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AND
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ERRATA.—Page 156—For “Imports at Toronto for the Quarter ending 30th April,” read “Quarter ending 31st March.”

Page 108—In last line but one, omit the words “more” and “are” being the fourth and last words in the line.

Page 168—Eleventh line, for “grounds” read “goods.”

CANADIAN
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

VOL. III.

MAY, 1858.

No. 2.

THE IRON MINES AND MANUFACTURES OF CANADA.

BY ANDREW THOMPSON, ESQ., MONTREAL.

The national advantages resulting from the establishment of such description of manufactures as are adapted to our circumstances, such as we have facilities to sustain and render permanent by giving the capitalist a fair remuneration for his investment, must be obvious to every one who reflects on the subject, from the employment they give to the people, the retention of large sums of money that would otherwise be expended in a foreign country to support foreign labor, the inducement they offer to the foreign artisan to emigrate from old established manufacturing countries where excess of competition has reduced the price of labor to a bare existence, the home market they give to the farmer for his produce, and the general indirect benefits they confer upon all trades and professions.

All the productions of a country give then advantages to a great extent, whether agricultural, mechanical or mineral. The wealth and power of a country is the result of its productions, the great element in its prosperity, the main source of its elevation. By the diversity of employment occasioned in the variety of its productions, is the taste, skill, ingenuity, industry and ambition of its inhabitants developed; by manufactures, the genius and mechanical skill of the nation is cultivated, and an honorable spirit of emulation created by which great results are achieved.

It is therefore worthy the serious consideration of the patriot or philanthropist, to examine the causes which foster or discourage an element in the country's advancement of such importance, and to discuss the propriety of such legislative interference as will promote its welfare. It would, however, be

impossible in the usual time allotted to a paper of this description to examine the condition, &c., of the various productions of the country: I will therefore confine my remarks to one department only—viz:

OUR IRON MANUFACTURES.

Among the variety of manufactures, there is none which affects so largely the personal comfort of a people, and the national welfare, as those made from Iron. To enumerate all the articles into which this metal is converted, would fill a volume. We can merely give an abstract of its utility.

It is the principal material in the construction of our railroads. In navigation, it is indispensable. In building the steamboat the engine, its propelling power depending upon it—in the construction of sea going vessels, its uses are various; and it is fast becoming the entire material in their construction. In all manufactures of wool, iron, cotton, and metals of every description where machinery is required, its great utility is acknowledged. In our domestic conveniences, we find an endless variety, while nearly every class of mechanics depend upon it for their tools and implements.

What a list of articles might be enumerated that are used in the defence of a nation, in the conveyance of an army, in short, we hardly move without coming in contact with it as an article of usefulness.

A country blessed by nature with a mineral, apparently so valuable, and with facilities for converting it into the various instruments for which it is adapted, may be said to be favoured. Let us examine our condition in this respect.

We have an abundance of this metal, favourably situated and of superior quality. I will endeavour to show its position and extent by an extract taken from the Illustrated Catalogue of the Chrystal Palace Exhibition, London, and written by Sir W. E. Logan:—

“The country abounds in ores of iron, consisting of the magnetic and specular oxides and hydrated peroxide or bog ore. The first occurs chiefly in a formation consisting of gneiss interstratified with important bands of highly crystalline limestone, and the formation sweeps through the Province from Lake Huron to Labrador, keeping at a variable distance north from the left bank of the St. Lawrence river at its lakes, crossing the river at the Thousand Islands, only below Kingston, to form a junction with a great peninsula-shaped area of the same, occupying a mountainous region in Northern New York, between Lake Champlain and Ontario.

“The ore appears to be in beds running with the stratification usually highly inclined, and the beds occasionally attain a great thickness.

“A bed which is now worked in the township of Marmora, and of the iron resulting from which, samples have been sent, presents a breadth of one hundred feet, another the ore of which has been mined and smelted on Madoc, has been traced several miles with a breadth of twenty five feet. On a Lake in South Sherbrooke, there is a 60 feet bed; in South Crosby, a bed 200 feet in width comes upon the Rideau Canal, where it is not far removed from great water power; and in Hull, there is a 40 feet bed, at no great distance from the navigable waters of the river Ottawa.

“From all these localities and others, specimens have been contributed, and

the produce of the ore in pure metal generally ranges from 60 to 70 per cent.; that of South Sherbrooke, is 63, and of Hull, 69 per cent. Where the mineral has been acted upon by the weather, it frequently breaks up with facility into grains, related to the forms of the Crystals of the magnetic iron ore, and may be easily ground and separated from earthy impurities by means of a machine, in which the action of the magnet is made available; a portion of the Hull bed is in this condition, and of this bed every fathom in length by a fathom in vertical depth, taking the breadth at one half only of what it appears to be, would produce between 50 and 60 tons of pure metal.

“Wood for fuel is in abundance near all the localities.

“Bog iron ore exists in large quantities in both sections of the Province. In Western Canada, it prevails in the county of Norfolk, where it has been used to supply the wants of the Normandale Iron Works. It occurs in many places in the Valley of the Ottawa, and specimens of it have been sent from Vaudrieul, Stanbridge, Simpson, Rivere du Chene, St. Maurice, Portneuff, St. Vallier, and other parts where in general it yields upwards of 50 per cent. of pure metal. That of Vaudrieul, within a short distance of the navigable waters of the Ottawa, yields to analysis 76.95 per cent of peroxide of iron, equal to 53 per cent of pure metal; the deposit is represented to be four feet thick. At the Forges of St. Maurice, near Three Rivers, this species of ore has been used for upwards of half a century in the manufacture of iron. The cast stoves from it bear a high character through the country, being less liable to crack than the imported ones; and specimens of the wrought iron produced there have been sent to the Exhibition. The quality of the metal—wood charcoal being the only fuel used, bears a comparison with that of Sweden, and it is to compete with this that it is manufactured.”

It will be seen then that we have a pretty good supply of iron ore. It is estimated that the Hull mine alone will yield, ere exhausted, 250,000,000 tons of pure metal, of a very superior quality. The Crosby mine is believed to be double the quantity of the Hull. Mr. Billings, editor of the “Canadian Naturalist,” says, were the whole iron mining force of Great Britain and the United States at work upon it, (that is the Crosby mine alone) 100 years, they would not exhaust it at the present rate of production. The South Sherbrooke deposit is estimated at 100,000,000 tons. The Marmora mines are supposed to contain 100,000,000 tons. These four mines would yield 1000 tons a day for 3000 years; this is, recollect, independent of the St. Maurice and other mines.

A supply of wood or coal conveniently situated to the mines, is an important matter, for the purpose of smelting the ore and making iron. In all our mining localities, wood is found in abundance. Coal we have not. No coal mines having yet been discovered in Canada. It is a popular notion that, because we are deficient in this respect, we cannot compete with foreign made iron. This is not the case. Hitherto little attention has been paid to making iron here to supply our foundries and machinists, it being found more profitable to manufacture it into articles for sale. This, however, does not prove that we have not natural facilities for making pig iron, so as to sell it to the consumer as cheap as he can import it.

At many of the mines in the State of New York, where wood costs \$2 a cord, making pig iron is evidently profitable. At one of the principal fur-

naces called the Siscoe, the cost of making a ton of pig iron, is thus stated by a writer in the Railway Journal:

Ores	-	-	-	-	-	\$4 12c
Charcoal	-	-	-	-	-	8 40
Flux and labor	-	-	-	-	-	2 70
Repairs, interest, &c.	-	-	-	-	-	3 00
						\$18 22

Thus for about £4 11s., we can make a ton of pig iron, or by adding the expense of moulding, a tone of castings can be turned out, affording ample profit on the investment. The cost of this furnace was \$54,903 78c. The wood cost \$2 per cord. The manufacturers purchase the wood and make the charcoal in kilns prepared for the purpose. One cord of wood makes 56 bushels of charcoal, and 160 bushels of charcoal make one ton of iron.

At the following furnaces in the State of New York, the cost of making a ton of pig iron is,—

At the Crown Point Furnace	-	-	-	-	\$17 58c
“ East Mount	“	-	-	-	19 53
“ Mount Hope	“	-	-	-	21 00
“ Brasher	“	-	-	-	22 50
“ Constantia	“	-	-	-	17 50
“ Clinton	“	-	-	-	12 81

In all these places wood costs about \$2 per cord, a price which would be very acceptable to our farmers in the vicinity of our mines, where they cannot sell the wood at all, but are obliged to burn it to clear the land; the absence then of mineral coal is no objection to the manufacture of iron in Canada. What we want is such increased activity in our iron manufactures generally, as will create a larger demand for the raw material, and offer more inducement for men of energy and capital to embark in its manufacture. Parties thoroughly acquainted with making iron, can make it from our ore as cheap as in any of the places mentioned. Here, fuel is as cheap and labor cheaper than there, and in proportion to our population, the demand for iron wares is as great. Why then can we not with the same, if not better advantages, do as well as the Americans? Though I am in favor of fostering every branch of our manufactures that can be profitably carried on in the country, still in the article of pig iron, it is not advisable at present to interfere with foreign importations of it by a high duty. It ought to be classed among raw materials, admitted at a low duty, particularly as iron made in Canada, has been found to mix well with Scotch No. 1 pig iron, which is of a softer nature. With a mixture of our pig iron it is found to be better adapted to most descriptions of castings.

In the manufacture of refined iron, we might supply the demand by a substitute that would take the place of English, Russian, Swedes, and American, now imported of any shape or size; the expense of machinery and capital required in making it, has hitherto been the barrier to extensive operations in this branch. An immense quantity of scrap and old iron is annually exported to the United States and there refined and wrought into shape. There

is nothing to prevent us retaining this labor in our own cities under a proper regulation of the tariff; that is, by placing it on the list of manufactured goods that can be made in the country.

The only furnaces for smelting ore and making iron, are the St. Maurice, Marmora and Hull. The St. Maurice is the longest established and most regularly worked, having been in operation half a century. It is, says the Canada Directory, "Situated on the St. Maurice river, about $7\frac{1}{2}$ miles from the town of Three Rivers; the river is navigable five miles above the Forges, to a place called the Gabelle Quarry, from which the limestone used in smelting is obtained. The furnace yields from four and a half to five tons of metal a day from bog ore, found within a circuit of about six miles on the surface of the ground, in layers of from six to eighteen inches in thickness. The number of men employed is about 120."

The Marmora is not so extensive, and labors under considerable disadvantage from want of a railroad to convey the ore or iron to a shipping port. The Hull mine has been carried on irregularly for the last two years, large quantities of the ore have been exported to Western furnaces.

The St. Maurice is the only one where the ore has been converted into wares for sale to any extent. Immense quantities of stoves of all kinds, pot-ash kettles, coolers, bake-pans, plough moulds, in fact all kind of castings are made here every year, and the superiority of the metal is universally acknowledged throughout the country. Large sales are held annually in the different cities, and a decided preference shown for them by a higher scale of prices, than for the same kind of articles imported.

To give some idea of the extent of our facilities in casting and making iron wares generally, I have prepared a statement based upon Mr. Lovell's excellent work, the Canada Directory, of the number of Foundries, Machine Shops, Axe and Tool Makers, at present in operation. We have in the two Provinces about

200 Foundries and Machine Shops,
30 Axe and Tool Factories,
20 Engine Manufacturers.

Upper Canada shows a much larger number than Lower Canada; the bulk of enterprise in iron works in Lower Canada, being in Montreal, Three Rivers, and Quebec. In Upper Canada every town of any importance has a Foundry. By this statement, we know what description of goods we can make to supply the immediate demand.

In advocating a Protective policy, I do so upon national grounds, as a national benefit, and not for the interest of the manufacturer. I would not for example, put a duty of 25 to 30 per cent. on an article, if I thought the consumer would be compelled to use the foreign made article, and pay 25 per cent. more for it. No, I will show that I want to benefit the consumer; that national interest results in individual interest, and the advantage of a Home Market to the farmer, is sufficient to make it his interest to give even a trifle higher for our own manufactures than to purchase foreign made goods and send the money out of the country.

In adjusting the Tariff then on manufactured goods, I would do it on the

following principle, *on such articles as we have present and immediate prospective facilities to supply the demand put on such a duty as will give our manufacturers the market to themselves.*

Now, from the present number and facilities of our Foundries, Machine Shops, Engine Factories, Axe and Tool Makers, Agricultural Implements Makers, &c., and from the fact that they could on an average double the amount of work if they had the demand, is sufficient to prove that they can supply the demand for the articles they make, which are ordinary castings of every descriptions such as Stoves, Potash Kettles, Coolers, Bake-pans, Plough moulds, Tea-kettles, &c., &c., Steam and Fire Engine Boilers, Locomotive wheels and Axles, Railway Cars, Car Springs, and all kinds of ordinary machinery required in the country. Sewing Machines, Scales and other Weighing Machines, Cut Nails, Spikes and Brads, Fire-proof Safes, Axes, Alzes, Augers and ordinary Tools, Spades and Shovels; Printing Presses and other Machinery connected with Bookbinding, Agricultural Implements of all kinds, in fact all kinds of ordinary articles made from Iron.

Now the duty on these goods ought not to be less than 25 to 30 per cent. because we have facilities to supply the demand, and can make them as cheap and as good as they can be imported; therefore the consumer is not injured, and the American manufacturer made to pay for the use of our market what we pay for his.

The largest Establishment engaged in the manufacture of stoves and castings, is the St. Maurice forges. They make large quantities of stoves, but the number brought in from the American market every year is a serious injury to them.

Mr. William Rodden of this city, is largely engaged in this trade, and castings work generally. The specimens shown by this gentleman at the last Industrial Exhibition, held in this city, were equal to any foreign manufacture brought into this market. Among the list, were stoves in great variety: Iron Railing, Gates, Furniture, Bedsteads, and Ornamental Work of various kinds, which were universally admired for their style and workmanship. Mr. Rodden informs me that had he the demand he could make double the quantity of Stoves and Castings generally, without enlarging his works. With, say 150 Foundries situated throughout Upper and Lower Canada, a great many in the larger cities, conducted on a large scale, on an average capable of doing double the business they do now if they had the demand, there is no doubt at all as to our being prepared to supply the entire demand for all the stoves and castings of every description required in the country. The duty then on all castings ought to be not less than 30 per cent.

In the manufacture of Steam Engines and machinery of all kinds, our facilities are not inferior. We have about fifty establishments engaged in making machinery of various kinds, and a number upon a very large scale in our own city. There is the well known Eagle Foundry by Mr. Brush. The Montreal Marine Works conducted by Mr. Cantin, employs a large number of hands. Messrs. Redmond & Co., who turn out extensive castings for Water Works. Messrs. Wm. Bury & Co., who employ sometimes about 70 hands at Mill Work of every description. The St. Lawrence Engine Works by Messrs. Bartly & Gilbert; this magnificent establishment employs at times 160 men and apprentices, at wages of \$800 per week; they have

paid as high as \$1300 per week. The work produced here is valued at \$160,000 per annum, and could be increased to \$320,000. Their facilities for Engine making cannot be excelled.

There are also many large Establishments in Kingston, Hamilton, Toronto, Galt, &c., and which can be seen by referring to the Canada Directory, but we cannot comment further on them now; we are however satisfied from the number and the facilities they have, that they can supply the market, and should be considered in the arrangement of the tariff.

In Axes also we can supply the demand for all kinds. The Factory at the St. Gabriel Locks, leased by Mr. Higgins, turns out about 3000 dozen per annum, and could make double that quantity. His beautiful specimens at the Exhibition, were universally admired. There are about 30 Factories in this line, all capable of doing double the amount of business they now do. The duty on axes of all kinds ought to be 25 to 30 per cent. Agricultural Implements of every description we can make and have facilities to supply the demand. Carpenters Planes of all kinds, in fact all the articles I have enumerated.

Putting a high duty on these articles, would create immediate and increasing activity in every branch; and should any particular kind have a monopoly (which there is very little danger of,) they would soon be surrounded with competitors, not only among our people, but from Foreign countries, and the inevitable result would be a decrease in prices.

By the latest returns we have of the Annual Imports and Exports, we find that the amount of Iron Manufactures imported, including bar iron &c., is about £1,250,000. From a careful examination of the proportion of this amount of Imports that we have present facilities to manufacture ourselves, it is estimated that the amount, the greatest part of which comes from the United States, is not less than £500,000; the labor expended on this would not be less than £350,000, or \$1,400,000, as the raw material generally is not one-third of the expense in the cost of making an article. We support \$1,400,000 worth of labor principally in the United States annually, in the iron trade alone, which might just as well be kept in the country. Let us see the advantage of this amount of money kept here and distributed among our people,—it would give employment to, say

1000 Apprentices at \$100 a year, that is	\$100,000
1000 Young Men at 200 “ “	200,000
1000 Men & Laborers 300 “ “	300,000
2000 Mechanics at 400 “ “	800,000
	<hr/>
	\$1,400,000

The above with their families might be fairly estimated at about 20,000 souls that would be directly benefited by protecting our Iron manufactures. We now afford means to support that number of the inhabitants of another country, with all the indirect advantages that would result from that amount of money distributed among our farmers, mechanics, merchants, in fact to every individual engaged in useful occupation. But, says one, you say you can make articles as cheap as they can be imported, what do you want of a Protective Tariff? In reply to this, I would say let us take the article of stoves.

In consequence of the large market the Americans have for their stoves, they are enabled to get up a great variety of Patterns, and a dealer on this account, in making his selections, gives the preference to the American maker, although he can obtain an article as well made and finished in as good style as the American. Still the American has the preference on account of the variety in his assortment. Another thing, advantage is taken of the *ad valorem* system of entering Goods, and the duty is often reduced one-half. Now, if we had a duty that would give our makers all the trade, they would be encouraged to enlarge their works and make up assortments equal to the Americans.

The large number of firms and corporations engaged in manufacturing of all kinds in the United States, and the facility given to credit by an inflated paper currency as a natural consequence, creates over speculation, over trading, and over manufacturing; this, with extravagance of living and want of thorough acquaintance with the nature of business, causes a continual certain amount of bankruptcy and tightness in their financial operations; the consequence is, their goods must be sold at some price. They are forced upon this market to the ruin of our manufactures, and if not sent to the market direct, they are sold in their own market at ruinous prices for shipment to Canada. We want a duty that will prevent this, particularly as they protect themselves from our interfering with their manufactures in a similar way by a high duty.

By adopting a tariff that gives our people the labour we support in Foreign countries, we prevent emigration. There is a large party in this country who would like to see foreign manufactures admitted at a mere nominal duty, and our population devote themselves to agricultural pursuits, because they say we have such a vast amount of rich uncultivated land, and at such a low price, that it is more advantageous to us to buy foreign made goods, and our population cultivate the ground. This policy has proved a failure. There never was such an amount of emigration of our population to the United States as when the duty on foreign manufactures was low and our manufactures languished.

It is only a few years ago that a select Committee of the Legislative Assembly was appointed to enquire into the causes and importance of the emigration which takes place annually from Lower Canada to the United States. This was in 1849. Letters were addressed to the clergy of the different parishes, and answers received. The Rev. M. Chiniquy, in his answers, estimated the total emigration from Lower Canada to the United States, during the previous five years, at 70,000. This number the Committee thought large, but, coming from a priest, who had in the course of his travels so many opportunities of observing and appreciating the movements of the people, the force of his evidence had no little influence upon popular opinion. In their Report they estimated the number at 20,000, principally from the districts of Montreal, Three Rivers, St. Francis, Quebec, and Gaspe, mostly working men. The causes of emigration they attributed to the unsettled state of trade and industry, *the want of manufactures*, the increase of wages in the United States. For remedies they suggested the reduction of the price of Crown Lands, and such conditions as will encourage settlement. They further state, "Your Committee cannot, no more than your honourable House, be blind to

the fact that *Lower Canada by its geographical position, its wants, its natural advantages, is destined, as well as the Northern States of the American Union, to become a great manufacturing country, and all that can tend to encourage the establishment of local manufactures, (provided, at the same time, too narrow limits be not prescribed to our commercial relations,) will have the effect, not only of retaining in this country the labour and capital which are leaving it, but also attracting that of foreign countries."*

Now, I see no reason to doubt that there is still a continual emigration to the United States. The prosperous and continual increase of their manufactures and public improvements induces emigration. To force a whole people to one branch of industry, as, for example, agriculture, must form the inherent taste of men for the mechanic arts, be depressing to the enterprising spirit of any civilized nation where it exists. The Almighty did not give every man a taste for cultivating the soil, any more than he made every man an orator. The inducements for settlement may be all that wise legislation can devise, still the young mechanic, determined to gratify that innate taste for a particular branch of art, agreeable to him as well as the prospective certainty of improving his pecuniary condition, emigrates to the nearest point to satisfy his wishes, and which, if he do not find in his own country, he will in a foreign one.

Horace Greely says,—“Examine the history of nations, and you will find, I think, this rule uniformly prevailing, that an exclusively agricultural and grain-exporting nation, which depends on other nations for its supplies of manufactured fabrics, has been comparatively a poor and ultimately a dependent nation. This is the natural tendency. It may abound with the palaces of merchant princes; there may be a mighty Alexandria, but a miserable Egypt behind it; the exchangers may flourish and roll in luxury, but the producers famish and die.”

As long as we seek a foreign market for our agricultural produce, we must be subjected to the cost of transportation; the price at the point whence it is exported will be the price at the point to which it is exported, less the cost of freight and charges. For instance, if wheat is worth \$1.20 a bushel in New York, and the cost of transportation is 20c a bushel, the farmer, if he cannot get the New York price at home, must submit to the cost of transport by selling his wheat here. It is the same in shipments to Europe. Now, if the farmer will but consent to allow our manufactures the market for their wares, and protect them from the injustice and encroachments of foreigners, allow them the whole market to themselves, and the inevitable result of competition, from the facilities we have, will bring down the prices of their goods, and increase the demand and price of his produce, on account of the general increased activity in all branches of trade, and from the fact that a large number of agricultural producers would be attached to our workshops from taste and a desire for more lucrative employment.

We import immense quantities of foreign manufactures, particularly American, which might be made here as cheap, and in return export large quantities of natural produce in payment. Is it not clear that as we have facilities to manufacture equal to the Americans, our produce would command as high a price in our market as theirs in their market, and thus save to the farmer the cost of transportation which he now pays, by selling his produce below the foreign rates. Our superior internal means of communication by the

Grand Trunk and other branch rail roads is an invaluable benefit to the manufacturing interest, giving facilities to transport goods and raw material from one point to another at all seasons of the year, and, from the cheapness of freight, creating a competition among the manufacturers, with the more distant as well as nearest neighbours. A country like Canada, rich in fertile land, rich in all the minerals useful to the comfort and welfare of the people, superior natural advantages in navigation, railroads which give us easy internal communication through both provinces, a healthy climate, a peaceful industrious population, every apparent natural advantage to court immigration from older countries, it is, notwithstanding, too true that hundreds and thousands leave this their native land to form new associations and better their condition on foreign soil—an illustration of unwise legislation.

If you want to build up a permanent prosperity, place no restriction upon the enterprize and industry of the people; create a community of interest between the farmer and the mechanic; encourage a taste for the mechanic arts; and the manufacture of such articles as are adapted to our soil, climate, and faculties, give our people advantages of acquiring wealth and position equal to those enjoyed by our Southern neighbours, and you will soon counteract the present evils; the tide of emigration will cease, constant employment and good wages will produce contentment, cherish a love of country, build up a national unity of sentiment, and lay the foundation of a solid prosperity.

HARD TIMES.

BY T. C. CLARKE ESQ., OF PORT HOPE.

The subject which I have chosen for this evening's lecture, is not one to be adorned with flowers of rhetoric and oratory, or scarcely enlivened by the sunshine of humor. It is a plain, matter-of-fact subject; and I shall treat it in a plain manner; but it is a subject of the most vital importance to us one and all. I do not forget that I am lecturing before a *Mechanic's Institute*, and anything which relates to the laws of trade, or sheds any light on those remarkable movements of the financial world which have lately convulsed this continent, though perhaps, somewhat dry in detail, is yet instructive, and necessary to be known.

As a weather-wise farmer, while the sun shines bright in the heavens, and the birds are singing merrily on every twig, seeing the signs of the tempest yet afar off, prepares to get under cover his ripened crop, and make all secure against the fury of the storm when it shall reach him, so the merchant or banker, grown wise by long experience, sees from the actions of men, and from the mysterious movements of trade, the signs of a coming financial tempest, and prudently arranges his affairs to meet it.

Some of these signs, which presage the coming storm, are a constantly rising market; and hence a great spirit of speculation in stocks, commodities and land. There is an eager demand for money which is not obtainable as fast as it is wanted, although the rates of interest range higher and higher every

week. The amount of foreign goods imported is enormously large, and corresponding shipments of gold take place. We all fancy we are growing very rich, by the simple process of marking up our real and personal property fifty per cent every six months. Meanwhile money gets scarcer and scarcer, and unheard of discounts are demanded and paid. The banks increase their circulation, but somehow it comes back upon them faster than ever. At last comes the crash. "The devil take the hindmost," is the universal cry. Everybody wants money, and no one can get it. The bankers contract their loans. Old mercantile houses of forty years standing, topple down, and in their fall drag hundreds of lesser lights along with them. The great manufacturing establishments stop work and discharge their hands, for there is no sale for their goods. Property is brought to the hammer and sold for a song; the millionaire of yesterday does not know whereto to run his face for a dinner to-day. Finally there comes a run on the banks—they stand it awhile, but at last there is a general rush, and they can hold out no longer, and suspend specie payments. The fury of the storm is now over; but the calm which succeeds is one of desolation, misery and ruin. After a while the immense recuperative energy of the country begins to show itself; confidence is gradually restored; money becomes plenty, but alas, no body wants it now; the rate of interest rules low. The foreign imports fall off; economy and retrenchment are the order of the day; and it is not until considerable time has elapsed that the trade of the country gets once more into a healthy condition.

For three or four years, perhaps, people, bearing in mind their former misfortunes, are prudent enough; but at last a new generation springs up; the old forget what they have passed through; prosperity makes us careless, and the community runs a new course of recklessness and extravagance, to be again succeeded by depression and misery.

Some philosophers, I believe, have gone so far as to predict the probable period of time which it takes for this cycle of affairs to run its course, and to calculate the ephemeris of a panic, as they would that of a comet or an eclipse of the moon, while others, with more regard for their prophetic reputation, put their predictions in very general terms, like the makers of the almanac, who take good care to string over the whole page their "Much—rain—expected—about—this—time."

However, this we know, that since the establishment of the Bank of England, 163 years ago, there have occurred no less than 20 distinct and several panics, from which, if you choose, you can draw the inference that about once in eight years, we shall see "Hard Times."

It was curious, last Fall, to see the number of different explanations that were volunteered to account for the cause of the panic.

Mr. A. says, "It is all from those confounded railroads; they will swallow up the whole country before they are done." "No," says Mr. B., "It is owing to the Banks and their rag money which has driven the gold out of the country." "Banks!" cries Mr. C. "No it is all the fault of the women and their infernal extravagance, with their hoops and their crinolines, and their costly silks and laces—they have beggared the country." "I rather think, your cigars and champagne, and 240 horses have as much to do with it as our petticoats," retorts the exasperated Mrs. C.

And so we go ; each one has an explanation of his own ; each one his favorite remedy. But, as in individual cases, so it is with the body politic ; nature must work the cure after all 'and the best we can do is to look on and let it work. A commercial panic is one of the diseases that the community is subject to, and like the disease of an individual, is merely an effort of nature to drive off something that should not be there, and to bring back a healthy and normal state of affairs.

Neither the Railways, nor the Banks, *nor the Ladies*, can be justly charged with being the causes of the sufferings. No one class of the community is sufficiently powerful by itself. It is when *extravagance*, caused by prosperity, has pervaded all classes, and has carried us on as far as we can go, that that revulsion comes, and saves us perhaps, from utter destruction.

The Banks and Railways, by enabling us to do ten, yes, a hundred times as much business as we could do without them, in the same time, have, of course, contrived to bring about the state of things described ; but their expansion, (as well as that of the crinoline), is more an effect than a cause. Over prosperity induces overtrading and expansion of all sorts, which in their turn, bring on collapse, and failure and ruin ; to be followed again by rigid economy and industry, until the golden days of prosperity again come around, to be again succeeded by the bitter night of bankruptcy and despair.

And for this, you will ask, is no one to blame? Yes, we are *all* to blame, and we must *all* bear our burdens, and not try to shift the responsibility to other shoulders. And what is the remedy? can we prevent it in future? you ask.

For my own part, I do not believe we can. So long as human nature is what it is: so long will prosperity make us reckless, and adversity prudent ; whether we shall ever learn wisdom from experience, it is hard to tell. One of the panaceas most widely recommended for the cure of the body politic, and which refers its disease to a disordered currency, (forgetting that the disordered currency is duly a symptom, rather than a cause) is that of those persons who would regulate the banks by Legislative edicts. The President of the United States, Mr. Buchanan, thinks that if the Banks were compelled to retain an amount of specie equal to one-third of their circulation, that if small notes were abolished there would be no danger, forgetting, that if even half the circulation was represented by specie, the *depositors* could break all the banks in the country in two hours, as they actually did do in New York last October. It is not a run of the bill holder, but of the depositors that frightens the Banks. However, in Hamburg, where the metallic currency principle is rigidly carried out, where the Banks are allowed to issue no notes except such as are represented by an actual equivalent of bullion or jewels, the crisis was worst than any where else, and to save the community from utter ruin, the Government were obliged to decree that all notes coming due should have a month's grace, that there should be found a State discount bank for issuing governmental promises to pay, in return for securities—to be used as we do bank notes. For my own part, I cannot see any more sense in the Legislature prescribing to a banker how he shall do his business, than to any other class of the community—or if a banker is from some occult cause so much more easier than are Attorneys or Merchants, that we are, must pass laws to prevent him promising to pay more than he can ; how

comes it that we leave him the still more dangerous privilege of lending his money to any Tom, Dick or Harry, who may ask for it?

It may not be inappropriate here to give some brief description of our modern system of credit banking and the part it plays, in one of the crises before mentioned.

It is scarcely necessary to say that one of the earliest inventions of civilization, and one without which civilization cannot be said to exist at all, is money, a circulating medium, or as it is some times called, currency. Various substances have been used for this purpose, stamped leather shells, used to this day by Eastern nations, under the name of cowries, and by our Indians as wampum, and most extensively the precious metals, gold and silver.

All these things are used as representatives of value, or the results of human labor. A gold sovereign represents a week's work of a laboring man, and hence will buy any thing that has taken a similar amount of work to produce. A handful of cowries, a wampum, or a bank note represent the same thing, because we may have agreed among ourselves that it shall. But the gold coin is different from the other symbols in that it is what we call *intrinsically* valuable, that is, it has actually cost a week's labor to produce it, independently of the coining, which is merely the stamp of the government to shew us how much it is worth. We might weigh it and find out for ourselves as they do in California with the gold dust, but the coining by the government saves us the trouble.

Hence it happens that gold and silver, coined or uncoined, are the measures of value, that is of labour which is the creator of value, just as a two foot rule is the measurer of length or a quart pot of capacity.

Hence in early times, the gold and silver, or the *metallic* currency, was the only currency in use. During the middle ages, this was the case, as the romances of chivalry and knights are represented, as throwing large pieces of gold, and Jews and merchants as pulling out their ducats and broad pieces from their pockets. Paper money was a thing unheard of and unknown.

As the commerce of the world increased, it was discovered that a vast deal of business, in the exchange of commodities, could be done without the intervention of metals by the use of memoranda of claims, and only settling the balances in gold and silver.

As business increased, it was found that not enough gold and silver could be kept at all times, even for this purpose, and bank notes were invented. The manner in which people came to find this useful contrivance for increasing the amount of the currency was probably this.

The first banks were simply banks of deposit. That is, instead of every man having his own strong box guarding it with his loaded blunderbuss, he carried his gold to the banker's strong box, who gave him a certificate of deposit. Then it was found that, instead of going to the banker every time that anything was bought and sold, that the exchange of the certificates would answer the same purpose. Lastly, it was found that of all the depositors, but a small portion wanted their money at the same time, and that there always lay in the bank a large sum untouched. The bankers who had been in the habit of loaning their own gold, and then instead of it, certificates of deposit, finally conceived the brilliant idea of loaning other peoples' gold, or certificates to represent it to pay themselves for the trouble of taking care of it.

Thus arose our modern banks of deposit, discount and circulation. As long as these prudently and honestly governed, they are as useful a machine for the development of the world's progress as the steam engine, the telegraph, or the press; but when recklessly and dishonestly managed, one of the most dangerous instruments of ruin that man's art has devised.

Now let us examine what are the rules of sound banking. The Bank should consist of bona fide paid up capital (what is called in the West, a "Wild Cat Bank," is one where the capital is fictitious and the assets consist of the deposits and promises to pay of others.)

Secondly, no paper should be discounted except strictly business paper, and at short dates. The reason of this will be very evident. Unless a Bank has capital, that is the results of industry, of its own, it has nothing to lead, and its notes or promises to pay are of no value.

Business paper is that which represents commodities in preparation, on their way to the consumer, or waiting consumption, and if short dated, it compels the maker to make frequent sales, and adapt their industry to wants which are certain to call for their fabrics before their notes fall due.

Thus it will be seen that the precious metals play but a small part in effecting those exchanges of commodities which make up the business of the world. Their use is in furnishing a reserve into which bank notes may be converted on demand and in liquidating the balances of foreign exchanges. Thus the imports of manufactured goods from Britain to the United States, are paid for in exports of cotton and breadstuffs and bills of Exchange drawn against either; and the balance is in the end paid in gold and silver.

In ordinary times three-fourths of the domestic business of a country is carried on by means of book accounts, bills of exchange, promissory notes and bank cheques; and the balances only are settled in bank notes. These different memoranda of claims, though all instruments of exchange and capable of being used either to buy or to pay with, and though all subject at the last resort to the metallic test of convertibility, nevertheless, represent different kinds of security, and the extent to which they are used, varies with the state of confidence prevailing.

In ordinary times, as we said, the largest part of the business of the country is transacted by the more convenient though less secure forms of credit, balances only being settled by bank cheques and notes; but whenever overtrading or any other circumstance involves the commercial community in engagements beyond their immediate or ultimate means of payment, distrust prevails, the lighter forms of credit media are thrown aside, and a demand arises for the more solid forms such as bank notes, or in the last extremity, for gold.

This demand is the immediate cause of what is called "tightness in the money market, and the intensity of the pressure depends on the one hand on the degree of distrust and alarm prevailing, and on the other, on the means of quieting it, namely, on the notes of solvent banks, and the disposable reserve of gold.

It is certain in such times, if every one wanted his claims paid up in cash, that the supply would soon give out; nor does the quantity of bank notes in circulation, bear any proportion to the amount of the other memoranda of claims used in business.

The annual value of the business of the United States, is estimated by the best statistics, at five thousand millions of dollars. From the annual report of the Secretary of the Treasury, for 1857, we learn that on January 1st of that year, the aggregate amount of loans and discounts of the banks of the United States, was \$684,456,887; the circulation \$214,778,882, and the reserve of gold only \$58,349,838.

In ordinary times, one transaction is set off against another, and this 215 millions of notes in circulation are only used as counters, which every man, passes on to his neighbor. The moment a panic prevails he wants to get and keep all of these counters he can; and as soon as they are *hoarded* they cease to become counters or currency, or money, or whatever we may call it. They are then essentially *capital*. This is all very fine for the lucky few who have them, but ruinous to everybody else.

It is just the same as if in a round game of cards, one of the party after winning all the counters, should put them in his pocket and walk off. He might say very truly; "these are mine, they are memoranda of my claims, I shall keep them." That is all very well for him; but it would break up the game.

It is evident, therefore, that everybody cannot have as many bank notes as they would wish to satisfy their claims. What is the result? Some persons fail altogether and become bankrupt; others suspend and "get time," which simply means that they persuade their creditors to continue to receive old modes of payment—their promissory notes—until they can do better; others more fortunate get accommodation from the banks and weather the storm in that way.

In Britain, the cure for these panics, has been either the issue of Exchequer Bills to such as could give adequate security; that is allowing persons to mortgage their inconvertible property for government promises to pay, to be used as money, or else the virtual suspension of specie payments by the Bank of England, accompanied by a vast increase of discounts. Every one felt then that he *could* get money, and the consequence was that he did not want it; like the little Frenchmen, who in some panic said to his banker:—"If you cannot pay me, den I vant him quick: but suppose you ave him, den I no vont him at ail."

The only instance where the Bank of England acted on a different principle, was in the panic of 1797, when they persisted in contracting their *discounts*, and produced more commercial disasters than on any other occasion. So convinced are the leading financial minds of England, of the bad policy of this course, that Lord Overstone in his evidence before a select committee of the Legislature lays down as a fixed principle, "that an enlarged accommodation is the true remedy for that occasional failure of confidence to which our system of paper credit is unavoidably liable."

It is my firm belief that if the New York Banks had acted on this principle last October, the greater part of the wide-spread misery and ruin that ensued, would have been prevented. If the depositors had not broken the banks, they would have ruined the whole country. As soon as they stopped payment, an immediate relief was felt; and why? Just because as soon as they were obliged to beg for time, they were willing to grant it; and all other creditors had to do the same. Thus, people staved off the evil, until by

virtue of that accumulation of surplus capital, ever going on, they got enough to pay their debts with.

The machinery of finance is essentially self-regulating, and any interference with its action by Legislative restrictions, only makes trouble and is powerless to prevent evil. The results of recklessness, dishonesty and extravagance, cannot be prevented by act of Parliament—as has been well said, the result of trying to shield men from the effects of folly is to fill the world with fools.

There is one matter which has been much discussed during the last six months, in connection with the "Hard Times," and that is our usury laws, which limit the rate of interest to six per cent. It has become a pretty well settled belief with us, that if the Banks had been allowed to charge more than that rate, they would have been able to discount our paper last winter, and have given us that relief we so much needed. In a country like this, where there are four millions of pounds sent home every year to pay for our imports and for interest due on British capital, the principal part of the business of our Banks is trading in Exchange on London. What they pay for the funds they draw against, is regulated by the Bank of England rate, plus, $\frac{1}{2}$ per cent for Agency. As long as it is less than six per cent. the business is very profitable, for they make nearly the difference. When the bank of England rate went up to ten per cent. as it did last winter, the less business the banks did the better off they were, for it cost them more for their money, than they got, for it. And they frankly gave their reasons for not wishing to extend their loans, so that at least every man in the country who could not get his \$100 note renewed, laid the blame on the Usury Laws, and with reason, for the effect of the present state of the law is, that the Banks take only the best paper, and that the most profitable to themselves, while that of others which may really be as good, is rejected, and the borrower driven into the hands of the Jews; whereas if the Banks had the power to raise the rate of interest when there was an unusual demand for money, it would check the large borrowers and put it into the power of the banks to accommodate others who required it, and were willing to pay the rate of interest demanded.

So loud a cry has been raised against the Usury Laws, that the Government has yielded to the pressure and brought in a Bill for their modification. Of course in a question like this, there are two sides—one class cry out against innovation, and quote the authority of Moses, and Aristotle and Mahomet, and I don't know who all against Usury, and want the laws kept as they are. The other side are fierce for their total and immediate abrogation. Mr. Sol. General Rose's Bill wisely takes the mean between the two extremes. It should be remembered that interest has two definitions. One is indemnity for forbearance in not exacting payment, and the other compensation for money loaned. From the former point of view every one considers it who owes anything on his land, or chattels; and this category would probably include three fourths of the population of Canada. The other definition of interest is that of the Merchant, who views his promissory note or that of his customer, as so much merchandize to be sold for the most it will bring. The rate that a man may voluntarily give for money wanted, and the rate he shall be compelled to admit for payment delayed, are two different matters that a total repeal of the Usury Laws would confound together. It might

be the salvation of the Merchant to be able to get money for a short time at ten per cent; while on the other other hand, to the poor farmer who was paying for his hard earned land, it would be a tax sufficient to grind him down to the very earth.

The Bill just introduced into the House of Assembly, meets both of these classes. It declares the legal rate of interest to be six per cent., and thus protects one class whose liabilities are in the shape of bonds and mortgages; while on the other hand it allows business paper—that is, promissory notes having less than twelve months to run—to bear any rate of interest agreed on. This was the course adopted in Britain for some years before the Usury laws were entirely swept away.

This proposed law remedies one great defect in the existing laws; which is, that no matter what amount of Interest was stipulated or even paid, when the creditor came to enforce his claim for the principal, the interest in excess of six per cent went in reduction of the debt.

If there is any one thing which it is particularly the business of the state to do, it is the enforcement of contracts; but in this case the state assists the debtor to repudiate this contract and puts a direct premium on roguery.

From the tone of the discussion in the House of Assembly, it is to be feared that this Bill is too liberal for the French Canadians to swallow, and will probably have to be modified to suit their prejudices—perhaps by restricting mercantile paper to 8 per cent., and leaving the rate as it is.

I believe that even such a partial abolition of the Usury Laws, would do a great deal of good, but whether it will have the effect of making capital plenty as its advocates claim, there seems to be some reason to doubt. We are taught that dearness of money is a sign of its scarcity; cheapness of its abundance.

It has been well said that it is not by paying a high rate of Interest for foreign capital, that we can make the country prosper; but rather by increasing the internal trade of the country, promoting manufactures and thus accumulating home capital, which remains both in prosperity and adversity.

We must take care not to fall into the fallacy of confounding money and capital. There is no surer sign of an insolvent, rotten state of affairs than paying an exorbitant rate of interest for the use of capital; that is for money invested in lands, canals, railways, harbors, ships, factories, &c., &c., for no amount of profitable management, can long sustain such a permanent drain on its resources.

But on the other hand, it may be consummate wisdom to pay a very high rate of interest for the use of money for a short time, to enable us to pay our debts and save ourselves from bankruptcy. That is, to return to our illustration of the game of cards, we go to the man who has got all the counters, and pay him well for the use of some of them, until we can by means of their assistance retrieve our game.

The way to make Capital abound, is to afford a safe investment; the way to make money easy, is to be able to pay the correct rate of interest for it, whatever that may be, independent of any legal restriction.

If we borrow a hundred thousand pounds in London at ten per cent interest, and invest it in some public work, we shall have sent it all back in ten

ears, and still owe for it; but if we borrowed it at four per cent. it would take twenty years before it was returned.

The surplus earnings of British capital are re-invested in Britain, or at any rate we are not sure of their coming back here. But the earnings of home capital are re-invested all around us—and thus the wealth of the country increases from year to year.

And this brings me to the last point I shall have time to consider this evening, and that is the movement just now springing up for Protection to Canadian Manufactures.

It is a little singular that a movement should have begun simultaneously to introduce free trade in money, and to bring back restrictions upon the trade in other things; but a little consideration will show us that this is perfectly logical.

We find ourselves here, in Canada, commencing summer, which is our business season, with the sources of trade almost paralyzed. Our great articles of export, breadstuffs, are so low that it is very doubtful whether they are worth transporting. There is no demand for sawed lumber, and if there was we have not been able to get out logs this winter to make it of. The timber trade looks rather better, although this much depressed. The question arises, how shall we pay for this immense amount of stuff that we import every year, these silks, broad-cloths, cigars, champagne, tea, coffee, pianoes, boots, shoes, &c., &c., to the amount of *forty millions* of dollars. Or, if we possibly make out to do it this year, what if our wheat crop should fail altogether; what should we do then? We must look ahead as every prudent man should do, and try and contrive some way to keep out of debt in future.

The most obvious course that suggests itself to every one is, let us be economical and use as little as possible of foreign luxuries, and let us try and make the necessary articles that we must have ourselves.

The people of the United States are just now retrenching with a will, as is shown by the fact that the imports for the first quarter of 1858, at the Port of New York, have fallen short of three of the corresponding months of last year, by 39 millions of dollars. The decrease of imports into this country this year, is relatively as great, so that as regards the first point, economy, we have begun well.

The second suggestion is to become manufacturers. But say the manufacturers themselves who have tried it, we cannot do this unless the tariff is altered, to give us more protection; we cannot compete with British and American goods. This arouses the Free Traders, and the old dispute is likely to be revived again fiercer than ever in Canada, after having been fought out in England and the United States.

Let us consider a few of the results which have been eliminated during the wordy wars which have prevailed so long on this subject. On the one side we have the pure out and out Free Trader; according to him, imports should be perfectly free and untaxed, and the ponderous system of collection of revenue by means of Customs duties be done away, collectors, landing waiters and all.

The revenue for the support of Government, he would raise by direct taxation, and at a very much less expense. Moreover, the people would then look more sharply after their rulers if they had to pay so many shillings in

the pound for governmental as they do for municipal purposes. This is the extreme Free Trade view.

On the other side is the high Protectionist. He wants that the collection of revenue should be subordinate to the giving bounties on particular articles of manufacture. Thirty per cent. ad valorem, is the least that will satisfy him. It is but fair to state, that the high tariff men always take care to say that this state of things will only be temporary, until the young, growing manufactures shall have been nursed and fostered into strength sufficient to go alone. Then say they, everything will be as cheap as it was before the duties were raised.

The true policy, as it seems to me, in this, as in most other human affairs, and lies somewhere in between the two extremes. As far as the ultra Free Trade theory is concerned, it is enough to say that it is impracticable; no people will submit to be taxed directly, when they can be taxed indirectly. It may be wrong, but it is human nature.

On the other hand, we may lay it down as an axiom of political science, that the diversion of labor from its natural channels into artificial ones, by forced means, has always turned out a complete and consummate failure. There is no doubt but that if it were protected by a sufficiently high duty, it might be possible to grow tea in Canada. Capital would be found to erect a Crystal Palace, warmed by steam pipes, &c., in which artificial climate, the shrub would flourish, and we should have Canadian tea—but at what a price! What a tax the whole country would have to pay for its cup of home made tea. I am afraid we should all take to drinking catnip.

What is true of this extreme case which I have brought forward to show its absurdity, is as true, though not so absurd, in regard to other articles which we are not in a position at present to manufacture. They can be made here, it is true, but the whole people must pay an onerous tax if they are.

The conclusion, then, is that the arrangement of a custom's tariff is purely a practical question to be arrived at gradually, and by the aid of experience. We must introduce the principle of incidental protection, that is, a certain sum of money to be raised, and the tariff should be so proportioned as to admit free, or tax very lightly raw material, and protect those classes of manufactures, which common sense and experience show, can be successfully maintained. If articles which are used for the common purposes of life, such as cotton and woolen goods, cannot be manufactured profitably here without the protection of thirty per cent. ad valorem, then we had better try and make something else, and buy our cottons and woollens from those who can.

The highly respectable gentlemen who have just met in Convention in Toronto, have laid down the following list of postulates, to which they ask the assent of the country.

1. All raw material upon which there is but a small amount of labour expended prior to its importation, and leaving the larger proportion of labour to be performed in Canada, it is considered should be admitted free, or at a duty not to exceed 2½ per cent.

2. All articles entering largely into consumption in this country, and which Canada cannot produce, such as Tea, Coffee, Sugar, Molasses, &c., should not be charged with a high rate of duty, but should be admitted free, or at the lowest possible rate consistent with the requirements of the Revenue.

3. Merchandize in the Dry Goods, Hardware and Crockery Trades, being articles of luxury or for use, and not likely for some time to be manufactured in this country, and of which some are used to form parts of the goods and wares manufactured in Canada, should be chargeable with a medium rate of duty of about 15 per cent, as at present, or not to exceed 20 per cent, but at the rate of about 10 per cent below what may be charged on articles coming directly into competition with our own manufactured productions.

4. All manufactures in Wood, Iron, Tin, Brass, Copper, Leather, India Rubber, &c., competing with our industrial products, as more fully specified in the proposed list of articles and duties, now submitted and adopted, should be charged a duty of about 25 per cent.

The present tariff, after all, differs from this new one that is proposed to us, chiefly in regard to this last class, for it conforms very nearly to the demands of the 1st, 2nd, and 3rd postulates, admitting most raw materials at 2½d. per cwt., and tea, coffee, molasses and raw sugar, at a very low specific duty; 2½ per lb. on tea, and 3 farthings per lb., on sugar. The third class of dry goods, hardware, &c., is already charged at 15 per cent.

The demand then *really* is, that the duty on all manufactures of wood, iron, tin, brass, copper, leather, paper and india rubber, should be raised from 15 to 25 per cent. This, with the freight and charges, would bring it to about 30 per cent—equal to the present U. S. duty on these articles. It is held that the Canadian manufacturer would be put on an equal footing with him in the U. S., and compete on equal terms.

The expenditure of the Province in 1857, was £1,422,235; the revenue, 1,338,000, showing a deficiency, of £85,235. This balance must be made up, either by borrowing or by increasing the tariff. Of the two extremities, this latter would seem to be preferable. The manufacturers would then have an opportunity of showing what they could do under a moderately protective tariff. The question, then, is narrowed down to this issue:—If it can be shown that our present tariff does not afford the Canadian manufacturer a fair field, and allows his British or American rival to get the advantage of him, then let it be modified. Give us reciprocity in the tariff on manufactured articles as well as the raw material.

It is understood that the Government are prepared to assent to this. At all events, the present movement will do good, by directing the Legislature to this highly important question, and showing that there are other matters of interest to the Canadian people, besides Separate Schools and Representation by Population.

We have now fairly reviewed the ground of which we undertook an exploration, and the results that we have arrived at, are briefly these:

Extravagance and over-trading bring on a commercial panic, followed by hard times, for which the only cure is economy—spending less than we earn. As with individuals, so with communities; economy is the only true source of wealth.

Hard times are caused by extravagance and cured by economy, and their invariable attendant, a disordered currency, is an effect rather than a cause. The banks are to blame so far as they have been extravagant—that is by over issuing of notes, and discounting paper, not founded on business trans-

actions. The people are to blame so far as they have over-imported luxuries and speculated wildly. But we cannot lay the fault at the door of any one class of the community.

So far as our system of credit and banking based upon credit is concerned, all the State has to do in the matter, is to see to the enforcement of contracts. The banker has no more disposition to ruin himself than any other class of citizens, and needs no more legal restraint. But, whatever he promises to do the State should make him do. He should not be allowed to evade his promises any more than any body else.

The repeal of the Usury Laws and restrictions on trade in money, should be gradual, first on short dated paper, then on bonds and mortgages; that is, in other words, first on money, then on capital.

Lastly, the tariff should be so modified as to affirm and carry out the principle of incidental protection; or, in the words of Henry Clay, the father of the American protective system: "In time of peace, the duties on imports should be equal to the expense of an economical government, and that there should be discrimination in the tariff to foster and protect domestic manufactures, in order that every nation should, as soon as possible, be adequate to *the supplies of her own wants, from her own internal resources.*"

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For the Canadian Merchants' Magazine.

A NEW IMPERIAL AND COLONIAL POLICY.

The Commercial Distress at present existing has called forth many proposals for its relief. Of these we propose to examine two—FREE TRADE and PROTECTION. It is a large theme, but we propose examining rather the probable effects of the adoption of either, than the abstract principles of the controversy.

The Free Traders point to the Mother Country and tell us, that since the adoption of Free Trade her exports have doubled, and her imports advanced in a similar proportion, and reasoning *a priori*, ask, "Why may not we expect like results from a like policy?" adding, also, the assertion, that small duties would be more productive than larger ones, from the increased consumption which they would induce. They wind up by Adam Smith's maxim: "That we should buy in the cheapest market and sell in the dearest."

To all these we answer, Canada is not England. Different countries have different interests, and require different policies. But what renders it impossible to establish Free Trade in Canada, (or rather, it should be said, to *reduce or abolish the Import duties, since our present system is that of unrestricted Importation and Exportation.*) is the fact that more than one-half of our revenue is derived from these Import duties, and as they are reduced so will one half of our revenue be reduced.

It may be said, there would be an increased consumption of Imported goods, and that that would make up for the reduction. There cannot be an increased consumption for this reason, *We can pay for no more goods than we import at present.* This opens up the entire subject of the balance of trade; we do not intend to discuss it at present, but we ask the Free

Traders, First, How do you propose to pay for increased Imports? Second, How do you propose to fill up the void in the revenue?

Protection has become almost a by-word of contempt in England. It is there considered to be a gigantic fallacy. They say that it is forcing people to buy an inferior article at a higher price. We do not think it is, and we are quite sure that they would agree with us, were there any nation that could compete with them, either in their home, colonial, or foreign market. If the *Cash* price of goods manufactured in Canada was twenty per cent. higher than that at which English goods could be imported, it does not follow, that it would require twenty per cent. more of the farmer's produce to pay for them. *Trade is but barter. Money is but the measure of the goods bartered.* The cash price of the farmer's produce would advance in perhaps a higher, certainly in an equal degree, with that of the manufacturer, because he would have an extended home market in addition to the foreign market which he at present enjoys. Then, the manufacturer would introduce capital and a demand for labor, which would induce an emigration of artisans. Again, under a protectionist policy, we would receive chiefly cash for our exports, and cash and labour are all we want in Canada, and certainly cash will introduce labor much sooner than labor will introduce cash. We, therefore, consider that Protection would be an improvement on our present policy, because it would tend to make labor (which all acknowledge to be the source of wealth,) more valuable, and would open up investments to capital, of which it is at present destitute.

But while we consider that Protection would be an advantage, it must not be forgotten that it might have to be purchased at too high a price. "Look before you leap" is, we think, a most sensible piece of advice. Suppose the Mother Country should say, If this be your policy we will withdraw our troops and governor, and leave you independent. *Are we prepared for this?* Are we so homogeneous a race that we are sure we shall agree? Are we so united in Religion and principles, so gentle in party spirit, that we can expect to find each forgetting their party in their country? Are we so enchanted with Democracy, that we are ready to rush into its arms? Can we from our knowledge of its effects, hope that under it life and property will be secure? That the worthiest amongst us will find their proper place? That party spirit will be lessened? Or can we be sure that public men may not exchange material for moral persuasions? Or that some party defeated in Parliament, might not apply to our dear cousins for help, and that they would not grant it, and gladly set us at each others throats, and then devour both? That intelligence and refinement would increase, and that we would be able to maintain our independence under it? Or, supposing that it would be proposed to join the neighboring Republic: setting aside all the evils of Democracy, and *the chances that we might be regarded and treated as aliens*, are its prospects so bright, morally and politically, that they should induce us to throw in our lot with it? These are necessary considerations, as it is by no means impossible that we might be left to ourselves. A party exists in England who advocate a separation from the Colonies, and unquestionably the adoption of a Protectionist policy would greatly strengthen it. We must be prepared to meet the chance of a separation from Britain, ere we decide on a Protectionist policy. But if there is (as we believe there is,) a hope of

attaining advantages equal to those of a Protectionist policy, without weakening, but rather by strengthening the bonds which unite us to our fatherland, we hope and believe that there is no man in Canada who would not prefer it, nay, who would not sacrifice some pecuniary advantage, in order that he might remain a subject of VICTORIA, retain the proud surname of BRITON, and remain a part of that mighty race whose banners have waved in the Holy Land, and before whom the hordes of Saladin fled: whose King was in Paris crowned King of France: whose cavalry have twice marched from Calais to the Pyrenees, and once from the Pyrenees to Calais: who stood foremost in the contest for religious liberty, and crushed the tyrant Phillip. Who revenged the revocation of the Edict of Nantes, and, but for party spirit, would have dictated a peace to Louis in his capital. Who, in our own time, have faced the World in arms, and rescued mankind from a tyranny greater than that of the Roman Emperors. Whose standards have passed in triumph through the gates of Paris, been planted on the walls of Ghuznee, and triumphed at Waterloo. Which has brought forth a galaxy of names in Statesmanship, Literature, Science, and Arts, unparalleled in the history of the human race. Whose energy subdued this mighty continent to the use of man, and is conquering another in Australasia. Whose fabrics are sought after in every clime. Whose commerce overspreads the Earth. Whose credit is such that none can compete with it; and who, in that mighty Empire, greater than that of Rome, extending from the Himalayah to Cape Comorin, which their valor has conquered, and their wisdom has governed, have shown us by the heroism of Lucknow, that so late as 1857 the old spirit was not extinct. Depend upon it, it is something to have a race of this sort (now increased to nearly 30,000,000) ready to protect us against foreign aggression, furnish us with money to carry on our public works, and act as arbitrator and umpire in our internal disputes.

But, says the reader, how do you propose to attain advantages equal to those of a Protectionist policy without offending Britain? We will tell you. Free Trade is unquestionably advantageous *where there is a reciprocity of concessions*. We quarrel with British Free Trade because it is adapted to the interests of the Mother Country exclusively. *Britain enjoys a practical monopoly of the Colonial market, but the Colonies do not enjoy a monopoly of the British market*. Let Canada say, You have a monopoly of our market, we will not leave it with you unless you grant us a monopoly, or rather an advantage in yours. If we could get that would it not be worth as much as Protection. If any one doubts this, we can only say, that we have no arguments for one who believes that it would be no advantage to have the cash price of the goods which we sell doubled, while that of the goods which we buy would remain the same; *i. e.* with the same produce we could buy double as much goods or cash as we do at present. Remember the prosperity of Canada during the Russian war, which was a practical protection to our products, and during which we enjoyed Free Trade with England on a fair reciprocity of advantages. We think we hear you say, Ah! Britain will never abandon Free Trade. We are not sure of that. Should Canada offer this alternative to England, all the other Colonies would follow her example, and Britain would have to choose between her Colonial and Foreign trade. We do not believe that she would decide on the latter, when

we reflect that the Colonial trade would be steady and sure, the Foreign unsteady and unsure; that the Colonial would increase probably twice as fast as the Foreign trade; that the Colonies take certainly twenty-five times as much per head as any foreign State; and that by retaining her Colonies she would retain children who would support her interests as faithfully as she would support theirs, and some of which, ere the end of the century, will vie in wealth and population with many European States. And if we were to gain this, is it absurd to hope that ere long the Colonist would have all the privileges of an inhabitant of the British Isles, and that while we would retain our Provincial Assemblies, and manage our own concerns. The New Zealander and the Ceylonese, the Australian and the West Indian, the British American and the Cape Colonist, English, Irish, and Scotch, all rejoicing in the surname of Briton, would meet on the shores of the Thames, to legislate for an Empire on which the sun never sets, and which would probably be the means of carrying truth and religion to the remotest corners of the earth.

[We give the above article from a valued contributor, but must express our doubts of England's going back to her old policy, or rather adopting the policy here recommended. Canada, we fear, must not depend upon the legislation either of Great Britain or the United States, but must adopt a policy suited to her wants, and having reference to the present commercial regulations of these countries, and the influence of these regulations on her present condition and future prospects.—Ed. C. M. M.

The Resources and Trade of Nova Scotia.

We are indebted to the Montreal *Pilot* for the following synopsis of a Pamphlet lately published in London, entitled, "Nova Scotia considered as a field for Emigration.

How little do Canadians know of the commerce, finance, and legislation of New Brunswick or Prince Edward's Island, or indeed of any of the Eastern Provinces? We were strongly reminded of this circumstance by the receipt a few days ago, of a work bearing the title of "Nova Scotia considered as a field for Emigration," printed in London, and published by the authority of the Legislature of Nova Scotia. The author is Mr. P. S. Hamilton, of Halifax, barrister-at-law. Mr. Hamilton begins by informing us that Nova Scotia is about 350 miles in length, and 50 to 100 miles in breadth; that its area is nearly 18,600 square miles, or about 12,000,000 acres; and that of this area the Island of Cape Breton forms about 2,000,000 acres. The present population is not less than 380,000 souls, having increased, in the ten years previous to the last census taken in 1851, more rapidly than New Brunswick, the States of Maine, New Hampshire, Vermont, or Connecticut, and at about the same rate as the State of New York. The number of Roman Catholics in the country are 69,634, the remainder of the population being Protestants of various denominations. Mr. Hamilton declares that the agricultural products of Nova Scotia are the same as those of Great Britain, Canada, and the Northern States of America, and though there is a good deal of barren land, especially on the Atlantic coast, the soil is, on the whole, of excellent

quality. In 1851, the return of live stock, agricultural and dairy produce, was: horses, 28,789; neat cattle, 156,857; milk cows, 86,856, sheep, 282,180; swine, 51,533; wheat, bushels, 297,157; barley, 196,097 bushels; rye, 61,438 bushels; oats, 1,384,437 bushels; buckwheat, 170,301 bushels; Indian corn, 37,475 bushels; pease and beans, 21,638 bushels; grass seed, 3,686 bushels; potatoes, 1,986,789 bushels; turnips, 467,127; other roots, 32,325 bushels; hay, 287,837 tons; butter, 3,613,890 lbs.; cheese, 61,069 lbs. The small quantity of wheat raised is accounted for by the ravages of the weevil, which for several years attacked and almost totally destroyed the wheat crop, as was more or less the case throughout North America. The author claims a high place for Nova Scotia as a grazing country, in which he says it probably is unrivalled among the Provinces and the Eastern States of America. At the close of 1856, the whole of the lands that had been granted in Nova Scotia was 5,416,794 acres; ungranted, 5,442,012 acres—though we suspect a large extent of the latter is scarcely worth granting. The improved lands in 1851 amounted only to 839,322 acres, so a large portion of the best lands must be in the hands of private individuals, and in a state of nature. The upset price fixed by Government is 1s. 9d. sterling per acre, and wild lands can be purchased from private holders at rates ranging from the Government price to 20s. sterling an acre, according to the quality and situation. As a timber producing country, Nova Scotia has been cast into the shade by Canada and New Brunswick, yet the value of the products of the forest is far from inconsiderable. In 1854 the lumber exported was valued as follows: sawed lumber, £135,596; shingles, £5,713; staves and hoops, £20,348; spars and knees, £9,562; timber, (soft wood), £9,213; ditto, (hard wood), £5,728; firewood, £30,577; total, £246,797. Nova Scotia is particularly rich in minerals, among which Mr. Hamilton enumerates the several substances under that classification useful as fuel, building materials, and mineral treasures; ores and metallic substances, and *precious stones*. Granite, sienite, porphyry and slate of excellent quality has been found. Sulphate of barytes exists in great abundance, and has been shipped to England and the United States, where it is mixed with white lead as a paint. Mineral paints in great variety abound, and one description known as "artificial slate," is in great demand throughout the Northern States. The great mineral production of Nova Scotia is coal, and Mr. Hamilton asserts that it is probable that the Province, "in proportion to its extent, stands unrivalled in the productive capabilities of its coal fields." Mines at Pictou, Sydney, Bridgeport, and a place called the Jaggins, are worked by "The General Mining Association," and in 1856, they exported 64,628 chaldrons, having raised 87,168 chaldrons. From 1827 to 1853, inclusive, 1,042,621 Newcastle chaldrons were raised from the mines of the whole Province. Grindstones constitute a not unimportant item in the commerce of Nova Scotia. Lime and gypsum are found in "enormous quantities." Marble, ochres, and clay fit for the manufacture of bricks and coarse earthenware, abound in numerous localities.

First in importance, Mr. Hamilton says, among the ores and minerals of Nova Scotia is Iron. The ore is to be had to an "indefinite extent," and yields from 33 to 70 per cent. of pure iron. Some companies have been formed for the manufacture of this article, and great success is anticipated, as

the iron is of uncommonly good quality. The remaining ores noticed by Mr. Hamilton are copper, galena, or sulphuret of lead, manganese, &c. Among the "precious stones" and mineral substances of which he gives us a list, are agate, amethyst, opal, onyx, and many others which are too numerous to be named. The value of the fish and oil exported from the Province in 1856 amounted to £610,002 *stg.*, of which £34,819 represents the oil. Yet the people of Nova Scotia may scarcely be said to have laid the foundation of the great business into which the fisheries must swell in the course of time, there being no more than 9,927 persons engaged in them in 1851, and the number having evidently not much increased since. The next subject treated of is the climate. Mr. Hamilton admits that fogs do prevail somewhat in Nova Scotia; but then "the free and almost constant circulation of air over every part renders that air remarkably pure," and "the curative effects of the climate" on invalids are far more extraordinary than an admirer of Nice or Madeira ever dreamed of claiming for these refuges of the victims of disease. The imports of Nova Scotia, in 1855, were, in value, £1,882,703 sterling; the exports £1,584,160, having doubled in five years from 1851. The trade with Canada does not seem to be very extensive, and is chiefly confined to breadstuffs sent by us, and to West India produce, with which they supply us in return. A short sketch is given of the political institutions of the Province, which contains, however, nothing worthy of remark, unless it be that the Nova Scotians are plainly far behind us Canadians in the theory and practice of constitutional government. For instance, the Executive Council consists of nine members, and only five of them are heads of departments, the other four being persons holding no office except that of Executive Counsellor. The Governor and Council, too, constitute a Court of Error or Appeal, as was the case here prior to the union of the Provinces. Education seems to have received considerable attention, though it is admitted that the Common School system in Nova Scotia is not equal to that of the Northern States, and of Upper Canada, while collegiate institutions are numerous and flourishing. Railroads are in progress. In 1854, the Legislature determined to construct, as Provincial works, certain lines of railway to connect Halifax with the interior districts; one line to extend from Halifax to Truro, a distance of 60 miles, at the head of the Bay of Fundy, and thence to the boundary of New Brunswick, where it would meet a road now in progress in that Province; there were also to be two branches, one extending westerly to the town of Windsor, 33 miles; the other easterly to Pictou, in the Gulf of St. Lawrence, 40 miles from the Trunk at Truro. Of these lines there were, on 1st June, 1857, about 92 miles in course of construction, being a part of the Trunk from Halifax to Truro, and the whole of the Windsor Branch; 22½ miles were completed and in operation.

THE MANUFACTURE OF IRON.

M. CHENOT'S NEW METHOD.

Any discovery calculated to promote the manufacture of iron in Canada must be regarded as of the highest importance, and the following remarks from the pen of T. S. Hunt, Esq., published in the Geological Survey of

Canada lately issued, bears so directly upon our Iron Manufactures that we make no apology in transferring them to our columns:—

The new metallurgical processes of Adrien Chenot attracted in a particular manner the attention of the Jury at the Palace of Industry, and were the object of a special study by the 1st class, who awarded to the inventor the *Go'd Medal of Honour*. M. Chenot there exhibited a series of specimens serving to illustrate the processes which bear his name, and which have been the result of extraordinary labors on his part, continued through the last twenty-five years. As the industry of iron smelting promises for the future to be one of great importance to Canada, it may be well to advert briefly to the history and theory of the metallurgy of iron, in order to explain the processes now in use, and to prepare the way for an exact understanding of those of Chenot.

The most ancient and simplest mode of obtaining iron from its ores is that practiced in the Corsican and Catalan forges, where pure ores are treated with charcoal in small furnaces, and by variations in the mode of conducting the process, are made to yield at once either malleable iron, or a kind of steel. But this method requires very pure ores, and a large expenditure of fuel and labour, while from the small size of the furnaces it yields but a limited quantity of iron. It is scarcely used except in the Pyrennees, Corsica, some parts of Germany, and northern part of the State of New York.

The high or blast furnace, which converts the ore directly into cast metal, furnishes by far the greater part of the iron of commerce. This furnace may be described as consisting essentially of a crucible in which the materials are melted, surmounted by a vertical tube or chimney some thirty feet in height, in which the reduction of the ore is effected. Into this furnace a mixture of ore and fuel is introduced from the top, and the fire once kindled, is kept up by a blast of hot or cold air, supplied by a proper apparatus, and admitted near the bottom of the furnace. The ores submitted to this process are essentially combinations of iron with oxygen, often containing besides water and carbonic acid, and always mingled with more ore or less earthy matter, consisting of silica, alumina, &c. The water and carbonic acid being readily volatile, are often expelled by a previous process of roasting. When these oxyds of iron are heated to readiness in contact with charcoal, this material combines with the oxygen of the ore, and the iron is set free or reduced to the metallic state, after which by the further action of the combustible it is fused, and collects in a liquid mass in the crucible below. The earthy ingredients of the ore, with the ashes of the fuel, are also melted by the intense heat, and form a glassy substance or *slag*, which floats upon the surface of the molten metal, and from time to time both of these are drawn off from the crucible. It is very important to give to these earthy matters that degree of fluidity which shall permit their ready separation from the reduced and melted iron, and to attain this end the different ores are generally mixed with certain ingredients termed fluxes, which serve to augment the fusibility of the slags. Limestone, sand and clay may each of them be used for this object with different ores. It will be kept in mind that the fuel employed in the process of smelting, serves for two distinct objects; first, as a combustible to heat the materials, and secondly, as a reducing agent to remove the oxygen from the ore.

The contents of a blast furnace in action consists then of a great column of mingled ore and fuel, continually moving downward towards the crucible, and constantly replenished from the top, while a current of air and gases is constantly traversing the mass in a contrary direction. The investigations by Leplay and Ebelman of the theory of this operation have prepared the way for the processes of Chenot, and we shall therefore state in a few words, the results of their researches. They have shown in the first place, that the direct agent in the reduction of the ore is a portion of the carbon of the fuel in a gaseous state, and secondly, that this reduction is affected at a temperature far below that required for the fusion of the metal. The oxygen of the air entering by the blast, is at first converted with the ignited coal, into carbonic acid, in which an atom of carbon is combined with two atoms of oxygen, but as this gas rising in the furnace encounters other portions of ignited coal, it takes up another equivalent of carbon and forms carbonic oxyd gas, in which the two atoms of oxygen are combined with two of carbon, This gas is the reducing agent, for when in its upward progress it meets with the ignited oxyd of iron, the second atom of carbon in the gas takes from the iron two atoms of oxygen to form a new portion of carbonic acid, which passes on, while metallic iron remains.

The interior of the blast furnace may be divided into four distinct regions; the first and uppermost is that in which the mixture of ore and fuel is roasted; the water and volatile matters are there driven off, and the whole is gradually heated to redness. In the second region, immediately below the last, the already ignited ore is reduced to the metallic state by the ascending current of carbonic oxyd gas; the metal thus produced is, however, in the condition of malleable iron, nearly pure, and very difficultly fusible; but in the third region as it combines with a portion of carbon, and is converted into the fusible compound known as cast iron. In addition to this, small portions of magnesium, aluminium and silicium, whose combinations are always present in the contents of the furnace, become reduced, and alloying with the iron affect very much its quality for better or worse. Cast iron generally contains besides these small portions of sulphur, phosphorus, and other impurities less important.

In the fourth and lowest region of the furnace, which is near to the blast, the heat becomes more intense, the carburetted metal melts, together with the earthy matters, and both collect at the bottom of the crucible upon what is called the hearth, from which the two are drawn off from time to time. The cast iron thus obtained is very fusible, but brittle, and is far from possessing those precious qualities which belong to malleable iron or steel.

To convert the cast metal into malleable iron, it is exposed to a process which is called *puddling*, and consists essentially in fusing it in a furnace of a peculiar kind, where the metal is exposed to the action of the air. The carbon, manganese, silicium, and other foreign matters, are thus burned away, and the once liquid metal is converted into a pasty granular mass, which is then consolidated under hammers or rollers, and drawn out into bars of soft malleable iron.

To convert into steel the soft iron thus obtained, it is heated for a long time in close vessels with powdered charcoal, a small quantity of which is absorbed by the iron, and penetrating through the mass changes it into steel.

This process is known by the name of *cementation*. The change is, however, irregular and imperfect; it is therefore necessary to break up these bars of cemented or blistered steel, as it is called, and after assorting them according to their quality, either to weld them together or to melt down each sort by itself into large crucibles. The metal is then made into ingots, and forms cast steel, which is afterwards wrought under the hammer and drawn out into bars.

Such is an outline of the long and expensive processes by which malleable iron and steel are obtained from the ores of iron. The reduction of the iron to the metallic state constitutes but a small part of the operation, and consumes comparatively but little fuel, but as we have already seen that reduced iron is first carburated as it descends in the furnace, then melted by an intense heat into the form of cast iron, which is again fused in the puddling furnace before being converted into malleable iron, the transformation of which into cast steel requires a long continued heat for the cementation, and still another fusion.

In Derbyshire in England, there are consumed for the fabrication of one ton of cast iron, two tons and twelve quintals of ore and two tons of mineral coal, while in Staffordshire two tons eight quintals of coal, and two tons seven quintals of ore are employed for the production of a ton of cast metal. In the furnace of the Department of the Dordogne, in France, where wood charcoal is employed, two tons and seven quintals of ore, and one ton and three quintals of charcoal are employed for a ton of iron. For the production of a ton of wrought iron in England about one ton and one-third of cast iron, and from two to two and a-half tons of mineral coal are consumed, while the same amount of the cast iron of the Dordogne requires to convert it into a ton of wrought iron, one ton and a-half of charcoal. Thus in England the fabrication of a ton of wrought iron, from poor ores yielding from thirty eight to forty per cent. of metal, requires a consumption of about five tons of mineral coal, and in Dordogne a little over three tons of wood charcoal, which costs there about fifty-eight shillings currency the ton. The average price of charcoal in France, however, according to Dufrenoy is about seventy-four shillings, while in Sweden it costs only about fourteen shillings, and in the Ural Mountains eleven shillings the ton. In France, much of the pig iron manufactured with charcoal is refined by the aid of mineral coal.

The questions of the price, and the facility of obtaining fuel are of the first importance in the manufacture of iron. The ores of this metal are very generally diffused in the earth's surface, and occur abundantly in a great many places where fuel is dear. The iron which is manufactured either wholly or in part with wood charcoal, is of a quality much superior to that obtained with mineral coal, and commands a higher price. One principal reason of this difference is that the impurities present in the coal contaminate the iron, but it is also true that the ores treated with mineral coal are, for the greater part, of inferior quality. Interstratified with the beds of coal in many parts of Great Britain, Europe and North America, there are found beds of what is called *clay iron stone*, or argillaceous carbonate of iron, yielding from twenty to thirty-five per cent. of the metal. This association of coal with the ore offers great facilities for the fabrication of iron, which is made in large quantities, and at very low prices from these argillaceous ores.

These poor ores will not admit of being carried far for the purpose of smelting, and it is not less evident that the large quantity of coal required for their treatment could not be brought from any great distance to the ores. As a general rule, the richest and purest ores of iron belong to regions in which mineral coal is wanting, while the carboniferous districts yield only poorer and inferior ores. On this continent, which contains vast areas of coal-bearing rocks, the great deposits of magnetic and hematitic iron ores are chiefly confined to the mountainous district north of the St. Lawrence, and the adjacent region of Northern New York, to which may be added a similar tract of country in Missouri. In the old world it is in Sweden, the Ural Mountains, Elba, and Algiers, that the most remarkable deposits of similar ores are met with; and it is not, perhaps, too much to say, that if favorable conditions of fuel and labor were to be met with in these regions, these purer and more productive ores would be wrought to the exclusion of all others. But obliged to have recourse to wood charcoal, the forests in the vicinity of large iron furnaces are rapidly destroyed, and fuel at length becomes scarce. In a country like ours, where there is a ready market for fire-wood near to the deposits of ore, the price of fuel will one day become such as to preclude their economic working by the ordinary processes. As the industrial arts progress, the consumption of fuel is constantly increasing, and its economical employ becomes an important consideration.

From these preliminaries it is evident that a great problem with regard to the manufacture of iron is, to find a process which shall enable us to work with a small amount of fuel, those rich ores which occur in districts remote from mineral coal. Such was the problem proposed by Adrien Chenot, and which, in the opinion of the International Jury, he has, in a great measure, resolved.

To return to the blast furnace; we have seen that the second and moderately heated region is that in which the reduction of the ore is effected, and that the intense heat of the lower regions of the furnace only affects the carburization and fusion of the metal. M. Chenot conceived the idea of a furnace which should consist only of the roasting and reducing regions; his apparatus is but the upper portion of an ordinary blast furnace, the carburizing and fusing regions being dispensed with. In this the ore is reduced at a low red heat, and the metal obtained in the form of a gray, soft, porous mass, constituting a veritable metallic sponge, and resembling spongy platinum. The furnace of Chenot is a vertical prismatic structure, forty feet high, open at the top for the reception of the ore, and having a movable grate by which the charge can be removed; the bottom is susceptible of being closed airtight. The lower part of the furnace is of iron plate, and is kept cool, but about midway the heat is applied for the reduction of the ore, and here comes in a most important principle, which will require a particular explanation. It is required to heat to moderate redness the entire surface of the rectangular vertical furnace throughout a length of several feet, a result by no means easy to be effected by the use of a solid combustible, but readily attained by a gaseous fuel such as is employed by M. Chenot.

We have already explained the theory of the production of carbonic oxyd. The possibility of employing this gas as a combustible was first suggested by Karsten, and in 1841, M. Ebelman of the School of Mines, at Paris, made

a series of experiments on the subject by the direction of the Minister of Public Works. The process employed by this chemist consisted essentially in forcing a current of air through a mass of ignited coal of such thickness that the whole of the oxygen was converted into carbonic oxyd; this escaping at an elevated temperature was brought into contact with the outer air, and furnished by its combustion a heat sufficient for all the ordinary operations of metallurgy. A consideration of great importance connected with this process is, that it permits the use of poor earthy coals, and other waste combustibles, which could hardly be employed directly, while by this method the whole of their carbonaceous matter is converted into inflammable gas. Wood and turf may be made use of in the same way, and the gas thus obtained will be mingled with a portion of hydrogen, and probably with some hydrocarburet: a similar mixture may be obtained with charcoal or anthracite, if a jet of steam be introduced into the generating furnace, a modification of the process which has, however, the effect of reducing the temperature of the evolved gasses.

This mode of employing combustibles becomes of great importance in the process of Chenot, who generates the gas in small furnaces placed around the great prismatic tube, and conducts it into the narrow space between this and an outer wall; through this, by openings, a regulated supply of air is introduced for the combustion of the gas, by which the ore contained in the tube is raised to a red heat. The next step is to provide the reducing material which shall remove the oxygen from the ignited ore, and for this purpose we have already seen, that even in the ordinary smelting process carbonic oxyd is always the agent; but instead of the impure gas obtained from his furnaces, and diluted with the nitrogen of the air, M. Chenot prefers to prepare a pure gas, which he obtains as follows:--A small quantity of pure carbonic acid, evolved from the decomposition of carbonate of lime, is passed over ignited charcoal, and thus converted into double its volume of carbonic oxyd gas; this is then brought in contact with ignited oxyd of iron, which is reduced to the metallic state, while the gas is changed into carbonic acid, ready to be converted into carbonic oxyd by charcoal as before. In this way the volume goes on doubling each time the two-fold operation is repeated. By introducing the carbonic oxyd thus obtained into the furnace charged with ignited iron ore, and withdrawing a portion of the gas at a higher level, for the purpose of passing it again over ignited charcoal in a smaller tube apart, the process may be carried on indefinitely, the carbonic acid serving as it were to carry the reducing combustible from the one tube to the ore in the other.

A modification of this process consists in mingling the ore with an equal volume of small fragments of charcoal, and admitting a limited supply of air into the body of the apparatus, by openings at mid height, the heat being as before applied from without. In this case the action is analogous to that which takes place in the ordinary blast furnace: carbonic oxyd and carbonic acid are alternately formed by the reactions between the oxygen of the air, the ore, and the charcoal; but the supply of air being limited, and the temperature low, neither carburation or fusion of the metal can take place, and five-sixths of the charcoal employed remain unchanged and serve for another operation. This simpler way has the disadvantage that one-half of

the furnace is occupied with charcoal, so that the product of metal is less than when the reducing gas is prepared in a separate generator. In either case the product is the same, and the iron remains as a soft porous substance retaining the form and size of the original masses of ore. This metallic sponge is readily oxydized by moisture, and if prepared at a very low temperature, takes fire from a lighted taper, and burns like tinder, yielding red oxyd of iron. In order to avoid the inconvenience of this excessive tendency to oxydation, the metal is exposed in the process of manufacture to a heat somewhat greater than would be required for the reduction; this renders the sponge more dense, and less liable to oxydation in the air.

The part of the furnace below the action of the fire is so prolonged, that the reduced metal in its slow descent, has time to become very nearly cold before reaching the bottom. It is then removed at intervals, by an ingenious arrangement, which enables the operator to cut off, as it were, the lower portion of the mass, without allowing the air to enter into the apparatus. In the case where the ore has been mixed with charcoal, the larger masses of metal are now separated from it by a screen, and the smaller by a revolving magnetic machine.

This spongy metallic iron may be applied to various uses. If we grind it to powder and then submit it to strong pressure, coherent masses are obtained, which, at a welding heat, contract slightly, without losing their form and yield malleable iron. By this process of moulding, which may be termed casting without fusion, the metal may be obtained in forms retaining all the sharpness of the mould, and possessing the tenacity, malleability, and infusibility of wrought iron. The masses thus compressed have, in fact, only to be forged, to give wrought iron of the finest quality; and it is found that during the hammering any earthy matters mechanically intermixed, are eliminated like the scoria of the iron from the puddling furnace.

But without overlooking the great advantage of this method of making malleable iron, and moulding it into the shapes required, it is especially, as applied to the manufacture of steel, that the metallurgical methods of Chenot deserve attention. In the ordinary process, as we have already seen, the bars of malleable are carburated by a prolonged heating in the midst of charcoal powder; but the operation is long and expensive, and the metal obtained by this mode of cementation is not homogeneous. M. Chenot avails himself of the porosity of the metallic sponge, to bring the carbon in a liquid state in contact with the minutest particles of the iron. For this purpose he plunges the sponge into a bath oil, tar, or melted resin, the composition of the bath varying according to the quality of the steel which it is desired to obtain. The sponge thus saturated, is drained, and heated in a closed vessel. The oily or resinous matter is expelled partly as a gas, but for the greater part distils over as a liquid, which may be again employed for cementation. A small portion of carbon from the decomposition of the oil rests however with the iron, and at the temperature of low redness, employed near the end of the distillation, appears to have already combined chemically with the metal. This treatment with the bath and distillation may be renewed if the carbonization is not sufficient after one operation.

The cemented sponge is now ground to powder and moulded by hydraulic pressure into small ingots, which may be heated and directly wrought under

the hammer, like the compressed iron sponge; the metal thus obtained may be compared to refined blistered steel. If, however, the cemented and compressed sponge is fused in crucibles, as in the ordinary process for making cast steel, the whole of the earthy impurities which may be present, rise to the surface as a liquid slag, which is easily removed, while the fused metal is cast into ingots. In this way, by cementation and a single fusion, the iron sponge is converted into a cast steel, which is, from the mode of its preparation, more uniform in quality than that obtained by the ordinary process, and which was found by the Jury to be of remarkable excellence.

Such is a brief outline of the methods invented by Adrien Chenot, for the reduction of iron ores, and the fabrication of wrought iron and steel, constituting, in the opinion of one eminently fitted to judge the case, (Mr. Leplay, of the Imperial School of Mines, and Commissary General of the Exhibition,) the most important metallurgical discovery of the age.

The peculiar condition of the iron sponge has enabled the inventor to make many curious alloys, some of which promise to be of great importance; by impregnating it with a solution of boracic acid, a peculiar steel is obtained, in which boron replaces carbon, and by a similar application of different metallic solutions, various alloys are produced, whose formation would otherwise be impossible.

The processes of M. Chenot are now being applied to the fabrication of steel, at Clichy, near Paris, where I had an opportunity of studying in detail the manufacture. The iron ore is imported from Spain, and notwithstanding the cost of its transport, and the high prices of labor and fuel in the vicinity of the metropolis, it appears from the data furnished by M. Chenot to the Jury, that steel is manufactured by him, at Clichy, at a cost which is not more than one-fourth that of the steel manufactured in the same vicinity from the iron imported from Sweden. According to M. Chenot, at the works lately established on his system by Villalonga & Co., near Bilbao, in Spain, they are enabled to fabricate the metallic sponge at a cost of 200f. the ton, and the best quality of cast steel at 500f. or \$100 the ton of 1000 kilogrammes, (2,200 pounds avoirdupois). The conversion of the ore to the condition of sponge is, I was assured by M. Chenot, effected with little more than its own weight of charcoal.

The differences in the nature of the steel made from various ores have long been well known, but until the recent experiments of Chenot, the subject was but very imperfectly understood. According to him the nature of the ore has much more to do with the quality of the metal than the mode of treatment, and he compares the different steels to the wines of different localities, which owe their varied qualities far more to the nature of the grapes than to any variations in the mode of their fermentation. The process of cementation employed by Chenot furnishes, according to him, an exact measure of the capability of the iron to produce steel. The sponges of the iron from Sweden and the Ural Mountains, after taking up six per cent of carbon, yield a metal which is still malleable, while that of Elba with four per cent., becomes brittle, and approaches to cast iron in its properties. While the ores of Sweden and the Urals are famous for the excellent quality of their steel, the ore of Elba is known to yield a very superior iron, but to be unfit

for fabrication of steel; and Chenot concludes, from a great many observations, that the steel-producing capacity of any iron is measured by the quantity of carbon which it can absorb before losing its malleability and degenerating into cast iron.

Desirous to avail myself of these researches of M. Chenot, I placed in his hands, in September, 1855, specimens of the different iron ores from Canada, which had been sent to the Exhibition at Paris, and engaged him to submit them to the process of reduction, and to test their capabilities for the production of steel. M. Chenot has also obtained remarkable alloys of chromium and titanium with iron, his processes enabling him to effect the direct reduction of chromic and titaniferous iron ores; specimens of these two ores from Canada, were therefore furnished him, but the sudden and lamented death of Chenot, by an accident, in the month of November following, deprives us for a time of the advantages of his experiments. His sons, however, are instructed in his processes, and have promised to undertake, at an early day, the examination of our Canadian ores. I am disposed to attach great importance to these investigations, from the hope that among our numerous deposits of iron ore, belonging, in great part to the same geological formation as the iron ores of Scandinavia, there may be found some capable of yielding a steel equal to that of the Swedish iron. With the new and economical processes of Chenot a valuable steel will be sought for, even in a distant country, and may be advantageously transported in a crude state to the localities where fuel and labor are most available.

One great condition for the successful application of these processes is, that the ores should be comparatively pure and free from earthly mixtures. We have already alluded to the impurity of the ores which are smelted in the coal districts of England, and even the ore brought by Chenot from Spain, and employed by him in his works at the gates of Paris, contains about ten per cent, of fixed, and as much volatile matter, as being a decomposed spathic iron. Many of the magnetic and hematite ores of Canada are almost chemically pure; such are those of Marmora, Madoc, Hull, Crosby, Sherbrooke, MacNab, and Lake Nipissing, which, even if they should not prove adapted to the manufacture of superior steel, offer for the fabrication of metallic iron, by the processes of Chenot, very great advantages over the poorer ores, which, in many parts of this continent, are wrought by the ordinary processes.

The small amount of fuel required by the new methods, and the fact that for the generation of the gas which is employed as combustible, turf and other cheap fuels are equally available, are considerations which should fix the attention of those interested in developing the resources of the country. With the advantages offered by these new modes of fabrication, our vast deposits of iron ore, unrivalled in richness and extent, may become sources of national wealth, while by the ordinary method of working they can scarcely, at the present prices of iron and of labour, compete with the produce of much poorer ores, wrought in the vicinity of deposits of mineral coal.

COMMERCIAL REFORMS.

In our March number, (vol. ii. page 485,) we wrote *hopefully* on this subject, in reviewing the promises held out by the speech from the throne on the opening of the Parliamentary Session, "It is always a source of satisfaction to the earnest reformer to feel that the measures he has advocated, are likely to receive that attention which their importance demands. Commercial matters have not hitherto received that attention in Canada, and we regard it as a favorable sign of the times, that judging from the speech of the Governor General at the opening of Parliament, practical legislation with a view to advance our material interest, will occupy a larger share of attention than what has hitherto been devoted to those subjects." We are, however, at this present writing, forced to confess to that "sickness of heart" which "hope deferred" is calculated to produce. The Session may even now be said to be waning to its close, and as yet, exhibits the administration of *remedies* for the grievous ills under which the country is suffering, conceived and applied on the most infinitesimally homeopathic principles, the "potency" becoming more and more diluted as each stage of progress is attained in the House. The probable decease, or, at all events, emasculation of the Usury Bill, from which so much was looked for, to set right our deranged monetary affairs, again dashes the cup of expectancy from our lips; but we warn our antediluvian compatriots, that they would do well to realize to themselves that they live in the latter half of the 19th century, and that an adhesion, on their part, to "old world ideas," can only produce a reaction, which will more vitally affect their interests than free trade in money could possibly do. The Imprisonment for Debt Bill appears only to aim at "scotching the snake," without killing it, while the two or three clauses at its tail regarding "assignments," "confessions of judgment," &c, (where we think they are decidedly out of place), are very far from meeting the necessity of such a regulation of Insolvency and Bankruptcy as will tend to restore some measure of confidence in the transaction of business in, or *with*, this Province. It ought to be had in view that the deficiency of our law, in this respect, has attracted attention *from without*, and that, as reported in the *London Times*, it was openly mooted, at a meeting of merchants interested in Canadian Trade, that, "in the present state of the law in Canada, merchants in England would do well to give no credit whatever to correspondents on the other side of the Atlantic." We did not expect that we could all at once jump into a comprehensive system of Bankruptcy, but if the present system of assignments could not at once be superseded by a more *eligible mode* of settlement, which would leave an honest though unfortunate man *some chance* of re-establishing a business on which he may have expended the best part of his life, without being absolutely denuded of all his status as a merchant, and cast adrift on the world,—at least many of the most beneficial provisions of Bankruptcy Law could have been made equally applicable to assignments. The appointment of an assignee by an insolvent is analogous to the appointment of a trustee by the creditors, under the Scotch system of sequestration, and if it is *there* considered so necessary that *parties holding property in trust for creditors* should be hemmed round with restrictions and regulations,

ensuring accountability, periodical statements of the state of the trust, and supervision not only by the creditors themselves, but by an appointed public officer, who takes cognizance of the management of estates, and records certain particulars for future reference, "by all whom it may concern," much more so is such supervision necessary here, where an assignee chosen by the insolvent is not unfrequently only a mere *alter ego* of himself, and through whom the property of an estate is too frequently withdrawn from the action and view of creditors, and consigned "to that bourne from which no *dividend* ere returns." We think some provision of this nature absolutely essential to the restoration of confidence in Canadian business. Creditors so far distant as Britain should have some means and facilities put in their way of obtaining reliable information; when insolvency does occur, the most important point for the interests of both creditor and debtor is *celerity* in arriving at a correct estimate of the position of affairs, and prospect of settlement. The magnitude of interests at stake in Britain on the occurrence of a Canadian insolvency, is often sufficient to induce the dispatch of a special investigator from the other side; but the electric telegraph, which it is hoped, may this season become *in fact accompli*, might obviate the necessity of this in a multitude of cases, if there were only a proper channel through which investigation could be made, and information supplied, and we do hope that as the Imprisonment for Debt Bill has not yet "gone through," the bankruptcy legislation it contains will be *amplified*, so as to supply some of those urgent desiderata, or a special Bill yet introduced on the subject, to which we could point with some degree of pride, as evincing a desire to set ourselves right on this important matter, in respect of which we may be assured that the eyes of the Old Country are upon us. It is too much in one Bill to do away with what has hitherto been regarded as an efficient means of recovering debt, without *giving* some equivalent, that if the *person* of the *debtor* is to be withdrawn from action, the property, at least, will be *efficiently cared for*. To the want of progressive legislation is to be added, in some sense, a retrograde movement; a Bill has passed the Legislative Council postponing the coming into force, on the 1st of July next, of the clause in the Common Law Procedure Act, which afforded summary judgment on Bills and Promissory Notes. We are not prepared to say that in the present state of the country, and in respect to many existing obligations, that this postponement is not only expedient but necessary; but, on the other hand, it is on all sides admitted, that for this country to recover from its present depressed condition, a *curtailment of the ruinously extended mercantile credit is absolutely necessary*. This clause afforded the means of doing so, and its postponement will cut the ground from beneath the mercantile feet. There is no use of a merchant professing to curtail his term of credit, while he knows that the purchaser, though apparently acquiescing at the time of purchase, *has power* to make a mental reservation; that, if necessary or convenient to him, he can render any such understanding negatory, and double or treble the expressed credit at *his will*, by seeing a lawyer to place a few "white lies" on the record. We would humbly suggest that a compromise might be effected from which much good would arise to commerce. Give the maker of a note the means of *showing upon the face of it* that he repudiates the privilege of "lying by proxy," to defeat the terms of his obligation,

and then all parties will be placed in their proper position, and the notes of well-intentioned traders acquire their just value as negotiable instruments, and both seller and buyer know exactly the position of the transaction; whereas, at present, the seller is "at sea" as to the payment and recovery of a note when due; while the buyer, notwithstanding every verbal profession of good faith, has, without check, the means of "sending him out." This position might be attained by the insertion, in the body of the note, of the words, "with summary recourse," or by the promiser adding these words after his name. But by far the best mode, and about which there could be no mistake or misunderstanding, would be the institution of a Government penny adhesive stamp, for notes and bills, and a promiser writing his name across this, as in the Old Country, would thereby be understood to repudiate all defences for the mere object of gaining time, and bills or notes bearing this stamp would be proceeded upon under the clause of the Act which comes into force in July, all other obligations wanting such stamps to remain "*in statu quo*." Such a provision being permissive to all, and imperative upon none, would in no way affect any existing interest. The sale of the stamps would also be a means of subsidizing the Revenue, collectable at little or no expense, and as a tax upon trade almost inappreciable. We have only, farther, to express a hope that the Session will not be allowed to close without some legislation on these important questions. Vast interests are at stake; indeed, the interests of the Province are now trembling in the balance, and as the country *was led to hope for much* from this new Session of the Legislature, we hope its epitaph may not be emblazoned on the history of the country as "*vox et pretereum nihil*."

Since the above was in type, we observe that Mr. Ross has obtained leave to introduce a Bill into the Legislative Assembly "for the relief of Insolvent Debtors, and the regulation and distribution of their Estates." We shall scrutinize the provisions of this measure, when we get them before us; but we think that so important and vital a question is beyond private legislation, and ought to be introduced on the responsibility of the Government alone. We observe that this week's commercial article in the *Globe* urges the introduction of some law on the subject, and probably Mr. Ross's action is directed more as a spur than with ulterior views, though we shall gladly accept efficient legislation from any quarter whatsoever, feeling that he who affords it, or contributes even his mite towards it, will deserve well of his country.

HOP GROWING IN CANADA.

We notice elsewhere the unfair working of the Reciprocity Treaty in respect to the article of Hops, Canada admitting them free of duty as a natural product of the United States, while the latter country, taking advantage of their not being mentioned in the Treaty, imposes on Canadian Hops a duty of 20 per cent. The effects of this one sided reciprocity (which we regret to see an influential contemporary, generally alive to Canadian interests, did not think worthy of consideration, beyond making it the subject of joke on London Beer,) are already most injuriously felt in this branch of

industry in Canada, and we call the attention of Government to the subject. The following letter from a gentleman in Brantford, will help to show the working of the present interpretation of the Treaty:—

BRANTFORD, April 19th, 1858.

To the Editor of the Canadian Merchants' Magazine.

SIR:—In reference to my communication of the 9th inst., on the subject of the Hop interest in Western Canada, I can now furnish you with the result of a very careful inquiry among the growers in this County and Township, more particularly the Township of Brantford. At the time of the passing of the Reciprocity Treaty, when the trade became free, we had sixty acres of Hops planted in this County, over fifty of which were raised in this Township and the immediate neighborhood of Brantford, where there is plenty of loose labor to be got at a cheap rate among the boys, girls, and women, to do the necessary work of picking, tying, weeding, &c. Nevertheless such has been the effect of the withdrawal of the duty, that the number of acres has fallen away to twenty-seven, there is now only this breadth of ground under cultivation in this County. I have reason to believe that in the County of Middlesex, one of the best hop growing Counties in Canada West, that the decade has set in, and the plant is rapidly going out of cultivation, the number of acres there is only one half of what it was before the trade became free.

W. M. G.

JOURNAL OF MERCANTILE LAW.

Obligations of Railway Companies—Fences.

From the U. C. Law Journal.

On appeal from the county court of Oxford, the obligations of Railway Companies with regard to fences under the 14 and 15 Vic., cap. 57 sec. 13, were fully considered. The plaintiff in his declaration, charged that the defendants constructed their railway across his lands, separating one portion from another, and that it thereupon became their duty to erect and maintain fences and farm crossings, as required by sub s. 1, of the clause referred to, yet that they neglected to do so, whereby he had been deprived of the use of his land, and his crops injured by cattle getting in &c. It was held, reversing the judgment of the court below, given in favor of the plaintiff on demurrer, that the declaration showed no cause of action, that sub ss. 1 and 2 of sec 13, must be taken as distinct provisions, having in view different objects, the first to compel the company to fence in *their railway track*, to keep cattle from getting upon it and being injured while the trains were running; the second to oblige them to separate not only their track, but any other lands which they might take, for stations &c., from the adjacent lands of private proprie-

tors, so that the latter might not be exposed to trespasses by cattle coming in from the lauds of the company. For injuries to cattle upon the track they would be liable under the first sub-section, as soon as they had begun to run their trains, the intention being to prevent the railway from being used without these precautions; but under the second sub-section no liability could attach until six months after the land had been taken, and a request made by the proprietor to fence. In this case the injury complained of was within the latter provision, and as it was not averred that the six months had elapsed, nor that any request had been made, the declaration was held insufficient.—*Elliott v. The Buffalo and Lake Simcoe R. R. Co.*

Legality of Arrest by an indorsee on the last day of grace.

In Sinclair v. Robson, the promissory note sued upon was payable at a bank. The plaintiff, an indorsee, took it up their on the last day of grace, and at five o'clock on the same day sued out a *capias*, and arrested defendant, the maker. It was held that the note became payable at three o'clock, and he was therefore not too soon; and it would seem from the judgment that under 14 & 15 Vic., ch. 94, sec. 1; the same law applies where the note is payable generally, not at a bank.

JOURNAL OF BANKING, CURRENCY, & FINANCE.

Monthly Averages of Canadian Banks.

Bank of British North America and Gore Bank not included.

Date.	Capital.	Discounts.	Specie.	Circulation	Deposits.
1857.					
March 31.	\$16,119,187	\$33,927,218	\$2,025,715	\$11,338,376	\$8,306,435
April 30.	16,295,597	33,232,219	2,145,249	10,859,571	8,507,157
May 31.	16,844,834	32,470,986	2,114,084	10,226,624	8,795,065
June 30.	17,246,140	32,307,199	2,210,933	10,511,876	9,650,326
July 31.	17,924,667	32,243,981	2,262,167	10,760,167	8,625,924
Aug. 31.	18,092,888	32,931,843	2,272,310	10,777,358	8,621,015
Sept. 30.	18,044,701	33,968,627	2,024,081	11,507,205	8,837,278
Oct. 31.	17,887,692	33,082,530	2,135,270	10,711,813	8,142,254
Nov. 30.	17,940,354	31,273,693	2,553,435	9,866,435	7,455,129
Dec. 31.	17,991,288	30,745,735	2,217,237	9,157,976	8,137,484
Jan. 31, 1858.	18,041,513	30,468,213	1,982,688	8,450,573	8,358,437
Feb'y 28.	18,057,669	30,758,657	2,042,757	8,477,114	7,251,389
Mar. 31.	18,071,775	30,921,803	2,004,000	8,352,030	7,249,846

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	\$ 991,300	\$ 596,145	\$ 9,512 71	\$ 282,501 45	\$ 97,116 36
City Bank of Montreal	1,200,000	1,177,912	483,439	165,716 48	396,847 97	215,669 54
Bank of Montreal	6,000,000	5,752,446	2,306,439	249,200 25	1,545,437 30	846,933 08
Commercial Bank	4,000,000	3,786,000	1,256,427	640,319 78	731,262 18	408,075 60
Bank of Upper Canada	4,000,000	3,112,875	2,081,739	1,248,860 50	1,646,409 31	151,755 08
Banque du Peuple	1,200,000	932,775	326,812	68,806 10	195,649 07	225,487 04
Molson's Bank	1,000,000	748,465	359,305	25,825 15	245,231 69	53,765 68
Niagara District Bank	1,000,000	225,475	167,068	10,936 52	72,567 52	16,611 50
Bank of Toronto	2,000,000	422,210	273,638	16,522 44	31,780 78	95,442 37
Ontario Bank	1,000,000	191,260	140,553	42,482 38	17,999 94	.....
Total	22,400,000	17,336,946	7,997,234	2,417,609 55	3,118,987 21	2,130,859 15
March, 1858						

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

NAME OF BANK.	ASSETS.				
	Debentures deposited with the Receiver General.	Real Estate.	Furniture and other Assets.	Debts due by other Banks, and Notes of other Banks.	Bills Discounted.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
(a) Bank of British N. America	478,833 33	.....	.....	.....	.....
(b) Zimmerman Bank . . . . .	.....	.....	.....	.....	.....
(b) Niagara District Bank	36,600 00	.....	.....	.....	.....
Molson's Bank . . . . .	.....	.....	.....	.....	.....
Provincial Bank	120,000 00	1,600 00	5,457 26	.....	36,264 29
Bank of the County of Elgin	100,000 00	.....	1,328 00	4,155 61	79,467 73
Total	734,833 33	1,600 00	6,785 26	4,155 63	115,732 01

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

(b) Acting also under Charter.

CHAS. CAMBIE, Registrar.
March, 1858.

FOR THE MONTH OF MARCH, 1858.

Total Liabilities.	ASSETS.								Total Assets.
	Coin and Bullion.	Landed or other Property of the Bank	Government securities.	Promissory Notes or Bills of other Banks.	Balance due from other Banks.	Notes & Bills discounted & other debts due to the Bank not included under the foregoing heads.			
\$979,275 52	\$8,097 56	\$14,861 00	.....	\$37,469 79	22,991 02	1,924,157 20			\$5,081 16 62
1,175,622 98	172,375 05	34,100 00	254,638 35	154,270 23	47,368 80	1,933,682 74			2,591,678 17
4,948,019 66	68,469 62	32,230 87	396,466 67	204,311 67	451,759 39	9,733,751 56			12,017,217 18
3,636,184 56	424,135 67	162,590 82	40,000 00	115,951 17	16,139 77	6,001,107 97			7,590,625 41
5,128,764 92	337,939 67	186,566 11	370,584 73	188,622 00	634,245 94	7,065,421 95			8,743,184 77
816,556 21	75,220 44	55,952 17	101,542 65	37,193 66	1,441 72	1,655,040 60			1,926,392 96
684,221 44	72,276 16	19,790 62	206,660 10	34,872 03	13,791 78	1,155,385 97			1,426,116 50
267,115 54	20,447 41	1,826 33	80,899 99	6,507 71	18,272 16	416,690 53			511,659 10
416,513 79	82,754 47	.....	102,160 00	15,756 31	43,103 61	633,718 26			877,732 69
206,535 77	31,632 03	5,398 23	21,600 00	11,119 46	11,518 86	327,114 59			488,479 13
17,659,690 21	1,98,379 11	801,306 55	212,635 79	836,968 71	16,406 95	50,806,071 35			52,640,12 45

JOHN LANGTON, AUDITOR.

Banking Act, to 31st March, 1858, (13th & 14th Vic., Chap. 21, &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.
.....	.....	78,533 39	163,181 00	.....	.....	.....	163,181 00
.....	.....	36,000 00	36,000 00	.....	.....	.....	36,000 00
74,551 72	8,274 74	245,548 00	119,214 60	6,304 00	.....	.....	125,548 60
3,433 30	10,147 00	108,551 66	39,171 00	38,341 39	17,536 43	867,99	95,616 81
78,000 02	18,421 74	968,932 99	357,796 00	41,645 39	17,336 43	867,99	426,345 81

JOHN LANGTON,
AUDITOR.

ABSTRACT STATEMENT OF THE NET REVENUE OF THE PROVINCE OF CANADA, APPLICABLE TO THE CONSOLIDATED FUND, FOR SIXTEEN YEARS, FROM 1810 TO 1857, INCLUSIVE.

		HEADS OF REVENUE.													
		1842.		1843.		1844.		1845.		1846.		1847.		1848.	
£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1	Customs	265,866	11 10 ³ / ₄	218,033	4 9 ¹ / ₂	139,732	11 4 ¹ / ₂	410,001	7 8 ³ / ₄	591,171	1 3	381,663	11 10	304,308	7 4
2	Excise	31,925	0 5 ¹ / ₂	39,354	11 0	34,378	5 0	30,277	11 6 ¹ / ₂	18,940	8 0	28,220	14 8	28,584	12 2
3	Revenue from Public Works	16,869	18 2	29,076	11 1 ¹ / ₄	25,621	11 1 ¹ / ₄	27,501	4 3 ¹ / ₂	48,480	7 4	42,607	8 5	24,057	16 9
4	Territorial	25,789	3 18 ³ / ₄	27,233	7 10 ¹ / ₂	5,180	18 6 ¹ / ₄	22,571	5 10	23,526	9 1	2,497	15 6	5,181	0 10
5	Bank Imposts	10,277	3 1	7,660	16 11	10,192	15 5	13,420	17 1	15,899	1 1	30,085	7 2	12,473	1 7
6	Casual Revenue	13,851	10 8	10,958	1 11	10,292	5 1	21,684	10 3 ¹ / ₄	13,277	0 11	12,620	17 1	7,059	9 7
Totals, Currency		363,660	4 11 ¹ / ₂	320,987	13 8	155,783	9 6	524,366	16 9 ¹ / ₂	512,983	18 8	566,226	14 8	379,645	7 8

		1850.		1851.		1852.		1853.		1854.		1855.		1856.		1857.	
£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1	Customs	741,268	18 5	703,770	14 0	705,317	15 10	986,597	16 10	1,108,118	9 1	813,819	11 3	1,027,975	9 2	808,408	14 2
2	Excise	21,131	16 8	20,180	13 8	22,145	11 11	22,293	3 7	17,238	0 1	16,700	17 3	20,552	8 3	26,971	17 3
3	Revenue from Public Works	42,615	1 7	65,863	19 8	71,424	3 10	77,489	19 3	50,461	7 3	38,342	9 1	51,765	7 5	53,665	7 1
4	Territorial	3,508	14 7	91,714	18 8	32,418	12 7	61,147	16 10	73,116	0 0	70,380	0 5	25,656	6 8	34,555	14 9
5	Bank Imposts	10,703	4 6	18,392	7 7	18,919	2 10	21,053	19 4	29,270	10 5	22,459	9 10	22,142	14 2	18,844	10 1
6	Casual Revenue	16,725	7 2	17,004	4 5	29,905	19 4	21,210	17 3	35,691	10 7	53,447	10 10	89,064	12 7	56,297	6 1
Totals, Currency		813,431	2 11	812,184	5 2	800,631	6 4	1,135,173	13 1	1,369,386	6 5	1,019,159	18 7	1,228,006	18 4	1,070,263	9 5

EXPENDITURE OF THE PROVINCE OF CANADA, FOR THE YEARS 1855, 1856, and 1857.

HEADS OF EXPENDITURE.

1855.

1856.

1857.

	£	s.	d.	£	s.	d.	£	s.	d.
1 Interest on Public Debt	219,470	12	11				281,036	12	5
2 Civil Government.....	72,539	11	0	225,223	15	7	74,582	19	4
3 Administration of Justice	111,295	12	5	60,282	17	4	137,739	15	3
4 Provincial Penitentiary	15,000	0	0	123,210	12	0	17,949	1	3
5 Legislature.....	100,474	6	10	14,939	11	2	128,959	14	4
6 Education.....	106,738	1	8	118,495	5	5	110,009	8	6
7 Agricultural Societies.....	17,060	10	0	97,514	1	6	22,518	1	1
8 Hospitals and other Charities.....	39,769	4	10	18,455	13	3	46,605	0	3
9 Public Works.....	116,259	16	8	41,259	9	6	93,578	1	2
10 Militia.....	32,592	19	2	99,603	12	9	48,732	13	3
11 Maintenance of Light Houses and Coast Service	34,126	12	5	43,722	12	1	34,268	17	11
12 Emigration	2,466	1	11	28,608	2	10	5,808	17	1
13 Pensions	11,459	13	4	9,806	2	3	11,672	17	1
14 Indian Appointments	9,855	0	0	8,220	8	0	8,855	0	0
15 Sinking Fund, &c.	85,151	5	7	8,755	0	0	73,000	0	0
16 Miscellaneous.....	136,694	19	3	60,848	14	5	179,284	14	8
Totals, Currency	1,111,461	8	0	1,105,228	11	6	1,274,301	13	7

N. B.—The apparent discrepancy in the payments under the several heads of Expenditure as Compared with the Annual Public Accounts, is owing to the unprovided items being included in the above Statement.

Statement of Debentures issued under the Upper Canada Loan Fund Act, with amount of Interest and Sinking Fund at 8 per cent., paid and unpaid, together with the amount credited to such Municipalities from the Clergy Reserved Fund, to 31st January, 1858.

Municipality	Loan.	Interest Paid.	Interest Unpaid.	Clergy Reserves retained.
Port Hope.....	£215000	£19393	£37974	£2021
Hope Township.....	15000	4238	1561	1435
Niagara.....	70000	10329	9837	1362
Cobourg.....	125000	11522	28868	1942
Chippewa.....	6500	1520	520	345
Grey County.....	4000	1303	160	....
Bertie Township.....	10000	3366	400	....
Brantford Township....	12500	4208	500	535
Do. Town.....	125000	24548	11849	1610
Wainfleet Township....	5000	1883	....	81
Canboro.....	2000	673	80	3
Huron, Perth, and Bruce	127000	27854	18559	....
Perth.....	22000	6825	880	....
Moulton and Sherbrooke	4200	1819	....	....
Paris.....	10000	2866	800	....
Oxford.....	5000	1675	....	....
Ottawa.....	50000	6740	10092	3907
Prescott.....	25000	2536	5803	1196
Lincoln.....	12000	3559	480	538
Lambton.....	4000	1295	....	....
Middleton.....	750	468	....	695
St. Catharines.....	47500	8036	5131	2523
Woodstock.....	25000	5203	2656	1343
Stanley Township.....	2500	624	200	3
Woodhouse.....	20000	3938	2402	797
Norwich.....	50000	9658	6192	1805
Cornwall.....	3000	681	240	247
Belleville.....	5000	1096	400	415
Northumberland, Durham	115000	16852	4563	....
Ops.....	20000	3589	2883	1116
Elgin.....	20000	5065	800	....
London.....	93850	13681	7508	4208
Windham.....	25000	3611	3040	959
Sincoe.....	25000	3297	3354	645
Lanark and Renfrew....	200000	18060	14705	2744
Brockville.....	100000	4824	11566	437
Elizabethtown.....	38500	2584	1068	951
Stratford.....	25000	1316	5429	570
Goderich.....	25000	4916	1828	927
Hasings.....	39400	3993	2689	2414
Essex.....	8000	1062	640	....
Barrie.....	3000	515	120	....
Chatham.....	25000	3082	2000	4
Dundas.....	13000	1622	1040	523
Guelph.....	25000	2085	1605	1594
Peterboro'.....	25000	....	....	216
	<u>£1823700</u>	<u>£258235</u>	<u>£210431</u>	<u>£40110</u>

Amount of Debentures issued under the Consolidated Loan Fund Act of Lower Canada, with Interest and Sinking Fund at 8 per cent., paid and unpaid, to 31st January.

Municipalities	Loan	Interest Paid.	Interest Unpaid.
Stanstead.....	£ 1700	£ 86	£ 272
Shefford.....	25000	307	1260
Terrebonne.....	23500	.....	5170
Ottawa, No. 2.....	32900	.....	7245
Megantic, No. 1.....	1400	.....	280
Montreal.....	200000	20673	2000
Acton.....	6000	.....	700
St. Hyacinthe.....	4000	.....	640
Sherbrooke.....	20000	.....	3153
Varenes Village.....	500	.....	57
Huntingdon.....	1750	.....	210
Roxton.....	7500	.....	798
Longwick.....	2500	.....	261
St. Johns.....	5500	187	400
Laprairie.....	1000	53	.....
Tung.....	5000	133	.....
St. Marie de Monnoir.....	1000	.....	26
St. Romuald de Farnham.....	7500	.....	.....
Shefford Township.....	14375	.....	.....
Three Rivers.....	15000	.....	.....
St. Romuald d'Etchemin.....	5000	.....	.....
Granby Township.....	7500	.....	.....
William-Henry.....	5000	.....	.....
Ascot and Westbury.....	2000	.....	.....
Jt. Jean d'Orleans.....	2000	.....	.....
	<u>£397125</u>	<u>£18635</u>	<u>£24611</u>

Comparative Statement of the Expenditure of the Province, for the years 1856 and 1857.

	1857.	1856.		
Interest on Public Debt.....	£286,511			
Less—Interest on Consolidated Municipal Loan Fund Debentures, per pages 34 and 35.....	5,475			
	<u>£281,036</u>	£225,223	Inc	£55,813
Civil Government.....		58,512	56,030	" 2,482
Administration of Justice, Canada East	76,018			
Do do Canada West	50,533			
	<u>126,551</u>	114,254	"	12,297
Provincial Penitentiary.....		12,300	13,939	Dec 1,639
Legislature.....		126,433	117,444	Inc 8,989
Education Canada East.....	51,806			
Do Canada West.....	59,202			

	110,009	97,514	"	12,495
Agriculture.....	22,518	17,955	"	4,563
Hospitals and Charities.....	45,832	38,756	"	7,076
Geological Survey.....	6,596	5,481	"	1,115
Militia and Enrolled Force.....	41,535	36,107	"	5,428
Light Houses and Coast Service.....	33,701	27,994	"	5,707
Emigration.....	3,971	6,383	Dec	2,412
Pensions.....	11,672	9,820	Inc	1,852
Public Institutions.....	9,436	8,322	"	1,114
Ocean and River Steam Service.....	55,447	39,849	"	15,598
Police.....	5,818	4,733	"	1,085
Miscellaneous Printing.....	2,991	2,095	"	866
Public Works and Buildings.....	73,295	92,787	Dec	19,492
Indian Annuities.....	8,855	8,755	Inc	100
Sinking Fund.....	73,000	60,848	"	12,152
Post Office Services for 1856 & 1857	69,010	.....	"	.....
Miscellaneous.....	13,886	57,198	Dec	43,312
EXPENSES OF COLLECTION :				
Customs.....	78,057			
Do for Return Duties.....	4,805			
	82,862			
Excise.....	2,565			
Public Works.....	32,395			
Do for Repairs.....	33,070			
Do balances outstanding...	2,176			
	67,651			
Territorial.....	69,830			
Fines & forfeitures, including seizures	2,857			
Casual.....	5,141			
	230,910	258,469	Dec	27,559
	£1,423,235	1,309,435	Inc	133,802

Effects of the Financial Crisis in Europe.

[From the London Times, April 26th.]

The following interesting statement has been received from a careful correspondent, showing the results of 151 of the suspensions (including five large banks) which occurred during the commercial crisis, with a total of liabilities to be met of £41,427,569—(\$207,137,845), and on which the deficiency now appears to be about 19 per cent. Out of fifty-two London firms sixteen appeared to have paid, or to be about to pay, in full, while of the provincial houses the number that have attained this conclusion is only nine out of sixty-nine :—

Result of a Summary of the Statement of Affairs Submitted by One Hundred and Forty-six Mercantile Firms and Five Banks, which Suspended Payment During the Period of the Commercial Crisis, from the Commencement of November, 1857, to the End of February, 1858.

CLAIMS.

To consideration claims.....	£35,551,997
To capital (paid up) of five banks.....	4,149,960
To liabilities claimable.....	1,725,642
To liabilities, considered good.....	£10,412,365
Total.....	£10,412,365 £41,427,569

ASSETS.

By available assets	£33,672,669
By balance carried down	7,754,900
	<hr/>
Total	£41,427,569
To balance deficiency	£7,754,900, viz :—
52 London firms, deficiency on consideration claims	£798,790
On Liabilities	1,507,167
69 country firms	3,167,865
5 banks	3,765,884
	<hr/>
Total..126	£9,239,700
Less surplus or in full..16 London firms.....	£1,094,335
9 Country firms.....	390,474
	<hr/>
	1,484,809
	<hr/>
Total.....151	£8,754,900

From a commercial report lately published at Copenhagen it appears that 207 failures took place in Denmark during the late crisis, of which 77 were in the capital and 130 in the provinces, Jutland being the greatest sufferer. Most of the houses were of recent origin and had traded beyond their means. Some old establishments were, however, induced to speculate, and have lost the profits gained during the many years of legitimate commerce. The provincial banks are blamed for the reckless manner in which credit has been given, and it is stated that the national bank of Copenhagen is not faultless in this particular. The commercial disasters, it is said, would have been far greater if the Danish government had not assisted the Hamburg house of Pontoppidan & Co.

The Financial Statement of Great Britain.

The Chancellor of the Exchequer has made his financial statement. He began by adverting to the great changes which had taken place in the commercial condition of the country since the financial statement of his predecessors—changes which had clouded and disturbed the prospects indulged in 1857. The American panic, he observed, had acted in a disastrous manner upon our own commercial condition, and towards the end of the year a monetary crisis, in which the rate of discount reached 10 per cent., had produced severe distress, and pressed heavily upon the revenue of the country. After reading returns of the British trade and navigation in 1855, 1856, and 1857, and comparing them with the returns for 1853, the year before the war, he proceeded to consider our financial condition,—the charges upon the revenue, and the means at our command to meet them. There had been, he said, a considerable restoration of commercial confidence; capital was abundant, money was cheap, and the prices of the main articles of consumption were lower; but it was his conviction that, although the general condition of the

country was at the present moment sound, and although there were indications of improvement, he could not indulge the belief that there would be a rapid return of the spirit of enterprise. After stating the amounts at which the several items of expenditure had been estimated for the last year by the late Chancellor of the Exchequer, and their actual amount, he detailed the estimated expenditure for the year 1858-59, viz:—

Funded and unfunded debt	£28,400,000
Civil List, &c.	1,900,000
Army	11,750,000
Navy	9,860,000
Miscellaneous Civil Services	7,000,000
Revenue Departments-	4,700,000
Liabilities	3,500,000
	<hr/>
	£67,110,000

The resources to meet these charges he estimated as follows:—

Customs	£23,400,000
Excise	18,100,000
Stamps	7,550,000
Land and Assessed Taxes	3,200,000
Property and Income-tax	6,100,000
Post-office	3,200,000
Crown Lands	279,000
Miscellaneous	1,300,000
	<hr/>
	£63,120,000

The expenditure being £67,110,000, and the estimated revenue only £63,120,000, there would be a deficit of £3,990,000. This deficiency, he remarked, was not occasioned by any falling off in the resources of the country. He considered it under two heads:—first, the amount occasioned by our undertaking to pay debts; secondly, the amount caused by the cessation of taxes. The first, amounting to £3,500,000, was created by the War Sinking Fund, £1,500,000, and the payment of £2,000,000 Exchequer-bonds. He strongly urged the inexpediency of continuing the artificial attempt to pay debts without surplus revenue, which was a revival of the old principle of the Sinking Fund; it was, in his opinion, highly fallacious and erroneous, and ought not to be kept in operation at least until the Exchequer-bonds had been paid off. Would the House, he asked, raise a loan to discharge engagements to pay off debts for which he had no means? Would not this be a clumsy mode of squaring accounts? The raising of money to pay debts would only plunge us deeper into debt. Then, was the House prepared to discharge the engagement by additional taxation? It would be a perplexing question how to raise £3,500,000 by taxation. He recommended the House to terminate the special Sinking Fund system either by repealing the Act, which he considered to be false in principle and injurious in practice, or to resolve to suspend its operation, until the Exchequer-Bonds were provided for, which would relieve the finances of £1,500,000 a year. With regard to the Exchequer-bonds, he might propose to fund them; but that course, he considered would be unjustifiable, and contradictory to the conditions which

the Government and Parliament had entered into when they were issued. If they were to be met, however, it must be by a new tax. At all events, the spirit of the management should be fulfilled; but they should be met out of the revenues of the country, and there should not be a permanent addition to the debt. He felt it to be his duty to place the finances in a position that would be advantageous to the country, and he recommended to the House to postpone for some years the payment of the Exchequer-bonds,—an arrangement that would secure their discharge out of the revenues of the country. With respect to that portion of the deficiency caused by the fall-off of the revenue, that had been occasioned by the cessation of a tax of a very memorable character—the Property and Income Tax. The importance of that tax was not to be measured, he said, by its amount, but by the mode in which it was assessed, the manner in which it was levied, and the social principles involved in its collection. This impost, unjust and inquisitorial as it was regarded, could not be made a permanent feature of our fiscal system. But, although this was his opinion, and believing that the agreement of 1853, should, in spirit, if not in letter, be carried into effect, it was impossible that the country, however anxious to obtain this result, might not be unprepared to bear this year the burden it had borne so well the last; although a deficiency arising from the cessation of taxation must be supplied by taxation, and the deficiency would be converted into a surplus if the committee should continue the income-tax for another year at the same rate as that of last year, it was, nevertheless, the deliberate opinion of Her Majesty's Ministers that the deficiency of the revenue ought not to be supplied by an increase of this tax. But, if its fall was not to be disturbed, the House must feel that it was absolutely necessary to support the revenue by the imposition of new taxes. It might be said that the expenditure could be reduced; but this process could not be accomplished in haste; it required time and investigation. Although it would be possible to earn a momentary popularity by retrenchments, unless they were the result of thought and management, they would only lead to a fatal reaction of expenditure. In discharging the unpleasant office of selecting a new tax, he was consoled, he said, in reflecting that every one would feel a relief in the fall in the rate of the income-tax, and the mode in which he would attempt to supply the remaining portion of the deficiency was by a proposition which he considered reasonable and wise—namely, to equalize the duties on spirits, which, he calculated, would give to the Exchequer £500,000 a-year, thus putting an end to the deficit. But he thought provision should be made to secure a surplus, and, as no form of taxation was more popular or less annoying than stamps, he proposed that when a check was drawn, there should be a stamp; and this tax, he estimated, would produce £300,000. Mr. Disraeli, in conclusion, took a cheerful view of the situation and prospects of the country next year, when he expected, if no disaster occurred, we should be able to meet all engagements and enjoy the luxury of a surplus revenue, and he expressed a hope that the proposition he had made would receive the candid consideration and cordial acceptance of the country. He then moved certain resolutions.—*London Times.*

THE EVILS OF THE CREDIT SYSTEM.

The evils resulting from what is generally called the credit system, or more properly an abuse of that system, are very forcibly pointed out in the following article from the *Edinburgh Scotsman*. We commend their careful perusal, particularly to the young merchant, who from want of experience is more likely to fall into the errors here referred to.

"In a recent article we alluded to the evils attending the use of "accommodation bills;" but the denunciation of this practice does not suffice to stop it; for in the recent examinations of bankrupts, we discover that it has not only increased in extent in modern times, but been systematised. A *commission* is paid to men of straw to accept wind bills for the use of insolvent merchants, and the manufacture of accommodation paper, has actually become a trade. How is this "road to ruin" to be narrowed, if it cannot be shut up! It has been proposed to enact that every such bill shall bear on its face the words "accepted for accommodation;" in place of the usual phrase "for value received," and that all departures from the *bona fide* observance of the law shall be punished as falsehood and swindling. Perverted ingenuity and reckless daring, would in some, perhaps in many, instances evade or brave the law; but it would certainly deter the more considerate class of speculators, and the punishment of infamy, would effectually cut short the career of others.

There is one other remedy, however, which, although more slow and distant in its effects, would probably in the end prove more effectual. In reading the history given by the bankrupts, of their career from their first starting in business, till their failure, nothing is more striking than the gross ignorance exhibited by them, almost without exception, of the natural laws which govern the production and distribution of wealth, and the neglect of which renders trade a mere game of hazzard, if not an enterprise against nature. A few explanations will show what we mean.

The manufacturer *produces* wealth, and the trader distributes it by selling it to persons who stand in need of its specific articles. In both processes, time is requisite to complete the operations. The sheep must be reared, its wool must grow, be shorn, sold, dressed, spun, and woven, before broadcloth can be produced, and the persons who perform all these operations, must live while executing them. The man, therefore, who undertakes the manufacture of this article, must, as an indispensable condition of success, possess funds or capital sufficient to enable him to compensate those who have produced the materials; and also to pay for the machinery to be used, and the wages of the workmen to be employed, until the broadcloth is ready for the market. We repeat that the use of capital is absolutely and in all cases indispensable to the production of broadcloth and every other article of value in trade. How, then, may capital be obtained?

It may have been inherited, or it may have been accumulated by industry and saving, or it may have been lent by a friend; all these are legitimate sources from which it may be derived. In the first and second instances, the manufacturer stands on the vantage ground. His resources are his own, and he is able to buy materials in the cheapest market, to command the best machinery at the lowest prices, and to hold his goods when manufactured

until he finds a profitable market and a safe purchaser. He pays no interest on his capital, no discount on bills, and is master completely of his own position. We could point out several of our most wealthy citizens, whose career we have observed for thirty or forty years, who have acted on these principles. They commenced business on small savings of years of previous industry, and never extended their transactions beyond the capital they had thus accumulated. Their trade was at first very small, and they were bumble men on "Change;" but a sound system, activity, and sagacity, produced a wonderful increase in their wealth in the course of years.

If a young man possessing the confidence of a wealthy friend obtains from him a loan of capital, say of £5000, *absolutely guaranteed to remain with him for a number of years*, say seven or ten, on condition that the interest be regularly paid, he will be in an equally favourable condition with another who has inherited or saved that sum, with the exception of the interest. But he must keep his manufacturing enterprises within the limits of his loan, otherwise he will necessarily diverge into the risks attending on credit.

The trader, again, who buys goods from the manufacturer and sells them by retail in a shop, or exports them wholesale to foreign countries, stands equally in need of *capital* to insure his success. *Time* is an element which he also must take into consideration. He cannot buy £1000 worth of goods in the morning, and sell them all with a profit in his shop for ready money before the evening; and still less can he turn them thus speedily into cash if he exports them to America or Australia. To carry on his trade, therefore, to the highest advantage, he should have capital with which to pay ready money for the goods he buys, and thus obtain them at the lowest price, and then to hold them until the natural demand for them enables him to sell them to safe purchasers at remunerative prices. He also may succeed on capital lent by a friend, if guaranteed to remain undisturbed for a number of year.

These are the natural physical conditions of success, to which must be added the moral and intellectual qualities of honesty, intelligence, industry, prudence and economy, which are as necessary to well-doing in trade as the physical conditions before named.

But there is another basis of manufacturing and trading industry called the *credit* system, the abuse of which is the fountain of innumerable evils. Some manufacturers and wholesale merchants having become rich, try to extend their sales by offering goods to persons who cannot pay for them in cash, but who hope to be able to resell and pay for them in three or four months. Let us suppose that a young man of good character takes a shop, and purchases £1000 worth of goods on credit, and grants bills for them payable at three months after date. He will in general pay $2\frac{1}{2}$ per cent. more for the goods than if he had settled for them in ready money. But suppose that he succeeds in selling them all by retail, and drawing money for them, with a profit of $7\frac{1}{2}$ per cent., within the term of his bills, he will be ready to retire these when due, and have a profit of £75 left to pay shop-rent, taxes assistants, and personal expenses. If he repeats this series of transactions every three months, he will have £300 of profit applicable to these purposes. If he is able to save £50 per annum of this profit, he will in time become the owner of capital, and be able to trade, every year, to greater and greater advantage.

Sanguine and inexperienced persons seeing success to be *possible* on this

system, take little heed of the difficulties and dangers attending it. Let us, however, examine these, and suppose that, from dull times, an unfavourable locality of the shop, an inert and untaking manner in the master, unskilful selection of goods, making sales of goods to customers who do not pay for them, or a great fall of prices through a commercial convulsion, the trader is not able to convert all the goods into cash before the bill comes due, what shall then happen? He must either solicit his creditor to renew the bill for another term, or, by some other means, raise money to retire it. If he does the former he at once shakes his credit with his patron, pays him interest, and probably a commission for the renewal, and altogether places an obstacle in the way of his future success. There are other ways, however, of raising the money. He may sell as much of his stock for ready money, at a large reduction in the price, as will cover the deficiency; but in this case his profit is gone, his means of paying rent, taxes, and personal expenses have vanished, and he must, of sheer necessity, use part of the property intrusted to him by his creditors for these purposes. From that moment he is insolvent. If he repeats his transactions, with the same or similar pitfalls in his way, the loss accumulates every year, and bankruptcy, with large debts and small assets, is as inevitable as the descent of water in a river to the sea. The bankrupt examinations are exhibiting many cases of this kind.

There is, however, another resource open to him. He discovers a trader in circumstances similar to his own, and each grants a bill to the other, say for £250, payable at three months after date, and bearing on its face "for value received." The one bill is the only value given for the other, and the agreement is, that each shall retire his own acceptance when due, and thus settle the transaction. The two traders carry their bills to different bankers, get cash for them, minus three months' interest, and this cash serves each of them as capital for the term of the bill. It *accommodates* them very much, and hence they call these "accommodation bills." Generally, the money is applied to retire another bill, now due, to meet which the trader had not been able to collect cash in the ordinary course of his business.

But, how is the accommodation acceptance to be retired when due? The same obstacles which prevented him from realizing money from his trade with which to pay his bill to his patron continue to exist, and are generally increasing, and no alternative is left to the two traders but to renew the accommodation bills; and as each has lost something additional, they now draw them for £300 each. These are also discounted and applied to meet deficiencies; and the series of similar transactions continues to be repeated until the banks suspect the nature of the paper, and in order to test the resources of the parties, refuse discounts to them altogether, which, of course, forces them to stop payment, and then the real nature of their trading is revealed.

In a future article we shall give some elucidations from actual cases, of the operation of the natural laws of trade, under the credit system, and show how grossly ignorant or reckless of their existence most of the bankrupts whose transactions are now before the public have been; and then we shall be in a condition to suggest the means we propose to diminish the evils inseparable from such abuses. In this way some instruction may be drawn from the revelations of trade now publishing in our columns; for it would be er-

ronous and mischievous to regard them as chronicles of mere misfortune, calling for our sympathy and condolence with the actors in them. Some of these merit our sympathy and forbearance, but the greater number of them have been the enemies of the honest and intelligent members of the trading community, and it is a duty, although a painful one, to exhibit their conduct in its true colours.

In the histories given by most of the bankrupts concerning the capital they commanded at starting in trade, and the manner in which they conducted their operations, there appears almost an unconscious ignorance that the creation and distribution of wealth are governed by any natural principles whatever. We shall, therefore, now mention a few among many actual instances which have come under our notice in which failure is clearly traced to disregard of these laws.

In the beginning of this century a young man who, after receiving an ordinary High School education, had been bred in a linen warehouse, in Edinburgh, and who was active, clever, and incapable of doing anything that he did not believe to be moral, entered into business on his own account with a capital of £600, lent to him by a rich uncle. He prospered, and his trade increased. This led him constantly to increase the stock of goods in his shop, which he bought on credit, and settled by bills at three months. The savings of his profits and the loan of the £600 of capital enabled him to hold this increased stock and retire his bills punctually when due. At the end of a few years, however, the uncle died, and his executors called up the £600 to be disposed of under his deed of settlement. This was a severe and unexpected blow to the young trader. He was unwilling to contract his business, by selling off £600 worth of his stock without replacing it; and he was also averse to reveal his reduced resources to the persons to whom he was indebted. He therefore resorted to accommodation bills; and by discounting two or three of them, he raised the money and paid off the £600, and all appeared to go well. But, as the permanent use of the £600 was maintained in his hands only by constant renewals, and re-discounting of these bills, the friends who accommodated him with their names, solicited a return of favors which he could not refuse. Things went on in this way for two or three years, when a commercial convulsion occurred, the banks limited their discounts, and he and his friends were forced to stop payment. He accounted candidly and accurately for his losses, and obtained a discharge from his creditors; but his *capital* was gone. He had struggled on for some years on the *credit* system, practising the most exemplary economy, and manifesting unwearied industry but in vain.

In his opinion, it was necessary for him to hold a large and valuable stock of goods to command customers of the first class; but it was nevertheless impossible for him to convert his sales to such customers into cash within the term of his own bill. He bought goods on a credit of three months, and sold them on a credit of six months. He obtained a good price in his sales, but from want of capital he laboured under constant disadvantage in his purchases. When he asked renewals of his bills, his creditors made him pay higher rates for his next purchases, which curtailed his profits; and when he tried the accommodation bill system again, his friends failed, and he became more straitened than ever. A long life of toil, with no deficiency in talent,

industry, or honest intention, was closed by an old age of poverty, clearly traceable to an error in the principle on which he had acted after his uncle's death. A reduction of his stock, in correspondence with the capital withdrawn, seemed to him destructive of his future prospects; but on sound principles, this or a permanent loan from some other friend was his only safe resource. While he sold to rich families on open accounts, on credit for six or twelve months, and stood engaged to pay for his goods in three months, there was an obstacle to his success as unsurmountable as a mountain to the leap of a race horse.

The circumstances in which it is possible to succeed in a retail trade on the *credit system* may now be mentioned. We say in a *retail trade*, for we regard success in a manufacturing business impossible without the command of adequate capital owned by the manufacturer, or lent to him for a considerable and definite period. If an active, enterprising, intelligent, and honest young man, well skilled in business, take a shop in a favourable locality, stock it with goods of a suitable quality, bought on three months' credit, and if the ordinary retail profit obtainable on such goods when sold on open account and on credit, were, say $7\frac{1}{2}$ per cent., and if he advertised largely and sold his goods *for cash down* at 5 or 6 per cent. below the standard price, he might turn over his stock so rapidly with this small profit that he could realize cash to retire his bills when due. By repeating the operation many times in the year, his small profit, at its close, might be equal to a much larger profit on a slower return. Some of the largest fortunes in England have been made on this system; but great perspicacity of judgment, activity, and firmness of purpose are indispensable to success in it, and it must be rigidly pursued on its own principles to avoid failure.

The evils to which the *credit system* exposes commonplace men when resorted to as the foundation of their trade may be illustrated by another example. A. and B. commenced business on a stock acquired solely on credit, and launched at once into a large trade. They sold on credit and obtained bills which they discounted, and by this means, for a time, retired their own acceptances punctually. They solicited renewals, and in some instances obtained them, in others the sellers were themselves pressed, and insisted on liquidation. To raise funds to retire their acceptances to these persons, A. and B. carried part of their stock to men possessed of capital, who are ready to buy and to pay cash if the price be sufficiently low, and they sold it to them on the best terms they could obtain, but far below the rate at which they had purchased it. Having obtained cash, they retired their acceptances, avoided immediate bankruptcy, and hoped for better times.

But the fall on their stock, the return of bills granted by several of their own customers who had failed, and the losses consequent on the forced sales rendered them insolvent. Their condition became known; and when they applied for goods on credit, they found a certain percentage added to the market price, being the rate at which the seller estimated the risk of their stopping payment before the price was paid. They could not obtain this rise from persons who were in good credit, and to whom they sold their goods, and it was thus a sheer loss to them. As time rolled on, these losses accumulated; it was seen that they were straitened; prudent dealers declined to trust them, and less cautious men increased the premium on the price of every

article sold to them, in proportion to the obviously increasing risk of their failure.

In addition to these fountains of ruin, there were shop rent and taxes, warehouseman and shopmen's wages, house rents and taxes, and servants' wages, and the maintenance of two wives and two families, all abstracted from the constantly diminishing stock. The result was bankruptcy; with debts, £17,000; assets, £3,700. Under such a system as this, success, as a general rule, is impossible.

If our readers will analyze the history of their transactions, given by the bankrupts whose examinations are recorded in our pages, they will discover that, in nine instances out of every ten, trade was commenced and carried on by them in one or other of these or similar ruinous ways; and we ask, what is the remedy for these great social evils? To punish the offenders as criminals would, in many instances, be harsh, because they have acted just as multitudes of other persons are doing, and they meant no harm. To find a remedy in an Act of Parliament would be difficult; because the evil may be traced to a variety of causes needing to be brought under influences far more potent than those of the legislator. In some instances, it may be ascribed to ignorance of the natural laws which regulate the production and distribution of wealth; in others to mental confusion and want of real capacity for business; in others to deficient moral honesty; in others to a sanguine disposition, seeing everything future in golden colours, or to a lymphatic constitution which allows things to take their own course uncontrolled by attention and judgment. The evils produced by these defects are aggravated by the absence of an enlightened moral public opinion condemning their results, and also by the silence of the schoolmaster, the professor, the public press (with some highly meritorious exceptions,) and the pulpit, concerning the physical, intellectual, moral and religious conditions on which success in trade depends.

The conclusion, then, at which we arrive is, that these deficiencies must be supplied, as far as possible, by improvements in our education and training, before the sufferings under which so many hearts are now aching will be seriously diminished. In particular, we must have a far higher standard of morality infused into commercial pursuits. *Buying* should be invested with a sense of *moral* as well as *legal* obligation to pay. Trade should be viewed as dealing with other men's substance, in which just and prudent management should be viewed as a matter of conscience. The person who becomes bankrupt should feel that he has shown himself deficient in some quality or condition that was necessary to enable him to cope with the difficulties of his position; and society, while forgiving, should not approve of his shortcomings. The prevalent maxim of "Heads I win, tails you lose," which seems actually adopted as a practical rule by some traders, should be severely rebuked. But, above all, instruction in the natural laws of wealth should be given in our schools. Scotland, bent on a high religious education, is falling behind England in this respect. In London there are at least a dozen of schools in which the practical principles of social economy are systematically taught to children of the lower and middle classes; among these the School of London University College, and the Peckham Birbeck School, conducted by Mr. Shields, are pre-eminently successful. The Dean of Hereford also

has introduced the same kind of instruction into his schools; and the work edited by him on "The Phenomena of Industrial Life," has gone through an edition of 5,000 copies in three or four years. The works of Mr. William Ellis, one of which, "Religion in Common Life," we recently commended to public attention, have also greatly promoted the study in the South.

Let it not, therefore, be said that Scotland, in addition to being the most religious and most drunken nation in Europe, is also the most keenly bent on the acquisition of wealth, and at the same time the least guided by intellectual and moral principle in her means of pursuing it. This last charge is not warranted by facts, but it has acquired a degree of plausibility by the malpractices daily disclosed in our Bankrupt Courts, and for which it becomes us to find a check and a remedy.

JOURNAL OF INSURANCE.

INSURANCE COMPANIES DOING BUSINESS IN CANADA.

CANADIAN OFFICES.

HEAD OFFICE.

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

ENGLISH OFFICES.

Royal Fire and Life Insurance Company.....	Liverpool.
Phoenix Fire Insurance Company.....	London.
London and Liverpool Fire and Life Insurance Company..	do.
Equitable Fire Insurance Company.....	do.
Britania Life Insurance Company of London.....	do.

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

UNITED STATES OFFICES.

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

ACCIDENTS BY FIRE—HOT ASHES.

In consequence of the numerous fires occurring through the careless disposal of hot ashes, a very general desire has been expressed for some legislative enactment by which the owners of property in our cities, towns, and villages, would be obligated to provide sufficient receptacles for ashes in every house where wood or coal is used. The following draft of an act has been placed in our hands, and would seem to meet the difficulty, although it appears to us that to provide for a place of deposit, of the same dimensions for a small tenement and a large mansion or factory, is not correct. Why not make landlords provide a "sufficient place of deposit for ashes, either of bricks or other incombustible material," as then a cheap and convenient earthen vessel might be made to serve all the purposes of a more expensive brick building, which it would not at all times be possible to erect. The subject is well worthy of consideration, and we are sure no objection could possibly be offered to a measure which would provide what every house should possess, and which it would be the interest of all to see established:—

WHEREAS numerous fires are annually caused in this Province through the carelessness evinced in the disposal of hot ashes by many of the inhabitants thereof; and whereas such carelessness is highly injurious and dangerous, not only to the parties themselves, but also to the community in general,

Be it therefore enacted, &c., &c.

1. Within three calendar months after the passing of this Act, the owner of every house, tenement, factory, or other building of any description what-

soever, situated within the limits of any city, town, or incorporated village in Upper Canada, in which coal, wood, or other fuel shall be burned, shall be required to erect on the said premises or convenient thereto, a sufficient building or receptacle of brick, for the purpose of containing ashes; such ash-place to be of sufficient capacity to contain not less than twelve bushels.

2. That from and after the term of four calendar months from the passing of this Act, every occupant of any house, tenement, factory, or any premises whatsoever, situated as aforesaid, in which fuel of any kind shall be consumed, which shall not have constructed thereon a proper and sufficient ash-place as aforesaid, shall be liable to a fine of not less than one, nor more than five pounds:—which fine may be recovered in the usual way, before any Magistrate, and half of which fine shall go to the Municipality wherein the offence is committed, and half to the informer.

3. In case of any dispute as to the sufficiency of the erection as aforesaid, it shall be lawful for the Magistrate before whom the case is brought, to instruct a competent Surveyor to examine the premises and report thereon, and whose expenses shall be paid by the party in fault.

4. In every case in which the owner of any house or premises as aforesaid, shall, for the space of three calendar months after the passing of this Act, neglect or refuse to erect the said ash place, as aforesaid, it shall be lawful for the tenant or occupant to employ a competent person to construct the same, and to deduct the cost thereof from any rent which may be due for the said premises, or, should none be due, then from the next instalment of rent which may fall due thereafter.

Investigations of Accidents by Fire.

Mr Christie has introduced into the Assembly the following Act relating to accidents by fire.

“An Act to amend the Act to authorize investigations in cases of accidents by fire.”

WHEREAS it is expedient to extend the provisions of the Act Preamble
 passed in the twentieth year of Her Majesty's Reign and entitled, *An Act to authorize investigations in cases of accident by Fire, and to repeal an Act authorizing such investigations in the Cities of Quebec and Montreal*, to cases occurring in the 20 V., c. 36.
 rural districts: Therefore Her Majesty &c., enacts as follows:

1. The Act first above mentioned shall apply to fires occurring without the limits of any City, incorporated Town, or incorporated Village, and whereby any house or other building shall be wholly or in part consumed, and the Coronor within whose jurisdiction any such fire occurs shall have the like duties, powers, and liabilities, and the enquiry shall be subject to the like provisions, as if it occurred in any City, incorporated Town or Village within his jurisdiction.

The said Act to apply to fires in the country parts.

II. When any such inquiry shall be made by any Coroner as to any fire occurring without the limits of any City or incorporated Town or Village, such Coroner shall be entitled to the same allowance *per diem* as in the cases mentioned in the said Act, and such allowances shall be paid by the *Township or Local Municipality* in which the fire occurred, and the official order of such Coroner for the same upon the Treasurer of such Township or Local Municipality, shall be paid by such Treasurer out of any funds he may then have in the Treasury, and he shall pay the same upon the presentation of such order.

How the Coroner's fees shall be paid.

TRADE AND NAVIGATION.

Imports at the Port of Toronto for the Quarter ending 30th April, 1858.

	Total Value.	Am. of Duty
Goods paying Specific Duty.....	\$155916	28026 23
Goods (@ 20 per cent.....)	10364	2072 76
Goods (@ 15 per cent.....)	200275	30042 32
Goods (@ 5 per cent.....)	1412	70 64
Goods (@ 2½ per cent.....)	59672	1477 34
Free Goods.....	88917	.....
Totals.....	\$515,956	61,689 35

Comparing the above with the corresponding quarter of last year, the following is exhibited:—

Value of	Quar. 1858.	Quar. 1857.
Goods paying Specific Duty.....	\$155916	\$124912
“ 20 per cent.....	10364	9044
“ 15 per cent.....	200275	812576
“ 5 per cent.....	1412	4532
“ 2½ per cent.....	59072	7560
Free Goods.....	88917	201888
Totals.....	\$515,956	\$1,166,412

Import of following articles for the quarter ending 31st March, 1857 and 1858:—

	Quar. 1858.	Quar. 1857.
Coffee.....	\$ 9586	\$ 3456
Sugar.....	47148	51916
Tea.....	62950	42228
Tobacco.....	20602	11304

In all the above articles there is an increase, while in the following there is an enormous decrease:—

	Quar. 1858.	Quar. 1857.
Woolens.....	\$39621	\$137572
Cottons.....	54855	347297
Silks.....	9784	106936
Linens.....	3912	13700

In Iron and Hardware there is also a great decrease, the import of the last water being only \$11,686, against \$24,000 for the corresponding quarter last year.

SUMMARY STATEMENT of the Quantity and Value of the principle Articles of Canadian Produce and Manufacture, Exported during the 1857, and indicating to what country exported.

RECAPITULATION.	Total Value.			Great Britain.			North America.			United States.			Foreign Countries.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Produce of the Mine.....	71,617	3	0	16,644	13	0	.....	.....	.....	54,972	10	0	.....	.....	.....
“ Fisheries.....	135,028	6	0	12,541	10	9	32,862	8	9	38,604	7	0	51,019	19	6
“ Forest.....	2,932,596	14	2	2,044,178	12	6	16,287	1	8	864,248	7	2	7,882	12	10
Animals and their products.....	526,809	19	11	6,933	15	11	26,057	10	4	493,668	13	8	150	0	0
Agricultural Products.....	2,226,706	7	0	315,678	16	9	128,777	10	5	1,776,249	19	10	.....	.....	.....
Manufactures.....	99,795	4	3	29,183	11	5	13,048	10	10	49,850	19	0	7,622	3	0
Other Articles.....	30,280	0	4	4,489	2	9	1,776	13	9	24,014	3	10	.....	.....	.....
	6,016,743	14	8	2,429,650	3	1	218,809	15	9	3,301,609	0	6	66,674	15	4
Add for Ships built at Quebec during the year, 38,429 tons at £9 per ton.	345,861	0	0	345,861	0	0	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total value of exports as reported..	6,362,604	14	8	2,775,511	3	1	218,809	15	9	3,301,609	0	6	66,674	15	4

Value of Exports from Quebec.....	£2,363,078	19	5	Total from Sea Ports.....	£3,250,194	12	0
“ “ Montreal.....	729,335	0	0	Total from Inland ports as re-			
“ “ Gaspe.....	47,052	11	2	ported.....	3,112,410	2	8
“ “ New Carlisle.....	45,354	16	0				
“ “ Amberst.....	35,108	2	6	Estimated amount of Exports not reported at In-			
“ “ Rimouski.....	18,824	12	11	land Ports.....	389,051	5	4
“ “ Isle-Verte.....	11,440	10	0				
				Grand Total of Exports.....	£6,751,656	0	0

STATISTICAL VIEW of the Commerce of Canada, exhibiting the Value of Exports to and Imports from Great Britain, her Colonies, and Foreign Countries, together with the Tonnage of Vessels arriving and departing during the year 1857, including in such Tonnage the Vessels engaged in the Inland Trade.

COMMERCE.

SHIPPING.

	Value of Exports.		Value of Imports.		Tonnage of British Vessels.		Tonnage of Foreign Vessels.		TOTAL.	
	£	s. d.	£	s. d.	Entered Inwards.	Cleared Outwards.	Entered Inwards.	Cleared Outwards.	Inwards.	Outwards.
Great Britain.....	2,775,511	3 1	4,389,756	6 5						
North American Colonies...	218,899	15 9	187,972	2 0						
British West Indies.....			6,705	13 10	2,598,206	2,696,261	2,685,763	2,418,495	5,283,969	5,144,756
United States of America...	3,391,669	0 6	5,656,162	14 10						
Other Foreign, Countries...	66,674	15 4	217,052	14 8						
Total.....	6,362,601	14 8	9,857,649	11 9	2,598,206	2,696,261	2,685,763	2,418,495	5,283,969	5,144,756

COMPARATIVE STATEMENT of the value of Imports and Exports of Canada, during the years 1856 and 1857.

	Exports.		Imports.		Total Imports and Exports.	
	£	s. d.	£	s. d.	£	s. d.
1856.....	8,011,754	4 5	10,896,096	16 2	18,907,851	0 7
1857.....	6,731,656	14 8	9,857,649	11 9	16,609,305	11 9
Decrease in 1857.....					2,298,545	8 10

or 12.15 per cent.

Opening and Closing of the Canadian Canals in 1857.

We compile the following Table from Report of the Commissioner of Public Works:—

	Opened.	Closed.
Welland Canal, ready	15th April	15th December.
The Gallops, Iroquois, &c.,	1st May	12th December.
Cornwall Canal,	28th April	19th December.
Beaubarnois Canal,	2nd May	26th November.
Lachine Canal,	4th May	27th November.
Chaunbly Canal,	7th May	4th December.
St. Ours's Lock,	17th April	5th December.
St. Ann's Locke,	25th April	4th December.

A Comparative Return

Of the value of Exports of Domestic Produce and Manufactures, and of the Value of Goods entered for Consumption, and the amount of duties collected at each Port in Canada, during the year 1857.

Ports.	Exports.			Imports.			*Gross Amount of Duties Collected.		
	£	s.	d.	£	s.	d.	£	s.	d.
1 Amherst.....	35,108	2	6	8,809	12	11	430	14	0
2 Amherstburgh .. .	15,380	19	8	22,429	13	3	1,501	19	10
3 Bath.....	15,743	12	6	3,070	17	10	304	8	4
4 Bayfield.....	24,749	16	3	782	1	7	76	2	3
5 Beauce.....	2,710	6	6	1,356	16	3	9	8	4
6 Belleville.....	66,404	0	0	50,878	14	8	5,426	4	11
7 Brantford.....	.....	.....	.....	95,518	4	4	7,760	12	5
8 Brighton.....	2,792	12	0	1,445	2	0	127	8	0
9 Brockville.....	8,355	17	10	66,137	12	2	5,123	6	3
10 Bruce.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11 Burwell.....	92,725	19	6	19,020	4	7	1,493	13	6
12 Bytown.....	9,083	19	3	70,884	8	4	8,970	17	3
13 Chatham.....	23,383	9	2	46,593	17	5	4,334	8	2
14 Chippewa.....	30,960	2	7	56,607	12	8	720	15	11
15 Clarenceville.....	6,247	8	7	4,140	18	10	363	8	7
16 Clifton (late Stamford)	125,661	3	0	102,385	13	3	4,904	18	5
17 Coaticook.....	461,225	10	11	36,699	11	1	2,867	7	6
18 Cobourg.....	66,774	7	9	71,422	19	10	7,368	14	2
19 Cornwall.....	6,617	11	0	9,096	16	1	398	19	10
20 Colborne.....	182	10	0	38,907	3	7	1,299	9	3
21 Collingwood.....	12,217	19	3	19,359	13	4	66	17	9
22 Coteau-du-Lac.....	941	10	0	438	17	9	64	4	3
23 Cranahc.....	16,949	4	6	9,286	10	8	553	18	6
24 Credit.....	52,425	0	3	1,797	16	9	183	9	0
25 Dalhousie.....	73,488	5	0	170,562	1	3	5,085	7	8
26 Darlington.....	4,006	4	0	15,131	6	0	1,729	13	7
27 Dickenson's Landing	6,305	0	3	4,390	6	8	131	0	11
28 Dover.....	62,947	15	11	25,398	18	5	2,197	9	3
29 Dundas.....	26,805	11	9	36,862	8	11	3,664	5	11
30 Du-dec.....	9,836	15	0	11,666	11	2	317	8	3
31 Dunnville.....	58,469	16	2	19,869	6	2	1,266	16	0

32 Elgin.....				46 12 0		6 5 10
33 Fort Erie.....	131,457	1 0		45 319 15 9		2,697 18 2
34 Freighsburg.....	16,084	10 0		9,474 19 3		696 4 7
35 Gananoque.....	1,221	4 0		6,239 17 1		487 12 6
36 Gaspe.....	47,052	11 2		20,608 0 6		1,809 9 2
37 Georgeville.....	6,237	5 9		2,170 15 7		189 1 0
38 Goderich.....	8,078	13 4		23,853 19 6		1,514 2 9
39 Graton.....	478	2 0		295 6 2		26 7 2
40 Guelph.....	1,715	9 0		16,669 16 9		1,933 12 8
41 Hereford.....						
42 Hamilton.....	286,386	16 7		923,272 12 6		104 233 5 10
43 Hemmingford.....	7,205	1 6		4,697 9 11		656 10 11
44 Hope.....	41,762	18 11		84,168 15 6		4,611 13 6
45 Huntingdon.....	3,405	12 7		837 19 5		19 16 4
46 Isle Verte.....	11,440	10 0				
47 Kingston.....	91,652	10 7		713,116 0 7		26,452 15 1
48 Kungsville.....	4,713	0 5		1,158 12 8		153 8 3
49 Lacolle.....	6,898	18 2		2,435 19 11		161 8 4
50 London.....	49,042	15 3		210,570 3 0		26,149 16 9
51 Maitland.....	215	19 1		2,452 19 2		26 12 6
52 Morrisburgh.....	7,028	11 5		6,166 12 7		383 16 2
53 Milbrod.....	7,592	10 0		523 16 6		33 12 3
54 Montreal.....	729,335	0 0	3,881,132 2 3			462,154 1 8
55 Napanee.....	22,629	17 9		6,610 8 4		665 5 11
56 Newcastle.....	15,669	7 3		8,177 3 4		1,048 3 2
57 Niagara.....	1,055	0 0		19,006 16 1		1,529 15 4
58 New Carlisle.....	45,354	16 0		29,469 12 10		2,370 10 6
59 Oakville.....	33,681	15 0		12,764 5 9		1,316 12 5
60 Oshawa.....	19,135	0 0		11,282 18 0		1,220 2 1
61 Owen's Sound.....	5,026	18 9		2,393 10 11		137 10 9
62 Paris.....	27,415	19 8		44,299 10 4		5,459 1 7
63 Penetanguishene.....	3,637	10 0		102 10 0		
64 Philipsburg.....	18,807	9 2		15,516 16 6		605 13 4
65 Pieton.....	19,654	13 8		18,927 16 1		2,555 0 4
66 Potton.....				2,998 4 11		81 13 0
67 Prescott.....	102,574	18 8		119,105 9 6		7,772 13 0
68 Quebec.....	2,363,078	19 5		922,408 5 8		88,037 8 10
69 Queenston.....	3,937	18 1		21,416 7 0		1,673 5 6
70 Ramoucki.....	18,824	12 11				
71 Riviere-aux-Raisins.....	175	0 0		11 17 6		1 15 7
72 Rondeau.....	6,231	5 0		124 11 8		1 2 11
73 Rowan.....	39,665	3 10		5,580 2 11		379 15 4
74 Russelltown.....	12,813	8 6		1,121 0 10		117 8 4
75 Sarma.....	5,412	11 4		49,429 7 10		2,261 6 0
76 Sault Ste. Marie.....	68,835	2 0		10,405 12 3		665 2 4
77 Saugeen.....	407	0 0		1,900 8 0		150 10 11
78 Stanstead.....	37,371	14 9		13,111 14 0		825 13 1
79 St. John's.....	264,853	17 0		18,984 10 3		594 7 8
80 Stratford.....	14,273	19 6		17,066 7 5		1,580 4 7
81 St. Regis.....	3,963	10 7		7,710 17 6		87 18 10
82 Stanley.....	31,399	0 1		23,205 3 6		1,556 2 11
83 Sutton.....	5,621	5 0		3,155 0 10		246 9 3
84 Three-Rivers.....	35,629	5 0		2,100 4 7		213 16 0
85 Trout River.....	6,284	0 0		1,502 16 6		161 0 2
86 Toronto.....	163,416	15 11	1,271,364 13 11			145,250 3 5

87 Trenton	60,048	19	6	3,491	14	11	357	0	11
88 Wallaceburgh	17,254	6	11	9,036	8	8	524	11	4
89 Wellington	10,357	1	8	1,386	13	11	91	5	7
90 Whithy	73,370	10	9	15,637	8	6	1,565	19	1
91 Windsor	18,349	12	8	170,831	1	0	4,948	14	8
92 Woodstock	8,850	16	6	19,847	16	11	2,068	11	10
	<u>£6,362,604</u>	<u>14</u>	<u>8</u>	-----	-----	-----	-----	-----	-----
Estimated amount of Exports } short, returned at Inland } Ports.....	389,051	5	4	-----	-----	-----	-----	-----	-----
Totals.....	<u>6,751,656</u>	<u>0</u>	<u>0</u>	<u>9,857,649</u>	<u>11</u>	<u>9</u>	<u>981,262</u>	<u>15</u>	<u>11</u>

Exportation of Canadian Butter by the United States.

It is well known that the Canadian Government has always been disposed to facilitate trade with other countries by the most liberal interpretations of commercial regulations, but it appears by the following article from the *Montreal Gazette* that Great Britain like our American neighbours is not actuated by the same liberal ideas, and we trust that Canada will speak out in reference to these matters. Having established a line of Ocean Steamers in the face of the failure of the Americans to do so with success, her commerce is clearly of sufficient importance to make its interests respected both at London and Washington :—

“ We recently published an article from the *European Times*, on the duty charged in England on the butter exported from Canada via the United States. We have since learned from a merchant of this city that one of the Canadian R. M. steamers from Portland took over 154 kegs of Canadian butter, duly certified by her Majesty’s Consul at Portland that it was Canadian butter. Foreign butter pays 5s. per cwt. in England; colonial 2s. 6d. Every effort was made to have the 154 kegs entered as Canadian. The case was taken in appeal to the Lords of the Treasury, and the member for Liverpool, Mr. Ewart, used his best endeavours to have the butter entered as colonial. But all was to no purpose. The Lords of the Treasury would not allow it to pass, except as foreign, because it had been transmitted by rail to Portland. The ground they alleged was, that the regulations for the protection of the revenue must not be infringed. Our informant considers this a grievance, and thinks that it merits the consideration of our Government, with the view of procuring the admission of Canadian butter in England as colonial when sent by Portland and the Canadian steamships. The exportation of Canadian butter to England has not been hitherto a great trade, but it might become considerable in particular states of the market and exchange. The Canada steam line has established an entirely new era with respect to the exportation of butter from this country to Great Britain; but of course we should be cut out from the market in the winter if we may not use the railways and steam from United States ports. As to the objection of the Lords of the Treasury that foreign,—i.e. United States—butter might be sent in as Canadian if they relaxed their regulations, it is based on ignorance of the state of things on this side of the Atlantic. There is little danger of the United States exporting much, if any, butter to England. They really can-

not produce enough for their own supply. They buy largely from Canada ; and, indeed, the main produce of butter of the Eastern Townships—an almost purely grazing country—is sent south, where better prices are obtained than can be in Montreal. The farmers sell it at their own doors for cash—or at least, for bills of the New England Banks, which circulate largely in the Townships. We doubt if the course of this trade can be very much altered or diverted, for the Americans want the Townships butter, and they will buy it. But still it is desirable for the Townships farmers to have as many markets as possible, as when one does not serve the other may, and it is quite possible that we might, on many occasions, advantageously pay some of our indebtedness to the mother country in butter, and that the new market might stimulate the production. We agree with our informant, a merchant, that the question is deserving of the attention of the Government, and we trust it will receive it.”

Consular Fees on Exports to the United States.

Very general dissatisfaction is expressed with the new regulations of the United States Treasury, by which exports under the Reciprocity Treaty must be accompanied by a certificate from the United States Consular Agents, for which a fee of two dollars is exacted.

It is to be regretted that, while Canada has always given to the Reciprocity Treaty the most liberal interpretation, the United States have manifested a very different spirit. Even in articles admitted under that Treaty, the benefits of reciprocal trade have not in some instances been obtained. Hops for instance, not mentioned in the Treaty, but which, by a liberal interpretation, Canada admits free, while the Americans charge us a duty of 20 per cent. As our exports and imports of this article are about equal, it thus appears that we are doing business at a disadvantage of 20 per cent. It is surely unfair to the Canadian Hop growers, to permit the Americans to use our markets on such terms. Let the trade be reciprocal or the duties reciprocal, otherwise the Canadian Hop fields will be destroyed, and our markets left to the precarious supplies of a foreign article.

We are glad to see by the following extract from the *New York Times*, that these proceedings are not approved of by the Commercial interests of the United States:—

“Complaints are made by the Canadians that the objects of the Reciprocity Treaty, so far as they are concerned, have of late been thwarted by a Mr. Moore, claiming to be the American Con.-General at Montreal. This functionary, professing to act under instructions from the Treasury Department, which, if genuine, would seem to be both novel and vexatious, has appointed Consular agents in most of the principal Canadian towns, whose business it is to collect \$2 as certificate fees, upon shipments to the United States. Property under \$100 in value, is exempt, but all parcels worth that sum or upwards, must pay, though declared by the treaty entitled to free entry. The pretext for this exaction, is said to be that a Consular certificate is required to prevent detention at the frontier, which every one acquainted with the trade between Canada and the States, knows to be sheer nonsense. Our Provincial neighbors look upon the proceeding as merely a Yankee trick

to support office-holders by a levy of contributions upon their goods. And certainly there is too much probability in their interpretation of the case. The commerce arising under the Reciprocity Treaty is too valuable to ourselves to be placed in jeopardy by any sharp practice. Let us have an explanation from the Department at Washington. If the proceeding is justifiable, we wish to know it; if wrong, it cannot too soon be stopped."

In reference to the above, we may further remark, that looking at the extent of our exports under the Treaty, the tax thus imposed upon the trade is a very serious matter, and if the United States Government do not cancel its instructions, it may be well for the Hon. the Inspector General, in view of the probable deficiency in the revenue, to consider whether it would not be a *popular method* of raising a few extra thousand pounds, to exact similar fees or imports under the Treaty; one per cent. on three millions of pounds on imports, would yield £30,000—quite an item these hard times. This regulation will tend to lower the returned value of our exports, as exporters will enter as many goods as possible under £25 in value.

The Canadian Ocean Steamers, 1857.

We find the following gratifying Statement and Statistics in the Report of the Commissioner of Public Works:—

The manner in which the service has been carried out during the past year, is most satisfactory, and in every way creditable to the contractors. The following extract, taken from a late paper, gives, in a condensed form, correct statistics of the line during that period. "The number of passengers carried by this line, homeward and outward, in 1856, was 4,321; in 1857 they had increased to 6,685. The average outward passage in 1856, was twelve days and three hours; in 1857, only eleven days and one hour. The length of passage homeward in 1856, was eleven days and six hours; but in 1857 the average length of the voyage had decreased to ten days and fifteen hours. The Indian performed five complete voyages from April till November, which was never done by any other vessel. The Anglo-Saxon and the North American made each four voyages. The Canadian was lost on her first voyage. The quickest passage *westward*, was made by the Anglo-Saxon, sailed 1st July, in 9 days 13 hours. The quickest *eastward*, was made by the Indian, sailed 4th July, 9 days 11 hours; this was the quickest of the season. It is reported that the weekly service of this Company, both from Liverpool and Quebec, will commence during the approaching summer; but, at all events, it must begin, under contract with the Canadian Government, not later than the spring of 1859."

The following table furnishes the date of departure and arrival, the length of voyage, and number of passengers on each trip of the Canadian Mail Steamers, together with the average of their passages to and from the St. Lawrence for the year 1856, compared with the average of the passages of the other principal lines of Atlantic steamers. It will be observed that, taking the passages out and home, the Canadian steamers have beaten every line,

with the exception of the New York section of the Cunard Line, and compared with it (even including the very rapid passages of the Persia,) the Canadian Steamers are only beaten by eleven hours per trip.

PASSAGES OF THE CANADIAN OCEAN STEAMERS IN 1856.

STEAMSHIP.	Departure from Liverpool.	Date of Arrival.	Passage.		Number of Passengers.	Departure from Quebec.	Date of Arrival.	Passage.		Number of Passengers.
			Days.	Hours.				Days.	Hours.	
North American (1)	April 25.	May 7	14	1	155	May 25	June 5	11	7	196
Canadian (2)	May 7.	May 21	13	10	189	June 7	June 19	11	8	131
Indian (3)	May 21.	June 3	12	11	132	June 21	July 2	10	10	139
Anglo-Saxon	June 4 & 13	June 25	12	2	108	July 5	July 16	10	2	118
North American	June 18.	June 30	11	20	187	July 19	July 30	11	1	104
Canadian (4)	July 2.	July 15	12	10	173	Aug. 2	Aug. 14	11	19	115
Indian	July 16.	July 27	10	19	182	Aug. 16	Aug. 27	10	20	134
Anglo-Saxon	July 30.	Aug. 9	10	5	174	Aug. 30	Sept. 9	9	23	117
North American	Aug. 13.	Aug. 24	12	12	253	Sept. 13	Sept. 24	11	5	106
Canadian	Aug. 27.	Sept. 9	12	23	212	Sept. 2	Oct. 9	10	19	113
Indian (5)	Sept. 10.	Sept. 22	15	9	205	Oct. 11	Oct. 22	10	7	132
Anglo-Saxon	Sept. 24.	Oct. 6	11	13	252	Oct. 25	Nov. 5	10	16	123
North American	Oct. 8.	Oct. 22	13	9	305	Nov. 8	Nov. 21	12	22	102
Canadian	Oct. 22.	Nov. 4	10	12	103	Nov. 22	Dec. 7	12	22	103

(1) 33 hours in the ice.—(2) 15 hours in the ice.—(3) 10 hours in the ice.—(4) 11 hours in fog.
(5) 10 hours in fog.

Average passage Canadian Steamships WESTWARD, 12.20½—EASTWARD, 11.02. .23.22½

The average passage of the Cunard Steamers for the year were :—

Boston Branch	WESTWARD, 13.07—EASTWARD, 11.12½. .21.19½
New York Branch	" 11.22 " 11.13 .23.14½
Collins' Steamers	" 12.16½ " 12.08 .25.00½
Breun Steamers (Southampton)	" 15.00 " 14.12 .29.12

We have received from Mr. Glass, the obliging agent of this line of Steamers, the particulars of the passages made in 1857, which will appear in our next.—Ed. M. M.

COMMERCIAL REGULATIONS.

CLASSIFICATION OF ARTICLES FOR DUTY.

The following classification of articles for duty, is that recommended at the meeting of manufacturers held in this city on the 14th of April last :

1st. All Goods, Wares and Merchandize not herein-after enumerated it is proposed should remain upon the

free, 2½, 5 or 15 per cent lists as at present arranged, in the tariff now in force.

2nd. LIST OF ARTICLES PROPOSED TO BE REMOVED FROM THE LISTS OF GOODS NOW ADMITTED FREE, AT 2½ OR 5 PER CENT. DUTY.

Anchors under 8 cwt.	Machinery, all kinds,
Alabaster and other Busts,	Paper, all kinds,
Boat Hawsers,	Plough Moulds,
Books of all kinds,	Plaster Casts,
Book-Binders' Implements and Tools,	Printers' Ink, Implements, Types and Lithograph Presses,
Boiler Plates, punched,	Roman Cement,
Cables of iron, or Chains made of iron under ¾ in. diameter,	Ropes, Hawsers, and Rigging,
Cordage, lines and twines of all kinds,	Sheaves,
Cotton Wick,	Sails,
Connecting Rods, Frames and Pedestals,	Ship's Blocks,
Cranks and Straps for Engines,	Spikes,
Copy Books,	Telegraph Insulators,
Dead Eyes,	Trunks,
Deck Plugs,	Varnish,
Drawings, Engraving and Prints,	Veneers,
Dressed Furs,	Wheels and Axles,
Iron Wheels and Axles,	

3rd. LIST OF ARTICLES PROPOSED TO BE PLACED UPON THE FREE LIST, OR AT A DUTY NOT TO EXCEED 2½ PER CENT.

Acids,	Mahogany in the log,
Bolting cloths,	Mercury or quick silver,
Braids for making bonnets and hats,	Mohair, unmanufactured,
Brass and Copper Tubes, drawn,	Moss for beds,
Cork tree or bark of, unmanufactured,	Ratans unmanufactured,
Ebony unmanufactured,	Shafts, wrought iron, 10 inches in diameter and over,
Elephant's teeth, do., and Ivory	Sea-weed and all other vegetable substances, uses for beds & mattresses,
Emery,	Seedlac
Glass broken,	Sal. Soda,
Gold beaters Brine-mould and Skins,	Soap stocks and stuff,
Hair, all kinds, unmanufactured,	Stockenette,
Iron wire,	Tin, granulated or grain,
Iron pipes or tubes for steam, gas, or water, not cast,	Topaucion or grass for brush-makers,
Iron unmanufactured,	Willow for making baskets,
Leopard and other skins raw,	Wire of all kinds,
Lithrage,	Wire wove, if over 50 inches wide,
Manilla grass,	

4th. LIST OF ARTICLES PROPOSED TO BE PLACED ON THE 25
PER CENT LIST OF DUTIES

Adzes,	Coaches,
Agricultural Machines,	Coal Hods,
Ale,	Cocks, Brass or other,
Anchors under 8 cwt,	Collars of Linen, Cotton or Paper,
Augers,	Combs,
Axes,	Comfits, Preserved,
Axeltrees and Boxes,	Confectionery,
Baskets,	Connecting Rods,
Belting of Leather or India Rubber,	Corn Breakers or Shellers,
Bedsteads of Wood or Iron,	Cooking Stoves and Apparatus,
Bed Screws,	Copper Work,
Beer,	Corks and manufactures of Cork,
Bellows,	Cranks, wrought or cast-Iron,
Bell Metal Manufactured,	Cut Nails, Tacks, Brads, and Sprigs,
Bells,	Dead-Eyes,
Bottles of Glass and Vials,	Deck Plugs,
Blacking,	Demijohns,
Blacksmiths' Hammers and Sledges,	Drawer-Nobs of Wood,
Blocks for Ships or Vessels,	Doors of Wood or Iron and Gates,
Boards planed or wrought,	Drawing Knives,
Boiler Plates Cut punched or turned into shape for use,	Dust Pans,
Boilers or parts thereof	Earthenware,
Bolts with or without nuts or washers,	Envelopes,
Bonnets,	Edge Tools,
Boots and shoes,	Engines, or parts thereof,
Blank Books all kinds,	Farming Utensils,
Brass Couplings and joints of any metal	Fanning Machines
Brackets and Pendants for Gas, of Tin, Copper or Brass,	Filters,
Bricks,	Fire Engines,
Brushes, of all kinds,	Flat or Smoothing Irons,
Brick Making Machines,	Forge Hammers,
Buck and Leather Mitts, Gloves, and Moccasins,	Frames or Pedestals of Engines,
Cabinet Wares,	Furniture, Household, Wood or Iron,
Candles of every kind,	Furs and Skins when dressed,
Caps " "	Fur, Manufactures of,
Carriages, and Carriage Springs,	Furnaces,
Carved work in any material,	Gates,
Casks, Empty,	Glass, Colored,
Castings of Iron or Brass,	Glass, silvered,
Cement, Roman,	Glue,
Chairs,	Gauges,
Chandeliers,	Gold Leaf,
Chisels,	Gunpowder, all kinds,
Clothes Pins,	Hair, Manufactured, or worked in any way,
Clocks,	Hames of Wood,
	Harness, all kinds,
	Hangers, wrought or cast iron,
	Hatchets,

Hats,	Ploughs,
Harmoniums,	Porter,
Harrows,	Prepared Rigging,
Heating Appartus,	Pumps, all kinds,
Hay Knives and Presses,	Putty,
Hobby Horses,	Rakes, Iron, Steel, or Wood,
Hods,	Railing and Fencing of Iron, cast or wrought,
Hoes,	Reaping Machines,
Hinges, Handles, and Bolts of wrought or cast Iron,	Railway Chains, wrought or cast,
Handles of wood for Tools or Implements.	Railway Cars of all kinds,
India-Rubber, Manufactures of,	Riddles or Sieves of Wire,
Ink of any kind,	Rivets, Brass, Iron, or Copper,
Iron Castings,	Refrigerators,
Iron Plough Moulds or Shares,	Robes made up,
Iron Screws,	Saddles and Bridles,
Iron Vessels,	Saddle Trees,
Iron Weights,	Safes, all kinds,
Jack Screws,	Saws, Mill, long and circular, cross cut, Pit and Billet,
Kettles, Iron Copper or Brass,	Scagliola Work,
Lead, Manufactures of,	Scale Beams and Scales,
Leather, " "	Scythes,
Looking-Glasses, framed or not,	Sewing Machines,
Locomotives,	Ships' Blocks,
Locks of cast-Iron,	Shafts, Cast Iron,
Machinery of every description,	Shafts, wrought-Iron under 10 in diameter
Malleable Iron Castings	Sails made up,
Mallets of Wood,	Sheaves,
Mantle Pieces of Iron, Marble, Slate and Wood,	Shirts,
Marble Manufactures,	Shoes of all kinds,
Manufactures of Wood,	Shovels and Spades
Mattresses,	Sieves of Wire,
Mills for Bark or coarse Grain,	Sleighs,
Millinery,	Soaps of all kinds,
Mill Irons Wrought or Cast,	Socket Chissels.
Mill Saws,	Spars,
Mineral Water,	Spikes,
Mops,	Spokes,
Mouldings, Plain or Ornamented,	Springs,
Oil, when pressed, refined, or bleached,	Steam or Sailing Vessels of any kind,
Organs,	Steam Gauges or Whistles,
Patent Medicines,	Stones Wrought,
Pit Saws,	Stoves and Heating Apparatus,
Paper, Labels, Boxes, Music Ruled Printed, and Cards,	Tables Wood or Iron,
Pianoforts,	Thrashing Machines & Horse Powers.
Pickles,	Traps, Steel, Iron, Wire or Wood,
Pitch Forks, for Hay and Manure,	Trunks,
Pipes of Cast Iron, Clay, smoking Wood and Lead,	Varnish all kinds,
Planes and Plane Irons of all kinds,	Valves of Brass and other metals,
	Waggon and Cart Boxes,
	Water Wheels of Iron,
	Washers.

Weighing Machines,	Whips all kinds,
Weights, Copper, Lead or Brass,	Wooden Wares,
Wheels and Axles for Locomotives and Zinc Manufacture,	
Cars.	

5th. LIST OF ARTICLES PROPOSED TO BE CHARGED AT THE FOLLOWING RATES.

10 TO 15 PER CENT.	Woolen Manufactures all kinds,
Books, Drawings, Engravings and Etchings,	Cordage,
Lithographs, Music,	Lines and Twines,
Paintings and Prints,	Hawsers,
	Ropes and Rigging,
20 PER CENT.	30 PER CENT.
Cotton Manufactures, all except Yarn and Warp.	Clothing and Wearing Apparel made up or partly made up, of any material.

JOURNAL OF MANUFACTURES.

Encouragement to Home Industry.

An important meeting of Merchants, Manufacturers, and other friends of Home Industry was held, in the St. Lawrence Hall, Toronto, on the 14th of April last, at which the necessity that existed for a revision of the Tariff was discussed and resolutions adopted, the substance of which is embodied in the following Memorial to the Legislature.

Believing that the prosperity of Canada depends upon the steady and profitable employment of all classes of her people and the fullest development of her various resources, we have ever advocated the adoption of a policy, which would give the greatest encouragement to our internal industry, without unduly restricting the operations of the mercantile classes, and are glad to see that the resolutions and memorial adopted at the Toronto meetings seek to offer no impediment to that intercourse by increased taxation, but simply urges the principle that in levying the duties required by Government, the burden of taxation should fall upon those articles which come in competition with the industry of our own people. Indeed, so far from the resolutions in question offering greater restrictions on our foreign trade, they propose to extend the free list to articles entering largely into general consumption, such as Tea, Sugar, Molasses, &c., and to increase the duty only on articles which we manufacture or have facilities for manufacturing.

Nearly all the advocates of the proposed reforms would prefer free trade in manufactures with the United States, but that implies the American Tariff at the seaboard, and would be a far greater restriction to our foreign commerce, and a more decided protectionist policy than that proposed by the memorial under consideration. It is also very evident that in our present relations with England, it would be impossible for us to carry out such a policy, which indeed implies a *new state of political existence*.

On the other hand, we have at present nothing to offer in exchange for free trade in manufactures with the United States. They have our market already, for the absence of manufactures *compels us to pay the duties ourselves*, which would not be the case if our home made products could cope with theirs, so that reciprocity in Manufactures, would open to us the whole market of the States without giving an equivalent, and looking at the immense natural advantages which we possess, would transfer the factories of Massachusetts to the banks of the St. Lawrence and the Ottawa, a proceeding which not even a democratic Government would dare propose otherwise than by making Canada a state of the Union. It is folly to say that the use of the Canadian market, which a high tariff against British goods would give them, would be sufficient equivalent. The manufactures which they sell us are generally those that cannot be imported from England at all, and the entire trade would be lost to them the moment "free trade" in their markets had built up the Canadian factories. We must in justice to ourselves weigh well the small chances of obtaining reciprocity under these circumstances and in the mean time adopt such measures as will best secure the advantages within our reach. If our neighbors are throwing obstacles in the way of the present treaty, which all things considered confers upon them equal, if not greater advantages than what it confers upon us, we see little prospect of our obtaining an extension of that principle where the advantages would be all on one side.

The great questions for Canada to consider are simply these: Would the establishment of manufactures be advantageous, and if so, how their introduction can be best promoted consistent with the general interests of the country?

If the Cheapness and quality of native manufactures could at once secure for them a preference in our markets, there would be little need of any legislative assistance in their development, but unfortunately the experience of every manufacturer tells us how difficult it is to turn the course of trade from its accustomed channels. The home made article may be equally good and cheap, *but it is untried*, and every merchant and dealer is afraid to sell his customers an article which may turn out inferior, and injure his business. Every merchant knows by experience, and every manufacturer knows to his cost, that such is the case, and if a high tariff in certain manufactures, would help to overcome these difficulties, or bring manufacturers into the country whose reputation was already established, an immense advantage would be gained.

So far from the encouragement of home manufactures being injurious to mercantile interests, we believe nothing would benefit those interests so much, although strangely enough, opposed by many intelligent, influential merchants. We have yet to learn that the mercantile interests are at variance with the general interests of the Country, or that it would not be better for our merchants to import fewer foreign, and buy more home made goods, *and get paid for all*, than to deal only in foreign manufactures, and by making the prosperity of the Country so entirely dependant on the contingencies of a foreign grain market, bring about a frequent prostration of business, like that under which we now suffer. A year ago Wheat was 8s. 9d. per bushel, it is now 4s. 3d., so that debts contracted at that time must now be paid with double the amount of Canadian labour it would have at that time required to

pay for them. Had half of these purchases been made in the Country, the loss would have fallen only on individuals, and not on the Province at large, and the change in the price of different articles would have adjusted itself without withdrawing the money from the province to meet this adverse balance. Below is the Memorial referred to:—

PETITION

To the Honorable the Legislative Assembly of the Province of Canada in Parliament assembled:

The memorial of the undersigned merchants, manufacturers and others from the various sections of the said Province, assembled in public meeting at Toronto,

RESPECTFULLY SHEWETH:

That your memorialists desire to call the attention of your Honorable House to the depression which all branches of manufactures and commerce now suffer in the Province, and to the necessity that exists for a consideration of the causes to which this depression is wholly or in part attributable.

That in the opinion of your memorialists, the difficulties now experienced by all classes of the community, are, in a large degree, the consequence of the unfair competition to which the present tariff of the Province exposes its various branches of industry; and that with a view to the promotion of general prosperity, a re-adjustment of the scale of duties levied upon imports, has become an absolute necessity.

That the existing tariff is based upon erroneous principles, inasmuch as it admits, at low rates of duty, the manufactures of other countries, which are thus brought into collision with a class of labor now in Canada not fitted for agricultural pursuits; and charges high rates on articles that cannot be produced within our boundaries.

That apart from the prevailing depression, the present Provincial tariff operates disadvantageously by preventing the influx of capital, which under due encouragement, would be introduced and applied for the development of our natural resources; and, moreover, to limit the scope of industry as to offer impediments

in the way of skill, and largely lessen the attractiveness of Canada as a field for immigration.

That a re-adjustment of the tariff, if governed by principles in themselves just, would materially benefit every class in the community, without in any manner crippling the Customs' revenue.

That in the judgment of your memorialists such a re-adjustment should recognize as distinctive principles: the admission, duty free, or at low rates of duty, of raw materials for manufacture not produced in the province. The admission, free of duty, or at low rates, of articles entering largely into general consumption and not competing with the natural products of Canada,—and the leveying of higher duties upon articles entering into competition with articles manufactured, or which with due encouragement, may be manufactured by our people.

That your memorialists, representing diversified industrial and mercantile interests, and having ample opportunities of ascertaining the wants and convictions of the classes with whom they co-operate, urge upon Your Hon. House the expediency, in the change of the tariff sought, of proceeding upon the following positions as guiding points in the work of tariff reform:—

1. All raw material upon which there is but a small amount of labor expended prior to its importation, and leaving the larger proportion of labour to be performed in Canada, it is considered should be admitted free, or at a duty not to exceed 2½ per cent.

2. Articles entering largely into consumption in this country, and which Canada cannot produce, such as Tea, Coffee, raw Sugar, Molasses, &c., should not be charged with a high rate of duty, but should be admitted free, or at the lowest possible rate consistent with the requirements of the Revenue.

3. Merchandize in the Dry Goods, Hardware and Crockery Trades, being articles of luxury or for use, and not likely for some time to be manufactured in this country, and of which some are used to form parts of

the goods and wares manufactured in Canada, should be chargeable with a medium rate of duty of about 15 per cent, as at present, or not to exceed 20 per cent, but at the rate of about 10 per cent below what may be charged on articles coming directly into competition with our own manufactured products.

4. All manufactures in Wood, Iron, Tin, Brass, Copper, Leather, India Rubber, &c., competing with our industrial products, as more fully specified in the proposed list of articles and duties, now submitted and adopted, should be charged a duty of about 25 per cent, excepting:—

Books, Drawings, &c., which should be charged with a duty of 10 to 15 per cent.

Cottons and Woolens, Cordage, Lines, and Twines, with a duty of 20 per cent.

Clothing and Wearing Apparel, with a duty of 30 per cent.

That your memorialists, believing that the immediate effect of a revision of the tariff according to the scale now suggested, will be to mitigate the dependency perceptible in every quarter, to create a feeling of confidence in the minds of resident capitalists, to attract the attention of foreigners to our magnificent manufacturing resources, to stimulate enterprise among our mechanics and artizans, and import fresh vigour to our agricultural population,

That your memorialists in conclusion, respectfully pray that Your Hon House will be pleased to give prompt consideration to the whole subject, and adopt without delay such changes as may be found essential to the promotion of the great public interests that are involved, and as to your wisdom may seem meet.

And your Memorialists will ever pray.

Signed in behalf of the Meeting.

W. B. JARVIS, Chairman.

ISAAC BUCHANAN.

W. RODDEN.

THOS. BRUNSKILL.

W. WEIR,

Secretary.

D. C. GUNN.

HIS EXCELLENCY THE GOVERNOR GENERAL has been pleased to grant Letters Patent of Inventions for a period of fourteen years, from the dates thereof, to the following persons, viz :

Jay Frank Taylor, of the Town of Windsor, county of Essex, Engineer for "A new and useful machine for coupling Railway Cars, termed a Self Coupler and Coupling Pin Saver."—Dated 18th November, 1857.

Robert Emery, of the city of Toronto, county of York, Gentleman, for "A Press for the manufacture of Eave Troughs of Tin and Galvanized Iron."—Dated 28th November, 1857.

Joseph Labelle, of the city of Montreal, Thrashing Machine Manufacturer, or "A Thrashing and Winnowing Machine without Linen Apron."—Dated 3rd March, 1857.

Duncan Campbell, of the city of Toronto, county of York, Taylor, for "A Revolving Angle Joint."—Dated 18th November, 1857.

Stephen S. Crouter, of the Township of Whitby, county of Ontario, Farmer, for "A Stump, Stone and Ship Puller."—Dated 15th December, 1857.

Adam Cant, of the Town of Galt, county of Waterloo, Pattern Maker, for "A new Root Cutting Machine."—Dated 15th December, 1857.

Harvey Fowler, the younger, of the Town of Belleville, county of Hastings, Gentleman, for "An improved apparatus for Washing and Wringing Clothes."—Dated 12th January, 1858.

Gaspard Roch Letouré, of the city of Montreal, Printer, for "An improvement in Sewing Machines."—dated 11th January, 1858.

Calvin French and Luther French, of the village of Eeton, County of Compton, Carpenters and Joiners, for "A new and improved Straw Cutter."—Dated 11th January, 1858.

James Patton Clarke, of the City of Toronto, County of York, Bachelor of Music, for "A mode of propelling Steamboats, named Clarke's Series of Paddles."—Dated 8th February, 1858.

John Thomas, of the City of Toronto, County of York, Piano Forte Manufacturer, for "A new and improved Paddle."—Dated 8th February, 1858.

Joseph S. Godfrey, of the village of Thane-ford, county of Oxford, Carpenter, for "A new and improved Washing Machine."—Dated 12th Feb., '58.

Isaac Wellington Farewell, of the Township of Whitby East, County of Ontario, Farmer, for "The Excelsior Straw Feeder."—Dated 13th February, 1858.

William George Oliver, of the city of Toronto, Dentist, for "A new and useful method of applying and using *electricity* as an *anesthetic agent in extracting teeth* and in other surgical operations."—Dated 16th March '58.

Job Morris, of the Village of Bradford, County of Simcoe, Inn-keeper, for "A new and improved Room and House Heater."—Dated 16th March, 1858.

Dalrymple Crawford, of the City of Toronto, County of York, Merchant, for "An improvement in the manufacture of Soap."—Dated 16th March, 1858.

James Thompson, of the Village of Yorkville, County of York, Cabinet Maker, for "A certain new and improved method of constructing Mangles."—Dated 16th March, 1858.

Belden M. Hicks, of the Town of Brantford, County of Brant Marble, Dealer, for "A new method of Slating."—Dated 16th March, 1858.

Walter James Fitzarthur Toulmin, of Old Yonge Street, near Toronto, County of York, Professor of Music, for "A self-generating Gas Burner and Lamp."—Dated 16th March, 1858.

Johnson Soper, of the Township of Clarke, County of Durham, Farmer, for "An improved Clover Separator."—Dated 16th March, 1858.

Albert Bigelow, of the City of Hamilton, County of Wentworth, Merchant, for "An endless chain Steam Plough."—Dated 16th March, 1858.

Lyman Webster of the Township of Hatley, County of Stanstead, Waggon and Sleigh maker, for "A new and improved Bee-Hive."—Dated 20th March, 1858.

Daniel Coombs, of the City of Montreal, Trader, for "A Combined Churn and Cream Freezer."—Dated 31st March, 1858.

Thomas Maxwell Bryson, of the City of Montreal, Custom House Broker for "A new and improved method of protecting the toes of Boots and Shoes."—Dated 31st March, 1858.

George Albert Hicks, of the Town of Woodstock, County of Oxford, Bailiff, for "An improved silveric oil or self-generating non-explosive fluid Gas Burner."—Dated 20th April, 1858.

RAILWAY RETURNS.

Receipts of the Ontario, Simcoe, and Huron Railroad for the month of April, 1858.

Amount received for Passengers.....	\$8,326 71
" " Freight.....	20,150 81
" From Other Sources.....	724 63
Total.....	\$29,232 15
No. of Passengers....7958	Tons of Freight....9592½

J. L. GRANT, *General Superintendent.*

Returns of the Great Western Railway.

		1857	1858
Week ending 16th April.....		\$ 74,250 08	\$53,483 34
" " 23rd ".....		60,670 79½	50,460 88
" " 30th ".....		58,426 22½	44,062 80½
" " 7th May.....		55,322 14½	44,607 38½

Returns of the Grand Trunk Railway.

		1857	1858
Week ending 3rd April.....		\$ 54,314 67	\$46,304 35½
" " 10th ".....		48,543 37½	47,839 08½
" " 17th ".....		46,293 05½	49,356 39
" " 24th ".....	- - -	44,838 76	50,553 83½
" " 1st May.....	- - -	46,001 91½	46,424 74½
Total traffic from 1st July, 1857, to date.....		\$1,906,320 04½	
" " same period last year.....		1,469,236 92	

Report of the President and Directors of the Ottawa and Prescott Railway Co.,
Adopted at a Meeting of Shareholders held in August, 1857.

In order to place the affairs of the Company in the clearest light before the Shareholders, it is deemed best to glance over the principal proceedings, and condition of things for several years past.

The Company was organized in January, 1851. The amount of stock then subscribed was:—

Private subscriptions	-	-	-	-	-	£24,795	0	0
Municipal do.	-	-	-	-	-	33,500	0	0
Total	-	-	-	-	-	£58,295	0	0

During this year the surveys were completed, and contracts were entered into for clearing and grubbing the woodland on the whole line, and for grading some eighteen miles, which embraced the heaviest work on the line. At the close of 1851, the outlay upon the works amounted to £7,669 14s. 0d. cy.

The work of grading proceeded in 1852 at all those places on the line where cutting or filling exceeded four feet deep. The clearing of the woodland on the roadway was completed. The entire outlay on the works and lands in 1852 amounted to £30,664 6s 6d., cy.

In view of the liberal railway policy adopted by the Government of Canada in 1852, and extended to several railways in other parts of the Province, application was made to the Legislature for aid by way of loan, but without success, although the application was strongly backed by the surrounding County and minor Municipalities.

In the latter part of 1852, authority was obtained by Statute, 16th Victoria, cap. 52, to issue New and Preferential Stock of the Company; and on the 8th of March, 1853, at a general meeting of shareholders, a By-law was passed to carry the provisions of this statute into effect—the terms of such preference being to the extent of six per cent., before the old stock shall be entitled to any profits or dividends. Of this stock, there has been issued 2,863 shares, of £10 each, amounting to £28,630, Halifax cy.

A By-law of the Company was passed in March, 1853, which authorized the issuing of £100,000, sterling, Bonds, secured by a first mortgage upon the Railway. These Bonds were accordingly made and issued, and in April, 1853, John Mackinnon, Esq., the President of the Company, proceeded to England, to negotiate these securities. A portion of the Bonds, amounting to £56,700, sterling, was disposed of to the Ebbow Vale Iron Company for 5,400 tons iron rails, leaving a balance of £43,300, sterling. Of this balance, about £36,000, sterling are yet unsold. These Bonds bear interest at 6 per cent. per annum, and are payable in 1873.

A contract for cars and engines, amounting to £45,000, Halifax cy., of which £45,000 was payable in stock, and the balance in money, was made in June, with Messrs. Brainerd, White, & Co.; and the £25,000, cy., of the New and Preferential Stock has since been issued to them on account of that contract, according as the work proceeded and was delivered to the Company. The whole of the cars, amounting to 131, of all kinds, and four locomotives, were received, and two other first class locomotives, which are

part paid for, are yet to be received. These two new machines are now very much required, and when they are placed upon the Railway, the equipment will be sufficient to perform any amount of traffic that may be expected, at all seasons. One of the engines is now ready, and the other awaits the orders of the Company, according to terms of contract.

Mr. MacKinnon returned from England the last week in June, and had been unable to effect any transaction, beyond the purchase of the iron. The amount resulting from stock subscriptions was not sufficient to carry the work much farther. A sale of the Bonds had been depended upon to raise the funds required to meet the cost of track-laying and other expenses, involved in getting the track carried through, and put in a condition to yield some return from earnings. In this emergency, the Company applied to the Municipalities of Ottawa and Prescott for aid. These Municipalities, by a vote of the inhabitants, agreed to a loan, under the provisions of the Municipal Loan Fund Act of Upper Canada—Ottawa to the amount of £50,000, Halifax cy., and Prescott £25,000, cy.—secured by a second mortgage upon the Railway to these Municipalities.

It was intended to lay down a portion of the track in 1853, and the Directors hoped to be able to open the road from Prescott to Kemptville that season, but the delay which occurred in receiving the rails, put it out of their power to do so. Only 1,400 tons of the rails were received, and these arrived very late. At the end of 1853, the expenditure of that year amounted to £51,414 5s. 2d.

The season of 1854 opened with dull prospects of getting the track carried through. The President, Mr. MacKinnon, went to England a second time, and returned without being able to realize anything upon the first Bonds, which remained there unsold, and which were the best securities the Company could make. Freights, both Ocean and Inland, rose to very high rates. Wages rose some 50 per cent. above former ordinary rates; men were scarce, and sickness prevailed on public works to an alarming extent. Money became scarce and difficult to be obtained. During the early part of the season, returns were expected from the sale of securities in England, and, counting upon funds from that source, operations were proceeded with. When the disappointment occurred as to the receipt of funds, it was only by the Directors giving their personal credit, and advancing their own means towards the work, that the track was eventually carried through.

The track-laying commenced at Prescott the last week in May, 1854, and reached Kemptville,—nearly 24 miles,—the first week in August. The first locomotive was placed upon the track the first week in June, and two others came on near the last of the month. On the 8th day of August, a regular train commenced running to Kemptville daily. The first 26 miles of track from Prescott was laid by the Company. The work was very well done. A contract was made with Messrs. Fench & Co., in the month of August, for the whole of the balance of the track-laying, and for other works on the line. Very great delay was experienced in receiving the iron. Several large cargoes were lost, and the re-shipping of other iron occupied much time. The utmost exertions were made both by the Contractors and the Company, to secure the opening of the road through before the closing of the season, but it was not till the 20th December, that the track reached the East bank of the Rideau

River, opposite the City of Ottawa. The difficulties experienced during the latter part of 1854, were very great, and it was only by concentrating all available means upon the track, and such work as were indispensably required to put the track in running order, that the Company was able to get the road in a condition to be opened for business.

A contract was executed in 1854 by the Northern N. Y. Railroad Company, for establishing and maintaining a Railway Steam Ferry, between their Depot at Ogdensburgh and the Depot of this Company at Prescott, and on the faith thereof, an agreement was made for a first class iron vessel, fit to perform the service. Owing to that road passing out of the hands of the shareholders, the contract became worthless; and, rather than incur the outlay under the circumstances, the builders of the vessel were settled with in October last, by allowing them 340 shares stock for their damages, and a release taking indemnifying this Company from further obligations in respect to the vessel.

It should be remembered here also, that the Municipality of the Township of Gloucester took advantage of an error in the By-law, under which their subscription of £5,000 was made, and by legal proceedings got rid of the obligation to pay it, and the subscription was in consequence of no value.

The outlay in 1854 amounted to £53,776 11s. 5d.

In January, 1855, an offer was received for a lease of the Railway for several years, on terms which were regarded as favorable, and in March of that year a general meeting of the shareholders agreed to the lease. Certain terms, however, were specified, which obliged the Lessee to perform obligations, which were not fulfilled, and the agreement amounted to nothing. Mr. McKinnon again proceeded to England to effect a transaction with the first Bonds, but returned without being able to do anything with them. The embarrassments of the Company then became serious. In consequence of the war breaking out in Europe, it was impossible to raise money in England or in Canada on ordinary securities. The earnings of the Road were small. The cost of running the Road was considerable. The bills incurred to get the Road in operation had to be met, and with any available means of the Railway it was impossible to meet them. A large amount was due to the Commercial Bank of Canada, and an arrangement was made with the Bank for a time, by giving a chattel mortgage upon the rolling stock then on the Railway, and some further personal security. Other claims were arranged in various ways, so as to afford the Company time and opportunity to get matters brought to a proper footing. In the meantime, the track was improved as much as possible. Four miles of cribwork was filled up solid with earth embankment, and all the large cuttings and the worst places on the track, amounting to thirty miles, were ballasted. Several buildings were erected, where absolutely required, and, with the very limited means at command, all that was possible was done, not only to render the track safe and serviceable to the public, but to decrease the cost of the working service. It was aimed to command the confidence of the public as to safety and business punctuality, and to prevent accidents, which are always ruinously expensive, and injurious every way.

The amount expended on works, &c., to the end of 1855, was £291,946 16s. 4d.

In February, last year, it was decided to make application, to the Legislature for aid, as it was clear beyond question, that a road passing from the St. Lawrence, at Prescott, into the Ottawa country was fairly entitled to consideration, at least to a limited extent, when Railways through other sections of the Province were most bountifully provided for out of the Provincial chest. Accordingly, in the month of March, a deputation proceeded to Toronto, and endeavoured to secure assistance. In the Grand Trunk Relief Act of that Session, aid was proposed to this Railway, in conjunction with two other lines, as subsidiary lines to the Grand Trunk Railway, but in an indefinite shape, and on such footing as to leave the matter uncertain. After the Session of Parliament, an arrangement was effected with the Government and the Grand Trunk Railway Company, based upon that Act, whereby a loan of £13,000 currency was obtained, and property of the Company given in security for it, to the satisfaction of all parties concerned. This amount relieved the Company of several very pressing demands, the payment of which saved the Company very serious loss. During last year, £7,000 was expended on buildings, fences, cattle guards, ballasting, ditching, and other works.

In May last, the application to the Government for aid was renewed, and terminated in a definite arrangement for a grant of £50,000 sterling, less the £13,000 Halifax currency, received last year, agreed upon and settled by an obligation on the part of the Grand Trunk Company, and an Order-in-Council on the part of the Government. As yet, none of this grant has been realized. It will relieve the Company from embarrassments, and place matters on such a footing that the earnings can be applied so as to sustain credit, erect proper station buildings at Ottawa, put the track in first rate order, to economise outlay, and in all respects improve the condition of the Company's affairs. The papers relating to this transaction are now laid before the shareholders.

The entire cost of the Railway works and equipment, up to the first day of this month is \$1,255,422 03, under the following heads of expenditure:—

Total cost of Railway and Works to 31st July, 1857.

Engineering.....	\$49,566 70
Fencing.....	12,124 81
Clearing and Grubbing.....	31,528 25
Grading.....	260,689 77
Incidental.....	14,853 19
Masonry.....	34,855 13
Superstructure.....	126,092 22
Wharfing.....	20,298 32
Buildings.....	36,562 82
Bridging.....	16,974 71
Interest.....	69,107 34
Equipment.....	174,630 50
Iron Rails, Freight, &c.....	329,335 28
Travelling Expenses.....	2,560 76
Law Expenses.....	3,086 88
Salaries.....	9,535 84
Lands and Damages.....	21,065 39

Discount on Debentures.....	18,900 00
Damage on Bills of Exchange.....	1,460 00
Loss of Iron.....	8,594 18
Damage for breach of Ferry-Boat Contract, (stock).....	13,600 00
Total.....	\$1,255,422 08

The Balance Sheet is herewith submitted, and shows the state of the Company's affairs at present. The uncollected stock, which, it is believed, can be made available, will reduce the balance of floating debt several thousand pounds.

General Statement of Affairs of Ottawa and Prescott Railway Company, 31st July, 1857.

Dr.	
5085½ Shares Capital Stock.....	\$203,420 00
2863 " Preferential Stock.....	114,520 00
Total Stock.....	\$317,940 00
1st Mortgage Bonds (£100,000 sterling).....	486,666 67
2nd " to Municipalities of Ottawa and Prescott.....	300,000 00
Chattel Mortgage to Commercial Bank.....	100,573 92
R. Bainbridge & Co., account of Iron, Shipping Charges, Insurance, Interest, &c.....	89,152 32
Balance of Floating Debt.....	96,515 59
Loan from Provincial Government.....	52,000 00
Income to date.....	155,773 32
	\$1,598,621 82
Cr.	
Cost of Railway and Works, Interest, &c.....	\$1,255,422 08
1st Mortgage Bonds, (balance).....	210,727 67
Stock unpaid.....	19,605 54
Interest on Government Loan.....	2,400 00
Running Expense to date.....	105,304 11
Material on hand.....	4,162 42
	\$1,598,621 82

Arrangements are being made, on satisfactory terms, to afford the Grand Trunk Railway Company a communication by rail between the present Junction and the Ottawa and Prescott Railway wharf at Prescott. The business arrangements, this season, with connecting lines, have been harmoniously carried on, and continue so.

It is well deserving of notice, that the Iron Rails on the Ottawa and Prescott Railway have proved of excellent quality, and up to this time scarcely a flaw is observable in them. For two years past, two trains each way have been run daily from Prescott to Ottawa. The regularity and safety of the trains on this road, since it was first opened, are well known, and can be referred to with much satisfaction. No passenger has ever yet been injured on this railway. Amidst all the difficulties which have been experienced, the trains have been free from accidents, and remarkably punctual.

Only four locomotives have, as yet, been employed on the Railway for all purposes, and it will be seen by referring to the statements of running expenses herewith submitted, that, considering the service performed, they have been kept up at a very moderate expense.

The business of the road keeps steadily increasing, and each year shows a large increase upon the preceding year. At the same time, the cost of working the Road proportionably decreases, and will be less in proportion to the business as the track is ballasted, and the various buildings are erected, and other facilities for business afforded. The past three years has been a period of extraordinary depression in business, and has been felt with extreme severity in our section of the country. As business assumes its former activity and magnitude, so must the business of the road increase, and, notwithstanding the past difficulties, there is reason to hope that, with proper management, the stock of the Road will yet prove remunerative.

ROBERT BELL, *President.*

Ottawa & Prescott Railway Office, Ottawa, Aug. 26, 1857.

EARNINGS OF THE OTTAWA AND PRESCOTT RAILWAY COMPANY.

	1854.	1855.	1856.	1857.
	\$	\$	\$	\$
January.....	.....	1,850 27	3,308 94	4,162 70
February.....	.....	1,616 87	3,793 75	3,871 12
March.....	.....	3,151 55	3,492 45	4,609 27
April.....	.....	3,085 52	4,663 68	4,663 81
May.....	.....	3,788 24	6,554 42	6,273 38
June.....	.....	4,101 76	5,353 09	6,801 07
July.....	85 10	3,619 73	6,749 08	7,157 46
August.....	390 12	4,425 03	6,791 13	.....
September.....	978 67	5,298 23	6,978 51	.....
October.....	1,229 60	5,692 48	7,650 84	.....
November.....	1,423 50	4,742 34	5,348 15	.....
December.....	2,133 34	4,481 93	5,337 05	.....
Totals.....	6,240 37	46,003 05	66,021 09	37,508 81

EARNINGS AND RUNNING EXPENSES.

	Earnings.	Running Expenses.
1854-5.....	\$52,243 42	\$39,739 15
1856.....	66,021 09	40,781 08
1857 to July.....	37,508 81	24,783 88
Total.....	155,713 32	105,304 11

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 spel "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 McEab, *Secretary*.
 Head Office in the Colonies—Montreal. T. Paton, *Gen. Manager*.

		DISCOUNT IN	
		Montreal.	Toronto.
BRANCH at	Montreal.	Robert Cassels, Manager	par
"	"	Brantford. James C. Geddes, Mang'r	par
"	"	Halifax, N. S. S. N. Binney, Mang'r	5
"	"	Hamilton. Geo. Taylor, Mang'r	5
"	"	Kingston. Samuel Taylor, Mang'r	par
"	"	London, C.W. Thomas Christian	par
"	"	Quebec. F. W. Wood, Mang'r	par
"	"	St. John, N. B. C. F. Smithers, Mang'r	5
"	"	Toronto. W. G. Cassels, Mang'r	par
Agency at	Dundas.	W. Lash, Agent	par
"	"	Ottawa. A. C. Kelty, Ag't	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. T. Buchanan, 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
"	"	Pictou. 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.
" "	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>Cash</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. McKibbin, "		
" "	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>	$\frac{1}{2}$	par
Agency at	Barrie ...	Angus Russell, <i>Agent</i>		
" "	Cobourg ...	J. S. Wallace, "		
" "	Newcastle ...	Samuel Wilmot, "		
" "	Peterboro ...	Alexander Monro "		
" "	Oakville ...	John T. M. Burnside "		
Agents at	London, Eng...	City Bank.		
" "	New York, U.S.	Bank of Commerce.		

CITY BANK, MONTREAL.

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

COLONIAL BANK OF CANADA.

Authorized Capital, \$2,000,000.

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

COMMERCIAL BANK OF CANADA.

(Formerly Commercial Bank of the Milland District.)

			DISCOUNT IN	
			Montreal. Toronto.	
Head Office—Kingston.		Hon. John Hamilton, <i>President</i> . C. S.		
	Ross, <i>Cashier</i>		$\frac{1}{2}$	par
Branch at	Belleville ...	Andrew Thompson, <i>Manager</i>	$\frac{1}{2}$	par
" "	Brockville ...	James Bancroft "	$\frac{1}{2}$	par
" "	Galt ...	William Cooke, "	$\frac{1}{2}$	par
" "	Hamilton ...	W. H. Park, "	$\frac{1}{2}$	par
" "	London ...	J. G. Harper, "	$\frac{1}{2}$	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, James Bell.....		
"	" Peterboro, Wm. Cluxton.....		
"	" Port Stanley, E. C. Warren.....		
"	" Prescott, John Patton.....		
"	" Quebec, Joseph Wenham.....	par	par
"	" Stratford, U. C. Lee.....		
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.....		

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, *President*. C. M. Arnold
Cashier.

Agency at Ingersoll, C. E. Chadwick, *Agent*.

Agents.—London, England,.....Bosanquet, Franks & Co.,
New York.....Bank of the Manhattan Co.

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

ONTARIO BANK.

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

PROVINCIAL BANK—STANSTEAD.

(Notes secured by deposit of Provincial Securities.)

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

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

QUEBEC BANK.

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

ZIMMERMAN BANK.

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

PRIVATE BANKERS AND EXCHANGE BROKERS.

MONTREAL.—C. Dorwin & Co., St. Francois Xavier Street.			
“ J. D. Nutter & Co., Place D'Armes, Publishers of C. M's Bank Note Reporter.			
“ Geo. W. Warner, St. Francois Xavier street.			
“ D. Fisher & Co.,			
“ J. E. Malhot.			

TORONTO.—W. H. Bull & Co., King Street.
 “ W. B. Phipps, Toronto Street.
 “ John Cameron, Wellington Street.
 “ Wm. Weir & Co., Front Street.
 HAMILTON.—Hamilton, Davis & Co.
 “ Nelson Mills & Co.
 LONDON, C. W.—F. B. Breddome.
 QUEBEC.—R. Fian.

BROKEN AND WORTHLESS BANKS.

Farmers' Joint Stock Bank, Toronto.....Failed.
 Agricultural Bank, Toronto.....Fraud.
 Suspension Bridge Bank.....Failed.
 Bank of Fort Erie.....Fraud.
 Commercial Bank, Fort Erie.....Fraud.
 Mechanic's Bank, St. Johns.....Worthless.

COMMERCIAL SUMMARY AND REVIEW.

Review of the Toronto Markets.

TORONTO, 19th May, 1858.

Trade continues inactive, and money scarce; the general curtailment of business, however, is fast reducing the amount of indebtedness in the country, and lessening the demand for money. No great improvement in business is anticipated during the present summer, and the same prudence in importing which has characterized the Spring business, must be exercised in respect to Fall Importations; for even with a good harvest, the low prices likely to prevail will not enable us to pay for heavy importations.

The Inspector General has made his financial statement, of which the following is a summary:—

HEADS OF REVENUE.

Customs.....	\$3920000 00
Excise.....	120000 00
Public Works.....	412000 00
Territorial.....	420000 00
Bank Imposts.....	80000 00
General Post Office.....	160000 00
Fines and Forfeitures, including Seizures.....	21200 00
Casual Revenue.....	200000 00
Law Fee Fund, 12 Vic. caps. 63 and 64.....	33200 00
Total estimated Revenue for 1858.....	\$5366400 00
Total estimated Expenditure (particulars in our next).....	5261411 44

To raise the sum estimated from the Customs, would, at the present rate of duty, require importations to the extent of ten millions of pounds; but the imports, un-

der the most favourable circumstances, will not exceed eight millions and a half; while, with low prices of produce or a middling crop, they will not reach eight millions. It is therefore evident that either the duties must be increased or the Revenue will be deficient over £200,000. It is a very important question whether, in the present state of the country, it would be advisable, even if possible, to raise the tariff on an average 25 per cent. The gentlemen who advocate increased duties on certain articles, and reduced duties on others, will not be satisfied with a general increase in the tariff, which so far from being beneficial would be prejudicial to the general interests. If, however, the present movement has the effect of placing any increase of duty which may be decided upon, on articles competing with our home industry, instead of on the common necessaries of life, it will have served an important purpose.

In the produce market there is little doing.

WHEAT remains depressed—4s a 4s 3d being the average rates for good samples, with an occasional purchase of prime at 4s 6d per bushel. There is a little more competition observed among buyers, but the market is still inanimate.

FLOUR—There is little doing in flour, and in the absence of actual sales, the following quotations must be regarded as purely nominal:—Superfine, \$3 60 a \$3 70; fancy, \$3 80 a \$3 60; extra, \$4 05 a \$4 15 per barrel.

SPRING WHEAT 3s 3d a 3s 6d per bushel.

BARLEY 2s 3d for the best, and 1s 6d a 2s for medium.

RYE is not so much in demand at 2s 9d per bushel.

OATS are more plentiful at 1s 6d a 1s 7d.

PEAS are dull, and not much in demand at 2s 3d a 2s 6d.

POTATOES 3s a 3s 6d for ordinary varieties.

BUTTER—Fresh 1s 3d per lb, and becoming plentiful; Tub quiet at 9d for No. 1, and 6d a 7½d for No. 2, by the firkin.

EGGS also plentiful at 6d per dozen.

POULTRY scarce, and worth 3s a 3s 3d per pair.

BEEF on foot firm, at \$6 a \$7 per 100 lbs.

SHEEP in better supply, a \$4 a \$6 each.

CALVES not so much in demand, at \$4 a \$7 each.

WOOL 10½d per lb. Calfskins 6d per lb. Sheepskins 5s 7½d a 6s 3d each. Beef hides \$1.25 per 100 lbs.

The following will show the movement in Wheat and Flour, during the week ending 11th May, and for the season:—

DESTINATION.	FOR THE WEEK.		FOR THE SEASON.	
	Flour.	Wheat.	Flour.	Wheat.
Oswego.....	220	2036	3350	15512
Ogdensburgh.....	300	6718	1673	35711
Cape Vincent.....	.....	.....	.....	42990
Rochester.....	.....	.....	90	.....
Montreal.....	.....	.....	7611	13314
Quebec.....	903	.....	5684	5658
Portland.....	.....	.....	297	5955
Other Ports.....	270	.....	4869	3139
Totals.....	1693	8854	23574	122279
At present in Store, Wheat.....	.....	.....	.....bush...	78,863
“ “ Flour.....	.....	.....	.....bbls...	27,195

TORONTO STOCK MARKET.

(COLLECTED BY F. P. STOW.)

Toronto, May 19th, 1858.

DESCRIPTION.	SHARES.	PAID UP.	DIVIDEND LAST SIX MONTHS.	RATE.
Bank of Upper Canada.....	£ 12 10 0		3 per cent.	9 per cent. discount.
Bank of Montreal.....	50 0 0		3 per cent.	117 per cent. prem.
Commercial Bank.....	25 0 0		4 per cent.	113 do do
Bank of British North America.....	50 0 0 Sterling.	All.	3 per cent. & bonus	None.
Gore Bank.....	10 0 0 (current).		3 per cent.	5 do dis.
City Bank, Montreal.....	20 0 0		3 per cent.	107 per cent.
Toronto Gas Company.....	12 10 0		5 per cent.	3 do dis.
Hamilton Gas Company.....	10 0 0	5 per cent.	5 per cent.	Par
Western Assurance Company.....	12 10 0	15 per cent.	None.	Nominal.
British America do.....	20 0 0	45 per cent.	None.	
Provincial do.....	25 0 0 (current).	20 per cent.	None.	
Great Western R. R.....	20 10 0 Sterling.	All.	4 1/2 per cent. inter't	
Government Debentures.....	....	....	6 per annum.	None offering
Municipal Loan do.....	....	....	Do.	Par.
County & Town do.....	....	....	Do.	8 per et. dis.
				1 to 3 per cent. dis. per an.

MONTREAL STOCK MARKET—PREPARED BY THE BOARD OF BROKERS.
BOARD ROOM, EXCHANGE, MONTREAL, May 18th, 1868

DESCRIPTION.	Shares.	Paid Up.	Dividend Last Six Months.	Buyers.	Sellers.
Bank of Montreal.....	200 00	whole.	4 per cent.	117½ per ct.	117½ per cent.
Bank of Montreal, New Stock.....	200 00	60	3 per cent.	110¼	116½
Bank of British North America.....	£50 stg.	whole.	4 per cent.	None	None
Commercial Bank of Canada.....	100 00	whole.	4 per cent.	112½	112½
City Bank.....	50 69	whole.	3½ per cent.	119	110
City Bank, New Stock.....	80 00	50	3 per cent.	108½	110
Bank of Upper Canada.....	50 00	whole.	4 per cent.	88	92
People's Bank.....	50 00	do	4 per cent.	106	106
Molson's Bank.....	50 00	40	4 per cent.	105	None
Montreal Mining Company's Consols.....	20 00	\$14 85	None.	\$1 10	\$1 20
Quebec and Lake Superior Mining Company.....	8 00	4 10	.....	None.	None.
Lake Huron Silver and Copper Mining Company.....	5 00	0 75	.....	None.	None.
Canada Mining Company.....	5 00	6 00	.....	None.	None.
Huron Copper Bay Mining Company.....	4 00	6 25	.....	\$0 10	None.
Chicoutimi and St. Lawrence Railroad Company.....	200 00	whole.	6 per cent. per annum.	45	50
Grand Trunk Railroad Company.....	100 00	whole.	6½ per cent. 6 mos.	None	90
Great Western of Canada.....	100 00	whole.	6 per cent. 6 mos.	116½	117½
Montreal Telegraph Company.....	40 00	whole.	6 per cent. 6 mos.	85	90
Montreal City Gas Company.....	40 00	whole.	6 per cent. 6 mos.	99	100
Government Debentures, 20 years.....	.....	.....	6 per cent. per annum.	70	94
Can. M. L. F. Debentures.....	.....	.....	7 per cent. per annum.	85	75
Champlain and St. Lawrence Railroad Bonds.....	.....	.....	8 per cent. per annum.	85	92 per ct
Montreal Exchange.....	400 00	.....	.....	104½	105.
Montreal Harbour Bonds.....	.....	.....	.....	.....	.....

STOCKS.

BANK OF MONTREAL—A few transactions have taken place, 117½ to 117¾, at which price it is procurable to a small extent.
BANK OF MONTREAL NEW STOCK—None offering.—Nominally 116½.
BANK OF BRITISH NORTH AMERICA—No transactions for several weeks past.
COMMERCIAL BANK, MIDLAND DISTRICT—Dull at 112½.
CITY BANK—Since our last quotation in less advance to 110, at which price it is obtainable in small amt'g.
BANK OF UPPER CANADA—Very heavy at 90.

MOLSON'S BANK—Inquired for at 106. No sellers.
MONTREAL MINING COMPANY CONSOLS.—Nominal at quotations.
CHAMPLAIN AND ST. LAWRENCE RAILROAD.—Nothing doing either in Stocks or Bonds.
GRAND TRUNK RAILR AD.—Enquired for at 45. Nothing doing.
DEBENTURES OF CANADA. No buyers at our quotations.
MONTREAL TELEGRAPH COMPANY STOCK.—Sellers at 117½. Buyers offering 116½.

MONTREAL CITY GAS COMPANY.—Inactive at 90.
GOVERNMENT DEBENTURES.—Procurable at 107.
C. CONSOLIDATED MUNICIPAL LOAN FUND DEBENTURES
 —Large transactions have taken place during the week of 91 rates varying from 93 to 94.
IN OTHER STOCKS.—Nothing doing.
EXCHANGE.—Bank drafts on New York 100½. Sterling Exchange 8½ to 8¼ for gold private 60 days bills. Bank Exchange 110.
PEOPLES' BANK.—No transactions to report.

REVIEW OF THE MONTREAL MARKETS.

MONTREAL, May 18th, 1858.

We have still to repeat a continuation of dull times, and an almost complete stagnation in general business, with but little prospect of any material improvement. This stagnation is not confined to any one branch of trade—hardware, dry goods, groceries, provisions, &c., are alike participators in the existing evil, and all feel the consequences of such a state of affairs.

These remarks, however, do not apply so directly to houses having an established country custom, as to branches of business depending on the requirements of the general trade for supplies. We are aware that certain firms in this city, particularly in the Dry Goods line, have this Spring done a good business, selling only to buyers of undoubted character and responsibility. This, however, has been the exception, and hard times and no sales have been the order of the day.

Notwithstanding the extreme dullness of the trade and the apparent scarcity of money, a large number of new buildings are at present in progress in Montreal: and most of the Stocks sold in our market are done at a considerable premium.

Our importations continue to decrease, although not in so large a ratio as the present state of trade would lead us to expect.

Total Dutiable Goods Imported at Montreal—Comparative Statement for the Four first Months of 1856, '57 and '58:

	1858.	1857.	1856.
	\$	\$	\$
January.....	109,254	147,316	224,168
February.....	210,470	481,632	235,668
March.....	1,734,233	1,734,232	884,380
April.....	686,124	837,647	275,589
Totals.....	2,740,081	3,199,727	1,619,795

Entered for Consumption at Montreal for Four Months ending 30th April. 1858, 1857 and 1856.

	1858.	1857.	1856.
	\$	\$	\$
Dutiable Goods.....	2,198,196	3,094,620	1,694,115
Free Goods.....	426,263	257,178	199,578
Totals.....	2,624,459	3,351,798	1,893,693

The tonnage from sea has likewise suffered, as will be seen on reference to the following figures:—

Statement of the number of vessels and tonnage entered at the Port of Montreal, from sea since 1852:

Years.	No. of Vessels.	Tonnage.
1852.....	27	11,986
1853.....	21	8,869
1854.....	First Vessel on May 20.	
1855.....	14	6,740
1856.....	13	7,861
1857.....	18	10,917
1858.....	13	6,965

THE GROCERY MARKET.

There has been little general business done this week. Confidence seems partially restored, however, and the impression is gaining ground that better times are coming soon.

There is a large fleet on the way to Quebec for timber, &c., and freights from the other side are low. In our harbor the vessels are discharging fast, and securing a good deal of Wheat for home freight, at fair rates.

The two steam elevators are kept fully employed.

SALT is arriving earlier this year than usual. Prices have ruled fair all winter. Yesterday, by auction, a cargo afloat was sold at 75 cents per bag for Liverpool; and, afterwards, by private bargain, to arrive, at less, but P N T. To-day, stored sold at \$1 to 85 cents.

MOLASSES have advanced, and sweet Muscovado has again reached 30 cents per gallon.

SUGARS—The market is rather firmer this week for Bright, Raw and Refined. At the Refinery, prices are as follows: Loaves, 12½ cents; Dry crushed and ground, 11¾; extra Ground, 12½; Crushed A, 11; Yellow Refined, 8½ to 10; Sugar House Syrup, 40 to 50.

TEAS—This market is still inactive. Low grades are not over plenty, while the stock of fine is heavy and prices nominal.

SOAP—Liverpool has been sold 5½ to 5¾ cents for new, and five cents for last years' importations. Favorite brands have been scarce.

LIQUORS—We have no improvement to note in this market. In Foreign Spirits and Wines the demand continues very limited with a slight downward tendency in prices.

FRUIT—A vessel arrived from Marseilles.

PRODUCE.

MONTREAL, May 18, 1858.

ASHES—Pot.....	7 cwt.....	\$7 50	(a)	7 60
Pearl.....		7 55	(a)	7 65
FLOUR—Canada Fine.....	7 bl. 196lbs...	3 50	(a)	3 65
Superfine No. 2.....		3 80	(a)	4 00
Superfine No. 1, United States.....		4 00	(a)	4 20
Superfine No. 1, Canadian.....		4 00	(a)	4 20
Fancy.....		4 25	(a)	4 30
Extra Superfine.....		4 50	(a)	4 65
Double Extra.....		4 70	(a)	4 80
Rye Flour.....		3 00	(a)	0 00
INDIAN MEAL.....	7 196lbs...	3 30	(a)	3 35
OATMEAL.....	7 200lbs...	4 25	(a)	4 50
WHEAT—C. C. and U. S. White.....	7 60lbs...	None.		
U. C. Spring.....		0 85	(a)	0 00
Red Winter.....		None.		
Milwaukie Club.....		0 85	(a)	0 87
Chicago Spring.....		0 80	(a)	0 82
BARLEY.....	7 minot...	0 50	(a)	0 55
OATS.....	7 minot...	0 38	(a)	0 40
PEAS—White.....	7 minot...	0 85	(a)	0 00
INDIAN CORN.....	7 56 lbs...	0 60	(a)	0 65
PROVISIONS—Beef, Mess.....	7 bl.....	0 00	(a)	0 00
Prime Mess.....		13 00	(a)	14 00
Prime.....		11 00	(a)	12 00
Cargo.....		7 00	(a)	8 00
PORK—Mess.....	7 bl.....	18 00	(a)	18 50
Prime Mess.....		15 50	(a)	16 00
Prime.....		13 00	(a)	14 00
Prime, in bond, foreign inspected.....		None.		
Cargo.....		None.		
BUTTER—Inspected No. 1.....	7 lb.....	None.		
Inspected No. 5.....		None.		
Uninspected.....		0 12	(a)	0 15

QUEBEC SHIPPING—ARRIVALS IN APRIL.

Date.	Name.	Ship	Com'der.	Where from.	Date of sailing.	Consignees.
April 28	Shandon	Bark	Greig	Clyde	2nd April	Chinac Cunard & Co.
" "	Nina	Bark	Hall	Montrose	" "	
" 29	Montreal	Ship	Barclay	Liverpool	" "	
" "	Toronto	Ship	Brown	" "	" "	
" "	Zambeze	Brig	Inglis	Glasgow	" "	Gibb & Ross.
" "	Louisa	Ship	Howes	Bristol	1st "	H. Fry.
" "	Calista Haws	Ship	Haws	Liverpool	4th "	Falkenburg & McBlain.
" "	Norden	Bark	Brodie	Carthageua,	25th March	
" "	Reliance	"	Quinn	Liverpool	1st April	Gillespies & Co.
" 30	Lord Byron	"	Moodie	Greenock	2nd "	
" "	Retriever	"	Smith	Dundee	24th March	Benson & Co.

MISCELLANEOUS.

Employment for Emigrants.

At the present time, when business is dull and employment even for agricultural labourers scarce, many deserving persons are turning their attention to the Free Grants of Lands in the Ottawa district. But the great barrier to the successful settlement of these grants, is the want of adequate means to enable the settler to commence operations and sustain himself and family till the return from his first year's crop. Under these circumstances it may be well to consider whether it would not be wiser policy to clear *ten acres* of land, and erect a rude house, which could be done for say \$200, and instead of giving the land free, sell it at a fair price, say \$300, for the hundred acres, including the house and clearance. Contracts might be made by the hundred acres for clearing, &c., and among those attracted to the spot to clear the land, it would be found that the demand for such farms would exceed the supply, provided reasonable time was given to pay for them. The clearing of other farms would give the needed employment to the settler just at the right time, and secure to many a deserving family, the means of beginning the world under circumstances more favorable than they can possibly obtain at present, and for the want of which they may never be able to get beyond the reach of want.

We believe there are thousands of industrious individuals, who are compelled to struggle all their lifetime in poverty, *because they have never been able to get a fair start.* This would meet them just at the right time, and give them a fair chance to earn for themselves an honorable independence.

It is certain that many Emigrants have passed through Canada, and gone to the western prairies, simply because they could there put in the plow at once, and if we would retain these in our midst, let us hold out some similar inducement in our new settlements. A million of dollars, which could be raised at a low rate of interest in England, would thus clear 50,000 acres, and settle 500,000 acres of land, would increase our population 20,000, and contribute in every way to the welfare and advancement of the country. The land thus cleared and settled would, if of good quality, be the very best security, as the great majority of settlers, paying for their farms and improving them, would give an immediate market value to those of defaulters, which might be speedily disposed of. We throw out these suggestions for the consideration of those who take an interest in the advancement of the country, convinced that some such means could be devised to aid the settler more efficiently at the outset of his career.