sufficient for guiding them in their most important courses of national law-making, is announced by the following words:—

“The ‘Wealth of Nations’ is in many parts obsolete, and, in all, imperfect. Political Economy, properly so called, has grown up almost from infancy since

the time of Adam Smith; and the philosophy of society, from which practically that eminent thinker never separated his more peculiar theme, though still in a very early stage of its progress, has advanced many steps beyond the point at which he left it."—*Principles of Political Economy, by John Stuart Mill, vol. 1, preface, p. 5.*

Such are the proofs we have to lay before the province respecting the assumed discoveries and the doings of this highly vaunted school. That which the whole people have been exhorted to admire and to adopt, is admitted to be nothing better than "a popular, plausible, and loose hypothesis," but although of this worthless character, it is, nevertheless, pronounced to be—"as good for the vulgar as any other."

¶ Many more such proofs might be adduced, but we have adduced sufficient. We now see how urgent the necessity is for renewed and more skilful investigation in this important field ourselves and our families, of every family of the nation, and indeed of the whole world, are comprised.

The great and urgent question then is—What shall we do? What practical course can be adopted?

At present, there is, without doubt, the deepest individual suffering in Canada, arising from the want of a circulating medium; and the government has acted, and is acting, a most heartless part towards the sufferers,—the only excuse for their conduct, being that the free trade and bullionist principles of the Parliamentary opposition and its press, would lead to conduct still more heartless. And perhaps the worst feature is the patience or insensibility (as described above by Allison), with which the people suffer. Among the few practical suggestions that have been made, perhaps the best are by Mr. D'Arcy McGee in his address soliciting the suffrages of the citizens of Montreal. From his address we shall give two quotations, one on the subject of the material interests of the Province, and the other, on the great question of Education, the amicable disposal of which seemed necessary to allow the question of the material interests of the Province to assume the first place in our politics which they undoubtedly should have. Mr. McGee says:—

"A real reciprocity of advantages was not, in many most important particulars, secured by the Reciprocity Treaty, and speedy legislation towards the equalization of the tariffs of Canada and the United States is imperatively called for."

And on the School Question, he says:—

"On the subject of Education, we have no cause of complaint in this part of the Province. In Upper Canada it is otherwise. The Roman Catholics there entertain, what I believe to be, unanswerable objections to the existing Common School System. They are a minority—and there is the greater need we should support them, in the maintenance of their just demands. The principle by which I would test all legislation on this subject is, that the same rights and privileges be granted to the Catholic minority of Upper Canada, as are now enjoyed by the Protestant minority in Lower Canada. When this equality is once established by law, let such legislation be declared a finality; and the Parliament of Canada will find time to attend to other interests less conflicting and less controversial, but hardly less important. I have no desire, I beg you to believe me, gentlemen, to see the great council

of the country turned into a *conciliabulum* of wrangling zealots, in whose unnatural strife the very existence of society must be endangered. Quite the reverse is my hope for the future of British North America."

The great and urgent necessity of the immediate settlement of this question, is the fact that ever after getting quit of the Clergy Reserve dispute, many politicians will still insist on the Church question being the first question in Canadian politics. One of our great advantages over old Countries, should be that the material interests of the country should be the first question in our politics. In England, unfortunately this is not the case, as all or nearly all the county members are elected not in consequence of their views on the question of labour, but in consequence of their Church views; so that the people's question is prevented being the first question in England's politics. In Canada, therefore, Church questions in regard to Schools, or otherwise, should get their *quietus* forever. With the double object of giving reasonable ground of satisfaction to Roman Catholics, and of preventing secularizing or banishing the Bible from the Public Schools of Upper Canada, moderate, just and conciliatory views must govern all legislation on this important subject. Roman Catholics, as well as protestants, however, must be told that we shall sooner yield the Union of the Provinces or the Union of the Empire, than the Union of the Bible and our Public Schools in Upper Canada.

Upper Canadians hold as firmly as Cromwell his sentiments:

"If any man thinks that the interest of these nations, and the interest of Christianity are two separate and distinct things, I wish my soul may never enter into his secret."

Far from agreeing with the secularizing dogmas, they feel with *Southey* that:

"Intellectual attainments and regular habits are no security for good conduct, unless they are supported by sound religious principles. Without religion the highest endowments of intellect can only render the possessor more dangerous if he be ill-disposed; if well-disposed, only more unhappy.

So that their granting separate schools to the Roman Catholics is not only as a measure of justice to them, but as necessary to preserve the magnificent school system of Upper Canada. And political friends, who have their country's good at heart sufficiently to make them lay aside church quarrels, will not quarrel as to the period at which to bring up for discussion the question of Representation by Population. Distressed as is the Province in money matters no other question should come in the way of or interfere with the more immediately important question of the employment of the people.

With regard to the vital subject of Canadian employment or labour, it is obvious that, like the Americans, we must have greater protection against the degraded labour of Europe. We desire to see the European labourer coming amongst us, but we see nothing but degradation flowing from our receiving *in the shape of goods* his labour, which his necessities have made him sell in Europe at less than a half the wages we could afford to give him here, if paying him in our wheat which has not been doubled in price by the cost of transporting it across the Atlantic and by profits to an army of *middle men*.

In fact our putting on the American tariff at our seaboard will be the in-

evitable result, unless the Political Economist Bullionists allow of other Patriotic (or *selfish* if you will) Legislation in Canada. To prevent this would be the basest inhumanity on the part of the English even if it were their private interest which on a broad view we do not believe is the case. We may best illustrate this view by reference to a similar one which we used to hold in England, when arguing with that heartless, unpatriotic class, the English Free Traders, who regard only the produce, not the producer—only the labour, not the labourer—palming off on the poor people in England (just as they would on us) a system of free imports under the deceptive name of Free Trade. We always explained to them that if they succeeded in getting Mr. Walker the then Secretary of the United States to yield the protection enjoyed by American manufactures, the result would be not only the ruin of the manufacturers but of every class in the United States—Europe would send out more goods to the United States than could be paid for, without the shipment of their precious metals the presence of which their (like our own) foolish Law, has made the life's blood of all confidence and credit would necessarily cease to exist in the United States.—England would be found to have killed the goose with the golden egg, by urging on her best customers a policy subversive of all the interests in their own country to serve the apparent (but not real) interests of one class in England. This is exactly the position of the Foreign Trade of Canada. We seemed to have made a good bargain in having the law made so as to prevent our being charged over (or much over) par for our Bill of Exchange or gold to remit, but it has turned out a very short-sighted bargain. Our legal privilege of demanding a certain weight of gold for our five dollar bill prevents the Banks issuing; and the Banks are perfectly justified in this course, without fatally injuring themselves, and doing no good to the Trade. Our importations have exceeded our exportations for some year back probably eight millions of dollars per annum on an average—a deficiency which till now has been in some degree met by the Railway outlay of English money. But that outlay has nearly stopped simultaneously with the unhappy occurrence here of two indifferent harvests; and the foreign exchange is for the moment fearfully against Canada. Just as in England, the Banks in Canada, when they cannot furnish Exchange, or cannot do so profitably in consequence of the law requiring them to furnish it at a low fixed price, (which is the practical effect of their being obliged to pay gold at that price), have no other course but to contract the demands on them for Exchange or gold. This obviously is ruin equally to those who don't want foreign Exchange or gold and those who do. It obviously is ruin to the country that the paper circulation, the only means of sending our surplus wheat to market and turning it into foreign Exchange, should be withdrawn; and probably the Banks find this state of things just as unprofitable as any other class.

Now, it is undeniable that, at the present moment, the Banks would gladly advance circulation to purchase the four or five millions of bushels of surplus wheat that still remains in Upper Canada, if that circulation did not come on them for gold, at a price far disproportioned to its value in Canada. It may be said that the fact of the Banks being prevented, by the existence of the Usury Laws, from charging more than 6 per cent. interest, is the cause of this; we must, however, remember that the Bank of England was driven to

act the same even though no Usury Law existed. We must get quit of the Usury Laws the first moment; but the root of the evil lies much deeper than the mere existence of the Usury Laws.

It is a common thing to hear people insist that making paper money a legal tender must necessarily cause a depreciation of the currency. Now, we deny that our emblematic principle of money (*if properly secured and made a legal tender*) would depreciate. We know that a mortgage, however well secured, will depreciate because not a legal tender; but with paper made a legal tender, *insecurity* is the only cause of depreciation. What is called depreciation of such (legal tender) paper money, is merely the appreciation or rise in price of gold or foreign exchange, when these become scarce from our importations of goods exceeding our exportations. When, however, our importations are balanced by our exportations, there cannot possibly be any extra demand for gold or exchange, or any rise in the price of these.

A bad state of the foreign Exchanges, or a state of over-importation, it seems we must be prepared for in America: but this is only an additional reason for our getting quit of the present hard money system. The simple question is: shall our legal regulations continue to be such as to leave the internal business of Canada open at all times to be extirpated by every bad state of the foreign Exchange; or shall our legal regulations be made such as not to permit a bad state of the foreign extirpate our local circulating medium? Even if it were a benefit to the foreign Traders (which I have shewn it is not) to see the general prosperity upset, it seems a most suicidal policy for the Province to continue a system under which our payments for the foreign trade, which are not a fifth of the whole business of Canada, lead to a contraction of the circulation which is ruin to all. There is in Canada a population of 2,500,000 souls, who, on an average, spend probably \$80 each, or in all two hundred millions of dollars of circulation per annum, and all this is every moment liable to be thrown into confusion by the operation of the system on which we arbitrarily (by law) place the payments of the foreign trade, which at the most are not over forty millions of dollars per annum!

The main cause of the alienation of the old colonies was the home government's interference with the paper money of the different Colonial Governments, the tea movement in Boston being merely the excuse availed of; and in fighting against the hard money system we have always felt that, unless got quit of, the people of the Province will by it be eventually alienated from the mother country however much against their wills. At this moment, for instance, we have no doubt that the existing law is bringing destruction into nine families out of every ten in the Province; and if this is true it surely is dangerous policy to allow any British Treasury minute to stop the way of an immediate change.

The measure which should be introduced when Parliament meets, to carry out our monetary principles might be as follows:—We would propose that Parliament should authorize the issue of Four Millions of Dollars in Provincial Debentures at 20 years, bearing legal interest, the same to be vested in Parliamentary Commissioners of the Provincial note circulation, and to be held as the temporary security of a similar amount of legal tender notes to be issued at once for the relief of the country through the chartered banks on which the Government would check, as the claims on it require this. The

Provincial Revenue would thus be left free, and should be applied when collected in buying up Provincial Debentures heretofore authorized by Parliament, which we would substitute as the security of the note circulation for the new issue of Debentures, cancelling the latter. It appears to us that this measure would not only give the wanted assistance and confidence to the country (as providing funds to purchase last years crop,) but would also yield from the interest on the debentures, a large revenue which might be applied to any public purpose, perhaps to relieving those municipalities whose public spirit has led them to deep into debt. The latter view would be very desirable in case a measure is found necessary to restrict for the future the power of corporations or municipalities to contract debt, and we mention it to show how much good the Province might do by being the issuer of a portion of our Provincial paper money.

There are various other details into which we would have been glad to have entered, but for the already unexpected length of this explanation.

Our present object is to shadow forth to the public the practical shape into which the view, now coming into some popularity both here and in England, may be put for the benefit of the country. We may just remark, that the sort of National Bank which some think, would cure all our ills, already exists in England. The notes of the Bank of England are a legal tender everywhere in England but at its own counter, and yet this does not stop the panic. It is mere child's play—a mere trifling with the public mind in its present state of deep anxiety—to propose any remedy which has a less object than the extirpation of the cause or source of these national panics on account of money.

And before we can intelligently apply a remedy, we must understand the cause of these national panics. The cause is entirely legislative, and is therefore capable of a perfect and immediate remedy. The origin of the evil is England's having adopted an unjust and unpatriotic theory of money, and in her being followed therein by the legislators both of the United States and Canada. We have too long shut our eyes to the fact that in 1810 and 1819, the most prominent dates of the monetary conspiracy in England, the power of the Legislature was in the hands of the possessors of money and landed property, the latter of which classes had their interests made synonymous with the former, by the bribe given them of the Corn Bill of 1815. The English Corn Bill had as its object to give the landed interest that freedom from the blasting influence of the foreign trade, which a just and patriotic Money Law might have given to the whole internal trade and industry of England, without any violation of free trade principles.

The object of the English legislators, however, was not then, and is not now, the benefit of *industry*, but the benefit of *money*. Their interest and object was, and is, much labour for little money, and not much money for little labour. It is evident that the same remedy that would extirpate the cause of panics in the money market, would extirpate the tyranny of the monied class over the labouring class, and, to be plain, this is the reason why the remedy cannot be carried through the English Parliament, constituted as it now is.

Now we have shown the cause of the panics in the money market, that come periodically, and the cause of the habitual oppression or degradation of

labour to be the same. The remedy, also is the same; we must set free our home or internal industry from the blasting influence which the foreign trade exercises on it under our bullionist money system, perpetually keeping it in dread panic; just as, under the same insane system, the Bank depositors are a source of perpetual danger to the bank-note holders. Even parties who are connected with the foreign trade, are fatally injured by the present money law, which, under the false pretence of justice to the foreign trade, is perpetually cutting its throat, by upsetting the internal prosperity of the Province, on which rests all the hopes of the foreign trade in selling its importations and getting paid for them.

There is no doubt that the new monetary principle which we propose would give a great advantage to manufactures in Canada; but this is an incident, and to prevent a general benefit flowing from it, would be the basest inhumanity on the part of our merchants, even if it was their private interest, which we have shewn it is not, on the broad view that no great class can prosper unless there is general prosperity.

Nothing is plainer than the fact that the United States are great just because our old British homely and patriotic principles now banished from England have taken refuge in America.

Apologizing for the length of this communication,

I am,

Yours faithfully,

ISAAC BUCHANAN.

P. S. As a matter of constitutional principle, we believe that the coining of paper should be just as much the prerogative of the Government as the coining of gold or any other metal; but the securing for the public the incalculable advantage of the great practical principle of a provincial or local legal tender is the great desideratum. And without grasping at the profit of the circulation for the public, we might be satisfied with the measure to be introduced when Parliament meets if it only suits the convenience of the public, by establishing a Provincial legal tender. To this great end all that is really necessary, is that the Government be authorized to indorse the notes of the chartered Banks to the extent they hold or can possess themselves of specie and Government Debentures, and that such indorsed notes be decreed to be a legal tender. By indorsing these notes, the government's responsibility need not be increased as the debentures may remain under the lock of the government in the bank's vaults. We regret to say that though our present Provincial Ministry will not be attacked on this point by our unpractical and unpatriotic opposition the ministers themselves and their friends will never cease to regret their having failed to call Parliament together in October last, to repeal the Usury Law and to pass an act making chartered Bank notes indorsed by the country as above, a legal tender. By not doing so, they have no doubt caused an infinite amount of loss and misery; and a great part of this loss and misery would be saved to Canada by the adoption of legal tender paper money, even if it had no other use than as a medium of effecting the weekly settlements among the Banks.

Our present object is to afford temporary relief to the distressed in Canada

(comprising all classes); but we have also in view as our ultimate objects, the same great national interests as have been contended for by the New England Society for the promotion of manufactures and the mechanic arts, which we subjoin:—

“This Society received its charter from the State of Massachusetts, in 1826, and it being thought proper to reiterate the purposes of its existence, the following Preamble and Resolutions were unanimously adopted, at a recent meeting:—

“Whereas, the country at present is suffering under great financial distress, which not only presses heavily upon the resources of the capitalists, but in many cases is felt more sharply and severely by temperate, thrifty and industrious workmen, in the withdrawal of their accustomed employment, causing privation and anxiety in many deserving households; and

“Whereas, The causes of this distress are to be found, to a great extent, in the excessive importation from abroad, during some years past, and in a growing taste for foreign luxuries, opposed alike to high-toned patriotism and sound political economy, and

“Whereas, It has ever been the aim of the Society not merely to develop the resources of New England, but to foster those principles of forecast, industry and thrift which are the sources alike of national strength and individual prosperity, and

Whereas, the present seems a fitting occasion for distinctly enunciating the principles upon which the Society was founded, and the objects at which it has ever aimed, and of impressing their importance upon the whole community, whether interested in agriculture, commerce, manufactures, or the mechanic arts, therefore,

Resolved, That this Society earnestly recommends to the American people to encourage, by all honourable means, the industrial and productive energies of our own land, to stimulate the industry of our own countrymen, and thus aid to the natural and healthy development of the unparalleled resources and capacities of our favoured country.

Resolved, That a state of national isolation would not be desirable if possible, nor possible if desirable, and while for many articles both of necessity and luxury, we must ever be indebted to foreign countries, more largely endowed with natural and created advantages for producing them, that competition would be most unwise, yet, in those cases where a branch of home industry requires only patience and self-denial to be developed to a state of healthy activity, we hold that the producers of our country have a right to exact this sacrifice at the hands of the consumers, and that both would be benefited thereby.

Resolved, That each country has, by the ordinance of God and the course of events special facilities for certain forms of production, and it is well that all mankind should have the benefit of these facilities. We are proud to acknowledge our obligations to the Old World in things material, as well as in things intellectual. In many kinds of production, especially in the arts that decorate and embellish life, and minister to the sense of beauty, we recognize the superiority of older and more mature communities; *but we deprecate and*

regret the growing fondness for foreign luxuries, by which the country is not only constantly drained of its specie, and thus exposed to periodical commercial embarrassments, but frivolous and unmanly tastes are created and fostered, unfavorable alike to virtue and to happiness.

Resolved, That we earnestly desire that our people should keep up those habits of plain living and high acting, in which the foundations of New England Society were laid."

I. B.

EDITOR'S NOTE.—Having invited Mr. Buchanan to state his views on the tariff question, we willingly find room for his communication. We do not of course hold ourselves responsible for the views of our correspondent, either political or commercial, but are glad to see that he admits the importance and necessity of our commercial relations with the United States being placed on a better footing.