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THE
CANADIAN
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

VOLUME SECOND.

FROM OCTOBER 1857, TO MARCH, 1858.

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INDEX TO VOL. II.

A

Accidents, Railway, in Great Britain and America	271
" Railway and Steamboat	382
Acceptance of a Draft	236
Adjustment and Settlement of Marine Losses	355
Adulteration of Oil Cakes	258
Advantages of Life Insurance	344
Advice to Mechanics	166
Alum, Manufacture of	353
Agricultural Statistics of Ireland	259
American Railroads	176
Amenities of Commerce	193
Ashes, the Manufacture of	161
Assurance Companies, Modern	52
Avenues of the Western Trade	55, 160
Averages of Canadian Banks	227, 332, 436, 531
Arrest, the Law of	397

B

Bank Returns	45, 146, 228, 330, 435, 532
" Note Case	41
" of British North America Returns	138
" of England	231
" Dividends	236
" Note Circulation, Decrease of	332
" Notes, Redemption of	337
" How to get up a	36-1
" the London Joint Stock	654
Banks, Business of Canadian	432
Bankruptcy Reform	520
Bankruptcy and Insolvency Laws	97
Bankrupt Law, shall we have a	322
Banking, The Principles of	129
Banking Business of Philadelphia	235
Breadstuffs, Prices of for ten years	456
" What is the Prospect	62
Bread-baking, what science says of	162
Breaches of Trust	26
Board of Trade, Annual Report of the Toronto	391
Bonded Goods in Montreal	449
" " for Upper Canada	449
British America and United States, Trade of	352
Brockville and Ottawa Railroad, Report of	169
Broken Banks	271
Brunskill vs. Goodenough—Flour case	25
Buffalo, Receipts of Grain and Flour at	353

C

California Correspondence	124, 215
Canada, Statistics of the Population of	68
" Increase in the Population of	75
" Powder Company, Trial of Strength	225
" Directory	288, 383
" West, Goods Bonded for	449
" Education in Upper	410
" Duties Collected in, 1857	447
" Life Insurance Company, Annual Meeting	139
Canadian Share List	280
Canadienne, Cruise of the	212
Candles, Lard and Tallow	258
Canal, Fort Erie Ship	54
Chattel Mortgages, The New Law Regulating	20
China Sugar Case	359
Chicago and Canadian Trade	347
Clearing House, The New York	437
Coating Iron with Glass	255
Coal and Wood, Manufacture of Gas from	165
Coffee, Consumption of, in the United Kingdom	456

Coinage for Canada	154
Coin and Currency of Constantinople	441
Colonial Life Insurance Company—Annual Meeting	229
Common Carriers, Liabilities of	127, 226
Commerce, Amenities of	193
“ of the United States	245
Compass Enquiry	353
Counterfeit Bank Notes	86
Copper Mines of New Brunswick	165
Crisis, the Present	93
“ Dickens on the	297
“ The Money, in England	333
Customers, Paper and Country Merchants	134
Currency, The Decimal	326, 381
“ Decimal and Halifax	320
Commercial Reform	485
“ Views of Eminent Statesmen	498
Credit System, Disastrous Effects of the	494
Canadian Manufactures, Protection to	535
“ Emigration, Past and Future	534
Colonies, a Nova Scotian view of a Union of the	557

D

Damages for giving incorrect information	126
“ by Defective Draining	128
Debt, Imprisonment for	318
“ Interest paid on the Public	436
Decimal and Halifax Currency	326, 351
Dickins on the Crisis	297
Difficulties, Our Financial	385
Dividends, Bank	239
Disasters, Steamship	241
Dundas Woolen Works	253
Duties Collected in Canada in 1857	447
Dry Goods Imported at Montreal, 1857	449

E

Emigrants Arrived at Quebec	92
Emigration from Canada, Causes of	392
English Insurance Items	51
Exports of Leading articles from New York	246
“ British and Irish Produce and Manufactures	257
“ Provisions from Chicago to Canada	347
“ from Montreal in 1837	419
“ Duties in Jamaica	457
“ at the Port of Toronto	146
“ “ Hamilton	149
“ under the Reciprocity Treaty	580
“ of Manufactures to the United States, in 1836	316
“ Trade of Great Britain	548

F

Failures, the Chief Causes of Western	209
Female Insurance Agents	344
Finances of the City of Montreal	46
Financial Prospects in the United States	440
Finances of the Sandwich Islands	443
Fire, Losses by in the U. S. in 1856 and 1857	445
“ “ of Life by, in 1856 and 1857	446
“ Insurance, A Word to the insured	144
Fish Blubber, Soap from	253
Flour Shipped from Lake Ports	185, 272
“ Case—Brunskill vs. Goodenough	25
“ Receipts of, at Buffalo	353
“ the Law Regulating the Sale of	356
Fluctuations in Prices	11
Fort Erie Ship Canal Company	54
Forgery Case, The London	229
Free Trade vs. Protection	205
Freight, Rates of	92
“ Landing, Contrary to Instructions	126
Fur Trade, The	347, 446
Free Trade in Reality	538

G

Glasgow, Steamboat building in	259
Grain and Flour Trade of Chicago	347
“ “ “ “ Buffalo	353

Grand Trunk Railway Returns 76, 168, 271, 367, 565
 " " " General Meeting 76
 " " " " " 172
 " " " Preference Bonds 382
 Gold, the Price of 315
 Government Survey and Light-houses in the Gulf 63
 Great Britain, Imports of Specie into 44
 " " " Mineral Wealth of 166
 " " " Distribution of Wealth in 237
 Great Western Railway Returns 76, 168, 271, 367, 565
 Gulf Fisheries, The 242
 Government, the New Seat of 510
 Georgian Bay Canal 542

II

Hamilton, the Trade of, in 1856 and 1857 53
 " " Exports at, in 1857 147
 " " Imports at the Port of 148
 Hard Times, An Incident of the 2-5
 Hoarding the Precious Metals 2-4
 Home Manufactures, the True Remedy 199
 How to Make the Times Easy 1-4

I

Interests, Usurious 24
 Imports of Specie into Great Britain 43
 " " at the different Canadian Ports in 1856—Correction 147
 " " into Canada for three-quarters ending 10th Oct., 1856, and 30th Sept., 1857 148
 " " at Montreal, Toronto, and Hamilton, to 30th Sept. 1857 148
 " " " in 1856 and 1857 149, 251
 " " " since 1850 378
 " " at Toronto in 1857 372
 " " at Montreal under the Reciprocity Treaty, &c. 449
 " " duties in Jamaica 457
 " " under the Reciprocity Treaty 540
 " " of Manufactures into Canada 545
 " " " the United States in 1857 247
 " " Trade of Great Britain 548
 " " and Exports between Canada and the United States 568
 Insurance Companies doing business in Canada 444
 " " " owning Real Estate 345
 Insolvency Laws 47
 Investments, Railway, why unproductive 118
 Iron, Consumption of Railroad in the United States 163
 " " Facts relating to the Consumption of Railroad 164
 " " Works, the Marmora 205
 " " Manufacture of 358
 Immigration into the United States 166
 " " of 1857 261
 Important Decision—London Forgery Case 220
 " " " Recovery of Goods 529
 Indorsement, the Law of 2-3
 Insurance, English Marine 241
 Inspection of Leather 317
 Imprisonment for Debt 316
 Lucian Population of North America 361
 Interest and Cheap Currency 417
 Ireland, Agricultural Statistics of 259
 Important to Mariners 353

K

Kite-Flying Extraordinary 333

L

Law of Usury, the 17
 " " Indorsement 223
 Liability of Common Carriers 127
 " " Bank Shareholders 1-9
 " " Ship-Owners 226
 " " Express Companies 439
 Leather Trade of Europe 257
 Losses on the Lakes 353, 454, 313
 Lumber, Receipts of at Chicago 347
 Lloyd Circular, the 355
 Lands in Lower Canada, the Law of 424
 Lumber Trade, the 454
 Landlords, Non-Liability of for Drainage 129
 Leviathan, the Allot 647

M

Merchant, the True	9
Mineral Wealth of Nova Scotia	14
" " England	259
Marine Losses in 1857	64, 150, 354,
" Adjustment and Settlement of	355
Manufacture of Sugar	64
" Salt in the United States	65
Manufactures, How Affected by our Tariff and Money Laws	289
" Protection to Canadian	525
Montreal Stock Market	89, 187, 277, 376, 465,
" Markets	90, 188, 278, 378, 467,
" the Trade of in 1857	449
McNab, Sir Allan N.	121
Merchants' Standing—Incorrect Information	126
Merchandise, Non-Delivery of	127
Manure, Port Daniel Shell	159
Mauritius, the Trade of	252
Mercantile Agencies	405
Manufacturing Enterprise in Canada	552

N

New Brunswick Copper Mines	165
Nurseries in the United States	340
North America, Indian Population of	361
Navies of France and England	136

O

Ottawa City, Its History, &c.	6
" Improvements	217
Oil-Cakes, Adulteration of	234
Oswego, Shipments by Canal from	278
Ohio Trust and Loan Company	343
Ontario, Simcoe, and Huron Railway	168, 357, 565

P

Provident Life Assurance Company	47
Penitentiary Statistics	74
Population of Canada	75
Private Bankers and Brokers	80
Produce, Shipments of, &c.	91, 185, 272, 567
Paper vs. Gold	112
Public Credits	211
Philadelphia, Banking Business of	235
Powder Company, the Canada	255
Panic, Incident of the Money	284
Paper vs. Money	287
Parliament, Applications to	402
" What it must do for the Province	508
Provincial Insurance Company—Circular	443
Prices of Eleven Articles for Forty Years	455

Q

Quebec, Arrivals and Tonnage at	92
" " of Emigrants at	92

R

Resources, our Country's	3
Railway Investments, why Unproductive	118
" Returns	76, 168, 271, 367,
Railroad Iron, Consumption of	163
" to the Pacific	515
Reforms, Commercial	485
Rubber Shoes, Manufacture of	504
Recovery of Goods, Decision Respecting	529
Reciprocity Treaty, Trade under the	549, 568

S

Silver Coinage for Canada	131
Specie, Prices and Results	112
Specie Payments, Suspension of	135
Stocks, Speculators in	138
Sugar, Manufacture of	64
" Salt	65
Stock Markets	88, 186, 277, 73, 569
Ship-Owners, Liabilities of	225
Steel, Conversion of Iron into	256

Soap, Manufacture of	258
Steamboat Building in Glasgow	259
Shipments from North Shore Ports	272
Steamships, Ocean	351
Sugar-Cane, the China	359
Societies, Trade Protection	405
Savings Banks, Acts Relating to	436
Sugar, Consumption of in the United Kingdom	456
Sandwich Islands, Trade of the	413
Scale Manufactory—Dalley, Ware & Co.	161
Song of the Street	190
Standard of Value	309
Shoes, Vulcanized India-Rubber	504
Sound Dues Treaty	550

T

Toronto, Provident Life Insurance Company of	47
“ Markets	8c, 185, 272, 372, 465, 566
“ Exports at	146, 148
“ Board of Trade, Annual Report of	301
Trade between British North America and the United States	352
Trade, Avenues of the Western	55, 150
“ of the Mauritius	352
“ Returns in 1857	373
“ Chicago and Canadian	347
“ the Lumber	454
“ Protection Societies	405
“ the Fur	347, 446
Trial of Strength—Canada Powder Company	155
Tariff, the Canadian	518
Table of Decimal and Halifax Currency	329
Trust and Loan Company—Half-Yearly Meeting	427
“ Breaches of	26
Tea, Imports of at Montreal	449
“ Consumption of in Great Britain	456

U

Usury Laws, the	17, 33, 535
Usurious Interests	24
United States, Salt manufactories in the	65
“ “ consumption of Railroad Iron	163
“ “ immigration into the	166
“ “ Foreign commerce of	245
“ “ trade between British North America and	352
“ “ Treaty between and Japan	358
“ “ Nurseses in the	360
“ “ Loss by fires in the	415
Upper Canada, Education in	410
United Kingdom, consumption of Tea, Sugar, and Coffee in	456

V

Value, The standard of	309
----------------------------------	-----

W

Western trade, avenues of the	55, 150,
Wealth, the way to	104
Wheat fly, destruction of the	159
Wall Street, what it is and what it is not	206

Z

Zealand vs. Hooker	128
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CONTENTS.

ARTICLES:	PAGE:
Our Country's Resources, and its Credit System	1
Ottawa City—Its History and Growth	6
The True Merchant	9
Fluctuations in Prices	11
The Mineral Wealth of Nova Scotia	14
The Law of Usury	17
Usurious Interests	24
JOURNAL OF MERCANTILE LAW.	
Important Flour Case—Brunskill vs. Goodenough	25
Breaches of Trust	26
The New Statute Regulating Chattel Mortgages	20
Overpaid Cheques	32
JOURNAL OF BANKING, CURRENCY AND FINANCE:	
The Usury Laws	33
Hints on Dealmaking the Currency	37
Curious Bank Note Case	43
Imports of Specie into Great Britain, 1896	44
Bank Returns for August	45
Finances of the City of Montreal	46
JOURNAL OF INSURANCE.	
Provident Life Assurance Company of Toronto	47
Insurance Companies doing business in Canada	49
English Insurance Demands	51
Modern Assurance Companies	52
TRADE AND NAVIGATION.	
The Trade of Hamilton in 1856 and 1857	53
Fort Erie Ship Canal Company	54
Avenues of the Western Trade	55
Breadstuffs—What is the Prospect	62
Light—Houses in the Gulf—The Government Survey	63
Marine Losses for September 1857	64
JOURNAL OF MANUFACTURES.	
New Discovery in the Manufacture of Sugar	64
Salt Manufactures in the United States	65
STATISTICS OF POPULATION.	
Historical and Comparative Statistics of the population of Canada	68
Penitentiary Statistics	74
Increase in the Population of Canada	75
RAILWAY RETURNS.	
Great Western Railway	76
Grand Trunk	76
“ “ “ General Meeting	76
BANK NOTE REPORTER	
Private Bankers and Brokers	80
Worthless Banks	80
Dangerous Counterfeits	86
COMMERCIAL SUMMARY AND REVIEW.	
Review of the Toronto Markets	87
Toronto Stock Market	88
Montreal Stock Market	89
Review of the Montreal Markets	90
Receipts and Shipments of Produce—Exports by Sea &c	91
Rates of Freight—Canadian Share List—Tonnage of Quebec	92
Emigrants arrived at the Port of Quebec	92
The Present Crisis	93

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CANADIAN
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

Vol. II.

OCTOBER, 1857.

No. 1

OUR COUNTRY'S RESOURCES, AND ITS CREDIT SYSTEM.

It is a popular fallacy that the resources of Canada are enhanced by the overgrown system of credit which has hitherto obtained in the country. Some contend that, without our long-cherished credit-system, we should be deprived of an important auxiliary to our available capital. The recent amendments of our Common-law Procedure Act, to facilitate proceedings on bills-of-exchange and promissory-notes, have, by some, been regarded with suspicion and dislike. And the reason assigned for this inimical feeling is the danger portended to the stability of our precious credit-system! Those holding such views assume the country to be exactly in the position of a business man who, having no credit to lose, and no hope of ever gaining a responsible reputation, rests his sole hope of subsistence upon his dexterity in setting his creditors at defiance.

Even admitting that long credits were calculated to economize our capital, would it be expedient or safe to practise this economy in violation of the best received principles of political science, and to the detriment of safe and profitable mercantile speculation? In this country, where capital is equally scarce and valuable, economy is the life-blood of its prosperity and progress. It must be the surplus earnings of the producer and manufacturer to which the country will be indebted for its growing, permanent wealth. It is, therefore, quite plain that the smallest possible quantity of any scarce and dear commodity, requiring to be imported, ought to be used in all operations of produce and manufacture. This will be true whether the commodity in question be capital or labour, or any other article or condition affecting the object in view. But it is no less plain that a liberal supply of any or all such scarce and dear articles, at moderate prices, would greatly facilitate the operations referred to. The profits of the individual would, in consequence, be increased, and the resources of the country be accelerated in their development. Labour is scarce, and its price high. This is felt by all requiring to employ it; and the necessity is hence imposed of economizing it to the

utmost. It is, however, fully understood and admitted by all, that an increased supply of labour at a reduced price, would greatly benefit the employer, and the country at large. It is this conviction that has directed the efforts of individuals, and should direct the policy of our government, in the promotion of labour-immigration.

What is so generally understood and practised in reference to labour, is equally applicable to the treatment of capital. In fact, the former is a dangerous importation if not accompanied by the latter. Canada has large resources; and its fame as a hopeful home for the vigorous and enterprising, is now world-wide. The broad and increasing stream of immigration now setting in, will soon bring a comparatively numerous population into the country, and the great majority of these will supply labour rather than capital. This forced increase in the supply of labour, with a commensurate supply of capital, would prove highly effective in developing the country's resources. But it is not to be expected that the surplus capital derived solely from our natural products and industry—arising, as it does, mainly from agricultural produce—can increase in a ratio sufficiently rapid to keep pace with the anticipated influx of foreign labour. Grave political and social evils may, therefore, ensue, unless provision be made for an adequate influx of foreign capital. If this be neglected, commercial stagnation and pauperism is likely to prevail. Those, however, who would, at any hazard, bolster up our system of long credits, do worse than neglect this important object. They support a course of operations so false and injurious, that they would positively prevent the country from obtaining, in a legitimate, profitable way, the desiderated supply of capital. They are opposed to any mode of realizing mercantile claims more prompt and efficient than the loose, protracted process hitherto in use; and thus far they would deter foreign capitalists from investing their funds in Canada. Nothing tends more to give confidence and success to mercantile transactions, than does a speedy and effectual remedy at law against any interruption in the regular return of payments. And, until we can arrive at more precision, in these calculations, than has so far been practicable in Canada, the stability of business men, and the commercial interests of our country, must remain in jeopardy. Foreign capitalists are aware of this, and they will act accordingly. So long as they know that our mercantile transactions are left—by the aggravated uncertainty of our long credits, and our legal connivance—at the mercy of every fluctuating pressure in trade, they will naturally stand aloof, and leave the country to eke out its stunted capital by such miserable expedients as long credit, and indulgent laws.

The more practical operations of our credit system, in whatever phase they may be viewed, only multiply the enumeration of evils and injuries which it entails upon the country, and every class of the community. The present time is well fitted to bring home this fact to the experience of every individual. It is just in such a collapse of capital, and such a crisis in business, as the country now endures, that the evils of long credit find their full development.

The only accession of capital which the country can obtain by means of long credit, is derived by the medium of importers. In easy times, when our banks issue freely, these importers find no difficulty in giving their retail customers such terms as they may require; or in getting an extension of

terms from those who supply the importations. The retail dealers—flushed by the good times, which a too-liberal bank-issue always falsely stimulates—push their trade, and give credit freely. There is plenty of money amongst people. They have no fear of getting their payments. Recklessness and prodigality naturally become the order of the day, till the reaction—the day of reckoning—comes round, which it does as surely as showers succeed sunshine. The alarm generally comes first from the banks, whence came the incipient cause of danger. They have been over-issuing to the country; and, to supply their customers, have overdrawn upon other countries. When they have to make good their excess of foreign drafts, they find it necessary to restrict their home issue. They hold their circulating notes when returned. Money soon becomes scarce. Debts begin to come in more tardily. And it is just at the stage when an addition of capital is most required in the country, that the credit system only aggravates the prevailing destitution. The capital outstanding on credit has mostly been spent in excesses of one kind or another, and is not now available. Importers now are deprived of their usual bank-accommodation. They must push their customers, and, if they have not unemployed capital to fall back upon, must compel them to pay, or be themselves defaulters. Their creditors, the foreign merchants, learning that the country begins to be pinched, are more stringent. The retailers, in their turn, are down upon their customers; but everybody feels the scarcity of cash, and few can pay their accounts when due. If the country is now to be accommodated through the credit system, it must be at a heavy sacrifice. When credit has come to such a pitch, it must be purchased dearly. From the importer to the consumer, each will have to pay his heavy quota for the capital supplied by the credit system. It is lavish in its aid when prosperity is abroad. It swells the amount of excess which brings the chill of reaction. But to mitigate that reaction—to rally embarrassed trade, it has no redeeming quality. It is well known that these excitations and reactions in trade, will have their vicissitudes, so long as we have a paper currency, partially represented by specie; and a new country like Canada, from the general scarcity of capital, is peculiarly liable to fluctuations in trade. Long credit, as has been shown, greatly aggravates the excesses of these vicissitudes; and to say that under such circumstances, it is a benefit to the country, is merely a delusion. By complicating and deepening the embarrassments of these stagnations in trade, it goes far to damage the credit of the country, and deter foreign capitalists from investing their funds in our public and private enterprises. In this way it deprives the country of one of the best safeguards against those reactions and stagnations. A sufficient supply of foreign capital, on fair and reasonable terms, would greatly modify the extremes of the vicissitudes referred to, and lend a steadily accelerating impetus to the development of our country's resources. Any benefit supposed to be derived from long credit, is altogether illusory.

It is, no doubt, true that a large majority of our producers—and, in particular, of the farmers—have, by traditionary usage, been led to count upon their credit with the country merchants for all the borrowed capital they have sought to obtain. They have been in the habit of drawing this capital in the shape of all necessary furnishings, which they obtained on their parole to pay the value, then agreed upon, without interest, whenever they should find themselves in a position, and be disposed, to part with the money!

There is something beautifully simple in this primitive-looking contract. If it do not belong to the golden age, we must, at all events, look for its adaptation to times and circumstances very different from the present of Canada. It is altogether incompatible with commercial organization, and business principles. Such a mode of dealing could not, perhaps, be avoided by the earlier settlers who first broke ground upon our western forests. Their hard labour was their only capital. The coming harvest was their only hope for the supply of their necessities. They were obliged to procure, upon such terms as they could afford, the necessaries of life, and the requisite implements of husbandry. They might have known how little advantage they really obtained from the dealers by the apparently liberal terms on which they traded. If any were wanting in the acuteness and business-intelligence necessary for testing the qualities, and checking the prices of their purchases, all could at least observe that those dealers thrived and made money. They could see at a glance that the whole benefit of the bargain was not their own. If they had been fully aware of the exactions requisite to afford them such ample accommodation, in the mode in which they procured it, they must have been startled and aroused. But their necessities blinded them for the time; and the pressing, disadvantageous circumstances in which they were then placed should still shield them from ridicule, and even from blame.

Their successors, the farmers now, or themselves, in their present altered circumstances, have no such claims to forbearance and sympathy. They have now no necessity to plead for exemption from business-rules, and fair terms of trading. At one time the farmers were obliged, by the isolation of their locality, to purchase their hardware, groceries, and dry-goods, all from one shanty; and they were under a like necessity to dispose of their entire produce to the same establishment. They long ago discovered that the country retail-dealer, from whom they purchased their furnishings, was not in a position to give the best prices for their wheat. They have, consequently, given the preference to the produce-merchant and his agents. Some of them still cling to their old associations, and prefer to buy from the store in which they see every imaginable article of merchandise piled and huddled together in glorious confusion. The greater number, however, are beginning to learn that they can get far better bargains by calling at three different stores for their groceries, their hardware, and their haberdashery. They will soon find out by experience, as towns and villages rise in their neighborhood, that division of labour is as essential in storekeeping as in any other branch of industry. But there is yet another—a more serious error, in which they are, by their old associations, more deeply and more generally involved, and to which they cling with more tenacity, than any other delusion received by their traditions. It is their attempt to make capital out of their credit with the country merchants. In every part of the country, well-grounded complaints are made by the merchants, that the farmers will not settle their accounts till a twelvemonth, at least, has gone round. They get cash down for every article of their produce; but it is no uncommon thing for farmers who are making new purchases of land, building new houses, and pulling down the old, to leave their merchants' accounts unsettled for two, and even three, years. Now this is really a state of matters so preposterous in principle—so hurtful in all its consequences, that it only requires to be fairly and deliberately looked at, to show how much folly—how much mischief, is involved in its continued maintenance.

The entire nature and practice of mercantile transactions are violated by such protracted terms of credit. In the course of even one year, the changes of varying times and circumstances may quite overturn calculations founded upon returns so remote. Death, delinquency, or misfortune may greatly alter the relations of the parties, and legal proceedings are the common consequence. The difficulty of recovering small accounts, when payment has to be legally enforced, is badly-enough felt, under the most favorable circumstances. Those who have experienced the working of our Division Court machinery, all over the country, know what a tough job it is to realize claims through that medium; and when accounts are allowed to run till proof is difficult to procure, and the domicile of parties uncertain, the chance of recovering is vastly diminished. In short, the mode of transacting business which has hitherto been practiced between farmers and merchants in Canada, is perfectly impracticable, if trade is to be conducted on the basis of sound calculations. Of this we have sufficient testimony from the present state of business in the country. Numbers of merchants have, within these few months, been obliged to sell out, for want of capital to carry on their business, while they had more funds than would have been necessary for that purpose, lying—some of it for years—in the hands of the farmers. These funds they are unable to realize, partly from the inefficiency of the law and its officers, but more from dread of breaking through the old, iniquitous mode of dealing which has become more stringent than the law itself.

It is very natural for the farmers to suppose that transactions which place those with whom they deal at such a disadvantage, must give some advantage to them. In this, they are, however, lamentably mistaken. They have all come to know that they ought to buy their groceries from one merchant, and sell their wheat to another. They are also beginning to learn that the merchant who can best supply them with good and cheap groceries, is not likely to have the greatest facilities for offering them the best bargains of calicoes and cloths. But if they still harbor the notion that they can procure the use of capital on the best terms along with the furnishings they purchase from their retail dealer, they labor under a misapprehension more ridiculously absurd and deceptive than any they have overcome. Does it accord with reason or probability that the retail dealer can afford to lie out of his money, with the mere personal security of the purchaser, on terms nearly so low as the current rate of interest for money advanced under a properly negotiated loan? Few of them can give such accommodation without themselves paying heavily for it to the wholesale houses. Before they can make a remunerative profit and leave a margin for the risk taken in the bargain, the extra per centage laid upon the highly favored farmer, leaves him little to be envied. But suppose the country dealer has the capital at his disposal, it must be presumed that he will calculate to have a fair return for it, in whatever way it may be invested. To engage it in the ordinary hazards of a business, he would require, at least, a return of 20 per cent. per annum. He has various classes of customers who demand different terms—one pays cash, others at one, three, six, and twelve months, up to the farmers' term of years. When he comes to deal with each, he finds he can sell his cash customer 1 pound of tea for 3s. He can give his monthly customers nearly the same terms. For three months credit, he would require to charge about 3s. 2d., to yield 5 per cent. for the quarter of a year. For six months, the risk

of ultimate payment arising from the extended term is very considerable; and to cover it, he could not take less than 2 per cent. additional. The price, therefore, would require to be 3s. 4½d. to yield 12 per cent. A year's credit increases the risk of the bargain in a ratio something like geometrical progression, and to make a safe calculation, he could not sell under 3s. 9d. to yield 26 per cent. As for his two and three years customers, if he deal prudently with them, he has to charge them for the same article 5s. and 6s. 9d., to bring him 30 and 40 per cent. per annum. This is a fair and moderate business calculation, and any one can judge whether it be a profitable way for the purchasers to obtain the use of money. It may be that the farmers have not generally been so strictly dealt with; but it is not the less certain that where the merchant has made provision against loss and failure, he has adopted some such system of indemnification for the unreasonable unbusiness-like terms extorted from him by the farmers. They may, however, now rest satisfied that, in future, they will only be able to get their wonted accommodation from those who have the capital, and who will doubtless deal with them after the mode of calculation here illustrated. But surely they will not remain so blind to their own interests as to continue this system of doing business, when by adopting a more intelligent course they can save 10 and 15 per cent. on every article they purchase. Most of them are now in a position to borrow and give good security for what capital they may require. By these means they may obtain for 12 or 15 per cent. what would cost them by the old system 25 or 30 per cent. They would, besides, spare the public and private interests of the country, the injuries and embarrassments which have been so much occasioned by their past conduct. They would besides give more stability, and consequently induce a better supply to our money market. Such considerations as these should afford sufficient inducements for the farmers to forego their old prejudices, and to make their calculations and shape their mode of dealing for the times and circumstances in which they now live.

It is very desirable that all—whether buyers or sellers—who have been in the habit of running long accounts, under the impression that they were thereby conferring a benefit upon themselves or anybody else, should deliberately reconsider the subject. If they will impartially reflect on the facts and circumstances stated above, they must arrive at the conclusion that long credit is one of the most fruitful causes of public injury, and private hardship, which at present affects the trading interests of our country. If this conviction can be clearly and forcibly impressed upon the minds of all our business men, they surely will not hesitate—for they have the power—to work an immediate modification, and an eventual revolution, in our credit system.

J. F.

HAMILTON, 1st October, 1857.

OTTAWA CITY—ITS HISTORY AND GROWTH.

While the boast of European cities is their great antiquity, the pride of American cities appears to be their rapid increase in population and trade. Judged by this standard, the City of Ottawa may well claim a high place among American cities. Although scarcely thirty years old, we find it the

head-quarters of the great lumbering business of the Ottawa, doing an extensive retail and a considerable wholesale trade, and the seat of several extensive and rapidly-increasing manufactures, for which its unlimited water-power is peculiarly fitted; containing a population lately estimated at fourteen thousand, and even entering its claim to be the future capital of Canada. Looking at its central and secure position, it has undoubtedly strong claims to this distinction. Equi-distant from Quebec and Toronto, as well as from Montreal and Kingston, representing fairly the two races that compose the great mass of our population; of easy access at all seasons of the year; possessing scenery unsurpassed by any city in America (Quebec, perhaps, excepted), and capable of being rendered as impregnable as that city, it must be admitted, whatever may be our personal feelings in the matter, that, on broad and patriotic grounds, the City of Ottawa may well compete for the honour of becoming the future capital of the country.

Ottawa City is situated on the river of the same name, at its junction with the Rideau Canal, 120 miles above Montreal. Although deriving little of its prosperity from the canal, it yet owes its origin to that enterprise. It is well known that this canal—terminating at Kingston—was constructed by the Imperial Government, principally as a means of communication between the St. Lawrence and the Lakes, in the event of the frontier communication being interrupted.

The first permanent settlement on the Ottawa River, near the site of the present city, appears to have been made by the late Philemon Wright, a native of Woburn, Massachusetts, who emigrated from that State in the year 1800, and settled at Hull, now a village on the Lower-Canada side, and nearly opposite Ottawa. Mr. Wright may thus be called the father of the Ottawa country. It is a singular fact that a female relation of Mr. Wright's landed from the canoe, when the adventurous settlers brought their long voyage to a close, cut down the first tree in order to boil the kettle for the evening meal, and lived to be present at the launch of the first steamboat built to ply on the Upper Ottawa. The Wright family received large grants of land from the Government, and were the pioneers of the lumber trade,—having taken the first raft to Quebec, in the year 1805.

While the increasing lumber trade had caused a few villages to spring up at various points on the Ottawa River, the site of the present city, in 1826 was in a state of nature. Not a house was standing within its present limits, except an old log-house, where the Upper Town has since been erected, and three houses on what was then known as Nepean Point, near the Suspension Bridge. The Canal Basin was a beaver-meadow, finding its outlet through the natural chasm, where the first eight locks of the canal have been constructed. A dense cedar-swamp covered part of the Lower City, although the ground is much elevated above the Ottawa. To this place the late Colonel By, who designed the canal, proceeded, in 1827, to superintend its construction, and it was in compliment to this gentleman that the future city was called Bytown, a name which many think should never have been changed. For ourselves, we love these Indian names, and, while willing to immortalize those who have been founders of cities, we rejoice to see established in our midst some memorials of that once proud race who possessed our country long before Columbus dreamed of a Western world! If the Colonel's friends, or even his enemies (if such he had), have any qualms of

conscience to satisfy, let them erect a monument to his memory, near the romantic spot where he chose his residence, and we cannot imagine a more graceful compliment to the founder of their rising city, or one more likely to engage the sympathies of the people.

Colonel By was accompanied by about 150 sappers and miners, who built the locks as well as the stone bridge which crosses the canal, and connects the Upper and Lower Towns together. In 1827, it is said, "nothing could be heard but the clinking of hammers, building houses; the noise of drills boring rocks; and a perfect cannonade of blasts." The canal was completed in 1831, and Bouchette, who visited it in 1832, gives the following description of its appearance at that time:—

"Bytown, in Nepean, is situated on the southern bank of the Ottawa, a little below the beautiful falls of the Chaudiere, and opposite the flourishing village of Hull in Lower Canada. It stands upon a high and bold eminence surrounding Canal Bay, and occupies both banks of the canal; that part lying to the east being called the Lower, and that to the west, from a superiority of local elevation, the Upper Town. The streets are laid out with much regularity, and of a liberal width, that will hereafter contribute to the convenience, salubrity, and elegance of the place. The number of houses now built is not far short of one hundred and fifty, most of which are constructed of wood, frequently in a style of neatness and taste that reflects great credit upon the inhabitants. On the elevated banks of the bay, the hospital, an extensive stone building, and three stone barracks, stand conspicuously; and nearly on a level with them, and on the eastern side of the bay, is delightfully situated the residence of Colonel By, the commanding Royal Engineer on that station. From his verandah the most splendid view is beheld that the magnificent scenery of the Canadas affords. The bold eminence that embosoms Entrance Bay, the broken and wild shores opposite, beyond which are seen a part of the flourishing settlements and the church of Hull, the verdant and picturesque islands between both banks, and occasional canoes, barges, and rafts plying the broad surface of the Grand River, or descending its tumultuous stream, are the immediate objects that command the notice of the beholder. In remoter perspective the eye dwells upon a succession of varied and beautiful bridges, abutting upon precipitous and craggy rocks, and abrupt islands, between which the waters are urged with wonderful agitation and violence. Beyond them, and above their level, the glittering surface of the river is discovered in its descent through the broad and majestic rapid Des Chenes, until the waters are precipitated in immense volumes over the verge of the rock, forming the falls of the Great and Little Chaudiere. From the abyss into which they are involved with terrific force, revolving columns of mist perpetually ascend in refulgent whiteness, and as they descend in spray beneath a glowing sunshine, frequently form a partial but bright iris, that seems triumphantly to over-arch a section of the bridge."

In 1840, Bytown was inserted in the Union Act as a town worthy, from its size and importance, to be represented in the United Parliament of Canada; and Lord Sydenham recommended it as being favourably situated for the seat of Government. The town was incorporated in 1847, and we find by the census of 1848 that its population was 6275, which had increased in 1851 to 7760. In 1855 its population was upwards of 10,000, when it became a city, and, on the petition of its inhabitants, its name was changed to Ottawa.

The growth of the city within the last few years has been greater than at any former period ; and this is easily accounted for when it is remembered that formerly it was entirely dependent upon the lumber trade, and suffered with every depression in that important but fluctuating branch of business. Latterly, the increased settlement of the surrounding country, and the introduction of several extensive manufactories, have introduced a new element of prosperity which cannot fail to have an important influence on its future growth.

Having thus reviewed (very imperfectly) the history of this "ambitious city," we will reserve our remarks on its commerce, trade, and manufactures, for a future number.

THE TRUE MERCHANT.

The following eloquent extract from a recent lecture by the Hon. J. M. Fitzpatrick, we find in a late number of *Hunt's Merchants' Magazine*:

"The true merchant, is but the true man, illustrating a particular condition in life. He is no more, as he certainly should be no less. The ethics and moralities, prevailing in, and governing all other relations, should be those which suggest his mercantile life and conduct. He should have no one rule of right and wrong, for the social circle and the drawing-room, and another for the counting-house and busy marts of trade.

The man is the same, or ought to be, wherever or however engaged, and neither opportunity, nor policy, nor the caprices of occasion or trade, should ever, even remotely, be allowed to insinuate the smallest deviation from the straight and strict line of honesty, and honorable dealing between man and man. The merchant by his calling, of all men, stands especially in the way of temptation. "The Devil," says quaint old Burton, "is his fastest friend. He is always perched upon his shoulder, whispering in his ear, hanging upon his tongue, leering into his eye, or riding upon his pen-point, suggesting fraud, gilding deceit, obscuring vision, and intimating addition or subtraction, as debit or credit may be the subject of his entry."

This is too true, even putting aside, if you please, the more palpable and obvious forms, known and legitimately recognized, and acted upon as tricks of the trade. From the sale of a penny-worth of pins, or a yard of six-penny calico, (warranted "fast colors,") to the purchase of an East India-man—

"Rich in barbaric gems, and gold,"

opportunities are ever present, wherein money could be made, by even the veriest refinement of deception, or the thinnest possible gloss and glaze of falsehood properly laid on. Happy is the true merchant and the true man, whose regard for the right rises equal to the exigency of such necessities, and who finds, when occasion demands, that he has not left his integrity at home with wife and children, to be put on, only with slippers and gown, when the labors and perplexities, and toils and temptations, of the day are ended and gone.

It is said of the distinguished Athenian, Aristides, surnamed the Just, that upon one occasion, during the representation of one of the tragedies of

Æschylus, a passage occurred having reference to an honest, honorable, and upright man; and that the whole of the vast audience, actuated by a common impulse, arose as one man, and turned their eyes upon him, applying the passage to him alone, of all those who were present! Who would not rather be called ARISTIDES THE JUST, than ALEXANDER THE GREAT?—the one, of thousands, in whom alone could be recognized the impersonation of the beauty of truth, than the hero of a hundred battles, weeping because he had no more worlds to conquer? Who would not rather be the honest laborer, whose lowly dwelling could not vie with his horses' stables, than Huntington the Forger, rioting in extravagance, dwelling in luxury, and aptly consummating a life of fraud in the gloomy walls of a felon's cell?—the humble weaver, whose swiftly-flying shuttle sings to him a daily song of golden content, than Schnyler, resplendent in crime, and magnificent in villainy, fleeing his country for his country's good, and filling up the measure of his iniquity far away from home, and kindred, and friends, in a di-honored grave?

These are, we grant, extreme cases, but none the less truly illustrate the rule, that "honesty is always the best policy." They are the possible results of the feeblest insinuations. *Obsta principiis*. This accords with the compensations of nature, and the laws of our mental and moral being. Success, even in its most popular sense, is predicated upon no other or more durable foundations. The fruits of other planting will never ripen into a healthy perfection, but like the Dead Sea apple, will crumble into ashes on the lips.

Viewing the matter, therefore, in the cold light of success, the true merchant sees and governs his conduct accordingly. He looks upon mere money-getting as an art requiring the very lowest order of talent. "Put money in thy purse" is not, in his estimation, the chief command. Any one can, if he pleases, do that. Buy cheap and sell dear, is the successful axiom of successful trade. The true merchant, as the honorable man, does not so look upon it. Not at all. He reflects upon the means. He magnifies his calling. He studies carefully the laws of trade, and compels success. He watches like a philosopher the thousand inclinations of the mercantile compass, and elevates his avocation to the certainty of an exact science. Chance and luck are with him words without meaning, while into his lap is always emptied the purse of Fortunatus, and for him the breezes ever blow, laden with myrrh, and frankincense, and spices, and perfume from Araby the blest.

At the merchants' board, on 'change, in the counting room, and on the street, without attestation, his word is as good as his bond. His promises ring out like true gold—his contracts are never violated—his drafts are never dishonored—he needs no indorser. "Protest" is an association with which he is never identified. His bank is integrity, and his bank book shows always a large credit side to his account. He values equities above legalities, and moralities above advantages. He looks the sheriff and the constable full in the face, like an honest man; and lawyers and agencies he never invokes. Courts, or the places "where justice is judicially administered," he is entirely ignorant of; and the voice of the eloquent orator, though pleading with the gift and power of Cicero, he has never heard. Its bells ring out for him sounds as pleasant as the chimes of "the church-going bell," for he has to answer no "summons," and to enter no "plea." He dog-ears Webster to know the meaning of "suit," and "process," and "judgment," and "execution," and "stay;" and has never had, in any way, practical illustration of

the power of parchment covered all over with the cabalistic words, "We command you," "Given under our hand and seal." Happy, happy, fortunate man! recalling the golden age of commerce, when old Tyre was queen of the seas, and the idyls of Arcady were sung upon oaten pipes by simple shepherd swains—

"Tityre tu patula, recubans sub tegmina fagi."

Of such were Rogers, singing in stately classic rhythm his "Pleasures of Memory" amidst the clinking and ringing of gold in the room of the money changer, and, like a most devoted worshiper of the beautiful and the true that he was, forgetting discount and per centum in the poetry and sentiment of an elevated and refined, though none the less diligent and laborious, pursuit of business.

Of this school, too, was Lawrence, the world's merchant, whether standing amidst the hum of a thousand busy spindles at Lowell, or in the presence of sovereigns and great ones of earth, scattering benefactions and largesses of love with an affluent and unsparing hand. And such are Peabody, princely in hospitalities, and regal in donations to every ennobling charity; and last and greatest of all, the noble-hearted, philanthropic Grinnell, who of his own abundance, when the purse strings of a nation tightened, sent forth heroes, in the guise of men, to far-off Arctic Seas, to brave privation and peril, and, alas! death itself, to bring back tidings of the loved and lost!

These were true and successful merchants only because they were true men. Failing in this respect, in any degree, and we should look in vain for those results of life which have rendered them good and great in the world's estimation. "He who is diligent in business, shall stand before kings."

FLUCTUATION IN PRICES.*

Mr. Tooke, an English writer of some celebrity, has lately published two volumes on the prices of 1848-1856. From these volumes (lately published in London) we extract the following summary of the changes in prices since the discoveries of gold in California:—

"Summary of conclusions with reference to the prices of commodities and state of trade, 1848-56.

"Without attempting to include in a summary of conclusions all the inferences which arise from the survey and narrative now concluded, I present the following statements as setting forth those results which are best established and most important, viz.:

"That as regards the great articles of import, such as colonial and tropical produce, and commodities largely employed in this country as raw materials of manufactures, the course of prices during the nine years, 1848-56, may be described in general terms, as follows, viz.: During 1848 and 1849 there was a general, and, in several important instances, a strong tendency to lower prices; that in 1850, partly in consequence of a larger consumption, and partly in consequence of actual or apprehended failures of supply, prices sensibly, and, in some cases, materially advanced; that in 1851 there was again

* In connection with this subject see *Canadian Merchants' Magazine* for September, 1867, p. 512.

an extensive and severe decline, attributable almost wholly to excess of supply; that in 1852 there was a manifest tendency towards recovery; that in the first nine months of 1853 the upward tendency of the previous year reached its highest point, establishing and maintaining for nine months a range of prices considerably higher than had prevailed for a long period; that from the autumn of 1853 to the close of 1854, there was a sensible reaction from the previous high rates, except as regards some of the articles immediately affected by operations, or the commissariat consumption of the war; and that in 1855 and 1856 the markets were quiet and firm, exhibiting only such fluctuations as arose out of ordinary changes in supply and demand. In a future part (VII.) I shall enquire how far the fluctuations of prices now referred to were connected with the influx of the new gold.

“That the first effects of the California discoveries of 1848 were felt in this country in 1850 and 1851, and manifested themselves in the increased demand for British and foreign articles suitable for the export trade to the United States; that the same effects were still more sensibly felt in the course of 1852; that in 1853 the consumption of British goods in California and the United States generally, had become so large and rapid as to counteract almost entirely, as regards this country, any prejudicial effect upon the balance of trade of the vast imports of grain, rendered necessary by the serious failure in these islands of the harvest of 1853; that the same large American demand for British exports continued through 1854 and 1855, and had prevailed through 1856, interrupted but casually by the extensive failures and discredit which prevailed in the United States and California during portions of the years 1854 and 1855; and that, as the general result of the trade between this country and the United States since 1850, the absorption of British exports, either in California itself or in these regions of the North American continent, to which the supplies of California gold are chiefly sent in the first instance, has increased so rapidly as to render necessary a constant and large transmission of the precious metals from America to this country.

“That the effects of the Australian discoveries of the summer of 1851 were felt in this country in a striking manner early in the following year, (1852.) manifesting themselves in a sudden and large expansion of the stream of emigration from these islands, and in a sudden and large expansion in the shipment of nearly all descriptions of commodities; that the demand for ships hence arising could not, in the then condition of the mercantile marine, be readily supplied; and the consequence was an enormous increase of the rates of freight, and a demand for new ships so urgent, that considerably higher wages were at once conceded in all the ship-building trades; that the same urgent demands for Australia continued in the early part of 1853, were considerably moderated in 1854, still more reduced in 1855, but in 1856 were again marked by considerable activity.

“That the movement for higher wages successfully commenced in the autumn of 1852; in the ship-building trades became almost universal in the first half of 1853; and previous to September, in that year, had led to a very general addition of from 12 to 20 per cent. to the wages current in 1851; but that the effect of the bad harvest of 1853, the war of 1854-55, and the glut of the Australian markets, was to produce a considerable reaction from this advance, especially in the factory districts.

“That the first and immediate effect of the high prices of colonial and

other imported articles in 1852 and 1853, and of the high prices and large demand for manufactured goods in the same years, was to occasion vigorous efforts and a large expenditure of capital, with a view to opening up new fields of supply, and creating extended means of production ; and that it is principally to the operation of these causes that the steady and frequently-declining course of prices since 1853 is to be attributed.

“That as far as trustworthy evidence can be obtained, there are no facts in the experience of the last nine years which justify the conclusion that in this country the fluctuation of prices, the course of trade, or the increased demand for goods arising out of the large exports to America and Australia, were immediately preceded by or connected with changes in the amount of the aggregate outstanding circulation of bank notes. In other words, all the evidence available to us, points distinctly and uniformly to the conclusion that the fluctuations of the bank-note circulation were determined and regulated by the consequences flowing from previous applications of capital and credit in particular modes.

“That further, in a great number of specific instances, it can be shown conclusively that fluctuations of price of the most important kind, and in the largest markets of the country, took place either without the occurrence of any change whatever in the bank-note circulation, or contemporaneously with the occurrence of a change the precisely opposite of that which on *a priori* grounds, or on the grounds on which the currency theory is built, would have been expected to precede or accompany the particular alteration in the markets.

“That neither is there any such coincidence between variations in the rate of interest and variations in the markets for produce, as to justify the inference of a direct connection between them in the relation of cause and effect. That the first effect of the gold discoveries on the financial condition of this country was the remarkable and prolonged depression in the rates of interest and discount, which prevailed during the twelvemonth preceding the spring of 1853 ; that this effect on the rate of interest was the immediate consequence of an excessive accumulation, principally in the Bank of England, of the early remittances from California and Australia ; and that the influence produced by these accumulations on opinion and credit was greatly extended and aggravated by the maintenance at the Bank of England of a rate of discount so low as 2 per cent., from April, 1852, to January, 1853.

“That the rise of the rate of discount which commenced in January, 1853, and has been maintained during the subsequent three years, is to be traced in its origin and continuance to extended demand for capital for the purpose of new, distant and costly enterprises, directed either to the construction of public works, to the extension of old and introduction of new processes, or to the exploration of new fields for the supply of commodities ; and that so far as we can judge from recent experience, the absorption of capital for these and other objects, becomes more rapid and extensive with every year.

“That the interruption to the trade of the country occasioned by the Russian war of 1854-5, was comparatively slight, and for these reasons, viz.:

1. Because the theatre of war was in a remote part of the east of Europe ;
2. Because the enemy had practically no navy that could molest our commerce ;
4. Because the raw materials previously obtained from Russia still continued to arrive through neutral ports, or were readily replaced by imports from India and elsewhere ; and
- 5, lastly, Because the invention of the tele-

graph, the existence of steam, and the enormous resources of our mercantile marine and postal services, enable us to accomplish in a few weeks, operations which, at the commencement of the century, would have occupied a long series of months. That further, in addition to and far more powerful than any of the causes just enumerated, was the effect of the continued influx of gold during 1854 and 1855—but especially during the latter portion of 1855, in averting from this country and from France the extreme financial pressure and peril which, in the absence of that influx, must inevitably have been produced by the necessity of providing large and constant remittances of gold to the seat of war; and must inevitably have placed entirely out of question the maintenance of the restrictions of the Bank Charter Act of 1844, and perhaps have even imperilled the maintenance of the act of 1819.

“That during the years of 1848 and 1849, and part of 1850, the losses and discredit which fell with crushing force on a large portion of the middle classes involved in the railway expenditure, did, beyond question, produce some important effect in limiting the consumption of commodities.

“That on the other hand, it was a direct consequence of the railway expenditure of the years 1848, 1849 and 1850, that the working classes were provided with fair employment during a period of interrupted trade, and it was also a direct consequence of the cheapness of food, and the low range of general prices which prevailed to the year 1852, that the working classes were able to command, by means of their wages, a larger amount of sustenance and comfort than had been within their reach probably at any former period of the century.”

THE MINERAL WEALTH OF NOVA SCOTIA.

We continue, from the *United States Mining Journal*, the article on the Mineral Wealth of Nova Scotia, commenced in the September number of the *Canadian Merchants' Magazine*, page 505. We are especially indebted to the enterprising publishers of the Journal referred to, for proof sheets in advance of its publication, thus enabling us to furnish our readers with the whole article in our present issue.

“Another bed of ore occurs at Nictau, about twenty-five miles eastward of Clements, and half a mile from the falls of Nictau river. The ore at this place is six feet four inches in thickness, and the outcrop is seen on the surface at the distance of half a mile. The falls of the river offer an admirable site for machinery, and the forests through which it passes would maintain furnaces during a long period of time. Excellent iron was manufactured at this place in the early settlement of the country. An opinion has long prevailed that the lands containing the iron at Nictau were indirectly purchased by persons engaged in iron works in England, with the object of preventing the smelting of iron in the province. Whether such an opinion be correct or not, it is true that the establishment was purchased by persons who allowed it to fall to the ground, and the iron was not brought into notice again, until the whole property was purchased by the Annapolis Iron Mining Company. There are indications of the existence of the same strata of iron ore on the Horton and Ardoise hills. At M'Lellan's mountain, twelve miles from the Pictou coal mines, the hematite appears again. The best ore is sixteen feet in thickness, and agrees in its principal characters with that of Nictau and

Clements. The iron-ore and adjoining strata at each of those places abound in the remains and impressions of Silurian fossils, and offers many evidences in favour of the opinion, that it was, at some remote period, a bed of iron sand, similar to those of the Isle of Sable and Grand Manan on the Atlantic coast.

Other varieties of rich hematite have been discovered on the east river of Pictou, in the banks of the Shulenacadia, and at Onslow; but the extent and value of these deposits are but imperfectly known. The trap rocks skirting the Bay of Fundy on its southern side, contain numerous veins of the specular and magnetic oxides of iron, of the richest kinds. On Digby Neck these ores are abundant, and were supposed by the early Arcadian inhabitants to contain silver. At Parrsborough and Cape Blowmedown also, thick veins of magnetic iron ore appear in the compact trap, being sometimes associated with manganese, chrystallized quartz, and amethyst. At Aylesford and many other places, there are extensive deposits of bog iron ore, which, by being mixed with the hematites of Nictau and Annapolis, improves the quality of iron. With the bog ores there are collections of brown, yellow, and red oxides of iron, capable of being converted into pigments. The coal fields of Pictou and Cumberland contain workable strata of the argillaceous oxide and carbonate of iron, known as clay iron stone. At those places the ore, coal for fuel, and the limestone necessary for the flux, are placed side by side, as they sometimes occur in the British coal fields. This admirable arrangement, made by Providence, whereby all the materials necessary for the production of iron are deposited together, is still overlooked in this province, whose metals are imported from foreign countries.

From the abundance of ore and fuel in Nova Scotia, all the iron for both provinces might be supplied at a cheaper rate than it can be imported from, and profitable exportations might be made to the United States, in lieu of the inferior article now purchased from our American neighbors. There are, at present, seven iron foundries in the two provinces above mentioned. Those foundries are chiefly supplied with iron from Great Britain. Now, if the proprietors of those foundries can import their iron, and manufacture it into castings, under the high rate of wages of the country, and make sound profits, it is obvious that the ore of Nova Scotia may be smelted with profit also, especially as the important article of fuel, either wood or coal, may be obtained cheaper here than in any other inhabited country. From the scarcity and high price of iron in Nova Scotia, and, indeed, in all the British American provinces, its use is limited, especially in agriculture and machinery; and it is too true, that many of our ships have been but imperfectly fastened, in consequence of the high price of iron. From the peculiar facilities for smelting and manufacturing iron at the Albion mines of Pictou, it was long since expected that the General Mining Association would employ the clay ironstone interstratified with the coal beds at that place. But it appears that the ores of that district are as useless as on the day when Columbus first discovered the islands of the American coast. All the iron employed for their railroads and mining operations is imported from Great Britain, and, having been transported 3,000 miles, it is finally thrown into castings, at the very site where thick beds of Nova Scotia ore are seen protruding from the earth, and where a single stratum of coal, thirty-six feet in thickness, is ready to supply the fuel for its smelting and manufacture.

The application of steam to navigation has placed the British colonies in a new light, and in none of them will its future advantages produce more beneficial results than in the North American provinces. It is a fact of great importance to Britain that she possesses abundant stores of coal on both sides of the Atlantic Ocean, whereby she will always be able to maintain her steam navigation to the Western world. The coal of Nova Scotia alone is sufficient to supply the British steam navy for many centuries, and also amply meet the demands of all the North American colonies. Indented with numerous bays and excellent harbors, with coasts abounding in fish, and with a climate and soil highly favorable to agriculture, forests for the supply of timber, and inexhaustible deposits of minerals, Nova Scotia is destined to be of inestimable advantage to the mother country; but, before the province can rise to a level with her natural value, her resources must be opened to free approach and competition, and general improvements must be introduced.

Whether the productive coal measures of Nova Scotia are all contained in one continuous coal field, or are situated in separate troughs, or basins, is a point which has not yet been satisfactorily established. No general survey of the mineral deposits has ever been made, and the imperfect knowledge acquired of them is derived from the unaided labors of a few individuals, who have made limited examinations for scientific purposes.

For descriptive purposes the coal region of Nova Scotia may be noticed in separate divisions, although it is not improbable that all the coal is contained in one large field of very irregular form. The coal district reaches from Chignecto Bay, in the county of Cumberland, along the north side of the Province, to Northumberland Straits, and thence to the Gut of Canso. From observations recently made by the writer, it appears that there is a coal tract extending from Windsor, Falmouth, and Horton, along the south of the Basin of Mines, across the Shubenacadia, through the northern side of Musquodoboit, to the eastern shores of the Province: thence crossing the Strait of Canso, the same tract embraces part of the island of Cape Breton, where coal is abundant. The writer has explored the whole of the great coal field of New Brunswick, during the geological survey of that Province, and found that it occupied an area of no less than 8000 square miles! The productive coal measures in that Province appear most frequently in the interior of the country, while those of Nova Scotia occur on the shores of her bays and rivers, where they offer every advantage for mining operations. The New Brunswick and Nova Scotia coal fields are united at the divisional line between the two Provinces, and belonging to one carboniferous period. The sandstones, shales, limestones, and occasionally thin seams of coal, with vegetable remains, appear at Horton, the most westerly extremity of the southern arm of the coal district; the same and similar strata appear at Falmouth, Windsor, Rawdon, Douglas, and on the banks of the Shubenacadia River; they also skirt both sides of the Basin of Mines, and appear at Gay's River, Musquodoboit, and in the uncleared country eastward. The eastern shores of Nova Scotia consist of strata belonging to the coal series. Strata of coal have been accidentally discovered near the River Philip, on the Tatmagouche Road, at Onslow, Londonderry, and Parrsborough. Almost the whole area of the county of Cumberland is a coal field. At Springhill, in Maccan, there are several strata of coal; one of them is ten feet in thickness, and the coal is of a superior quality. Productive coal measures are also seen near the Maccan

River, and the River Hebert. On the southern side of Chignecto Bay the sea has worn away the shore, and presented to the geologist a beautiful section of the coal field, which extends along the side of the bay to the distance of 45 miles. The cliffs are perpendicular, and will average from 150 to 200 feet in height. During the recess of the tide, each stratum may be examined by travelling along the shore, which at many places is strewed with masses of coal, clay iron-stones, and fragments of fossil trees.

At the South Joggins, nineteen beds of coal have been discovered ; a number of them may be seen extending from their outcroppings at the top of the cliff, downwards beneath the sea ; the total thickness of the productive group at this place is about 1600 yards. Between the coal strata there are fossil trees of enormous size, standing perpendicular to the layers of rock, which tip to the south at an angle of 23 deg. The coal strata are from a few inches to five feet in thickness, and five of them may be advantageously worked upon the shore of the fine navigable bay.

The coal field in the county of Pictou occupies an extensive trough or basin ; the outcrop of the coal reaches along the country to the distance of four miles, and has been opened at the Albion Mines, near New Glasgow, by the General Mining Association, who ship from that place to the United States, from 30,000 to 50,000 tons of coal annually, besides supplying a number of the provincial towns and villages. Ten valuable strata of coal have been penetrated by the workings at the Albion Mines ; the united thickness of the beds of coal is upwards of 75 feet ; the main band is no less than 36 feet in thickness,—of this the company only work twelve feet, leaving twelve feet of good coal, and twelve feet fit for furnaces and forges.

There are a number of situations in the vicinity of New Glasgow, where the coal might be advantageously worked. There is also an extensive coal field in Cape Breton, at Spanish River, in that island. The Province contains about 15,000 square miles ; of that area there are, according to an estimate made from private explorations, 2000 square miles of coal field. The coal field of Pictou will supply one hundred thousand chaldrons of coal for one thousand years, and Cumberland and Cape Breton will each, probably, afford the same quantity for the same length of time. Besides the deposits referred to in this estimate, there are others of which little is known ; but, nevertheless, they afford evidence of the inexhaustible stores of the bituminous mineral contained in the colony.

On the coast of Chignecto Bay the tide rises upwards of fifty feet ; at low water the beds are uncovered by the sea. Upon these beds vessels from New Brunswick and the United States lie aground, and receive their cargoes, and as the shore can scarcely be said to be inhabited, no notice is taken of such depredations. From the situation of this coal upon a navigable sheet of water, its proximity to the American and other markets, and the comparatively trifling expense that would attend the opening of mines, it is surprising that the coal should so long have been sealed up against the hand of industry, and the actual wants of the country.

THE LAW OF USURY.

The essence of usury is in the promise of reservation or more than legal interest upon a loan or forbearance of money. There can be no usury un-

less there is a loan of a forbearance of money or its equivalent. If a farmer borrows a flock of twenty sheep, promising to return to the owner in one year the twenty sheep with ten lambs, this is no usury, because it is not a money transaction, nor one contrived as an equivalent for a money transaction. Such a case actually occurred in this State some years ago.

Mr. John Spencer, of Verona, arranged with two men of the name of Tilden, to let them have six cows, which were worth about nineteen dollars each—they agreeing to return twelve cows either with calf, or with calves by their sides, in four years, or to pay three hundred and sixty dollars for them. The agreement was in writing, and as follows:—

“April 15th, 1819.

“For value received, we promise to pay and deliver to John Spencer, or bearer, three hundred and sixty dollars, or twelve good middling cows, and twelve good calves, which come of said cows above mentioned, to be paid and delivered at the dwelling house of said Spencer’s he now is in, said cows not to exceed eight years old, nor be under four years old.

“As witness our hands,

“JOHN TILDEN,
“ITHIEL TILDEN.”

When the four years elapsed, upon the day appointed, the Tildens drove to the house of Mr. Spencer twelve good middling cows, eleven having calves by their sides; the twelfth was with calf, and actually calved that evening. They tendered the cows and calves, but Mr. Spencer refused to receive them, because there were only eleven calves. He brought a suit afterwards* to recover the three hundred and sixty dollars, with interest from the day of default.

The Tildens insisted that the contract was usurious in reserving so great a profit. After a very elaborate argument the Chief Justice said:—

“The contract was not usurious, though the plaintiff was a very hard and unconscionable creditor. The interest and principal were both put at hazard to a considerable extent. It was uncertain in 1819 what would be the value of the cows in 1823. If the hazard be slight and merely colorable, it will not take the case out of the statute; but I do not consider it so in this case. Here was no negotiation for a loan of money. It was a bargain by which the plaintiff was pretty certain of making a handsome profit, but by which he might lose.”

If money is put at hazard, or if the income from it is uncertain, the receipt of more than the statutory rate will not make the transaction usurious. To make usury it is necessary that the person who occupies the position of borrower should be under an absolute obligation to return the principal. It is very common to lend money upon security of a vessel, the payment being made dependent or contingent upon the safe arrival of the vessel at her destined port. Upon such a loan as this, more than seven per cent interest is not usury, because the person borrowing the money does not come under any

* Spencer *agt.* Tilden, 5 Cow., 144.

absolute agreement to repay it—in fact it might almost be said that the money is not loaned to the owner, but to the vessel, and if she perishes the debt dies with her. If the principal is thus put at hazard, the interest will not be usury.

It is true that if I lend money to my friend, and take his note for it, I have in one sense put the money at a hazard. It is at the risk of his solvency; but this hazard is the sort of hazard for which the law prescribes seven per cent as a sufficient remuneration. But if I assume any other hazard of the principal in the transaction, so that it is not strictly a loan, but a risk, I may receive an additional profit upon it.

It will not save a loan from usurious character that the unlawful interest is at hazard, if the principal be secured. A case which is quaintly reported in the black-letter folios of the time of King James I., involves this point.

Roberts prosecuted Trenayne for trespass in breaking into his "close" or field. Trenayne plead not-guilty, and the case turned upon the question who was entitled to the possession of the close. The jury found a special verdict—that is to say, they rendered a verdict stating the facts in their opinion proved, and leaving to the court the application of the law to those facts, in deciding between the parties. The special verdict was, "That Cyprian Cory was seized in the fee of the land, (*i. e.*, had been the absolute owner of,) and that it was agreed that one Mary Adington should lend unto him £150, and for the security of the repayment thereof, Cyprian Cory leased unto the said Mary this close for sixty years, to commence at the end of two years, upon condition that if he paid the £150 at the end of two years, that the lease should be void; and it was then further agreed betwixt them, that the said Cyprian Cory, for the deferring and giving day of payment for the said £150 for two years, should pay unto the said Mary, for interest yearly, £22 5s. 10., quarterly, *if the said Mary should live so long*. That in the performance of this agreement she lent the said Cyprian Cory £150, and he made the said lease for sixty years, and granted by fine an annual rent of £22 5s. 10d., to be paid quarterly for two years, if she lived so long. That he afterwards conveyed the inheritance (*i. e.*, the title to the land, subject to the lease) to the plaintiff. The £150 was not repaid, and that the said Mary took to husband Trenayne, who entered (to take possession under the lease) for non-payment."

This attempt to take possession was the act which the plaintiff regarded as a trespass, for which he brought this suit.

"The first question was whether it were an usurious contract within the statute, because it was a mere casual (*i. e.*, contingent) bargain, for if she die before any day of payment of the rent, (interest,) the rent (interest) was gone, and yet he should retain the £150 two years, and pay nothing for it. And it was resolved that it was an usurious bargain, for by intendment she might live above two years, and it is an apparent possibility that she should receive that consideration whereby she is within the statute. Secondly, it was moved whether this lease, being taken for the payment of the principal money, and not for payment of any part of the usury, be within the statute to make the bargain void. And it was resolved that it is, because it is for the security of money lent upon interest, and for the security of that which the statute intends he should lose; for otherwise it would be an evasion out of the statute

that he would provide for the securing of the payment of the principal, whatsoever usurious bargain was made, which the law will not permit." "Wherefore it was adjudged for the plaintiff."

The reporter adds, in a note, that Justice Doderidge, one of the court, "took these differences in cases of casual (*i. e.*, contingent) usury. First, if I lent £100 to have £120 at the year's end, and upon a casualty—if the casualty goes to the interest only, and not to the principal—it is usury, for the party is sure to have the principal again, come what will come; but if the interest and principal are both in hazard, it is not then usury. And it was therefore adjudged in the Common Bench in Dartmouth's case, where one went to Newfoundland, and another lent unto him £100 for a year to victual his ship, and if he returned with the ship he would have so many thousand fish, and expresses at what rate, which exceeded the interest which the statute allows; and if he did not return, that then he would lose his principal, it was adjudged no usury. Secondly, if I secure both interest and principal, if it be at the will of the party who is to pay it, it is no usury—as if I lend to one £100, for two years, to pay for the loan thereof £30; and if he pays the principal at the year's end, he shall pay nothing for interest. This is not usury, for the party hath his election and may pay it at the first year's end, and so discharge himself."

The other element in the nature of usury is the reservation of such a loan or forbearance exceeding the rate prescribed by the statute. It is not necessary that this remuneration should be in money. If it be in a form susceptible of an exact pecuniary valuation, it will constitute usury. If the remuneration consists of full legal interest, and a chance of additional compensation, this will render the transaction illegal.

Some years ago, in England, a firm, Beckford & Keighley, were indebted in a very large amount to one named Young. Mr. Young held the guaranty of a Mr. Williams for the better security of the debt. Beckford & Keighley were desirous to obtain a further time for payment, and to have their friend Williams released from any liability respecting them. So they proposed to secure Mr. Young in this way:—The debt was £10,000. They undertook to pay it in cash, with interest, at the expiration of six months, or to pay it in certain government stocks, at the value which they had borne in the market when the debt occurred. The alternative, however, was not at their option—it was at the creditor's option—so that when six months expired, if the stocks had risen so that Mr. Young would rather have the stock at the former low price, than have the principal and lawful interest of his debt, he would be entitled to call for the stock instead of the money. Beckford & Keighley soon after failed, and, in the agitation that followed, the validity of this agreement was drawn in question.

The court* held the transaction usurious, since it reserved the capital with legal interest, and likewise a contingent advantage, without putting either capital or interest in any kind of risk. If it had been simply an agreement to pay in stock without any option to claim money, it would not have been usurious, for while on the one hand the stock might have risen and the lender obtained thus more than legal interest, on the other hand it might have fallen and the lender thus obtained less than legal interest, perhaps lost a part or

* *Barnard agt. Young.* 17 Ves, Jr., 44.

even all of his principal. "Here," said the court, "the lender is, at his election, to have his principal and interest, or to have a given quantity of stock transferred to him. His principal never was at any hazard, as he was at all events sure of having that, with legal interest; and had the chance of advantage if the stock rose." In fact, this stock did rise, and if the contract had been performed he would have had principal, interest, and a very large premium.

In general, the courts will not adjudge a transaction usurious unless it appears that the person standing in the position of borrower intended to reserve excess over lawful interest. But if this intention is detected, however ingeniously it has been covered up, it is fatal to the validity of the transaction.

The contrivances to which men have resorted to obtain such an excess without incurring the appearance of usury are numerous.

Sometimes usury is taken under the name of commissions, sometimes under the guise of requiring from the borrower a deposit not to bear interest; sometimes under pretence of a partnership; sometimes by advancing to the borrower goods at a high price, instead of money; sometimes, as in the instance we have spoken of, by giving the lender his option of receiving interest or stock dividends; sometimes under pretence of a heavy charge for exchange, or for service in procuring a loan; sometimes by the understanding that, upon the loan being made, the interest shall be paid in advance, and that immediately a part of the principal shall be repaid; sometimes by making the writings concerning a transaction represent a legal loan, and reserving the excess by a merely verbal understanding.

In any such case, if the intention to reserve more than legal interest for a loan or forbearance is made to appear, the transaction will be adjudged usurious.

It is the custom of some banks to confine their discounts to those who keep deposits; and they regulate the amount of the loans they will make to a customer by the amount of the deposit which he keeps steadily with them. Thus a depositor whose account averages a thousand dollars will consider himself entitled to a loan, or "an accommodation," as he calls it, of two thousand. Now if the bank loan him two thousand at seven per cent, and he keeps with them a steady deposit of one thousand without interest, it comes to precisely the same thing as if he should borrow one thousand and pay fourteen per cent interest for it. It is, however, very improbable such a depositor could resist the payment of his note upon this ground, because, as the transaction is usually conducted, it would be impossible to prove any understanding or agreement respecting it. In other words, the depositor comes under no obligation to keep up his deposit; and is induced to do so merely by the consideration that he will not otherwise be so likely to get accommodation.

Usury has sometimes been concealed under color of a partnership. Two persons may form a partnership, the one contributing capital, and the other services. In such a case it is not unusual for the person furnishing the capital to make it a condition that he should receive, firstly, interest on the amount, and then a share of the profits of the business. Now such a contract is not usurious; because the acting partner is not personally liable for the capital; he is bound to use it to the best of his ability in the contemplated business, but he is not the debtor of his copartner. Cases have sometimes arisen where one has contributed funds to a business, perhaps considering himself as a part-

ner in some sense, and yet by reason of his requiring the personal liability of those to whom he advanced the money, and by reserving a share in the profits, as well as interest upon the capital, he has rendered the transaction illegal, and lost the fund which he thought he was carefully securing.

There have been many cases where the parties have endeavored to conceal an usurious loan under the disguise of a sale of goods.

Lowe and others *against* Waller, was an action on a bill of exchange, tried before Lord Mansfield, at London, in 1781. One Lawton had drawn a bill upon Waller payable to his own order. Waller accepted it. Lawton had then endorsed it over to Harris & Stratton, who afterwards indorsed it to Lowe. The bill not being paid, Lowe brought this suit to recover upon it.

The defence was that the bill was given upon an usurious contract between Harris & Stratton and the defendant.

This was controverted by the plaintiff, but they also insisted that the bill was indorsed to them for a valuable consideration, and without notice of the supposed usury, and it was argued that although it should appear that the original transaction was usurious, still the defendant was answerable to them.

Upon the evidence the case was this :—

Waller, a Commissioner of the stamp duties, had employed one Lemon, a money broker, to raise the sum of £200 upon the bill in question. Harris & Stratton, hearing of this, sent their broker to Lemon to inquire whether Waller wanted money, and he told the broker he believed he did, for, to his knowledge, he had a bill to pay in a few days. The broker said his principal would advanced £100 in money, and £100 in goods, but that the goods should be choice sorts, and he should not lose by them ; that he should have them at the warehouse price. Lemon, upon this, went and informed Waller that Harris & Stratton's broker had been with him ; and Waller, asking him how they would deal, he told him what had passed, and that the broker had appointed him to go with Waller to Harris & Stratton's warehouse the next day. Waller, agreeable to this appointment, went along with Lemon the next day, and found Harris & Stratton at their warehouse, who made an apology to Waller for not having money at that time but only *goods*, and desired the business might be let alone for a few days. Lemon called several times after this to get a day fixed, and told them, as he had mentioned before to their broker, that Waller wanted money in order to pay several demands. In the course of about three weeks, Harris & Stratton said to him that if Waller would come the next day they would give him £50, and he and Waller accordingly went next day. When they came, one of the partners went out and returned in a little time, saying he could not get any money, but if Waller would take the whole in goods he should have them directly. Waller agreed ; and the goods (*hosiery ware*) were sorted out by one Strutt, a broker, who was present, and delivered to Waller, and at the same time Waller delivered to Harris & Stratton the bill of exchange, and also an assignment of his salary as a collateral security in case the bill should not be paid when it became due. Strutt and Lemon carried the goods to the shop of Elderton, an auctioneer, who was a stranger to Waller, and was to sell them or advance the value. He desired two hours to make his calculation, and at the end of that time Lemon and Waller came to him, and he offered £120 for the goods, saying it was the utmost they were worth. Waller took the

£120, it being agreed that if they should sell for more, the balance should be accounted for by Elderton ; and if for less, that Waller should be answerable to him for the difference. Afterwards Elderton delivered an account to Waller of the sale of goods at £117 2s. 2d. There was no evidence that the plaintiff knew of the above transaction, or the circumstances under which the bill had been given.

Here were two questions involved.

First, was the transaction between Harris and Stratton and the defendant usurious ?

Second, even if it was, must the plaintiffs, who took the bill and paid for it without any notice of the usury, lose their debt ?

It was agreed between the parties that, if the jury decided it was usurious, the other question should be reserved for the consideration of the court.

In summing up to the jury, Lord Mansfield told them that the statute of usury was made to protect men who act with their eyes open—to protect them against themselves. Upon this principle, it makes it penal for a man to take more than the fixed rate of interest, it being well known that a borrower in distress would agree to any terms. “No person shall take directly or indirectly for the loan of money, &c., above the value of £5 for the forbearance of £100 for a year, and so, after that rate, for a greater or lesser sum, or for a longer or shorter time. They were therefore to consider whether the transaction between this defendant and Harris & Stratton was not, in truth, a loan of money, and the sale of goods a mere contrivance and evasion.

The most usual form of usury was, his Lordship said, a pretended sale of goods. He then stated the material parts of the evidence, and made some strong observations to show that it was not the intention of the parties to buy and sell, but to borrow and lend, and that the contract was, in truth, for a loan of money, though under the mask of a treaty for the sale of goods. The jury found the contract to be usurious.

The plaintiffs afterwards asked for a new trial. Lord Mansfield refused their application after hearing much argument. He said:—

Therefore, the only question in all cases like the present, is, what is the real substance of the transaction, not what is the color and form.

This is one of the strongest cases of the sort I ever knew litigated. It is impossible to wink so hard as not to see that there was no idea between the parties of anything but a loan of money. His Lordship then recapitulated the striking parts of the evidence, and observed that the only purpose of *Harris & Stratton* was to contrive how to get more than legal interest.

They first offered part in cash ; then less, playing the defendant on, in order to increase his distress ; and at last tempted him by an offer to conclude the business immediately if he would take the whole in goods ; assigning to the last, as a reason for this, that they could not procure the money. They did not act as persons selling goods upon credit to be paid for at a future day ; but as lending on the security of the note and the assignment of the salary. The jury therefore had done perfectly right.—*Hunt's Merchant's Magazine.*

USURIOUS INTEREST.

While opposed to the usury laws on principle, believing them to increase the evils they are intended to cure, we are no less opposed to the payment of extra interest beyond what is the regular market rate. If we sought to discover the *first error* that led many a promising young merchant to disgrace and ruin, how many would point to the first hundred dollars borrowed at an exorbitant rate of interest; and if our warning could reach every young trader in Canada, we would say, contract your credits, collect your accounts, even at the risk of losing your best customers—starve, beg, borrow, but never as you value your reputation and character, pay high interests to raise money. If you have means, you have no need to squander them in this way; if you have no means you have no *right* to spend your creditor's money.

On this subject, we commend the following remarks from a late number of the *Boston Traveller*, to the especial notice of our young merchants:

"The young trader should resolve that he will always keep his business within the control of his permanent capital, and never suffer himself to become a prey of brokers. If the promissory notes which he takes in the course of his trade are good, he can generally realize from our banks all he ought to expect, especially if his character be good for industry and integrity.

But many of our young men, from imprudence in giving credit, or from neglect in collecting what is due them, get temporarily embarrassed, and then they apply to brokers, and pay them from one to two per cent a month for the money which their business demands for the time being. They doubtless think that their first application for loans upon usurious interest, will be their last. There is no safety in such a conclusion—for whoever pays extra interest once, because he has failed to collect his bills, is apt to repeat the operation, and even to convert the bills of his slow-paying customers into promissory notes, extended far beyond the time of the original credit, with simple interest added, in order that he may have negotiable paper which the brokers will discount at some price.

We often hear it said that paying extra interest once or twice hurts nobody, provided the borrower can make on the merchandise he buys, two or three times the amount of the extra interest which he pays. This is arithmetically true, but practically it is not true. If one such usurious operation is undertaken with a certainty that it will pay a profit, the next is likely to be undertaken when the profit is hardly probable. Thus a habit of speculating beyond one's means is engendered, and the broker or his employee soon absorbs all the profits which arise from the business.

As those who have contracted the habit of paying extra interest begin to incur losses in their operations, they become desperate and reckless. They will pledge such a stock as they may possess, borrow promissory notes of those to whom they lend their promissory notes in exchange, sell their merchandise at low prices to doubtful customers, and submit to continual shaves upon the street. At this point the business character of a merchant is ruined. He loses his discrimination as to his debtors, and is too much embarrassed as to his payments to collect his bills while they are collectable. His debtors fail, and he makes redoubled efforts to get paper which will go

through the shaving mill. The directors of banks see his operations upon the street, and refuse to discount any of his paper, however good it may be, and finally, after months, perhaps years of pecuniary trouble, he lands in insolvency.

Therefore we urge upon every young trader to set his foot flatly down when he enters business, and to resolve, inflexibly, that he will pay no extra interest upon any consideration whatever. There is not one in ten who break over this rule who escapes insolvency. One man may be dazzled for a time with prospective profits of a trade extended beyond his capital, and may make large payments of extra interest in a rise in merchandise stocks, or land; but in nine cases out of ten, all these conjectures are illusory, and, before he is aware of it, the trader is ruined.

Some there are who for years pay extra interest on from one-fourth to one-half of their permanent capital. We scarcely need observe that such a policy is suicidal. Those who purchase for cash, can of course undersell such operations, and, underselling them, will take away their business. Besides, a man who is contriving from day to day how to raise money at extra interest, has no time to attend to his business properly. Wearied with his efforts before two o'clock in the day, he requires excitement in the afternoon, and leaves his store, where his attention is required more than ever before, to drown the prospect of his impending fate in boisterous and expensive amusement, and in alcoholic liquors. Such is the downward career of half the men who figure in our lists of insolvency. Extending their business beyond their means at first, it soon extends itself beyond their control, and after a short season of assistance, at exorbitant rates of interest, from the brokers, they sink into irretrievable bankruptcy. If our young traders will heed our rule, there will be little danger of their enrollment in the list of bankrupts.

JOURNAL OF MERCANTILE LAW.

Important Flour Case—Brunskill vs. Goodenough.

It will be in the recollection of our readers, that a case of much importance to Merchants and Brokers, was lately before our courts. We allude to the case of *Brunskill vs. Goodenough*, for damages, caused by the non-delivery of 10,000 Barrels of Flour. The question at issue was, whether a principal to a sale for future delivery, could demand security after the terms of sale had been agreed upon by their respective Brokers, in the event of the purchaser not proving satisfactory. Goodenough's principal on learning the name of his purchaser, immediately demanded a deposit of one dollar per bl., on the ground that Brunskill was a large holder of flour on a falling market. To this Brunskill demurred, claiming that the contract was completed, and demanded its fulfilment.

The case was first tried at the Assizes, when the Jury gave a verdict in favor of Brunskill, damages £1000. A new trial was subsequently granted, when the Jury failed to agree. The case then came before a special Jury with the same result, eleven having been for a verdict of one shilling damages,

and one for a verdict of *no contract*. The case was subsequently referred for decision to the Hon. John Young of Montreal, both parties binding themselves in £10,000 damages, to abide by his decision. We subjoin Mr. Young's award, which it will be seen is in favor of Goodenough, by deciding that the contract never was completed, and therefore never existed.

"The undersigned having had submitted to him for arbitration, a dispute between R. A. Goodenough and Thomas Brunskill of Toronto, in reference to damages for the non-delivery of 10,000 bls. of Flour on a contract which said Thomas Brunskill claims to have made through his Broker, with the said Goodenough on or about the 26th April 1856, has carefully examined the notes of evidence in the case, as taken at the assizes on the first, second, and third trials by Chief Justice Robinson. From this evidence it appears that all the conditions in reference to the sale of 10,000 bls. of Flour, had been agreed to, such as price, quantity, quality, time of delivery &c., but after all this an objection was raised to one of the principals, and security demanded by a deposit of \$1 per bl. This condition of security was demurred to by Brunskill who held that the contract was already made and completed, and that Goodenough had no right to make this new condition. In this market where such transactions are frequent, it is well understood that all preliminary arrangements for *Time Contracts* proceed on the basis, that the principals will be satisfactory, and when Brokers have arranged all the details, such as price, quantity, quality, &c., of the article sold or bought, objections can be, and are frequently made, and security demanded when the principals prove to be unsatisfactory. The undersigned finds that in the case before him, objections were made by Goodenough *in due time* against the purchaser, and his demand for security not having been complied with the undersigned decides that the contract was not completed, and therefore never existed.

"JOHN YOUNG.

"Montreal, 25th July 1857."

From the U. C. Law Journal.

BREACHES OF TRUST.

It is vain to hope for perfection in anything of human institution and yet we yearn for perfection in that of the law. When we survey the magnitude of the interests at stake—being nothing less than the salvation of society itself—we grieve to have forced from us an admission that it, like other human institutions, is imperfect.

Since law is made for the good government of society, it must be suited to the circumstances of society. Since society is progressive, and daily becoming more complex in its parts and more stupendous as a whole, the law must strive to keep pace. Just so much as water is necessary for the subjection of fire, just so much is a criminal code necessary for the subjection of crime. If the supply of the aqueous element is too slender, the evil which it is sought to overcome only rages with the more ungovernable fury. So if the criminal code of a country is not of sufficient capacity to embrace all offences against society, the offences not embraced increase and multiply till their very hideousness causes wide-spread alarm.

It is an offence against society, for one man without the consent of the owner to misappropriate the funds or other property of another man. The offence is not lessened because the property misapplied was *entrusted* by the one to the other. On the contrary, such a plea, instead of being a palliation, is an aggravation of the moral wrong committed. The temptation to commit the offence is singularly great, and in consequence the frequency of the offence singularly common. But is not this offence branded as swindling or as robbery? Is not the perpetrator a robber in fact, and a felon in law? Is he not an outcast of the law, visited with all the strength of insulted justice? Nothing of the kind. If we search through law books, under such titles, we shall search hopelessly for the punishment of such an offence. It is only to be found under the mild and assuaging title of "breach of trust." A few years ago a silly grocer's-clerk who applied his master's money to his own use, was a great, if not the greatest of felons. To-day, what do we find? Defalcations and frauds unparalleled in the history of the world—thousands and tens of thousands coolly appropriated by men whose extravagance in life is supported by dishonesty till death.

If an old woman take her neighbor's goose, she is branded as a thief, prosecuted as an outlaw, and punished as a felon. But the refined scoundrel who makes use of his position in Society, and his attainments in education, to steal—we shall say steal, though the law does not say it—to steal the value of hundreds of thousands of pounds, simply commits "a breach of trust." Why should not such an one be punished with as much certainty and severity as the starving beggar, or the houseless vagrant? Why not punish him more severely, as the magnitude of his offence is great, and the danger of his example very great? Not to do so is to hold out a premium for the commission of great offences, while those of petty import are visited with pains and penalties.

During a recent investigation in the City of Toronto, we had the sorry spectacle of a man, upon whom suspicion of a grave crime rested, boasting in Court that he had counselled one equally suspected, of the success of a noted bank-swindler in New York, who, by increasing the amount of his speculation, ensured his escape from the grasp of the law. Is this not the baneful influence of bad example overspreading the land because of defective law? Men who would not steal a goose, because it is a felony, fear not to pocket thousands of the money of others, because it is *only* a breach of trust. The moral sense of right and wrong is in this way blunted by the impotency of the law.

Our moral perceptions when in a normal state show us that it is wrong to use the property of another without his consent, as our own. But a knowledge of the law makes us aware that though wrong, it is not unlawful—that is to say,—not punishable as a crime.

When we find men in positions of trust not only abusing their trust, but indulging in wild expenditure, by the commission of acts grossly dishonest, hoping that they will not be discovered, and knowing that if discovered there is no danger of occupying the felon's dungeon—when we witness these things every day and everywhere, we are compelled to demand an amendment of the law. Let the law be extended, and the offence be called by its true name—felony; and then shall we find men choose rather the imputation of poverty than of crime.

We believe that if breaches of trust, when wilful and for the benefit of the party offending, are not made crimes, frauds the most astounding, will flap their wings in the very portals of our Courts of Justice.

We affirm the principle that law must expand as society expands and crimes essay to increase. How is the law at present? It is prim with nicety, and characterized for the finest distinctions that the mind can well conceive.

1. *Larceny* is the felonious taking of valuable property from the *possession* of another *without his consent and against his will*.

2. *False pretence* is the obtaining of valuable property from the *possession* of another, *with his consent and will*, by means of some artful device.

3. *Embezzlement* is, in general, the misapplying, *without the consent and against the will of the owner*, of property *received* from third parties in situations of trust *for the use of the owner*, but which had never been in the owner's *possession*. With respect to bankers and others entrusted with valuable securities for a special purpose, the rule is slightly extended.

4. *Breach of trust* is the *misusing* of that property which the owner has, without any *fraudulent seducement*, and *with his own free will and consent*, put or permitted to be put into the *possession* of a trustee, agent, or servant.

Here are four descriptions of offences, three only of which are punishable as crimes. The first, and the only one punishable at common law, is that of larceny. To meet the exigencies of society, the second, and third, have been made crimes by statute. To meet the exigencies of society, we are of opinion that the time is come for making the fourth, also, a crime by statute. No one who reads the newspapers of the day—no one who reflects upon what he reads—can deny the propriety of this position.

There may be some difficulty experienced in framing a remedy which will be neither too severe nor too lenient; but as regards leniency, surely no remedy can be *less lenient* than *no* remedy at all.

We shall watch with anxiety the movement now going on in England under the combined direction of Sir Richard Bethell and Lord Brougham. Better is it to have a measure imperfect in details than no measure at all. Several of the United States are in advance of England in this particular, and their laws though not all that is desirable, are found to work beneficially. The law of France is also in the same respect in advance of that of England. We are unable to see much difficulty in enacting that persons occupying positions of trust, wilfully abusing their trust for their own gain and benefit, shall be punished by imprisonment in like manner as the clerk who, receiving money for his master, prefers to pocket it instead of putting it in his master's till. We, however, recommend the entire subject to the attention of our readers, earnestly hoping that by the efforts of some of them, a most scandalous defect in our laws may be remedied.

THE NEW STATUTE REGULATING CHATTEL MORTGAGES.

Mortgages upon, and sales of personal property in Upper Canada, have now become so intermingled with our mercantile transactions, that the following important Act, passed during the last session of Parliament, and which came into force on the first of August, 1857, will be found useful to parties giving or taking security upon this description of property:—

20th Victoria, Chap. 3.—An Act to amend the Statutes of this Province respecting Mortgages and Sales of Personal Property in Upper Canada, and to consolidate the same. (Assented to 27th May, 1857.)

Whereas it is expedient to amend and consolidate the law of Upper Canada concerning mortgages and sales of personal property, and to repeal the statutes now in force on that subject: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

I. Every mortgage, or conveyance intended to operate as a mortgage, of goods and chattels, made in Upper Canada, which shall not be accompanied by an immediate delivery, and an actual and continued change of possession of the things mortgaged, shall be absolutely null and void as against creditors of the mortgagor, and against subsequent purchasers or mortgagees in good faith, for valuable consideration, unless the mortgage or conveyance, or a true copy thereof, together with an affidavit of a witness thereto, sworn as hereinafter provided, of the due execution of the said mortgage or conveyance, or of the due execution of the mortgage or conveyance of which the copy filed purports to be a copy, together with an affidavit of the mortgagee or his agent properly authorised to take such mortgage in writing, a copy of which authority shall be registered therewith (if such agent be aware of all the circumstances connected therewith), that the mortgagor therein named is justly and truly indebted to the mortgagee in the sum mentioned therein; that it was executed in good faith and for the express purpose of securing the payment of the money so justly due or accruing due, and not for the purpose of protecting the goods and chattels mentioned therein against the creditors of the mortgagor, or preventing the creditors of such mortgagor from obtaining payment of any claim against him, shall be registered as hereinafter provided within five days from the execution thereof.

II. Every sale of goods and chattels, which shall not be accompanied by an immediate delivery and followed by an actual and continued change of possession of goods and chattels sold, shall be in writing, and such writing shall be a conveyance under the provisions of this act, and shall be accompanied by an affidavit of a witness thereto, of the due execution thereof, and an affidavit of the bargainee, or his agent duly authorised in writing to take such conveyance, a copy of which authority shall be attached to such conveyance, that the sale is *bona fide* and for good consideration, as set forth in the said conveyance, and not for the purpose of holding or enabling the bargainee to hold the goods mentioned therein against the creditors of the bargainor, and shall be registered as hereinafter provided, within five days from the executing thereof, otherwise such sale shall be absolutely void as against the creditors of the bargainor, and as against subsequent purchasers or mortgagees in good faith.

Preamble.

What shall be necessary to the validity of a mortgage of personal property in Upper Canada, not accompanied by delivery and change of possession.

Affidavit to be made and filed by mortgagee or his agent.

Registration of mortgage.

What shall be necessary to a valid sale of such property, not accompanied by delivery and change of possession. Affidavit of bargainee or his agent.

Registration of sale.

III. Any mortgage of goods and chattels executed in good faith after the passing of this act, for the purpose of securing any future advances, to be made upon an agreement in writing, entered into between the parties for making such advances, and for the purpose of enabling the mortgagor to enter into and carry on any business with such advances, the time of re-payment of such advances not being longer than one year from the making of such agreement and mortgage, or for securing the mortgagee against any endorsement of any bills or promissory notes, or any other liability entered into for the mortgagor, not extending for a longer period than one year from the date of such mortgage, and in which mortgage is fully set forth, by way of recital or otherwise, the terms, nature, and effect of such agreement, and the amount of liability intended to be created, if accompanied by an affidavit of a witness thereto of the due execution thereof, and an affidavit of the mortgagee (or if the agreement has been entered into and mortgage taken by an agent duly authorised in writing to make such agreement and take such mortgage, if aware of the circumstances connected therewith, then by an affidavit of such agent) that such mortgage truly sets forth the agreement entered into between the parties thereto, and truly states the extent of the liability intended to be created by such agreement and covered by such mortgage, and that such mortgage is executed in good faith and for the express purpose of securing the mortgagee against the payment of the amount of such his liability for the mortgagor, and not for the purpose of securing the goods and chattels mentioned therein against the creditors of the mortgagor, nor to prevent such creditors from recovering any claims which they may have against such mortgagor, and registered as hereinafter provided, shall be as valid and binding as mortgages mentioned in the preceding section of this act.

Mortgages of personals may be validly made as security against future liability in certain cases.

Affidavit of mortgagee or his agent.

Registration of mortgage.

IV. All the instruments mentioned in this act, whether for the sale or mortgage of goods and chattels, shall contain such efficient and full description thereof that the same may be thereby readily and easily known and distinguished.

Efficient description of the property required.

V. The instruments mentioned in the preceding sections shall be registered in the office of the clerk of the county court of the county or union of counties where the mortgagor or bargainer therein, if a resident of Upper Canada, shall reside at the time of the execution thereof, and if he be not a resident, then in the office of the clerk of the county court of the county or union of counties where the property so mortgaged or sold shall be, at the time of the execution of such instrument; and such clerks are hereby required to file all such instruments aforesaid presented to them respectively for that purpose, and to endorse thereon the time of receiving the same in their respective offices, to be kept there for the inspection of all persons interested therein intending or desiring to acquire any interest in the property or any portion thereof covered thereby.

Where the instrument creating the mortgage may be registered.

VI. The said clerks shall respectively number every such instrument or copy which shall be filed in their offices, and shall enter in books to be provided by them, in alphabetical order, the names of all the parties to such instruments, with the numbers endorsed

Entry of instruments filed, to be made by the Clerk.

thereon opposite to each name, which entry shall be repeated alphabetically under the name of every party thereto.

VII. In the event of the permanent removal of goods and chattels mortgaged as aforesaid from the said county or union of counties in which they may be at the time of the execution of such mortgage, to another county or union of counties before the payment and discharge of such mortgage, a certified copy of such mortgage under the hand of the clerk of the county court in whose office it was first registered, and under the seal of the said court, and of the affidavits and documents and instruments relating thereto and filed in such office, shall be filed with the clerk of the county court of the county or union of counties to which such goods and chattels are removed, within two months from such removal, otherwise the said goods and chattels shall be liable to seizure and sale under execution, and in such case, such mortgage shall be null and void as against subsequent purchasers and mortgagees for valuable consideration as if never executed.

Case of the removal of the mortgaged property to another county provided for.

VIII. Every mortgage or copy thereof filed in pursuance of this act shall cease to be valid as against the creditors of the persons making the same and against subsequent purchasers or mortgagees in good faith for valuable consideration, after the expiration of one year from the filing thereof, unless within thirty days next preceding the expiration of the said term of one year, a true copy of such mortgage, together with a statement exhibiting the interest of the mortgagee in the property thereby claimed by virtue thereof, and a full statement of the amount still due for principal and interest thereon, and of all payments made on account thereof, shall be again filed in the office of the clerk of the said county court of the county or union of counties wherein such goods and chattels are then situate, with an affidavit of the mortgagee or his agent duly authorised in writing for that purpose (which authority shall be filed therewith), stating that such statements are true, and that the said mortgage has not been kept on foot for any fraudulent purpose.

Privilege to cease after a certain period unless certain requirements are complied with and statements filed.

IX. A copy of such original instrument or of any copy thereof, so filed as aforesaid, including any statement made in pursuance of this act, certified by the clerk in whose office the same shall be filed under the seal of the court, shall be received in evidence in all courts, but only of the fact that such instrument or copy and statement was received and filed according to the endorsement of the clerk thereon, and of no other fact; and in all cases the original endorsement by the clerk made in pursuance of this act, upon such instrument or copy, shall be received in evidence only of the fact stated in such endorsement.

Effect of Clerk's certificate of mortgage filed.

X. This act shall not apply to mortgages of vessels registered under the provisions of the act passed in the eighth year of Her Majesty's reign, and intituled,—“An act to secure the right of property in British plantation vessels navigating the inland waters of this Province, and not registered under the act of the Imperial Parliament of the United Kingdom, passed in the third and fourth years of the reign of His late Majesty King William the Fourth,

Act not to apply to mortgages of vessels under 8 Vic. ch. 5.

intituled, An act for the registering of British vessels, and to facilitate transfers of the same, and to prevent the fraudulent assignment of any property in such vessels."

XI. On any writ, precept or warrant of execution against goods and chattels, it shall be lawful for the sheriff or other officer to whom such writ, warrant, or precept may be directed, to seize and sell the interest or equity of redemption in any goods and chattels of the party or parties against whom such writ may issue; and such sale shall be held to convey whatever interest the mortgagor had in such goods and chattels at the time of such seizure.

Interest or equity of redemption may be sold in execution

XII. For services under this act the clerks aforesaid shall be entitled to receive the following fees:—For filing each instrument and affidavit, and for entering the same in a book as aforesaid, one shilling and three pence; for searching for each paper, six-pence; and for copies of any document, with certificate prepared, filed under this act, six-pence for every hundred words.

Fees for services under this act.

XIII. All affidavits and affirmations required by this act shall be taken and administered by any judge or commissioner of the courts of Queen's Bench or Common Pleas, or justice of the peace in Upper Canada, and the sum of one shilling shall be paid for each and every oath thus administered.

Fees on Affidavits.

XIV. The act passed in the twelfth year of Her Majesty's reign, chapter seventy-four, intituled,—“An act requiring mortgages of personal property in Upper Canada to be filed,” and the act passed in the session held in the thirteenth and fourteenth years of Her Majesty's reign, chapter sixty-two, intituled,—“An act to alter and amend the act requiring mortgages of personal property in Upper Canada to be filed,” shall be and the same are hereby repealed; but all mortgages and sales registered under the provisions of the said acts, or either of them, shall be held and taken to be as valid and binding as if the said acts had not been hereby repealed.

Acts 12 V. c. 74; and 13, 14, V. c. 62 repealed.

Saving acquired rights.

XV. This act shall take effect from and after the first day of August next.

Commencement of act.

XVI. This act shall apply to Upper Canada only.

Extent of act.

Overpaid Cheques.

City Bank vs. The Harbour Commissioners.—*Day J.*—This action was to recover the amount of £25, being the excess of payment made by the Bank on a cheque payable to Defendants. The Court thought the Defendants not liable. The money was drawn by a boy, who handed it to Mr. Brown, a person in the employment of the Defendants. But there was no evidence that the Defendants had ever received it. Yet that was the only ground upon which they could be made answerable for the mistake of the Bank Judgment for Defendants.

JOURNAL OF BANKING, CURRENCY & FINANCE.

THE USURY LAWS.

To the Editor of the Canadian Merchants' Magazine.

TORONTO, 7th October, 1857.

SIR.—The August number of your valuable journal, contains a letter of mine on the subject of an Inconvertible Currency. In that letter, I started out with the intention of extending my remarks to the question of Usury; but found reasons as I went on, to reserve my views on the latter head for another occasion: allow me then to make good my promise in the matter, now.

The premises laid down in the letter referred to, were intended for application to the subject of Usury, it is therefore necessary to repeat those premises here; they are as follows.

Values are of two denominations, *real* values, and *market* values. The real value of an article, is the cost of its production *at the moment* of value: the market value of this article is the cost of its production, *plus* such enhancement, or *minus* such depreciation, as may result from the current inequalities of supply and demand.

Production as measuring the real value of an article is a variable quantity; and so also is supply and demand, as affecting its market value. All the items constituting value being therefore variable, hence may it be concluded that value itself, whether real or market, is also variable.

These I hold to be the laws governing money, so far as money may be held an article of sale. And these laws, be it observed, growing as they do, out of our social system as *necessary consequences*, even though politicians be found to deal with them, as arbitrary or conventional; are yet constant and immovable in their operation. Acts of Parliament, will not interrupt the action of gravity: men cannot legislate away the results growing out of the necessities of their nature. The logic of social conditions, is as far beyond the will of man, as is the logic of physical conditions.

In my August letter, I submit, that I have shown clearly, that although gold as a medium of exchange, has received, for purposes of convenience, a *fixed* value, that fixity is *in fact* but *nominal*. The arguments employed on that head, apply with equal force to any legislation, designed to set a fixed limit to the interest of money. *The Law*, it is true, says, that the interest of a hundred pounds for a year, shall not exceed six pounds; whereas the actual *practice* of every day, proves that the interest of money, like all other articles of trade, varies according to the social law of supply and demand, from six per cent. to even twenty per cent. If you limit the interest on a debenture to six per cent. in law, do you not see every day the sale of that debenture at a discount of 5, 10, 15, 20, per cent., setting aside that limit *in fact*? If I lend £80 for five years on a bond for £100, though the coupons attached to that bond, call for an annual interest in accordance with law, of six per cent. per annum, do I not receive in fact—in defiance of law—an interest per annum of over 12 per cent. On private notes, and on private mortgages, does not every one know, that the rate of interest brought by money, is in every case

regulated by mutual conditions, in utter indifference to all attempts at Parliamentary restraint. The operation of an usury law, then, is confined altogether to the capital invested in our banks. The private capitalist, treating the law with contempt, sells his money under that only-practicable principle of commercial legislation, free-trade; while the banking capitalist is compelled to sell his money,—if indeed he sell it at all,—under, a restriction, to him, as unjust as it is tyrannical.

If the Banker be compelled by law to sell his wares—money—at one half the price for which his neighbor sells his like wares, has the Banker no remedy? Self-defence drives him into several forms of redress. Selling lower than his neighbor, he sells at a loss; and hence is driven to the necessity of *declining to sell*. Tightness of money becomes in the regular course of things a consequent necessity. The Banker aware that his means will bring more in another quarter, declines to carry on his regular business, in order to employ that money, in evasion of the law, at the current value of the commodity. The Broker next door becomes, therefore, as a necessity, the agent of the Bank; and thus fair competition between the two being destroyed, the small trader in want of *accommodation*, is placed at the mercy of every twopenny Shylock, that endeavours to make his gold breed as fast as Laban's sheep. The small trader then, may very well ask whether a law, that forces him in hard times into the clutches of the Bill-Shaver, ought to be allowed to remain under the pretence of that small trader's protection, on the Statute Book.

But another view of this law of usury, presents it in its relation to foreign capital. The domestic capitalist, I have already shown, employs his money at its full value in defiance of the law, the restriction operating almost solely against the out side capitalist. This practical discrimination against foreign gold, operates very unfavourably against the introduction into our banking system, of those all-important elements, the precious metals. The Broker being enabled by his unincumbered business, to offer higher rates for money, than those earned by the Bank, outside capital finds its way into the country through his hands; and all such agents of our monetary transactions, labouring under the distrust of external capitalists, the capital coming into the country through these agencies is consequently reduced. Banks at even a less return, would attract a much larger investment of external wealth. Thus then, does the present law operate against the introduction into the country, of the precious metals.

But this is only one instance of that operation against the increase of our circulating *media*: another may be seen in the following view of the case:—Suppose the Banks sell one half of the money required for the business of the country, charging on this half six per cent., and that the Brokers, and other private money-dealers, sell another half at twenty per cent, the use of the money employed in the business of the country, averages thirteen per cent. Assume a legislation, that, declaring the business of the Banker a free trade, suppresses the now *illicit* business of the Broker. This average of thirteen per cent., would, by placing all our monetary transactions in the hands of a large, liberal, and comprehensive set of Banking Institutions, be reduced to some eight or ten per cent. A profit of from three to five per cent. would thus result in the first instance to the productive industry of the Province. Domestic means deprived of any motive to *illicit* investment, would flow into our monetary institutions; and thus tend to that highly beneficial result,

the absolute identity between the industry, and the capital of the country. But the rate of bank returns, raised from an average of six or seven, to a rate varying from eight to twelve per cent., would, under the guarantee of local investment and parliamentary enactment—*evidences of economical management, and commerical safety*—present such an inducement to outside capitalists, as to attract to the country the fullest supplies of the precious metals, demanded by the culture of our forest, and the expansion of our trade. Here then is a point in which the existing law may be regarded as a very blight on all those branches of enterprise that now await but the sunshine of capital to burst into a golden fruit.

The advocates of the continuance of the usury laws, lay great stress on the opinion of Baron Rothschild, given before a committee of the House of Commons, in favour of continuing the restrictions on the interest of money. Considering that the every-day transactions of that capitalist negative the opinion he so expressed, it can have no more weight in influencing the Government, or the people of this country, than it had in influencing the committee before whom it was given. Baron Rothschild's opinion was, that the repeal of the usury laws would operate unfavorably for the small manufacturer, by raising the price of money. This opinion was given at a time when investments were being made in the funds by large capitalists, at a most usurious rate of interest; and at a time too, when those small manufacturers were obliged to dispose of the savings they had invested in Government securities in prosperous times. Now when business fell off, and money got scarce, they were obliged to place those securities on the market for sale. But for the operation of the usury laws, they could have raised on these securities, sufficient money at a reasonable rate, to carry on their business, instead of being obliged to place their securities on the market, at a time of great depreciation, and thus become a prey to large capitalists. Hence it is evident that Baron Rothschild was himself the gainer by the continuance of those laws that he recommended to the favour of the committee, for the benefit of the small manufacturer. In fact, rightly considered, this law is entirely for the benefit of the rich. If such were the effect of the usury laws, in moneyed England, with how much greater force will the like effect follow in a new country like Canada? I might here multiply quotations from the speeches and writings of the ablest financiers in Europe, to prove the absurdity of continuing those laws, particularly in a new country like ours, after their repeal in England. The abstract reasons against the usury laws, have been touched on here generally. The practical disadvantage to the small trader, and to the industry of the country, in all its departments, have also been hinted at. The question, however, amongst our public men, is made to undergo the ordeal of a stupid and narrow sectionalism; and therefore does it become necessary to consider it here in its particular bearing on Lower Canada. My main object in commencing this letter has been to review the opposition of Lower Canadians to the alteration of the usury laws, rather than to repeat the unanswerable arguments that have been advanced in favour of the freedom of money, from the days of Adam Smith, down to the discussion on the subject during the late session of the Provincial Parliament.

Members from Lower Canada say, if the usury laws be repealed, the large amount of money lent to the farmers of the eastern townships of Lower Canada, at 6 per cent., will be called in, and re-lent at from 8 to 10 per cent.

Admit, for the moment, that such would be the case; are we to uphold laws for the benefit of a few borrowers in Lower Canada, that are found to be injurious to the general interest of the Province. Is it right that the man who lent his money to a farmer in Lower Canada at 6 per cent, when wheat was selling at 3s. 9d. a bushel, should be compelled by law to continue the loan at that same rate, when wheat is bringing 7s. 6d.? Suppose the farmer who borrowed this money to pay for his farm, instead of agreeing to pay the interest in money, had agreed to pay it in wheat at the *then* market price, 3s. 9d. a bushel, the farmer would then be paying 12 per cent. for the money when wheat reached 7s. 6d. But in this case the law would not be violated, not because an *usurious interest was not paid*, but because that interest was paid in *wheat*, and not in *money*. What absurdity! Do the advocates of such a law not see that this is in many instances great cruelty, to the lender? A small capitalist comes to this country with his family. He finds at the present price of the necessaries of life, that he can support his family on the interest of his money at 6 per cent; but in two or three years, finds that those necessaries of life have doubled in price. Yet he is compelled to let his money remain at 6 per cent. interest, when he could readily obtain ten or twelve for it, if this partial law had not stood in the way. The law thus compels him to leave his family in want, while he has the means at his disposal of supplying those wants, save for the operation of a barbarous enactment.

But in reference to the special ground taken in the matter by the Lower Canadians, let me ask in general whether Lower Canadians can show that they are so organised as to be completely exempted from the operation of laws having their root in the very foundation of society? Commercial logic leads every where to the same conclusion. If capital in Upper Canada pursue a law inherent in itself, so also will capital in Lower Canada pursue the same law. Where then is the wisdom, the liberality, the statesmanship of Lower Canadians in attempting to legislate in the face of a law of our nature? If banking capital be the object of their special restraint, I have shown that restraint in that case, is of necessity, partial in its operation; and that instead of assisting the small farmer and trader of the country, it amounts, in fact, to an additional and unnecessary tax upon their industry. Where then is either the philosophy or the humanity of those special grounds on which the politicians of Lower Canada, undertake to rest their very unstatesmanlike hostility to the repeal of the present, impolitic and shortsighted restrictions on the use of money.

Your, &c.,

G.

Hints on Decimalizing the Currency.

Our attention has been called to a pamphlet published some time ago, and addressed to the members of the Provincial Legislature, and mercantile classes of the Province, on the subject of a decimal currency. The writer of the essay is Mr. James Alexander, a merchant of this city, who has evidently given much attention to the subject, as we find that so far back as 1853, the same gentleman read a paper entitled "Suggestions for a simple system of decimal currency and notation," before the Royal Society of Arts at Edinburgh, which was printed in its Transactions, Vol. IV.

Mr. A. comes before us with all the feelings of a genuine old countryman, has a great aversion to our country becoming—even in name, a part and parcel of "Dollardom," and recommends the adoption of a system of accounting, which, while it embraces all the advantages of decimal currency, would be peculiarly Canadian, and "racy of the soil."

For ourselves, a long acquaintance with the decimal system of the United States, has blinded us to the beauties of any other, and while placing Mr. Alexander's views before our readers, we are not prepared to admit that the plan proposed by him, would, in the present circumstances of the country, be preferable to the decimal system of the United States.

The following extracts will serve to illustrate Mr. A.'s views:

"Observing among the reported proceedings of the Honorable the Legislative Assembly, a notice of motion to the following effect: "That after the 31st day of January, 1857, accounts in this province shall be kept upon the decimal system, of which the Dollar shall be the unit, and the intrinsic value of the circulating coinage assimilated to that of the United States," and having in the Old Country, (from which I am but a few months out,) taken an interest in the question of a decimal currency for Great Britain, to the extent of contributing a paper on the subject to the Transactions of a Scientific Society, besides studying pretty minutely the Parliamentary Evidence and Report, and other publications which have emerged upon the question, I venture in this form to offer a contribution to the stock of public knowledge on this very important, and as I presume to think, little understood subject. From previous predilections, I was interested on arriving in this Province to ascertain the state of the question here, as I understood that Canada was far in advance of the Mother Country, where "the fixing of the unit" forms a very debatable point, and I was informed that action had been taken on it even to the extent of direct legislation, but that the Bills when sent home according to the constitution, for the approval of Her Majesty, had been vetoed by the Imperial Government, and there the matter had rested until revived by the above notice of motion by Mr. Mackenzie.

Why the Old Country should thus "play the dog in the manger," as it were, on this question, I am at a loss to conceive, unless I may be allowed to suggest, that the system proposed to be adopted, being that of "Dollars and Cents," the Imperial Government may have considered it to have too Americanizing a tendency, and been afraid that it might prove "the insertion of the thin end of the wedge." But be this as it may, I confess that I should myself greatly regret to see this Province become, even in name, a part and parcel of the domain popularly known as "Dollardom;" and I therefore venture to propose a system, more in accordance with British habits and feelings, which shall retain our cherished and ancient names of coins, which may be adopted at once in this Province with equal facility, as all the elements for it are ready to our hand, and which, in my opinion, possesses considerable advantages over the system of the United States, while, though an almost mere "distinction without a difference," it still harmonizes with it, in a degree which would not in any way inconvenience our reciprocal commercial relations or transactions; while, as nothing draws the line of distinction more palpably betwixt two neighboring nations, than a difference in the moneys of account, it would enable Canadians "to keep themselves to themselves," if I may use the expression, in this respect.

It would be altogether superfluous in me to enter here into any argument on the superior advantages of a Decimal System over our present mode of reckoning; on this point I believe every man in the Province is agreed, who at all thinks upon the subject. I have often had it asked me, however, "Where can you find a more beautifully simple system of money-reckoning than by dollars and cents?" and this is the task that I propose for myself. Now in this case, the proverb that "Familiarity breeds contempt," is reversed, and it is familiarity alone, that has bred either admiration or preference; for the fact is, that, no matter what the names of the representative coins may be, any system whatever, to be *simple*, has only to be *decimal*, as they are convertible terms, and hence, dollars and cents are only *simple* through *familiarity* and *contrast*.

Now, what is a decimal system of money-notation and currency? It is neither more nor less than keeping accounts in one denomination of money, that denomination being (or at least ought to be) the lowest, which the exigencies of commerce in any country may require. I say in one denomination, for though different names may be given to distinct coins, for representations of money, containing specific amounts of this *lowest* denomination, for convenience of expression, yet, when put upon paper, all sums are treated and worked as mere cumulative accounts of that one denomination. Let us take an example from the United States money. Here is 1234, twelve hundred and thirty-four (of any thing), but, by placing a decimal point betwixt the two middle figures, and the appropriate sign before it, it is at once recognised as \$12.34 (twelve dollars, thirty-four cents); but the United States, though they keep accounts in dollars, still find it necessary to have *higher* expressions of value, with *specific names*, and accordingly, they have a gold coin of ten dollars, which they call an *Eagle*; if then, I wish to give the above sum a more English appearance, and state it thus, E1. 2. 34. (one eagle, two dollars, thirty-four cents,) no one could have any difficulty in recognising it, as merely the former sum of cents, under a new guise; or if, adopting the practice of another decimal country, we put the sign (somewhat similar to the dollar sign) betwixt the eagle and the remainder of the cents, thus, 1||234, the two lines being merely understood to represent the ruled column of an account book, it does not at all affect our recognition of the amount of cents. Or again, suppose we hold this 1||234 to be *half cents*, or equivalent to \$6.17, it will be equally clear, that if instead of halving the *figures*, we *halve the denominations*, and call it "one half-eagle," (or a five-dollar bill,) two half dollars, three half dimes, and four half cents, we should arithmetically convey the same meaning, and state the same *intrinsic* amount, merely in different words. Now, in decimal money reckoning, this decimal integer of a thousand, so stated as to be at once patent to the eye, provided it does not disturb our ordinary notions or habits of estimating value, possesses very great advantages: for one, it is capable of being expressed in the English language, as indeed in all languages, by the monosyllable "mil;" and in the suppositious case of two clerks, comparing entries in business or bank books, the glib facility with which they can run over sums, such as 3||440 (three mil, four, forty), 12||680 (twelve mil, six, eighty), 100||500 (a hundred mil, five), and so on, without ever requiring to repeat or go back upon a figure, has only to be tried to be appreciated. This mode of stating decimal money has also another very great advantage—that of safety from fraudulent alter-

ation of an amount, in a cheque, bill, or other instrument; a mere dot betwixt two figures, is capable of being obliterated and altered in position, and the larger the sum the greater the temptation to attempt this; by the mere alteration of the position of the dot, and the addition of a cipher, ten thousand dollars can at once be made to appear a hundred thousand; but with the above system, this is impossible—there can never be more nor less than three figures or ciphers to the right of the column sign, and thus, even the chance of vitiation is avoided. I see that this is strongly recommended in "Dickens' Household Words," p. 349, for the adoption of the Old Country, in their decimal system, now under consideration; and so far as I am aware, it was first suggested by myself in the paper previously alluded to, December, 1853.

I trust I have succeeded in making it plain, that provided a system of money notation is decimal, it can be set down in any way suiting the habits or predilections of the people using it; but the entire question of a decimal system, and the almost interminable discussions upon it, remind me of nothing so much as a picture I used to see in my early days, entitled "The shade of Napoleon visiting his tomb at St. Helena; the ordinary observer saw nothing but a tomb, surrounded by a railing, with some trees in the foreground, but it required to be closely looked into, for the *apparition*, the appearance of which was managed in outline, by a particular grouping of the branches of the trees, when it once flashed upon the vision, could never be lost sight of again; but I have met with obtuse individuals, who, look as they might, never could see it at all. I will now adduce an example of a simple decimal system, where the money denomination is somewhat of a "ghost," of value: I mean that of Portugal. In this country, accounts are kept in "rees;" and though they have an ample array of circulating coins, with specific names, on paper, everything is stated in "rees." A single ree is, however, too infinitesimal to be represented by a coin, and the lowest representation of money is a copper piece of five rees, written thus ||005, and so the coins rise, until they arrive at a "mil ree," which is represented by 1 on the *left-hand* side of the column. There is no metallic coin for a milree, which is solely represented by paper money; and though they have gold coins of high value, none of them represent a pure decimal integer. Regarding this system, Sir John Bowring, in his evidence before the Decimal Coinage Committee of the English House of Commons, states as follows:— (Evidence No. 1525).—"I have been much in Spain and Portugal; and mention, as an example, that in Spain, in consequence of the absence of a decimal system, accounts are kept with considerable difficulty, and their correctness is seldom to be depended on. I had often occasion to see the perplexities and mistakes of the commissariat functionaries in Spain, during the Peninsular war; while just crossing the frontier into Portugal, where there exists a decimal system of coinage and account, inaccuracies were very rare, and all money operations recorded with great facility. I may also mention, in reference to the coinage of Spain, that as the different Spanish colonies emancipated themselves from the mother country, they every one, without exception, adopted the decimal system; and the universal adoption of that system has everywhere been recognized as a great benefit and blessing to the people. The system in Spain is as absurd and inconvenient as most of the other non-decimal systems. The accounts are kept in reals of vellon, every

one of which represents 34 maravedis; but it is less inconvenient than the English system, where the divisions are by 4, 12, and 20."

Now, Sir John Bowring is one of the most eminent decimal authorities we have, and he holds it *impossible*, in decimalizing the British coinage, that the sovereign, penny, and farthing can co-exist as circulating coins. I humbly think that he is one of those who has failed to descry the apparition before alluded to. In this quotation from his evidence, three distinct statements are made:—first, that the Portuguese system is eminently "simple, and all money operations recorded with great facility;" second, that the Spanish system is perplexing, absurd, and inconvenient, "and the correctness of accounts seldom to be depended on;" and thirdly, that inconvenient as the Spanish system is, it is less so than the "British, where the divisions are by 4, 12, and 20." There is frequently but one step from the sublime to the ridiculous, and it would appear that there is the same slight division betwixt the easy and the difficult; for who would believe that the system here so highly lauded, and that as sweepingly condemned, are as nearly as possible *identical*, and in circulating coins, *exactly* so; and that by the mere abolition of the *use* of the *divisions* in reckoning, and stating value in one simple denomination, here has been the British monetary system, actually decimalized to our hands, without the change of a coin, for a century and a half! It is simply done, by choosing a "denomination of account" *below* the farthing, of which that coin is held to consist of 5, thus giving to it the value of a decimal unit, when all the other coins being multiples of the farthing, acquire a decimal character. This will be better seen by the following table, containing the circulating coins of Portugal, and their respective value in rees, on one side, and the British coins, with their value in farthings, on the other; by which it will be seen that the rees of the Portuguese coins, divided by 5, give the farthings of the British; or the converse, that the farthings of the British coins, multiplied by 5, give the rees of the Portuguese.

CIRCULATING COINS OF PORTUGAL AND BRITAIN.

PORTUGAL.			BRITAIN.		
Coins.	Circulation Value.	Written thus in Rees.	Farthings.	Coins.	Circulation Value.
5 rees	{ the 96th part of } a moidore.	1005	1	farthing	{ the 96th part of a } sovereign.
10 rees	half vintem	1010	2	half-penny	
A vintem	{ the 240th part of } a moidore.	1020	4	penny	{ the 240th part of a } pound.
A half testoon	2½ vintems	1050	..	{ proposed new } coin of 2½d., or 10 mils.	{ requir'd to be coin'd } for decimal system.
3 vintem piece . . . . .	.....	1060	12	three-penny piece.	
Testoon . . . . .	.....	1100	..	{ proposed new } coin of 5d., or 20 mils.	do.
6 vintem piece . . . . .	.....	1120	24	sixpence	
12 vintem piece	{ or half crusado, } the 20th of a moidore.	1240	48	Shilling	{ the 20th part of a } pound.
Crusado nove	{ 24 vintems, the } tenth of a moidore	1480	96	florin	{ 24 pence, the tenth } of a pound.
Half moidore	Pronounced— " 2 mil. 4."	2400	480	half sovereign	
A moidore	" 4 mil. 8."	4800	960	sovereign or pound.	

Here, then, is the British coinage *decimalized just as it now exists*, and proved perfectly workable by a country which has had it in operation for a long period; its simplicity, moreover, borne testimony to by one of the highest English decimal authorities, but it lacks one feature, which in Britain appears to be an absolute necessity—it has no *entire integer of a high value*, such as the pound, in which to state value. Having myself resided some time in Portugal, I took this system for my model, to a certain extent, but endeavoured to adapt it more to the feelings of the British people.

My proposition was simply to keep accounts in farthings, under the new name of mils, and disusing the sovereign or pound as a *coin of account*, but leaving it as the standard of value, and to circulate at the value of 960 farthings, as at present, to adopt a new integer of a thousand farthings, and revive in it the now obsolete but time-honoured name of *guinea*, which, formerly of the value of twenty-one shillings, would now be two-pence, or eight farthings less, viz.: 20s. 10d. This proposition is, I have reason to believe, along with a multitude of others, at present before the Royal Commission on Decimal Coinage. But to adopt this system *in the Old Country*, it will be observed, from the above table, that there is a necessity for the introduction of two new coins of 10 and 20 farthings; and also of another step, which, before I had the slightest intention of coming to Canada, or knew anything of her currency, I pointed out as necessary to be adopted; and it is because I find that these coins, or coins of analogous value, *requiring still to be introduced in Britain*, are not only in *general circulation here*, but that the other step which I proposed, has, also, long since, been taken in this country, that I am emboldened now to intrude my views on the Legislature and the mercantile classes of the Province. At page 29 of my former paper, I say, "It would be no great stretch to decree that in consequence of the rise in the value of silver, in relation to the gold standard, the florin, the shilling, and the six pence shall be held as legal tenders respectively for 2s. 1d., 1s. 0½d., and 6¼d., and if it be conceded that this or some such measure would require to be resorted to, at any rate, to keep the silver in circulation, even if we were not thinking of a decimal system at all, it will be seen that with the new coins of 2½d. and 5d., or 10 and 20 farthings, and the appreciation of the florin to 2s. 1d., or 100 farthings, we should construct a perfect decimal system, indicating in all the gradations the coins with which to pay, with a familiar integer in the new guinea." I am pleased to find that the very appreciation I advocate above, in the case of the British shilling and sixpence, has already taken place in this Province; and there is no reason why it should not also be extended to the florin; and *we now have every element necessary* for keeping accounts decimally without the change of a coin. Let us then abolish forever the absurdities and perplexities of Halifax and York Currency, and make ourselves no longer the laughing stock of the increasing number of travellers who visit our country. My fellow-townsmen, and I believe I may call him friend, William Chambers, says, in his "Things as they are in America"—under the head of Montreal—"Each Bank issues notes as low as 5s. currency, or 4s. sterling; and a note of this kind is popularly equivalent to an American dollar. The maintenance of what is termed currency, in the present advanced state of things, is not very intelligible to travellers from the Old Country. One might see some meaning in the denomination, if there was a correspondingly depreciated coinage in circulation. But excepting the small

notes just referred to, and occasionally American dollars, the entire circulating medium consists of English money. Why an ordinary shilling is spoken of as fifteen-pence, or how store-keepers, in asking seven-pence half-penny for an article, should mean six-pence, is a mystery in finance not easily explained. In my ignorance, I ventured respectfully to suggest to a respectable Colonist, that I thought it would only be reasonable to call a shilling a shilling, and change the nominal prices of things accordingly. But I felt by the reply, that I had trodden on dangerous ground. The method of computation, in which the pound sterling is considered equivalent (strictly) to £1 4s. 4d. currency, could not, it seems, bear criticism."

Let us no longer have this said of us; let us return to our allegiance to our old English money nomenclature; let us make our friends from the Old Country aware as they pass from the States, even *through the medium of our money*, the first thing a man has to look at, that they are again on British soil; and, perhaps, they may be induced to believe that their cash will not fly so fast in the form of guineas and shillings, as it may have done as dollars and cents.

Having brought this scheme forward as a competing one with the project of assimilating our moneys of account with those of the United States, let us now see how our circulating medium would work under it, and weigh its advantages and disadvantages, in comparison. Though we have few British farthings in circulation here, still it is a frequent quotation of price, and therefore, being held as present, would stand as the unit.

Thus the farthing	MILS	||001
The Canadian currency "copper" .....	"	||002
The Canadian penny token .....	"	||003
The British coined penny .....	"	||004
The American half dime .....	"	||010
The American dime .....	"	||020
The British sixpence or Canadian "yorker" .....	"	||025
The British shilling (and American quarter dollar) .....	"	||050
The British florin (and American half-dollar) .....	"	||100
The British half-crown .....	"	||120
The one dollar, (gold, silver, or paper,) now to be 2 florins ..	"	||200
The British crown piece .....	"	||240
The two dollar bill, now to be 4 florins .....	"	||400
The three dollar bill, now to be 6 florins .....	"	||600
The four dollar bill, now to be 8 florins .....	"	||800
The five dollar bill, or Canadian guinea, now to be 10 florins, and highest integer	"	1|000

And the half sovereign and sovereign, representing in Britain, if of full weight, 480 and 960 farthings, or mils, would, here, where they bear a premium of $1\frac{1}{2}$ per cent., represent ||487 and ||974 mils respectively."

The advantages of the above system, as illustrated by the writer, we shall endeavour to give in our next number

Curious Bank-Note Case.

The Bank of British North America appeared in the Division Court, yesterday. In the course of business, Mr. Hugh Rose, of Dundas-Street, took a bill for \$2, issued by the above-named Bank. In the course of its progress through the world, it had lost the lower side, on which the signatures should appear. The numbers were still good, and the note was duly countersigned by the Inspector General. On presentation, the Bank refused to cash it, and hence the suit. On behalf of the bank it was maintained that though the note might have been issued by them, yet it was not now as they issued it, and it was endeavoured to be shown by the evidence of Mr. Grindly, that the bank might subject itself to many frauds, if notes seriously mutilated were recognized. The witness showed how, by the exercise of a little ingenuity, four bank-bills might be made into five, by taking a little from each, and inference was left to be drawn that the note in question might have taken part in a similar process. The Court was anxious that the person passing the note to Mr. Rose should be forthcoming, and adjourned the case till the next sitting to see if he could be produced. This question at issue is one of considerable moment, and the public should be well informed how far mutilation, either by design or wear-and-tear, can go, before a note will be deemed uncurrent. One thing is certain that the destructive nature of paper money renders it impossible that accidents affecting its integrity should be avoided, and if a rule were once established on the point previously alluded to, it would remove an apparent and serious difficulty.—*London Free Press.*

Imports of Specie and Bullion into Great Britain in 1856.

The following table shows the monthly arrival of specie and bullion, from all quarters, into Great Britain during the year 1856:—

Month ending	From Australia.	From United States.	From West Indies, Mexico, &c.	Total from all Quarters.
January 26	£676,000	£125,800	£803,000	£1,634,000
February 23	321,500	67,600	719,800	1,147,000
March 29	654,400	371,700	362,000	1,413,000
April 26	1,122,600	354,000	695,800	2,180,000
May 31	1,660,400	779,500	364,000	2,944,000
June 28	1,287,000	916,800	883,400	2,905,000
July 26	708,000	1,183,000	636,000	2,763,000
August 30	1,146,000	1,595,000	545,000	2,666,000
September 27	671,700	693,000	650,000	2,168,000
October 25	368,800	805,000	352,000	1,577,000
November 29	1,271,000	1,097,500	427,500	2,697,000
December 27	360,000	604,000	380,000	1,539,000
Total	£10,247,400	£8,592,900	£6,818,500	£25,633,000

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	\$ 989,170	\$ 672,015	\$ 66,245 17	\$ 370,211 17	\$ 135,538 28
City Bank of Montreal . . .	1,200,000	1,169,968	689,043	133,066 32	398,090 83	232,198 08
Bank of Montreal	6,000,000	5,665,980	3,060,267	91,533 47	1,786,374 88	980,644 47
Commercial Bank of Ca. . .	4,000,000	3,561,220	1,430,140	418,662 23	781,582 15	541,186 10
Bank of Upper Canada . . .	4,000,000	3,094,390	2,765,783	894,456 70	1,612,900 79	262,891 83
Banque du Peuple	1,200,000	895,150	479,974	168,947	350,098 67	315,396 77
Molson's Bank	1,000,000	677,938	397,288	27,804 15	205,589 31	87,073 90
Zimmerman Bank	1,000,000	453,500	35,045	27,494 3	25,283 73	99,518 0
Niagara District Bank . . .	1,000,000	225,731	262,768	16,133 83	85,654 80	12,722 62
Bank of Toronto	2,000,000	365,342	437,117	45,481 37	60,491 25	239,372 58
Total	22,400,000	17,038,389	10,229,441	1,889,24 27	5679,277 58	2,906,542 63

September, 1857.

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 . .	682,833 33	.....	.....	.....	.....
(b) Zimmerman Bank	40,000 00	.....	.....	.....	.....
(b) Niagara District Bank	51,668 00	.....	.....	.....	.....
(b) Molson's Bank	see Note.	.....	.....	.....	.....
Provincial Bank	120,000 00	1,000 00	4,708 8	.....	33,650 00
Bank of the County of Elgin . . .	100,000 00	.....	1,155 50	9,239 15	100,490 69
Total	994,499 33	1,000 00	5,863 68	9,239 15	134,140 68

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

(b) Acting also under Charter.

CHAS. CAMBIE, Registrar.

September, 1857.

FOR THE MONTH OF AUGUST, 1857.

Total Liabilities.	ASSETS.							Total Assets.
	Coin and Bullion.	Landed or other Property of the Bank.	Government securities.	Promissory Notes or Bills of other Banks.	Balance due from other Banks.	Notes & Bills discounted & other debts due to the Bank not included under the foregoing heads.		
\$1,244,009 62	\$109,378 22	\$ 14,000	\$	\$58,500 50	19,030 92	\$ 2,120,651 48	\$2,321,561 12	
1,452,398 23	201,469 48	34,000	176,438 35	104,654 82	76,884 85	2,247,735 93	2,841,183 23	
1,918,820 32	796,255 18	278,317 62	566,800	284,551 32	591,490 67	10,077,110 38	12,586,525 17	
3,171,570 48	420,025 37	162,951 43	365,000	140,984 70	366,900 78	5,963,516 15	7,419,378 43	
6,580,632 57	442,172 45	147,231 22	273,301 75	223,200 00	629,123 28	7,378,710 90	9,093,739 60	
1,313,416 43	113,373 43	54,986 17	93,542 05	62,321 50	82,325 62	2,004,055 88	2,410,604 65	
717,755 36	69,395 08	19,765 67	200,000	41,220 50	107,313 07	1,002,012 76	1,440,007 08	
187,330 77	10,017 17	1,463	40,000	2,491 00	3,986 42	594,837 52	652,795 10	
380,279 25	30,108 2	1,826 33	90,733 33	9,347	24,499 77	481,335 72	637,750 17	
782,472 70	71,257 82	. . . . .	102,400	28,417 08	52,829 55	927,737 2	1,182,641 47
20700694 73	2,263752 22	714,541 44	1908215 48	955,688 42	1954384 93	32,797,703 74	4066186 62	

JOHN LANGTON, AUDITOR.

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

Debts due by Individuals.	Specie in Vaults.	Total Assets.	LIABILITIES.				
			Notes in Circulation.	Deposits.	Debts due to other Banks.	Other Liabilities.	Total Liabilities.
\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
.....	.....	682,833 33	249,129 00	.....	.....	.....	249,129 00
.....	.....	40,000 00	40,000 00	.....	.....	.....	40,000 00
.....	.....	51,668 00	51,668 00	.....	.....	.....	51,668 00
79,517 66	6,753 28	245,629 00	119,829 00	5,800 00	.....	.....	125,629 00
3,444 40	11,805 57	226,135 30	87,293 00	29,396 03	7,663 78	.....	124,352 82
82,902 61	8,558 83	1,246,283 63	547,917 00	35,196 03	7,663 78	.....	590,776 82

JOHN LANGTON.
AUDITOR.

Finances of the City of Montreal.

The Montreal *Herald* furnishes the following particulars of the financial condition of the City of Montreal. The total Corporation revenues during the last eight years have been as under :

1850.....	£31,638	1854.....	£51,667
1851.....	32,988	1855.....	58,868
1852.....	36,815	1856.....	64,303
1853.....	44,250	1857.....	70,016

The sources of revenue are thus stated, showing a very large increase in the amount of the business tax, that is, in the special tax on the mercantile community, and this without any increase in the rate of assessment.

Business tax in 1850.....	£6,787	1854.....	£10,373
“ 1851.....	7,305	1855.....	10,650
“ 1852.....	7,184	1856.....	11,915
“ 1853.....	8,012	1857.....	13,454

Increase on the seven years, £6,667, or nearly one hundred per cent.

Personal tax in 1850.....	£ 930	1854.....	£1,643
“ 1851.....	1,233	1855.....	2,154
“ 1852.....	1,189	1856.....	2,326
“ 1853.....	1,469	1857.....	3,015

Increase on the seven years, £2,085, or two hundred and fifteen per cent.

The following is the statement of the duties collected on real estate during the same period:

1850.....	£14,310	1854.....	£24,074
1851.....	14,736	1855.....	25,740
1852.....	16,070	1856.....	28,491
1853.....	20,130	1857.....	33,400

These are the principal items, and all that it is necessary to state *in extenso* year by year. But it may be well to give the whole of the items for the first and last years of the period.

	1850.	1857.
Real Estate.....	£14,310	£33,400
Business Tax.....	6,787	13,454
Personal Taxes.....	930	3,015
Markets.....	6,704	9,000
Inn-keepers.....	496	750
Carters.....	1,845	2,686
Mayor's and Recorder's Courts.....	129	529
Miscellaneous.....	106	50
Interest.....	165	6,372
Police.....	.....	60
Drain Account.....	161	42
Total.....	£31,638	£70,016

The total annual value of real estate at the last assessment was £445,333, and the total value £7,422,222.

Turning from the revenue account to the balance sheet of the city, we have the following facts: The liabilities proper, that is, all but those arising out of the advance to the Grand Trunk, and the endorsement for the Water-Works Department, consists of funded and unfunded debts. They are as follows, to the 1st January, 1857:

Funded Debt represented by Bonds of various kinds, and arrears of Interest.....	£ 205,716
Unfunded, including Promissory Notes.....	16,196
	<hr/>
	£221,912
Assets—Cash.....	£ 6,990
Market Property.....	90,468
Mortgages.....	5,024
Vacant Lots.....	2,811
Property of the Fire Department.....	4,480
Lot in St. Denis Street.....	484
Sinking Fund in Bank Stock and Government Debentures....	12,000
Municipal Loan Fund, paid up.....	35,000
Balance due by Water-Works Department.....	28,407
Debts of various kinds.....	20,794
	<hr/>
	£174,960
Balance at debit of City.....	£ 46,952

The special liabilities consist of £125,000 of advances to the St. Lawrence and Atlantic—now the Grand Trunk—Railway Company, guaranteed by the deposit of a similar amount of preferential stock, and an additional sum of £25,000 of the same stock to meet loss; and of £100,000, being the city's endorsement of the Water-Works loan, which is amply covered by the property created by that department.

JOURNAL OF INSURANCE.

Provident Life Assurance Company of Toronto.

The annual meeting of this Company was held at Toronto, on the 3rd day of September, 1857.

The Directors reported that 3197 shares, representing a subscribed capital of £63,943 are now in the hands of 298 stockholders.

They allude to the difficulties which have attended the preliminary operations of the Company, and in addition to the monetary pressure, state that the most strenuous efforts have been put forth, both direct and indirect, by certain parties to prevent the company from getting into operation, but that notwithstanding the attempts of its enemies, the friends of the company never lost confidence in its ultimate success, and that they are determined to conduct the company in accordance with their motto "perseveringly, cautiously and justly," and that their opposition to other companies shall never exceed the bounds of honorable competition.

The company has now fifty agencies established, and grants assurances on lives in the usual manner adopted by other offices.

Forty-two proposals for assurances, amounting to £13,500, have been received; of these, 37, amounting to £11,600, have been accepted, and some of the others are still under consideration.

The advantages claimed are:—

1st.—It is a Canadian Company.

2nd—Its Stock-list comprises many of the most influential men in the Province.

3rd—Its funds are invested in Canada, in the best securities, at good rates of interest, and that its premiums are consequently lower than those of English companies.

CASH STATEMENT FROM 1st SEPTEMBER, 1856, TO 31st AUGUST
1857, INCLUSIVE.

RECEIPTS.

Balances reported 31st August, 1856.....	£ 686 6 3
Received from Proprietors	8645 14 0
Repayment on Mortgages.....	49 13 4
Interest on "	39 1 1
Interest on Debentures	60 0 0
Premiums and Policy charges.....	171 16 9
Deposits	17 0 0
	£9669 11 5

EXPENDITURE.

Investments on Mortgage	£7800 0 0
Balance at Bank	51 10 3
Commissions	180 17 2
Printing and Stationary	163 10 0
Salaries	1025 0 0
Advertisements.....	115 9 6
Traveling Expenses.....	80 17 1
Office Furniture.....	37 2 5
Law Charges.....	1 15 0
Profit and Loss.....	33 16 3
Allowance to Stockholders.....	4 7 11
Medical Fees.....	20 0 0
Postages.....	49 3 4
Office Expenses.....	18 12 5
Suspense account.....	30 0 0
Re-Assurance.....	3 10 1
Rent and Taxes.....	35 0 0
Cash in hand.....	19 0 0
	£9669 11 5

LIABILITIES.

Receipts on Capital Stock, less instalments forfeited.....	£11741 16 3
Present value of £10800, assured under 34 policies.....	2535 11 10
Deposited for Investment.....	17 0 0
Bill payable.....	73 16 11
	£14368 4 0

ASSETS.

Investment on Mortgage	£7956	6	8
£100 Municipal Loan Fund Debentures, cost.....	943	3	6
Interest to 31st of August on above Securities.....	80	19	2
Present value of Annual Income from Life Premiums...	3192	2	6
Office Furniture.....	76	9	2
Bank Balance.....	51	10	3
Cash in hand.....	19	0	0
Cash in Agent's hands.....	14	13	5
Balance (included in Expenditures).....	2034	8	4
	<hr/>		
	£14368	4	0

(Signed)

W. H. SMITH,
Managing Director.
 E. T. RICHARDSON,
Secretary.

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 of.....	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).—Directors, twenty-two, Liverpool; and nine, London. Of great influence, mercantile and monetary. Careful selection of sound lives. The future not made to pay for past provisional, or other early expenses. Rapidly rising. Founded 1845.

- Phoenix Fire Insurance Company, (London).—Directors, twenty. London merchants, bankers, and others, of high position. The largest fire office next to the Sun. Enjoys a reputation for prompt settlement of claims. Rates as usual in first class offices. Extensive home and foreign agencies. Founded 1782.
- Liverpool and London Fire and Life Insurance Company, (Liverpool).—Directors, Liverpool, twenty-one; London, eleven; powerful representation of the trade of the two ports. Rapidly progressing. Board at Sidney. Extensive foreign agencies. Founded 1836.
- Equitable Fire Insurance Company, (London).—Directors eleven, high standing. Rates exceedingly moderate. Return of £50 per cent on all policies of three years standing. Founded 1844.
- Britannia Life Insurance Company of (London).—Directors,
Founded 1837. Has a proprietary branch as well as a mutual. Profits divided annually. Reduction on premiums in 1854, of 30 per cent.
- Colonial Life Assurance Company, (Edinburgh).—Directors, twelve.—Eminent professional men and merchants. European rates extended to the principal Colonies, (see Prospectus.) Claims settled in Colonies and at home. Great facilities for Colonial assurers. Founded 1846.
- Eagle Life Insurance Company of (London,) England.—Directors, twelve, professional and merchantile men in high position. Divides all profit less £20 per cent. Registers assignments of policies. Highly successful and prosperous. Founded 1807.
- International Life Assurance Company, (London).—Directors, ten. Surrenders (of policies on the withdrawal system,) secure to Policy holder one-half of the sum total of the premium paid. Well established. Founded 1838.
- Professional Life Assurance Company, (London).—Directors, ten. Rates of premium extremely moderate. Founded 1847.
- Unity Fire and Life Assurance Company, (London).—Directors, nine; miscellaneous; with boards in the provinces. Upwards of 2,000 shareholders; shares being small in amount, and widely distributed. Rapid progress in business. Petitions for repeal of fire duty. Founded 1852.—Life Branch separated with eleven Directors. Founded 1854.
- Beacon Fire and Life Insurance Company, (London).—Directors, eleven, of position and character. Founded 1852. Undertakes nothing novel; adopts the mutual principle, with the security of a guaranteed capital.
- Anchor Fire Insurance Company, (London)—Directed by ten members, professional and commercial. Founded 1842. Are about to invest £20,000 in Canadian Securities for further security of Insurers here.

UNITED STATES OFFICES.

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

English Insurance Items.

From the Canada Insurance Gazette.

In London a new office has been recently established, called the "British Shield."

The "Catholic" and "Phoenix" Life Insurance Companies have amalgamated.

The "English and Foreign" are about to amalgamate with the "National Alliance."

The "Legal and Commercial" have amalgamated with the "Victoria Life Assurance Company."

The "Asylum Life Assurance Co." is about to amalgamate with the "London Assurance Corporation."

The "Empire" is expected shortly to transfer its business to the "Family Endowment Assurance Company."

The "English Provident" (Homœopathic) is to be transferred to the "Kent Mutual."

The "Absolute" has transferred its business to the "City of London."

Negotiations are going on for the transfer or amalgamation of the business of the "Albion" with an office established over half a century.

The "United Service and General" have transferred to the "Peoples' Provident," and it is reported that another office is in treaty to follow suit, having an income of £60,000 per annum.

The final arrangement for the transfer of the business of the "Monarch" to the "Liverpool and London" has not yet been concluded.

The "Emperor" has taken the policies of the "Constitution," which latter is *winding up in Chancery*.

The "Commercial Life" has taken only the "Select Business" of the "General Indemnity."

In consequence of an application, by one of the policy holders of the "Indisputable" to the Court of Chancery, to restrain the Directors from transferring the business to the "Bank of London and National Provincial," the negotiations were broken off. The office will, however, undoubtedly amalgamate with some office shortly.

The "Mitre" is also endeavoring to transfer its business, to what Company has not yet transpired.

Great alarm has been excited amongst the English Life Insurance Offices having risks on lives in India, in consequence of the recent outbreak and massacre there.

The "Albert Life Insurance Company," have recently paid a claim of £10,000 stg., to M. Blumburg, of Berlin, a risk transferred to that office by the *Times*.

MODERN ASSURANCE COMPANIES.

Fire, Life, Marine, Death, Blind, Broken Limb, Broken Head, Bogus, Battle Fields, Hail Storm, Plate Glass, Drunken Men, Idle Boys, Cows and Horses, Debt, Ledger, Race Horse, Fidelity, Fictitious Title, Endowment, Shop Keepers, Schoolmasters, Solicitors, Clerical, Accidental, Medical and Temperance Insurance Companies.

In a work now in press, (the Insurance Guide and Hand Book, vide advertisement in another column,) it is stated; Persons who, for the first time, direct their attention to the practice of Modern Assurance, affect to be startled at the extensive character it has assumed. They discover that not only may they insure their ships against the fury of the waves, their houses and property against the dire calamity of fire, or (still more important) make suitable provision for those dependent upon them in the event of their untimely death, but that they may secure compensation in the event of loss of sight, broken limbs by railway mismanagement, broken heads by midnight assassins, the casualties of the chase, or the frightful risks of the battle field! They may insure their crops against the devastation of hail storms, their plate glass against the fatal assaults of drunken men or idle boys, their cows and horses against the ravages of disease, their ledgers against the fatal consequences of bad debts. Race horses may be insured against the infidelity of their grooms, and clerks and servants may have *their fidelity* guaranteed. Property holders may have their titles secured, and sleep without fear of ejection; copy holds and lease holds may be made equal to freeholds, school and college endowments may be provided, and shop-keepers may be protected from illegitimate traders, with the guarantee that all such guilty offenders "shall be prosecuted with the utmost rigour of the law?" All this and much more is done by Modern Assurance Companies.

TRADE AND NAVIGATION.

The Trade of Hamilton in 1856 and 1857.

The following table exhibits the total imports at the port of Hamilton, for the first six months of the present year, as compared with the corresponding period of 1856. The marked decrease in 1857, would seem to indicate great prudence on the part of Hamilton Importers, in the present state of the country, and must not be regarded as indicating a permanent decrease in the business of that city :

The value of Goods imported during the six months ending 4th July, 1856.....	£729,267 14 3
Do. do. six months ending 30th June, 1857.....	458,099 6 2
Decrease in 1857.....	£271,168 8 1
Value of Goods placed in Warehouse to 4th July, 1856.....	£ 33,808 2 2
Do do do do to 30th June, 1857...	39,898 9 3
Increase in 1857.....	£6,092 7 1
Value of Goods remaining in Warehouse to 4th July, 1856	£ 27,045 14 3
Do do do do to 30th June, '57	53,578 10 7
Increase in 1857.....	£26,533 16 7

Comparative Statement, 1856 and 1857—Three months.

Value of Dutiable Goods imported during the quarter ending 30th June, 1857	£225,980 15 7
Value of Free Goods.....	36,333 4 7
Total quantity of Goods imported in quarter.....	£262,314 0 3
Do do do do ending 4th July, 1856....	473,263 18 6
Decrease in 1857.....	£210,949 18 4
Value of Goods placed in Warehouse, 1856.....	£ 28,197 3 1
Do do do do 1857.....	32,549 5 1
Increase in 1857.....	£4,352 2 6
Value of Goods remaining in Warehouse, 1856.....	£ 5,189 3 6
Do do do do 1857.....	32,666 1 0
Increase in 1857.....	£ 27,476 17 6

Fort-Erie Ship-Canal Company.

At a meeting of the Provisional Directors of the above Company, held at Fort Erie, on the 7th ult., it was unanimously resolved "that J. C. Capreol, Esq., president of the Metropolitan Gas and Water Company of Toronto, be requested to open the Stock Book at the Rossin House, Toronto; but that gentleman being in England at present, in connection with the affairs of the Company, of which he is the President, the Provisional Directors will be deprived of the benefit of his invaluable services in such a cause." In the meantime, the Book has been placed for signature in the Hotel by the Secretary of the Metropolitan Water Company, who has kindly handed us the annexed copy of the Engineer's Report, for publication :

[Copy.]

Engineer's Report on the Fort-Erie Ship-Canal, made to the Provisional Directors, appointed in the Charter. By Charles B. Stuart, Engineer-in-Chief, and William Wallace, Associate Engineer.

To the Provisional Directors of the Fort-Erie Ship-Canal:

GENTLEMEN—The undersigned, in compliance with your instructions of the eleventh of last month, have made a preliminary survey, and an approximate estimate of the cost of the proposed Ship Canal, around the Fort-Erie Rapids, Canada West, and now have the honor to submit a brief statement of the result of our examination, for the information of the Provisional Directors and the public, before the opening of the stock books, on the first day of October next, deferring a more detailed and full report until the completion of the maps, plans, and specifications, required by the act of incorporation, to be submitted to the Governor in Council.

In making our examination and estimate of the probable cost of this work, we have been governed by the requirement of the fifteenth section of the charter, which states that the canal, which the Company is authorised and empowered to construct, to overcome the rapids of the Niagara River, near Fort Erie, "shall be of sufficient size for the passage of vessels of the largest class navigating the lakes for freighting purposes, and shall be so constructed with one or more locks; and shall have safe and easy entrance at each end thereof, with proper piers, lighthouses, and all other appurtenances that may be reasonably required for a canal, sufficient for the purposes aforesaid; and the said canal shall commence at some safe and convenient point above the said rapids, and shall re-enter the Niagara River at a similar safe and convenient point below the said rapids."

The length of the canal as surveyed, is six thousand five hundred feet, and has been estimated sixty feet wide at the surface of the water, and ten feet in depth below the low-water level of Lake Erie, and with an arrangement of the locks to allow the deepening of the water to twelve feet, if ever found desirable for the accommodation of larger vessels than now navigate the upper lakes. The estimates provide for the construction of a grand lock

at the entrance of the canal, to control the frequent, and at times great fluctuations of the level of Lake Erie at this point; and for a lift-lock of four feet, of the dimensions required by the charter, together with all the appurtenances named in the section of the act as quoted above, with the necessary coffer dams, drawbridges for streets and railway crossings, and a liberal percentage for right of way; engineering and contingencies sufficient, it is believed, to cover all the necessary expenses of the work, and which amount in the aggregate to the sum of one hundred and twenty thousand pounds, or four hundred and eighty thousand dollars.

If the locks should be constructed of the dimensions of the one at the Sault Ste. Marie Ship-Canal, the above estimate would be increased sixteen thousand pounds; a corresponding increase of the *prism* of the canal would swell the aggregate cost to one hundred and sixty thousand pounds, or six hundred and forty thousand dollars.

Respectfully submitted,

(Signed)

CHARLES B. STUART,
Engineer-in-Chief.

WM. WALLACE,
Associate-Engineer.

Fort Erie, September 23d, 1857.

Avenues of the Western Trade.

The following remarks on the avenues of the Western traffic, are from the pen of T. C. Clarke, Esq., C. E., and appear in the Appendix to the Report of the Commissioners of Public Works. As the subject of which they treat is of importance to Canadians at the present time, we make no apology in transferring them to our pages. In connection with this subject, we notice that the member for Argenteuil,—S. Bellingham Esq.,—has lately contributed a series of interesting articles to the *Montreal Gazette*, advocating the construction of the Ottawa and Georgian-Bay Canal, as the best means of attracting the trade of the West to the St. Lawrence. We may refer to his remarks in a future number:—

“Of the further greatness of the trade of the North-West, we need neither illustration nor argument to convince us. Its deep development during the last twenty years, from nothing to a value between three and four hundred millions of dollars, is of itself a fact so astonishing that we are prepared to accept, without incredulity, the most startling speculations. The growth of Chicago, the chief collecting point of this region, from a miserable village of log huts, with a handful of the usual hangers-on of a military outpost, to a great city of nearly one hundred thousand inhabitants, whose daily arrivals and departures of vessels is exceeded by New York alone, is another western phenomenon, which puzzles the sober farmers of New England, and the easy-going planters of the Old Dominion.

It was not until the opening of the Erie Canal, in 1825, cheapened the precarious and expensive means of transport then existing to the lower end

of Lake Erie, that the tide of emigration set in with any force to the North-West; from that period until about 1840, the exports of this region were small; the surplus products being consumed by the ever-increasing crowd of new settlers.

During the last fifteen years' time, and the effect of judicious public improvements, have so far developed the resources of this country, that the value of the Lake trade had increased, between 1840 and 1850, from \$60 to \$300,000,000, and if it has continued to increase in the same ratio, must now have attained the value of \$450,000,000. The total number of tons arriving at tide-water from the Western States, by the Erie Canal, has increased from 158,148 tons in 1840, to 1,213,690 tons in 1853. It is estimated by Mr. J. B. Jervis that this trade will double in the next six, and quadruple in the next fifteen years; so that in 1870 there will be an Eastern movement of five millions of tons, the surplus products of the North-West; and were all this business done through the Erie Canal, the total annual movement would exceed nine millions of tons.

That this estimate is a safe one, and rather errs in being under than over the mark, no one will doubt who considers how small and insignificant a part of the vast territory tributary to the commerce of the Lakes is now occupied and under cultivation. It is safe to say that out of a region variously estimated to contain from 550 to 700,000 square miles of fertile territory, not one-twelfth part is now occupied, and that but sparsely. From a country capable of supporting 20,000,000 of people, what may we not expect?

Although but few persons could appreciate the immense magnitude of the prize, yet from an early day attempts were made by different sections of the country to direct the Western trade to themselves. The two natural routes to the Ocean from this great inland basin, are by the Mississippi and the St. Lawrence Rivers. To this we may add a third, that great and only gap in the Alleghany chain which is penetrated by the Hudson River and its tributaries. This route, although at first sight not so apparent as the others, really possesses great natural advantages, and compares very favourably with them, as we may infer from the fact that the expenditure found necessary to overcome the rapids of the St. Lawrence and the Falls of Niagara, was considerably greater than the cost of the original Erie Canal.

The Mississippi route, although not requiring so much artificial improvement, has some very serious disadvantages; one of which is the very variable regimen of its tributaries, which half the year are in freshet, and the other half nearly dry. Whether this state of things can be obviated by art it is difficult to say. Those who take an interest in the subject are referred to the able essays of Charles Ellet, Jr., on the improvement of the Mississippi and Ohio Navigation.

A more serious objection to the Mississippi, as an outlet of the North-West, is found in the fact that the heated waters of its mouth and of the Mexican Gulf are unfavourable to the preservation of those cereal products which form the staple of western export. Mr. McAlpine, in his Canal Reports for 1852 and '53, has shewn that when the enlargement of the Erie Canal is completed, the cereal products of the west can be brought to the New York market from as far south as the confluence of the Ohio and Mississippi rivers, cheaper than to New Orleans, while the products of the hog, which is not slaughtered early enough in the fall to reach the northern water

lines before they are closed by frost, will continue to find their way by the Mississippi river.

The St. Lawrence is the other rival for western trade; but if we examine what proportion finds its way by that route, we shall see that it not only does not attract any of the trade of the Western States, but is fast losing even the trade of Upper Canada.

Previous to 1850, by far the largest part of Western Canadian trade was done through Montreal and the St. Lawrence, and the trade with the United States was very insignificant, but with the cessation of protection to Canadian products in British markets, and the repeal of differential duties in favour of the St. Lawrence, a trade began to spring up between the two countries, which has been greatly extended by the operation of the United States Bonding Act, which came into effect in 1850, and the Reciprocity Treaty in 1855. The effect of these two measures has been to divert the trade of Canada West from the St. Lawrence to the New-York Canals and Railways.*

In 1854 the value of imports by the St. Lawrence was	\$21,171,752
Exports	12,501,372

Total value of Trade	\$33,673,128
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In 1855 the value of imports by the St. Lawrence was	\$11,494,028
Exports	6,975,500

Total value of Trade	\$18,469,528
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During the same years the reciprocal trade with the United States was as follows:

In 1854 the value of imports from the U. S. was	\$13,553,096
Exports to the U. S.	18,418,000

Total value of Trade	\$33,971,096
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In 1855 imports from United States	\$20,825,432
Exports to United States	20,002,288

Total value of Trade	\$40,827,720
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Thus, in one year the trade of the St. Lawrence has lost a value of \$15,203,600, while the United States' trade has gained a value of \$16,856,624. Such a revolution in the course of trade is remarkable.

A part of this change is due to the Grand Trunk Railway which enables Lower Canada merchants to make their spring importations through Portland, before the opening of navigation on the Canals; but this is a trifle in comparison with what has actually been diverted through the State of New York.

We shall therefore assume it as an established fact, that, at present, 'the commerce of the West no longer seeks an outlet by the stormy and icy mouth of the St. Lawrence, nor braves the dangers of the Mississippi on its way to the sultry shores of the Gulf of Mexico, but principally follows the

* By referring to the trade returns for 1856 (Canadian Merchants' Magazine, page 147), it will be found that the trade by the St. Lawrence is again on the increase, owing, in a great measure, to the success of the Canadian Ocean-Steamers.

chain of the great Lakes to the deeply grooved channels of the Erie Canal, and finds in the low level of the Mohawk Valley the only easy passage through the chain of the Alleghanies.'

We propose in the limits of this article, to take up the subject of Western Trade where it was left by Mr. McAlpine two years ago, in his masterly Reports on the New-York Canals, and investigate the new routes which have come into public notice since he wrote, and compare them with each other and with those already existing.

Taking Chicago as our point of departure, we have at present two lines of water communication with New York, one via Buffalo and the Erie Canal, the other via the Welland Canal and Oswego. But western enterprise is not satisfied with these existing routes, and demands new ones for three reasons.

In the first place, considering the probable increase of their trade, they believe that it will not be many years before the enlarged Erie Canal will be choked up by a plethora of traffic, as the old one has been.

Secondly. They believe in the wholesome influence of competition, and do not like to see their only outlet in the possession of parties over whom they have no control. They remember the effect of opening the Canadian Canals in bringing down the tolls on the Erie Canal, and that the whole north-west would annually have been taxed a large sum on both exports and imports, but for them. Mr. Andrews states that in the year 1851, the reduction of tolls on railway iron amounted to \$553,955, and on wheat and flour to \$512,830, or nearly \$1,067,000 less than they would have been by the rates of 1854, before the Welland and St. Lawrence Canals were opened.

Lastly. Experience has proved that the larger the vessel, the cheaper the cost of conveyance. This, of course, has a limit somewhere, and what is the exact size of draft that shall be found most economical, nothing but experience can decide. The present state of our knowledge is that propellers are a cheaper mode of conveyance than side-wheel or sail craft, and that propellers of 800 tons burthen and over, would be more economical than those of 400 tons, which is the largest size that can now pass the Welland Canal Locks.

What the exact amount of the saving would be, it is difficult to tell, but one of the most intelligent Western forwarders estimates that in a trip of 1,100 miles from Chicago to Buffalo, if the gross receipts of a vessel of three hundred tons are 1,237.50, she would net \$500; while one of 600 tons out of gross receipts of \$2,505 would net \$1,600. The saving in this case is nine-tenths of one mill per ton per mile. If we assume that 1,000,000 of tons is annually transported 1,000 miles on the Lakes in vessels of 300 to 400 tons burthen, then by doubling the size of these vessels, the annual saving to the trade would be \$900,000. The accuracy of this estimate we have no means of proving, but we are inclined to think that the general result is understated. The size of vessels is now limited by the depth of water in the Lake harbours and on the St. Clair Flats, and by the Locks of the Welland Canal. Besides these arguments for the improvement of the existing routes, and the opening of new ones, which address themselves particularly to the inhabitants of the Eastern and Western States, the people of Canada have another reason even more cogent.

We have seen that the Welland and St. Lawrence Canals confer an

annual benefit upon trade of over \$1,000,000. During the last five years these same Canals have cost the Province of Canada for repairs and general expenditure \$2,610,780. The receipts during the same period have been \$1,835,536, shewing a deficiency of \$775,224, which added to \$3,700,000, which is the interest on their cost during the same period, amounts to \$4,475,224, or an annual loss of \$895,000. Even supposing that the 'construction accounts could be closed,' and that the annual expenditures on the Canals could stop, the interest on their present cost is \$820,000, and the net receipts, after deducting expenses of collection and superintendence, are but \$220,000.

Thus it appears that if by opening any new routes the business on the Welland and St. Lawrence Canals could be increased, the people of Canada have a very strong interest in urging forward such schemes, and lending them aid.

The new projects are three in number. The first is to open a Ship Canal from the St. Lawrence to Lake Champlain; also having in view the enlargement of the present Welland Canal locks to a size sufficient to pass propellers and steamboats of from 800 to 1,000 tons burden.

The second is to build a Ship Canal of the same capacity, from the Georgian Bay of Lake Huron, to Lake Simcoe, and thence across the narrow neck of land that separates that sheet of water from Lake Ontario.

The third scheme contemplates opening up a propeller navigation on the same scale from Lake Huron, via French River, to Lake Nepissingue, and thence down the Ottawa to Montreal.

The St. Lawrence and Lake-Champlain Canal has been under consideration for some years, and various elaborate reports have been made upon it by different engineers, both Canadian and American. After some conflicting opinions as to the question of its proper location, a line has been adopted by the Canadian Commissioners of Public Works, commencing at St. John's on the Richelieu River, at the lower end of Lake Champlain, and running thence northerly by that river and the present Chambly Canal, for some nine or ten miles, and thence westerly to the St. Lawrence River at Lake St. Louis, near the Indian Village of Caughnawaga, from which the Canal has been named. The entire distance is thirty-two and a half miles, and the entire lockage twenty-nine feet, and it is fed directly from Lake Champlain. Its locks will be large enough to pass vessels of from 800 to 1,000 tons burthen, and its cost is estimated at from \$2,000,000 to 3,000,000.

In immediate connection with the Caughnawaga project is the enlargement of the present Welland Canal, or rather rebuilding, for the proposition is to widen and deepen the present Canal from Lake Erie to Thorold, on the edge of the Mountain, and then strike off by a new and independent route to the Town of Niagara, just above the mouth of the Niagara River. This it is thought could be done as cheaply as to attempt to enlarge the present Canal, while it would have the advantages of leaving that undisturbed, and practically doubling its capacity, and would get a better harbor than is now in use at the present terminus on Lake Ontario. The scale of the new Canal is for vessels of 800 to 1,000 tons, and the cost is estimated at \$6,000,000.

The Welland and St. Lawrence Canals have cost the Province of Canada up to the present time, including interest, \$13,668,000, and, as we have seen, they do not pay two per cent on this outlay, although of vast benefit

to trade and commerce in general. It is believed by many intelligent persons that a farther expenditure of \$3,000,000 on the Caughnawaga Canal, and \$6,000,000 on the enlargement of the Welland, would divert such an amount of trade into this Canadian route that it would eventually pay six per cent. on the whole outlay of say \$23,000,000, for they maintain this would be a quicker and cheaper route to New York than any now existing.

As will be seen from our investigations a few pages further on, this assumption is perfectly correct, provided the State of New York can be induced to enlarge the present Champlain Canal from White Hall to Waterford, on the Hudson River, to the same scale as the proposed Canadian Canal, and make such improvements in the river as would make it navigable for vessels of the class which would go through the Canals. It is estimated by Mr. Andrews that the State of New-York derives an annual revenue of \$450,000 from her Tolls upon articles of Canadian Trade passing through the Oswego and Erie Canals.

The greater part of this would be lost if the Champlain Canals were built, unless indeed, she put so heavy a toll on it as to pay the interest on its cost, and reimburse her, moreover, what she lost from the Oswego and Erie Canals. But this could not be done without making the new route more expensive than the old ones; hence it seems probable that the State of New-York will not enlarge the Champlain Canal until the Erie and Oswego Canals get more business than they can do, and it would be manifestly unwise for the Canadian Government to embark in so expensive an undertaking until they were sure that the State of New York would co-operate with them.

That, however, is a mere question of time. But there is another point of view from which we may consider the Caughnawaga Canal, by which it does not require the Champlain Canal as a necessary adjunct. We may look upon it as a channel for the trade between the New-England States and the West. This is already very large, and becoming more so every year as those States become more manufacturing and less agricultural. It is estimated by a Committee of the Massachusetts Legislature who have just reported on the proposed Hoosac Tunnel, that the annual trade of that State alone amounts to 800,000 tons. This is too large an estimate; but it is safe to say that of the 4,000,000 of tons annually passing through the Mohawk Valley, nearly one-half is due to New England.

The Ogdensburg Railway was built by Boston capital, in the hopes that it would afford a channel for that trade. But it has never been able to compete at all with the water lines of communication. By their last report it appears that the total amount of through freight going East and West on that road last year was but 87,000 tons. The balance finds its way through the Mohawk Valley, to the Hudson, a very small part going over the Albany and Boston Railway; by far the largest part goes on to New York, and is thence shipped to the different New England ports.

It is believed by the advocates of the Caughnawaga Canal that freight could be laid down at ports on Lake Champlain, Burlington and Whitehall, and distributed by rail over the greater part of New England, cheaper than it could be conveyed through the present Champlain Canal, and by the way of New York. New York would then be obliged to complete the ship navigation in self-defence, to prevent her trade being stopped by the New England railways.

Few persons have looked upon the map of the great lakes without noticing the nearness with which the Georgian Bay of Lake Huron, and Lake Simcoe, which empties into it, approach to Lake Ontario. By cutting through an isthmus of about 50 miles, a saving of 400 would be made on the trip from Chicago to Oswego. Accordingly, a Canal across this point has long been talked of. Last year the project was revived, and a convention of delegates from Oswego and Chicago met to deliberate upon it.

Upon close examination, it is found to be not quite such plain sailing as at first glance might appear. Lake Simcoe is 475 feet above Lake Ontario, and 110 feet above Lake Huron, making a total lockage of 585 feet, against 360 by the way of the Welland Canal and St. Clair river. Moreover, there is a summit ridge between Lakes Simcoe and Ontario, which could not be locked over on account of deficiency of water to supply the summit level, and must be cut through and fed from Lake Simcoe. This would require, according to the statements of an engineer who has made some preliminary examinations, a cutting of nearly 200 feet for a mile and a half, and an average cutting of 50 feet for six miles and a half. This would seem rather a formidable obstacle, but we believe is considered quite a trifle by the friends of the project.

The length of artificial navigation is estimated at 94 miles, and, from comparison with other works, the cost is estimated at 25,000,000. It is understood that careful surveys and estimates are being made; when they are reported we shall be able to speak with more certainty as to the practicability of this scheme.

Another project which finds great favor with the people of Lower Canada, is the improvement of the Ottawa navigation through to Lake Huron. The saving of distance would be great. From Chicago to Quebec by the Welland Canal, is 1,657 miles; by the Ottawa route 1,176 miles, or 481 miles shorter. From Chicago to New York by the Ottawa and Champlain route would be 1,358 miles, or 257 miles nearer than by way of Buffalo and the Erie Canal.

As to the practicability of improving this course of navigation so as to admit craft of 800 tons and over, at any reasonable cost, it is impossible to speak with certainty, until an accurate survey is made by some reliable engineers. This the Canadian Government has announced its intention of doing at an early date. If there be any great difficulty, it will be in getting from the Ottawa to Lake Nepissingue without too expensive cutting. In other respects the route seems favorable. The Ottawa is a large river, consisting of long reaches, or rather lakes, with little currents, from twenty to fifty miles long, separated from each other by short rapids and falls.

The only scientific reports we have on the Ottawa, are those of Mr. Hawkins, an engineer who examined it in 1838, and those made in connection with the Geological Surveys of the Province. From these reports it appears that the whole distance from Montreal to Lake Huron, is 421 miles, about 60 of which are obstructed by falls and rapids. The total rise and fall is about 700 feet.

Of these sixty miles of obstructed navigation, twenty are already improved; but only the Lachine Canal, eight and a half miles long, is large enough to admit vessels of 800 to 1,000 tons. St. Anne's Lock is not

deep enough: the Grenville Canals and the Rideau at Ottawa City, have locks only thirty-three feet wide. The government is now building a Canal on the St. Lawrence scale, three miles long, between the Chats and Chaudière Lake, twenty miles above Ottawa City. This leaves some forty-eight miles yet to be built and rebuilt. Of course, with our present knowledge, we cannot say what this will cost, but it is not probable that, even if no extraordinary difficulties are found, the Ottawa Canals could be built for less than double the cost per mile of the St. Lawrence Canals, owing to the hardness of the rock, which is granite, primitive lime-stone, and hornblende mixed with quartz, and to the difficulty of transporting labor and supplies to such a wild country. We may, therefore, assume the minimum cost of this improvement, to be \$12,000,000.

There is one great advantage this route would have over all others, namely, a certainty of return freights. The Ottawa Country contains inexhaustible supplies of pine, and abundant power to convert it into sawed lumber.

Owing to the cheapness of the up-freights, Chicago now draws from the east end of Lake Ontario much lumber that formerly went to the Albany market, and it is reasonable to expect that her influence would be felt far down on the Ottawa.

This improvement must be a gradual one. It would be of little use unless the Caughnawaga and Champlain Canals were first built to give it an outlet. It is probable that unless the Surveys of the Canadian Board of Works find too great obstacles, the scheme of making a through navigation will be adopted, and will be gradually carried out by extending the Canals up the Ottawa, and thus opening the country for settlement, until they are completed through to Lake Huron.

(*To be continued.*)

BREADSTUFFS—WHAT IS THE PROSPECT?

On this subject, we find the following remarks in a late number of the *New-York Herald*:

"From our market report it appears that within two months the prices of flour have fallen in this city from \$1 25 to \$3 15 per barrel, upon different brands—the general decline being about \$1 25c. Yet, in the face of this decline, which is still going on, and in the face of the immense crops of wheat which are awaiting shipment from the great west, and in the face of the financial pressure, which is operating to reduce everything to its proper level, we are told by some of our wise contemporaries that breadstuffs will be very high in New York this coming winter. And wherefore? Because of the want of the cash required to pay for the transportation of these breadstuffs from the west to the east.

A few facts, however, are better than a thousand empty theories; and as it is a fact that the grain producers and dealers of the west, must pay their debts, and must have the money for their produce, even at a sacrifice, we may safely conclude that the ways and means will be found for bringing their produce to the market. Where wheat, by the quantity, may be had in Kentucky and Illinois for forty or fifty cents a bushel, if our speculators' hacks cannot raise the cash needed to bring it to the seaboard, European capitalists are very

apt to have a finger in the pie; and we shall soon find their agents among us ruling the roast in the flour market. It is bad enough to be threatened, this coming winter, with a general want of employment among the working classes, without the additional pressure of increased prices for the necessities of life, when the country is literally overflowing with its superabundance of wheat, corn, &c. No; when money is tight and high, other things come down, and when the great west has millions of debts to pay, and millions of money to raise, it must appropriate its redundant supplies of wheat and corn, and send them to market, and sell at any price that it will command the cash.

Hence we conclude that breadstuffs in this port, and throughout the country, will be lower through the coming winter, than during any preceding winter for the last ten years."

Light-Houses in the Gulf—The Government Survey.

During the last Session of Parliament, £20,000 were voted toward the erection of Light-Houses in the Gulf and River of St. Lawrence, and several places were indicated in the vote as being the best sites. To render this grant available, and to have the requisite surveys made, and the proper sites selected, the Government directed Mr. Page, of the Public-Works Department,— who is most zealous in regard to the subject of rendering the navigation of the St. Lawrence as safe as it is convenient,— to visit the localities, and report the result of his inspection. Hon. F. X. Lemieux, Chief Commissioner of Public Works, the Master, Deputy Master, and Clerk of the Trinity House, the Harbour Master, and Mr. Gauvreau, the efficient Superintendent of Works, accompanied Mr. Page on this expedition. They left Quebec on the 14th of August, and after a most expeditious tour returned on the 15th of September, in the Provincial tug-steamer *Napoleon*. Among the places visited were Cape Ray, Cape Whittle, Point Fereol, Battle Island, Manacoughan Shoal, Cape Norman, Point Observation, Cape Chats and Metis, where it was suggested to Parliament superior-class Light-Houses should be erected; and the Brandy Pots, Pilgrims, Crane Island, Madame Island, and Point St. Lawrence, were proposed as sites for inferior-class beacons. The steamer also called at the following places, at many of which Mr. Page made surveys:— Point des Monts, Seven Islands, Ellis or Gamache Bay, South-West Point of Anticosti, Cape Rosier, Grand Mactina, Green Island, Woodley Island, Forteau Bay, L'ance a Loup, Cape St. Charles, Chateau Bay, East and West points of Belle Isle, White-Island near Quirpon, Cape Bald, St. George's Bay, Cape a L'angiulle, Pointe Enragee, Port au Basque, Green or Cape Island, West point of St. Paul's Island, Brian Island, Bird Islands, East point of Anticosti, Nantasquan, North and West points of Anticosti, Bic, Mille Vaches, Portneuf, Isle aux Groux, and Isle of Bellechasse. The *Napoleon* experienced some rough and foggy weather, and was obliged to put into Sydney for coals. Captain Gordeau saw the new barque *Flora*, hence on the 21st of August, a total wreck, at Nantasquan, and reports that the steamer *Doris*, which went ashore at L'ance a Loup, has been got off, and will, probably, be taken to Newfoundland. A vessel was also said to

have been on shore at White Island, near the Brandy Pots, and Captain Gordeau sent the steamer *Admiral* to her assistance. We are glad to learn that three more Light-Houses have been finished, and are now ready to be reported to the Admiralty, viz : Those at Cape Rosier, Point d'Amour, Forteau Bay, and the West point of Anticosti. The French mechanics employed on these works were brought up in the *Napoleon*. The Light-House at the West Point of Anticosti, it will be remembered, is that which has been complained of as not having been lit when the steamship *Clyde* was wrecked last August. Of course, no light was shewn ere the completion of the house, nor can any be, until the Admiralty is informed of the bearings of the beacon. That this information may be immediately given, and that the report made by Mr. Page as to the judicious lighting of other points may be promptly acted upon, is, we are confident, the desire of all who wish to maintain the reputation of the St. Lawrence route, already sufficiently damaged by the loss of such vessels as the *Canadian*, *Clyde*, and *City of Toronto*.—*Quebec Chronicle*.

Marine Losses for September, 1857.

The marine losses for September, as given by the New York papers, amount to the large sum of.....\$2,794,900

This includes partial as well as total losses, and also includes the losses on cargoes. Of the above losses, the following comprise the larger proportion:—

Steamer	"Central America,"	\$2,000,000
"	"City of Toronto,"	150,000
"	"Clyde,"	120,000
"	"Southern,"	50,000
Bark	"Maria Pratalonge,"	70,000
Ship	"Floating Zephyr,"	50,000
"	"Lexington,"	70,000

\$2,510,000

The exact amount of treasure lost by the *Central America* is not known, but is estimated, including gold in private hands, at \$1,700,000, and the steamer and cargo at \$300,000, making an aggregate as large as the loss of forty vessels averaging \$50,000 each. Subtracting this loss, the disasters for the month of September would not be large.

JOURNAL OF MANUFACTURES.

The Discovery of a New Method of Refining Sugar.

Professor Daubeny, of Oxford, lately communicated the following particulars of a new method of refining sugar, which are important; and which, since we have several sugar-refining establishments in Canada, may lead to valuable improvements and economy. He says:

"It consists in the adoption of the superphosphate of alumina in conjunc-

tion with animal charcoal, as a substitute for the albumen usually employed for that purpose. In both cases the object is to separate and carry down the various impurities which colour and adulterate the pure saccharine principle present in the syrup expressed from the cane or other vegetable which supplies it. As, however, bullocks' blood is the material usually procured for the purposes of supplying the albumen, a portion of uncoagulated animal matter, together with certain salts, is left in the juice in the ordinary process of refining, which impairs its purity and promotes its fermentation—thus occasioning a certain loss of saccharine matter to result. Nothing of the kind happens when the superphosphate is substituted, and so much more perfect a purification of the feculent matters, under such circumstances, takes place, that several varieties of native sugar, which, from being very highly charged with feculent matters, are rejected in the ordinary process of refining, are readily purified by this method. The employment of superphosphate of alumina also gets rid of so much larger a proportion of impurities present in the sugar, that much less animal charcoal is subsequently required for effecting its complete defæcation than when bullocks' blood has been resorted to. The quantity of superphosphate necessary for effecting the object, is, for ordinary sugars, not more than twelve ounces to the ton; whereas, for the same quantity, as much as from one to four gallons of bullocks' blood is found to be required. Dr. Daubeny suggested that this re-agent might be advantageously resorted to, not only in the purification of sugar, but also in other processes of the laboratory, when the removal of foreign matters, intimately mixed with a solution of a definite component, becomes a necessary preliminary in its further examination."

SALT MANUFACTURES IN THE UNITED STATES.

MR. SAMUEL HOTALING, an extensive salt-manufacturer, lately furnished the following comprehensive account of the salt manufactures of the United States, for the use of a Committee of the British Parliament. From his statement which we give below, it will be found that no fewer than ten different States are engaged in this manufacture; and when we take into account the annual expenditure of Canada for this article, which last year amounted to £64,377 13s. 7d., of which £42,671 19s. 7d., was imported from the United States, it may be well to enquire whether the *Brine Springs* of Canada, are of such a character as to encourage the home manufacture of this article.—(See *Canadian Merchants' Magazine*, Vol I. page 209.)

NEW YORK, April 23, 1857.

DEAR SIR:—I have received your letter of the 20th instant, in which you solicit information respecting the manufacture of salt—the quantity made in the United States at each of the works—the rate of freight to the principal ports—the toll paid on domestic and also on foreign salt on our State canals, &c.

The interest I feel in the salt trade of this country, prompts me to take some pains to give you the required information. Yet the short time I have had since the receipt of your letter, precludes me from answering your several inquiries with perfect satisfaction to myself in regard to their accuracy.

I will, however, venture to give you the following statistics, which, from the best information I have been able to obtain, I believe to be mainly correct:—

Estimated quantity of Salt Manufactured in the United States per Annum.

	Bushels.
In the State of Massachusetts, (mostly in vats built along the sea shore)	46,000
In the State of New York, (Onondaga County,) about.....	6,000,000
In the State of Pennsylvania, (Alleghany and Kiskiminetas rivers).....	900,000
In the State of Virginia, (Kanawha and KingsWorks).....	3,500,000
In the State of Kentucky, (Goose Creek).....	250,000
In the State of Ohio, (Muskingum, Hocking River).....	500,000
In the State of Ohio, (Pomeroy and West Columbia).....	1,000,000
In the State of Illinois	50,000
In the State of Michigan	10,000
In the State of Texas	20,000
In the State of Florida	100,000
Total	12,376,000

There are salt lakes in the United States territories—one in the south-westerly part of Texas, and one or more in Utah, where salt of good quality is found in great abundance.

Nearly all of the salt manufactured in the United States is made by boiling, excepting what is made in Massachusetts, Florida, and the Solar Works at Onondaga.

The amount of salt manufactured at the Solar Works of Onondaga in 1856, was 709,391 bushels. The amount of salt manufactured in kettles in Onondaga in 1856, was 5,258,419 bushels.

When the works (at Onondaga) are generally running, they require 3,000,000 gallons of brine daily, and the supply is not less than 2,000,000 gallons per day for six months.

The annual report of V. W. Smith, Esq., the State Superintendent of the Onondaga Salt Springs, which I herewith hand you, furnishes valuable information in regard to the manufacture of salt, the saline deposits within our State, and such other general information pertaining to this necessary article of animal subsistence, as to render it one of the most accurate and interesting public documents published in our country.

The wells in the Virginia Salt Springs are about 900 feet deep. The wells at Pomeroy and West Columbia are from 1,000 to 1,200 feet deep.

The estimated quantity of foreign salt consumed in the United States and territories is about 13,500,000 bushels per annum.

The amount of salt consumed in the United States (for various uses) is about sixty pounds to each inhabitant.

The consumption in France is estimated at 21½ pounds; in Great Britain at twenty-five pounds for each inhabitant.

The cost of manufacturing salt by boiling in Onondaga, as per estimate, during five consecutive years, averages about \$1 per barrel of 280 pounds.

The freight charged on our canals on domestic salt, in barrels of 280 pounds each, from Onondaga to Buffalo, 198 miles, is about 15 cents per barrel over the toll paid to the State, which is 1 mill on 1000 pounds per mile in the canals. To Oswego, 35 miles, the freight is about 6 cents per barrel over the toll.

The freight on foreign and domestic salt from Albany to Buffalo, 364 miles, is about \$3 per ton (of 2,000 pounds) over the toll. Freight from Albany to Oswego, about 209 miles, is \$2 per ton over toll. The freight from New York city to Oswego and Buffalo, via Albany, is precisely the same as though shipped at Albany, although 148 miles further.

The toll on foreign salt on our State canals is five mills on 1,000 pounds per mile.

The freight on a barrel of salt from Oswego to the principal ports on Lake Erie (average distance about 450 miles,) is 12 cents per barrel. The freight to the principal ports of Lake Michigan, distance about 1,000 miles, is 25 cents per barrel. The freight from ports on Lake Erie (say Cleveland and Toledo), to the Ohio River and Cincinnati is 50 cents per barrel. The freight from Chicago to the Mississippi River and St. Louis is 50 cents per barrel.

The minimum price of salt at the Onondaga works in 1849-50, and '51, was from 70 to 90 cents per barrel; in 1852, \$1 per barrel; in 1853, \$1 12c; in 1854, \$1 25c; in 1855, \$1 30c; and in 1856, \$1 40 per barrel.

The solar salt costs about the same price to manufacturers as boiled salt.

The solar salt weighs about 70 pounds to the bushel, (measure.) The boiled salt weighs about 56 pounds to the bushel, varying, however, according to the position of the kettles, to a weight considerably above and also considerably below this standard.

The duty paid to the State of New York on salt manufactured at Onondaga, is always reckoned on 56 pounds, (this being the statute bushel,) and covers the expense incurred by the State for pumping up the water and delivering it to the premises of the manufacturers.

A salt block at Onondaga of the largest size, is made of brick about 12 to 15 feet wide, four to five feet high, and forming two parallel arches, extending the whole length of the block. Over, and within the top of these arches, are placed common cast-iron kettles, holding about 50 to 70 gallons brine, placed close together in two rows, the whole length of the arches. A fire built in the mouth of the arches passes under each kettle into a chimney, built generally 50 to 150 feet high, averaging from 50 to 70 kettles in each block. A single block with one row of kettles, is about half of this width.

The quantity of salt made in one of these double blocks in the year, (say eight months), averages 20,000 to 25,000 bushels of 56 pounds.

The cost of a bushel of salt at Kanawha, is about 17½ cents.

The price of freight on a sack of Liverpool salt from New Orleans to Louisville, averages about 35 cents per sack.

A good portion of the coarse hard salt imported into the United States from the most southerly islands of the West India group, is kiln-dried, cleansed, ground very fine, and put in small packages for culinary or dairy use. The amount of coarse and fine salt imported into the United States from foreign countries for the year ending June 30, 1856, was 15,405,864 bushels. The amount of domestic salt exported during the year ending June 30, 1856, was 698,458 bushels. The amount of foreign salt exported during the year ending June 30, 1856, was 126,427 bushels.

Yours truly,

SAMUEL HOTALING.

STATISTICS OF POPULATION.

Historical and Comparative Statistics of the Population of Canada.

From the Montreal Transcript.

The exhibition of the agricultural and industrial resources of Canada, and the assembling of those who feel a lively interest in whatever tends to the increase and development of these resources, affords an opportunity for examining the numerical elements of her population, and considering some of the measures essential to a full and correct knowledge of national statistics, so important both in the public and private relations of society.

Among the earliest wants of governments has uniformly been, an authentic summary of their social condition and industrial wealth; nor can the one be improved, or the other increased, without a thorough acquaintance with their actual conditions, and the relations existing between them.

The Political Economist may construct his beautiful theories upon the production, distribution and consumption of wealth, and elaborate plausible systems for the advancement of social and individual welfare, but without the support of statistics—the science of facts—the world-labored theories become but transcendental speculations, and vanish like the mists of error before the light of truth.

The absence of statistical details in any country must, in a certain degree, characterise its government with tyranny and misrule; while in those countries where statistics have been cultivated, and honored with the essential attributes of precision and authority, we may uniformly trace the progress of social improvement, the equalizing operation of the burdens and the benefits of government, and that salutary tone of moral sentiment which springs from the knowledge that the rights of every class are known and respected. Nor are these facts less essential to the private than the public life of the people; for by their light are afforded the best arguments, the most explicit witnesses of the good or evil tendencies of various plans of local or sectional interest; the expediency or risk of investment of private or associated capital; the direction of industry in particular channels—and the control of various benevolent, literary and charitable enterprises, whose success depends in a great degree upon the correctness of the data upon which they are predicated.

We appeal continually to these facts—in public discussions—in parliamentary debates—and in the daily press. However plausible the argument of an opponent; in matters of fact, it can have little weight upon the judgment, if at variance with statistical tables.

We may trace the good and evil fortune of the science of statistics through a period of forty centuries. The Egyptians, Greeks and Romans employed operations analagous to the census, to second their wonderful developments of civilization; but, like these, they were swept away by the inundations of barbarism that extinguished the light of knowledge in the middle ages. Upon the revival of literature, statistics remained, a long time, but the science of the learned, and shunned by both princes and people; the one, fearing disclosures of their weakness; and the other dreading its effects as a fiscal agent, to more directly and completely reach the scanty surplus of their industry.

Without the slightest probability of concurrence or interchange of ideas, we notice the plan of an enumeration of the inhabitants by authority of government, originating at a remote period of antiquity, in the two extremes of Asia, and even beyond seas in the New World. The Chinese and the Children of Israel, the Mexicans and the Peruvians, had each their methods of obtaining, not only the number, but the wealth and resources of the different classes of their popula-

tions; and knowing these, they were able to calculate and collect the revenues necessary for the support of the State in peace, and its defense in war.

From the domain of applied statistics, embracing territory, population, agriculture, industry, foreign and domestic trade and commerce, finance, military resources and operations, justice, public and private charities, religion, education, and the various facts necessary to a just and successful administration of public affairs, I propose to select the subject of population, as the immediate theme of examination on the present occasion, and to offer such facts and comparisons as may be presumed to possess a general interest concerning it.

To borrow the language of a French writer upon Statistics—"Population is the soul of a country. It is its power, its strength—its riches, its glory—if wisely and happily governed." Between the two great epochs of life—its beginning and its close—how much there is included that becomes the theme of statistical inquiry! In the returns of births—in the tabular summaries of education and of marriages—in the classifications of the professions, ages, sexes, maturities and civil conditions—in the civil or military ranks of society—in the various operations of productive industry—at the elections—on the jury—in the parliamentary or legislative assembly—or perhaps, unfortunately, in the reports of pauperism and of crime—how often may a single unit of the population appear in the columns of statistics. At length, after figuring more or less in the drama of life, he is ranked for the last time in the reports of mortality!

His wealth and industry become the basis of numbers representing agricultural or mechanical production, and his wants, his caprices or his crimes, furnish data for most that remains in the application of statistics to the social economy.

Although certain inventories of wealth, resources and revenues had been in use in Great Britain from remote periods, it is worthy of remark that the want of correct data for the administration of her colonial dependencies, led the English government to order enumerations on the plan of our modern census in her American Colonies, more than a century before a similar enterprise was attempted at home.

These censuses were ordered at irregular intervals, and like those recorded in sacred writ, were founded upon the military capabilities of the country, and designed to afford a knowledge of its effective strength. They were taken by Sheriffs and their deputies, under instructions from the Governors, and by order of the Lords of Trade. Making due allowance for want of system and experience, these returns often exhibit evidences of having been made with great care; and they afford invaluable historical data concerning the condition and growth of the several Colonies.

The plan of a regular periodical census, as the basis of representation, was adopted in the organic law of the State of New York in 1777, and subsequently, by the general government of the United States in 1789, affording the first instance in the history of the world at which a regular periodical census was ever instituted. The British Government in 1801, commenced a decennial census, which has reached a higher state of perfection through the agencies employed, during the last twenty years, in the registration of births, deaths and marriages.

The intimate relation between registration and the census, appears to render their union of operations extremely appropriate, as it cannot fail to be eminently successful.

The examples of a census at decennial periods, which we have noticed, have been followed by nearly every nation in Europe, and extended to their Colonial possessions. Of the census reports of Continental Europe, those of Belgium, France and Prussia, deserve particular notice from the excellence of their arrangement.

While so many interests depend upon the fullness and reliability of a census, it becomes a matter of solicitude to enquire how these facts can be obtained with the greatest facility and precision—What are the difficulties to be met, and how are they to be surmounted?

It will be found that an organization that would operate in an old and densely settled country, and under a strongly centralized government, would require essential modifications to adapt it to a new and thinly-settled country, in which the governing power was diffused in a corresponding manner. There must necessarily exist in the latter case much diversity of intelligence, customs and manners and difficulties from other sources, that would not appear in the former.

The original facts should be obtained, as far as possible, by those who have a personal knowledge of the people they enumerate, who possess the confidence of the public, and who fully understand their duty, and are zealous and conscientious in the discharge of it. This labour, in the United States, has always been performed by special deputies, appointed by the Marshals of the several District Courts, who often had large districts assigned to them, and occupied a whole summer in going over them. In New York, the sheriffs and their deputies, and afterwards special marshals, chosen by the local town-officers, reported the census until 1855, when the appointing power was given to the Secretary of State.

In making the appointment of the 1750 persons thus chosen, recourse was had to the aid of personal friends in the several counties, and the system was found to be attended with infinitely more trouble than benefit.

In Belgium, in 1846, a central commission of statistics, with special commissions in each province, were employed, with numerous local and temporary agents. In France, the existing municipal organizations were charged with the duty. The last Canadian census was taken under the Board of Registration and Statistics, having 83 commissioners, and 1,073 enumerators, subordinate to them. In general, in the absence of a thoroughly organized and permanent system of registration, with the existing municipal and civil officers will be found an appropriate means for the distribution and collection of instructions, and blanks and special agents with small districts, chosen by local magistrates, and accountable to them for the accuracy of their labours, will be found most efficient for obtaining the original facts.

The whole organization should be under the direction of a central office, and the report of each enumerator should be examined and approved by the local appointing authority, and by the central office, before pay should be allowed.

The compensation should always be *pro rata*, and sufficient to secure competent and faithful persons in the service. The labour of summing up and arranging for the press, should be done *entirely* under one direction, and in one office.

The enumeration should be made, if possible, in a single day, to avoid the errors arising from omissions or double entries, by changes and removals while the work was progressing, and hence each enumeration district should be small, and its boundaries precisely defined. The population should *not* be returned by families, or dwellings, but the precise name, sex, age, relation to the head of family, nativity, profession, civil condition, &c., of each person should be reported in full.

A period of the year should be selected, when the people are mostly at home, and the beginning of the civil year will generally be found to possess, in this and other respects, many advantages.

One of the chief difficulties which have attended a census, has arisen from suspicion that some scheme of taxation or revenue was to be based upon it. This obliged the Belgian government, in 1846, to publicly declare the measure to be entirely free from financial schemes. The suspicion of political and partizan operations has, in some cases, and not without colour of reason, been excited by the exclusive appointment of enumerators of one party. These difficulties are only to be overcome by the increase of intelligence, the avoidance of partizan or sectarian feeling in appointments, and especially by the diffusion of correct ideas of the true objects of the enumeration, and of the public, social, and individual advantages arising from it. In these it will appear that while personal items become lost in the general averages, and the wealth and industry of

the individual are merged in that of the nation, there arises from the combination of seemingly incongruous facts, a series of beautiful proportions, of harmonious relations; not simply curious coincidences, but general laws, founded upon principles as immutable as those of the physical universe, and incapable of change without disturbing the foundations of human society.

What can be more uncertain than the details which the census obtains concerning a single life? How little of concert or system there appears in the ages and conditions of those marrying; how much of apparent chance in the cause of death, or the sex of birth! And yet, when we aggregate these items, there is noticed a certain definite relation existing between the different ages, sexes and classes, which constitutes a normal standard, and that while different countries may exhibit variations within certain limits peculiar to themselves, and arising from specific causes, yet any essential departure from the due proportion, impairs the balance of society, and unless corrected, leads, sooner or later, to national weakness and disaster.

An undue proportion of single persons, for example, may indicate either inordinately high prices in the necessaries of life, opposing the tendency to marriage, or a decline in morals of still graver consequence to the public welfare. An excess of widows and orphans has, from time immemorial, been the sequel of wars and pestilence.

It is apparent, that the immediate present and effective vigor of a country depends upon the number of young and middle-aged males, upon whom devolves the heaviest labor of the farm, the mine, the manufactory, and the public works, as well as the entire service of the army and the navy, and most of the interests employed in the production and distribution of wealth. But the years of man are few and quickly spent. The decrepitude of age succeeds the vigor of manhood, and needs in its turn the support of those whom it fed and protected in infancy and childhood. Man has a double duty to perform—to pay up the interest of borrowed capital, in the support of aged parents, and to invest funds for his own future support, in the proper training and education of his little ones. The hallowed associations of home, with all its endearing relations, must have their influence in order to develop the greatest amount of permanent national, as well as individual, happiness and prosperity.

A country is truly rich and powerful, that contains, not the greatest sums of hoarded or invested wealth, but the greatest number of happy families;—not the heaviest armaments and costliest array of defences against foreign invasion, but the greatest number of intelligent and industrious home-and-country-loving citizens, who, knowing the value of domestic happiness, and of civil and religious liberty, from their enjoyments, are ready to yield their lives and fortunes in their defence.

It is the duty of every government to know the elements of its own strength; to understand the enfeebling tendencies which may be secretly operating within it, and by a timely and judicious course of administration, or exercise of law, to correct these tendencies, by modifying their causes.

A prominent source of error in a census, arises from the ignorance of the people themselves, concerning the facts required. This applies with peculiar force to agricultural and manufactured products. The land devoted to particular crops is seldom surveyed, and the product when used on the farm, is sometimes not measured. Except in large manufactories (where system is indispensable), the exact amount and value of materials used, and products sold in the course of a year, is not easily found; and the answers concerning these inquiries, even when made with the best intentions, are often but little better than very poor guess-work. The desire to avoid rivalry or taxation on the one hand, or to create an undue credit or reputation on the other, may in some instances lead to under or over estimates. More than all of these, the mixed and doubtful character of many manufactories, renders any attempt at classification absolutely impossible, without the exercise of more care and attention than is often allowed.

Statistics of Agriculture and Manufactures, when they extend to estimates of quantities and values, may therefore be regarded as liable to considerable uncertainty, as given in a census, and my observation tends to the conclusion that they should be disconnected from it, and made separate and special subjects of inquiry. Full and authentic statistics of these great elements of national wealth are of vital interest to those engaged in their production, and might justly be obtained at their expense. Recognising this principle, the interests concerned in the United States in the production of iron from the ore, are at the present time, by voluntary association, procuring the statistics of this manufacture through the agency of competent persons, who are to visit each furnace, and collect from their ledgers and books every fact relating to the business. Such associations in the several branches of productive industry, cannot fail to collect results incomparably superior to the hasty returns of a census.

It is worthy of inquiry, whether agricultural societies, acting through township, district, or county and central organisation, and clothed by law with sufficient authority, might not secure the most authentic returns of agriculture, with the greatest economy, and these from year to year, instead of at intervals of five or ten years, as in the ordinary personal census.

Other difficulties in obtaining the census of the population, arise from foreign languages, want of knowledge respecting age, and sometimes a weakness in attempting to conceal it. In one of the colonial censuses of New York, the object of the enumeration was in part defeated, by a superstition *that a sickness followed the last numbering of the inhabitants*, obviously derived from the Scriptural account of the pestilence among the Israelites, in the time of David. In the New York State census of 1855, one of the marshals in New York city found difficulty from suspicion that a *military conscription* was intended!

Beyond the original faults of the first returns, and the slight risk of loss, which may be prevented by a duplicate filed in some local office of record, there need be no further sources of error in a census. The summary may without difficulty be accomplished under such checks and regulations, as to produce uniformly correct results. A detailed account of the arrangements for this end would scarcely possess general interest. Some of the operations are of a very simple and mechanical character, and even mechanism itself may be advantageously applied.

Leaving then, the first elements, let us descend to the results, and trace a few of the prominent deductions of this political arithmetic; not merely useful from its application to the present, but of immense value for historical comparison.

Assuming that statistics of births, deaths, and marriages belong properly to a permanent system of registration, we will briefly notice some of the prominent subdivisions of a personal census, and the relations that exist among the various classes of the population.

Sex. It is found that the number of male births somewhat exceeds the female, the proportion varying from one-fourteenth to a thirtieth, and probably changing between different periods from causes unknown. It has been remarked, that females were born in greater numbers in years following certain epidemics, as that of the cholera in Philadelphia, in 1854.

Although born in superior numbers, the actual number of males living, at a given time, in most European countries, is less than that of females. This fact implies a greater mortality in the male sex, or the operation of causes tending to reduce their numbers, as wars, emigration, insalubrious employments, perils by sea, habits of intemperance, etc.

On the contrary, we notice in colonies, and countries whose growth is in a great degree derived from immigration, almost always an excess of males, varying from over 90 per cent. as in California, to a slight fraction over 50 per cent. as in the State of New York in 1850,

The percentages of the sexes in Canada, as compared with some other countries, has been found to be as follows:

Number of Males to every 100 Females.

Lower Canada	1844	100,3	Wales	1851	100,2
Do.	1851	102,2	Sweden	1840	93,5
Upper Canada	1851	110,2	Switzerland	1850	97,5
United States	1820	103,3	Denmark	1840	97,0
Do.	1830	103,2	Belgium	1846	99,0
Do.	1840	103,7	France	1851	99,6
Do.	1850	104,7	Prussia	1849	99,9
State of N. York	1850	102,5	Austria	1851	99,4
Do.	1855	99,4	Netherlands	1830	95,5
England	1811	97,5	Do.	1840	95,5
Do.	1821	97,8	Hanover	1842	99,0
Do.	1831	97,2	Do.	1848	99,1
Do.	1841	97,0	Hesse Cas'l	1840	97,0
Do.	1851	97,3	Hesse Drmdt.	1849	97,6
Wales	1841	98,0	Russia	1850	95,9

In the United States, we find a greater number of females in New-England States, New York, Delaware and North Carolina. In all the New States the excess of males is large.

The number of females is found to exceed that of males in most cities and large towns. In Montreal in 1851, the ratio was as 52 to 48; in Quebec, as 50.2 to 49.8; in Toronto, as 50.7 to 49.3; while in the cities of Hamilton and Kingston, and the towns of Bytown and London, their number were almost exactly equal. In the city of London, the ratio of females to males is as 113 to 100, while in Paris, we find the rule reversed in each census since 1831. This is supposed to be occasioned by the large number of young men attracted thither by seminaries of learning, the crowd of unmarried artificers drawn from the provinces, and, the numerous laborers upon public and private works.

Ages—Unfortunately our means of comparison under this head are restricted to within narrow limits, by the imperfections of former returns of population.

In the earliest census on record, that of the Israelites, as given by Scripture, "every male from twenty years and upward, all that were able to go forth to war," were numbered (*); and from the days of Moses to within a quarter of a century, we find but little improvement in this classification. The census of Lower Canada in 1825, divided the males by the ages of 18, 25, 40, and 60 years, and the females by 14 and 45. The classification was, in 1854, extended to single years to 5, and above that age to 10, 15, 21, 30, 40, 50, and 60. In 1851, it was still further improved, by substituting decennial periods from 20 upwards, and this classification could scarcely be improved, except by reducing the intervals to 5 years.

It is found that any attempt to arrange the ages as reported to single years, would betray the error, to which there seems to be an unavoidable tendency—that of reporting the ages in round numbers. The Belgian census of 1846, and that of France of 1851, show this result in a marked degree. There are many more reported as 30, than 28, 29, 31 or 32, and so of years ending in 0, and to a less degree in 5. It is even observed that certain generalities arise out of these errors, and that, for example, the numbers for 29, 39 and 49 leave certain definite relations to those for the next higher number, and so of each year through the whole series.

The proportion of the different ages varies with the sex; and while under the age of 15 or 20, we have an excess of males, the relative numbers change at a more advanced age, and we find more females. These usually retain their supe-

(*) Numbers 1-20.

iority in numbers, although in a less degree, from 20 to 60, and in extreme age they almost always exhibit a very decided majority. The census of Canada for 1851, gives the following percentages, from which it appears that the European rule is reversed, and that the numbers of males relatively increase with age, especially in the upper portion of the Province :—

Number of Males to every 100 Females at different ages in 1851 :

	Lower Canada.	Upper Canada.
Under 1 year of age	103	107
1 year and under 5	102	103
5 " " " 10	87	101
10 " " " 20	98	103
20 " " " 40	91	116
40 " " " 60	108	127
60 " " " 80	109	135
80 years and upwards	109	129

The mortality of the sexes between different ages was found to vary as follows:

Number of Deaths of Males to every 100 Females in 1851.

	Lower Canada.	Upper Canada.
Under 20 years of age	104	108
20 years and under 40	79	91
40 " " " 60	109	125
60 " " " 80	119	128
80 years and upwards.	135	135

(To be continued.)

Penitentiary Statistics.

A correspondent of the *Hamilton Spectator* lately furnished the following particulars respecting the inmates of the Provincial Penitentiary, at Kingston :—

“Last year there were 678 convicts in the Penitentiary, of whom 184 were from Canada East, and 484 from Canada West. It is true that some convicts in Montreal and Quebec are employed in breaking stones for the roads there; it is also true that Lower Canadian juries sometimes fail to convict offenders, but these causes are hardly sufficient to account for a disproportion so little flattering to Western men.

The convicts were natives of the following countries, and in number as subjoined :—

Canada	221	New Brunswick	3
England	86	Born at Sea	2
France	1	Germany	11
Guinea	1	Greece	1
Isle of Wight	1	Ireland	204
Italy	1	Newfoundland	1
Portugal	1	Prince Edward's Island	1
Scotland	30	United States	99
Switzerland	1	West Indies	2

The proportion of those who had been employed in the various trades, was:—

Barbers	5	Bakers	9
Blacksmiths	22	Bricklayers	5
Butchers	5	Brewer	1
Cabinet-makers	14	Carpenters	29
Carriers	3	Clerks	11
Car-trimmers	3	Car-makers	1
Chair-makers	2	Confectioner	1
Cooper	1	Distiller	1
Dyer	1	Engineers	5
Engraver	1	Fur Finisher	1
Farmer	1	Laborers	373
Law Student	1	Masons	4
Merchants	2	Moulders	2
Miller	1	Mariners	5
Medical Student	1	M. D.	1
Machinists	2	Millwrights	2
Painters	5	Plasterers	2
Printer	1	Shoemakers	42
Stonecutters	9	Sailors	6
Sailmaker	1	Sawyer	1
Saddlers	5	Tailors	17
Teacher	1	Tinsmiths	3
Turner	1	Ringmaker	1
Watchmakers	3	Weavers	2
Wheelwright	1	Tanners	2
Seamstresses	44		

These convicts alleged that they were of the following creeds:—

Baptists	21	Universalist	1
Church of England	235	Roman Catholics	273
Dutch Reformed	2	Lutheran	1
Methodists	67	No religion	17
Presbyterians	50	Quaker	1

These data would, compared with the census tables, lead to interesting deductions.

Increase in the Population of Canada.

The following table of the Census of both sections of the Province, taken in 1851, with the estimated population on the 1st of January last, is based on returns made to the Bureau of Agriculture and Statistics: .

Total population of Lower Canada in 1851.....	890,261	
Do do Upper Canada in 1851.....	952,004	
		1,842,265
Total estimated population of Lower Canada up to 1st of January, 1857.....	1,220,514	
Do do Upper Canada.....	1,350,923	
		2,571,437
Total estimated increase of population in Canada in five years		729,172

RAILWAY RETURNS.

Receipts of the Great-Western Railway, for five weeks ending 4th Sept., 1857

Amount for Passengers	\$198,906 91
“ Freight	63,504 81½
“ Mails and Sundries.....	7,669 27½
	\$270,081 00
Corresponding period last year.....	\$331,888 86½

Grand Trunk Railway of Canada.

Statement of Traffic for five weeks ending Saturday, Sept. 26, 1857:—

			Amount	
Local Passengers	No.	75,965½	..	\$901,76 98½
Foreign do.	“	17,109	..	30,364 41½
Emigrants	“	2,741	..	706,7 95½
Local Freight, &c	Tons	18,231½		56,835 40
Timber & Lumber	Ft.	4,360,295		13,748 12
Cords Firewood.....		8,942		12,821 97
Mails, Express, & Sundries				10,780 25
Foreign Freight, &c.....	Tons	6,636½		11,087 88
				\$232,871 97½
Total Traffic from July 1, 1857, to date.....				\$591,523 73
“ “ for some period last year.....				318,922 33½
Increase in 1857, \$272,601 39½				

J. HARDMAN, Auditor.

From the Toronto Leader.

The Annual General Meeting of the Directors of the Grand Trunk Railway.

The Annual General Meeting of the Directors of the Grand Trunk Railway was held at one o'clock yesterday morning in the Rossin House.

Hon. J. Ross was re-elected President.

The following gentlemen were present: Hon. J. Ross, President, Messrs. A. M. Ross, Bidder, Tait, McPherson, Gwozowski, Penton, Rowan, George Crawford, James Beaty, Peter McGill, E. F. Whittemore, Thomas G. Ridout, George H. Cartier.

The PRESIDENT made a few introductory remarks after the Report had been read, showing the prosperous state of affairs of the Grand Trunk. He spoke of the necessity of a Western extension in order to bring traffic along the line, at present the traffic they had was entirely local and it must be very gratifying to all to perceive by the Report that this was daily increasing. It

might be thought discouraging when they looked at the great expense that had been incurred on the St. Lawrence and Portland Rail'd, but every one should consider the lamentable accident that took place on the Desjardine Canal, and he would at once see the necessity and propriety of surveying the state of the various bridges and of making them more secure. The Directors thought it better instead of adding to the capital amount to take the money from the receipts of the year, thus a very small sum was shown in place of a large one. The half year's receipts would have been much larger if the sum mentioned had not been taken out of them. He then proceeded to allude to the Relief Act of last Session, and spoke of the valuable assistance that had been rendered by the Government Directors, who were to retire.

After some desultory discussion several resolutions were moved and adopted to the following effect:—

Col. Campbell was elected Director in place of Mr. Helens who retires.

Messrs. Ross and Crawford were re-elected Directors.

Mr. Blackwell at a salary of £2,500 was appointed to fulfil the duties of Mr. Holmes.

Mr. Bidder was elected Director and the Directors in England were re-elected.

Mr. Ross of Montreal was elected Vice-President.

The thanks of the Shareholders were then, on motion of Mr. Duggan, given to the President and Directors for the energetic action they had always displayed in perfecting the road.

The following is the Report read at the opening of the meeting.

REPORT.

The Directors of the Grand Trunk Railway Company of Canada, in submitting their fourth annual report to the Shareholders, beg leave to lay before them the report of their London colleagues dated the eleventh of last July—the report of Charles Hutton Gregory, C. E., and the reports of the General Manager and the Locomotive Superintendent, and also the report of Mr. A. M. Ross, on the state and progress of the Victoria Bridge.

These reports conveying as they do the fullest information concerning the Company's affairs, its position and future prospects, leave but little for the Directors to add.

The Directors consider that the progress made in the works, in the organization of the staff and the working of the road as extremely satisfactory—considering the difficulties which have had to be overcome whilst the line remained in broken Sections. The primary object of the Directors has been to open the line for local traffic as the Sections were finished, as they considered this accommodation due to the people of the Province after the aid extended to the Company by the Legislature, although such partial opening would necessarily lead the shareholders to form an unfavorable opinion of their prospects, unacquainted as they are with Canada and the ultimate result contemplated when the line with the Victoria Bridge) is completed to Sarnia and the Western traffic tapped. Motives of prudence also rendered it good policy to do so, and every season experience would indicate what requisites were necessary to secure the legitimate share of the enormous goods traffic passing from East to West, at the various intercepting points on the Lake as well as on the River.

Railway Returns.

In common with the people of Canada the Directors cannot sufficiently overestimate the wise and the liberal policy of the legislature in granting an increased subsidy for a weekly line of Ocean Mail Steamers—the success attending this enterprise having been such as to acquire for the Canadian Mail Steamers a *prestige* both in Europe and in the Western States which has established the St. Lawrence and the Grand Trunk route as the shortest and quickest to the Western and South Western States.

It is also now apparent that during the open navigation, Quebec must become the port of exchange for the lake produce with that from Europe destined for the west, but to secure this vast trade suitable wharfage and warehouse accommodation for ships is required in connection with the Railway, and this is capable of being furnished equal to that already provided at Portland.

The advantages of Railway transit being simply a question of cost, it follows that where the transshipment can be made direct from the Railway to the ship and *vice versa*, the saving in time and in terminal charges alone at Quebec and Portland, with no break of gauge throughout as against the New York and Horton lines, must settle the point as far as the through Railway transit to the Eastern States is concerned; and this equally applies to the River and Lake transit by the St. Lawrence as compared with the United States Canals.

The Directors trust that ere long the Legislature will take steps to improve the natural advantages which the Riviere du Loup presents, for forming a Harbor for the fishing craft which the valuable fisheries of the St. Lawrence so much require; a naval depot at this point would also be a protection to shipping in distress, and with the additional Lighthouses about to be erected do much to diminish the risk of the Navigation and with it lower the premium of Insurance in sea-going ships.

When the Grand Trunk Railway is finished, Quebec, Portland, Montreal, Kingston, Toronto, Hamilton, London, Detroit, Sarnia, Collingwood, Peterborough and Ottawa will be connected by railway without a break, and as a commercial enterprise your Directors feel confident, that it will ultimately fulfil all the expectations which have been entertained of it. With regard to that portion below Quebec which forms part of the Inter-Colonial chain of Railroad originally contemplated, your Directors entertain the most sanguine hopes confidently believing that no lengthened period can elapse ere the New Brunswick Government will have run its road to the Frontier, and one unbroken line of communication will have been effected between the Western waters of Lake Huron and the South Eastern extremity of Nova Scotia.

With reference to the anticipated traffic in the other sections, the Directors fully believe that the arrangements which have been made will be amply sufficient for some time to come, and the Capital Accounts annexed have been prepared in such a detailed form, that reference can be readily had and particulars obtained as to the total cost of each of the several sections.

In the report recently issued by the London Directors to the Shareholders, the latter was informed that the Directors coinciding with the Government of Canada, deemed it of great importance that they should be in possession of a Report from an Engineer of high standing, wholly connected with the previous operations of the company, upon the construction of the Railway, the character of the works, and the quality of Rolling Stock supplied under

the Contracts. The gentlemen appointed for the purpose was Mr. Charles Hutton Gregory, C.E., and after a careful examination of all matters embraced in his instructions during two months sojourn in the Province, he has made an elaborate Report, a copy of which is now in course of transmission to every shareholder.

Owing to the restrictions contained in the Relief Act of 1856, with respect to the application of the two millions perforce Bonds to specific objects, it is necessary to obtain the sanction of the Shareholders to raise further capital, and the published notice convening the meeting, asks for the concurrence of the Shareholders to an increase of the capital by two millions of pounds sterling to meet existing liabilities, and for additional rolling stock, station and other accommodation, amounting in the aggregate to £1,184,226.

It is only intended, however, to issue an amount not exceeding £1,500,000, the balance of £500,000, being intended to be in substitution of the C. Debentures created last year and which will be cancelled.

The directors recommended that these Debentures be created on the following terms, viz: that they rank immediately after the existing Debentures of the Company, and bear interest at the rate of 7 per cent. per annum, and that one-third be repayed in five years, one-third in ten, and one-third in fifteen years.

In 1856 an independent Company called the Grand Trunk Junction Railway Company, obtained an act, for the construction of a Railway from the Grand Trunk line at St. Mary's, nine miles west of Stratford to London, a distance of 22 miles; and the Directors of that Company, have offered to transfer its right to the Grand Trunk Company *par*; and as by means of this short line an important connection will be made with the Railways centering at London, it is very desirable, that the sanction of the Shareholders, should be given to the amalgamation of the two Companies, and to an agreement which has been made, for the construction and equipment of the Railway, with responsible Canadian contractors—the cost being at the rate of £8,000 per mile including rolling stock, and which is included in the sum available under the Relief Act of 1856.

The Act of last session, a copy of which has been already forwarded to each shareholder,—having dispensed with the Government Directors, a recognition of the Board becomes necessary; and it is recommended, that the number of the Directors be fifteen, ten of whom shall be resident in Canada, and five in England. That order and manner of rotation in the Board, shall be decided by ballot, and that five members actually present in Canada, with two London Directors, present in person or by proxy, and three members actually present in London, shall be quorums for the Boards.

At present, there are but eight elective Directors in Canada, and it is a recommendation to the meeting of the shareholders, in order to make up the required number, that Mr. Bidder, the General Manager, and Mr. Blackwell recently recommended by the London board, as a director, be elected directors.

The engagement with the Engineer in Chief has expired, and the Directors, in order to maintain the confidence of the English proprietors, have thought it expedient, to secure to the Company, the services of a gentleman on the Direction, who would be willing to devote his whole time to the Company, and while possessing the confidence of the English shareholders, would be enabled to exercise, a general supervision over the management of the

Railway, especially in the Engineering and Financial departments, and would co-operate with the Directors residing in Canada, in the promotion of the general welfare of the undertaking, and the arrangement is submitted for the approval of the shareholders, at the present meeting.

The retiring Directors, are, the Hon. John Ross, and Messrs. Holmes and Crawford, of the Canada Board, and Messrs. Thomas Baring, M. P., George Carr, Glyn, M. P., and K. D. Hodgson, M. P., of the London Board, all of whom are eligible for re-election, and offer themselves for re-election accordingly.

JOHN ROSS, President.

JOHN M. GRANT, Assistant Secretary.

To the President and Directors of the Grand Trunk Railway Company of Canada.

GENTLEMEN:—Herewith, I beg to submit for your information, a report of the Railway, during the past twelve months.

I have to refer with pleasure, to the very efficient working of the trains, throughout the entire lines, during the past year, and with gratitude to the exemption of the road, during that period, from any serious casualty.

The last winter was one of unusual severity, and consequently brought with it, in a greatly increased proportion, all the attending difficulties of working a railroad in these latitudes, which were again considerably augmented by the hasty manner in which the important section, between Brockville and Oshawa was opened, (to avoid causing a general disappointment to the travelling community, in not having as promised, a railway communication during the winter, between Montreal and Toronto); and having in addition, to employ in numerous instances, a staff not properly organized by previous experience: but notwithstanding all these obstacles, the trains were run with a regularity, which was not surpassed, and in the majority of cases not equalled, by any railroad on the continent. And since the opening of this section, so much additional knowledge has been gained, it is anticipated, that little or no difficulty will be encountered, in running the trains during the ensuing and following winters, with almost the same regularity that they are now run during the summer months.

Since the date of the last report, no additional mileage has been opened, and the shareholders will bear in mind, that the line still remains in unconnected sections, a fact which fully accounts for the business of the road, being almost altogether a local character.

In referring to the traffic returns herewith submitted, it will be seen, that out of a total of 663,023 passengers, 555,012 were local; and out of 375,221 tons of freight, 316,500 were also local figures which, must be considered as gratifying in regard to the local resources of the railway, and as amply confirmatory of the expectations of local traffic given in my previous reports.

(To be continued.)

BANK NOTE REPORTER.

BANK OF BRITISH NORTH AMERICA

HEAD OFFICE—London, England. Alexander Green Dunlop, *Secretary*.
 Head Office in the Colonies—Montreal. T. Patton, *Gen. Manager*.

			DISCOUNT IN	
			Montreal.	Toronto.
BRANCH at	Montreal.	Robert Cassels, Manager	par	par
"	"	Brantford. James C. Geddes, Mang'r	$\frac{1}{2}$	par
"	"	Halifax, N. S. N. S. Benny, Mang'r	5	5
"	"	Hamilton. R. C. Ferguson, Mang'r	$\frac{1}{2}$	par
"	"	Kingston. Samuel Taylor, Mang'r	$\frac{1}{2}$	par
"	"	London, C.W. Geo. Taylor, Mang'r	$\frac{1}{2}$	par
"	"	Quebec. F. W. Wood, Mang'r	par	par
"	"	St. John, N. B. C. F. Smithers, Mang'r	5	5
"	"	Toronto. W. G. Cassels, Mang'r	$\frac{1}{2}$	par
Agency at	"	Dundas. W. Lash, Agent	$\frac{1}{2}$	par
"	"	Ottawa. A. W. Kelly, Ag't	$\frac{1}{2}$	par
Agents in	"	New York. R. Bell, 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.		

COUNTERFEITS.

2's altered from 1's, are in circulation.
 The Canadian Branches of this Bank receive an addition to their capital about \$1,000,000, at certain seasons, to assist parties to make advances on produce.

BANK OF THE COUNTY OF ELGIN.

(Notes secured by deposit of Government Securities.)

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

BANK OF MONTREAL.

DISCOUNT IN
 Montreal. Toronto.

			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. H. C. Barwick, Mang'r	$\frac{1}{2}$	par
"	"	Hamilton. A. Milroy, Mang'r	$\frac{1}{2}$	par
"	"	London, C.W. Wm. Dunn,	$\frac{1}{2}$	par
"	"	Brockville. F. M. Holmes, Mang'r	$\frac{1}{2}$	par
"	"	Kingston. A. Drummond, Mang'r	$\frac{1}{2}$	par
"	"	Cobourg. C. H. Morgan, Mang'r	$\frac{1}{2}$	par
"	"	Belleville. Q. Macnider, Mang'r	$\frac{1}{2}$	par
"	"	Bowmanville. G. Dyett, Mang'r	$\frac{1}{2}$	par
"	"	Brantford. A. Grier, Mang'r	$\frac{1}{2}$	par
"	"	St. Thomas. E. M. Yarwood, Mang'r	$\frac{1}{2}$	par
"	"	Ottawa (late Bytown). P. P. Harris, Mang'r	$\frac{1}{2}$	par
Agency at	"	Woodstock. W. P. Street, Agent	$\frac{1}{2}$	par
"	"	Cornwall. W. Mattice, Agent	$\frac{1}{2}$	par
"	"	Whitby. Thos. Dow, Ag't	$\frac{1}{2}$	par
"	"	Peterboro. R. Nichols, Ag't	$\frac{1}{2}$	par
"	"	Goderich. H. McCutcheon,	$\frac{1}{2}$	par
"	"	Simcoe. S. Read, Ag't	$\frac{1}{2}$	par
"	"	Port Hope. A. Macdonald, Ag't	$\frac{1}{2}$	par
"	"	Picton. J. Gray, Ag't	$\frac{1}{2}$	par

BANK OF MONTREAL (CONTINUED.)

			DISCOUNT IN	
			Montreal.	Toronto.
Agency at	Guelph.	R. M. Moore,	$\frac{1}{2}$	par
" "	Pertb.	M. Stevenson,	$\frac{1}{2}$	par
" "	Three Rivers.	G. B. Hulliston, Ag't	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.			

COUNTERFEITS.

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 DU PEUPLE.

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

BANK OF UPPER CANADA.

			DISCOUNT IN	
			Montreal.	Toronto.
Head Office—	Toronto, C. W.	Wm. Proudfoot, <i>President</i> .		
		T. G. Ridout, <i>Cashier</i>	$\frac{1}{2}$	par
Branch at	Brockville ...	R. F. Church, <i>Cas'r</i>	$\frac{1}{2}$	par
" "	Hamilton ...	Alfred Stow, ".....	$\frac{1}{2}$	par
" "	Chatham ...	George Thomas, ".....	$\frac{1}{2}$	par
" "	Kingston ...	W. G. Hinds, ".....	$\frac{1}{2}$	par
" "	London ...	Jas. Hamilton, ".....	$\frac{1}{2}$	par
" "	St. Catharines,	T. L. Helliwell, ".....	$\frac{1}{2}$	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, ".....		
" "	Bowmanville...	Geo. Mearns, ".....		
" "	Brantford ...	T. S. Shortt, ".....		
" "	Chippawa ...	James Macklam, ".....		
" "	Cornwall ...	J. F. Pringle, ".....		

BANK OF UPPER CANADA (CONTINUED.)

			DISCOUNT IN	
			Montreal. Toronto.	
Agency at	Goderich ...	John McDonald, "		
" "	Lindsay ...	J. McGibbon, "		
" "	Niagara ...	T. McCormick, "		
" "	Ottawa ...	R. T. Cassels, "		
" "	Port Hope ...	J. Smart, "		
" "	Sarnia ...	Alex. Vidal, "		
" "	Southampton...	Alex. McNabb, "		
" "	Stratford ...	J. C. W. Daly, "		
" "	Three Rivers, C.E.	P. D. Dumoulin, "		
" "	Windsor, C.W..	Thos. E. Trew, "		
Agents at	Albany, N. Y...	New York State Bank.		
" "	Boston ...	S. Henshaw & Sons.		
" "	Edinburgh ...	British Linen Company.		
" "	London, Eng...	Glyn, Mills & Co.		
" "	New York ...	J. G. King & Sons.		
" "	Oswego, N. Y...	Luther Wright's Bank.		
" "	Rochester, N.Y.	City Bank.		

COUNTERFEITS.

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.

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 ...	James Hall, "		
" "	Port Hope ...	S. E. Walsh, "		
" "	Oakville ...	John T. M. Burnside "		
Agents at	London, Eng...	City Bank.		
" "	New York, U.S.	Bank of Commerce.		
" "	Oswego, U. S.	Luther Wright's Bank.		

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
Agency at	Bowmanville...	Robert Armour, <i>Agent</i>	$\frac{1}{2}$	par
" "	Bradford ...	A. McMaster, "		no issues
" "	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.		

COUNTERFEITS.

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

COLONIAL BANK OF CANADA.

Authorized Capital, \$2,000,000.

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

COMMERCIAL BANK OF CANADA.

(Formerly Commercial Bank of the Midland District.)

		DISCOUNT IN	
		Montreal.	Toronto.
Head Office—	Kingston. Hon. John Hamilton, <i>President</i> . C. S. Ross, <i>Cashier</i>		
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
Branch at	Montreal, Thomas Kirby.....	par	par
"	" Port Hope, W. F. Harper.....	$\frac{1}{2}$	par
"	" Toronto, C. J. Campbell.....	$\frac{1}{2}$	par
Agency	Chatham, Thomas McCrae.....		
"	" Ingersoll, W. Sage.....		
"	" Perth, Anthony Lesslie.....		
"	" Peterboro, Wm. Cluxton		
"	" Port Stanley, E. C. Warren.....		
"	" Prescott, John Patton.....		
"	" Quebec, Joseph Wenham.....	par	par
"	" Stratford, U. C. Lee		
"	" St. Marys, Thomas D. Tims.....		
Agents	Albany, New York State Bank.....		
"	" Boston, Merchants Bank.....		
"	" Dublin—Ireland; Boyle, Low, Pim & Co.....		
"	" Edinburgh—Scotland; Commercial Bank of Scotland.		
"	" Glasgow " Western Bank of Scotland and Clydesdale Bank-		
"	" London—England; London Joint Stock Bank. [ing Company.		
"	" New York, Merchants Bank.		
"	" Oswego, N. Y., Luther Wright's Bank.		

COUNTERFEITS.

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

5s., spurious—vig. a female leaning on a wheel.

10s., 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 darker color. This is a dangerous counterfeit.

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

GORE BANK.

		DISCOUNT IN	
		Montreal.	Toronto.
Head office,	Hamilton, A. Stevens, <i>President</i> . N. G. Crawford, <i>Cashier</i> .	$\frac{1}{2}$	par
Agency at	Chatham, C. W., A. Charteriss, <i>Agent</i>		
"	" Galt, " John Davidson ".....		
"	" Guelph, " T. Sandilands ".....		
"	" London, " W. W. Street ".....		
"	" 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.....		

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

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.		

This Bank was established under the Free Banking Law of Canada, but has since been incorporated by Act of Parliament; authorized Capital \$1,000,000.

NIAGARA DISTRICT BANK.

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

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

COUNTERFEITS.

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

PROVINCIAL BANK—STANSTEAD.

(Notes secured by deposit of Provincial Securities.)

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

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

QUEBEC BANK.

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

COUNTERFEITS

2s. altered from 1s. Well done.
 10s. vig. man and woman—female on each end.
 10s. 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.
 20s. altered from 1s. The words twenty dollars, partly encroaches on the first ters of the word currency.

ZIMMERMAN BANK.

Head Office—Clifton, C. W.———*President.*
 J. W. Dunklee, *Cashier.*
 Agents in New York, Atlantic Bank.

DISCOUNT IN
 Montreal. Toronto
 ½ par

COUNTERFEITS.

5s, 10s, & 20s, 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.

PRIVATE BANKERS AND EXCHANGE BROKERS.

MONTREAL.—C. Dorwin & Co., St. Francois Xavier Street.
 “ J. D. Nutter & Co., Place D’Armes.
 “ Geo. W. Warner, St. Francois Xavier street.
 “ D. Fisher, & Co., “
 “ Ewing and Fisher “
 TORONTO.—E. F. Whittemore & Co., Toronto Street. Agents for La Banque du Peuple.
 “ W. H. Bull & Co., King Street.
 “ W. B. Phipps, Toronto Street.
 “ John Cameron, Wellington Street.
 “ Wm. Weir, & Co., Front Street.
 HAMILTON.—Hamilton, Davis, & Co.
 “ Nelson Mills, & Co.
 LONDON, C. W.—B. F. Beddome.
 QUEBEC.—R. Finn.

BROKEN AND WORTHLESS BANKS.

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

NEW AND DANGEROUS COUNTERFEITS.

4's on the Molson's Bank, Toronto Branch, 1st October, 1855. This is a most dangerous counterfeit, being undoubtedly the genuine plate with fac-simile signatures pasted on. May be known by the blurred appearance of the signatures, and also by the signature of the President, which in the genuine 4's of the above date, is Wm. Molson, while that of the forgery is Molson & Co. The pasting operation may be discovered by its partially covering the blue die work on the back.

20's on the Commercial, Bank, altered from 4's—vig. Railroad Cars. The vignette of the genuine 20's, is two females seated, in one plate, and in another single female between 2 & 0.

COMMERCIAL SUMMARY AND REVIEW.

TORONTO, October 12th, 1857.

The past month has been one of unusual dullness and depression in all departments of trade. For the first two weeks, the backwardness of the season, and the work on the hands of farmers, prevented them from bringing out their wheat, and, for the last fortnight, when these obstacles no longer existed, others of greater magnitude presented, the most important of which was the inability of buyers to obtain money from the banks, with which to purchase produce. The extraordinary panic on the other side of the lake has caused that the sources from which our banks drew their principal supplies of specie are no longer available, and as the circulation of the banks is already too large, they are pursuing the policy of contraction—limiting their discounts so that the usual facilities for the purchase and transmission of produce to market, are cut off. This state of affairs necessarily affects all kinds of business. The farmer has wheat, but no money: he is unable to pay or purchase from the retail dealer, who, in his turn, fails to meet his paper in the hands of the wholesale merchant—the latter, of course, being materially affected thereby. Thus the machinery of our commerce is deranged, and almost suspended, the moving or motive power—money, being insufficient to keep it in motion. Efforts are being made by a large class of merchants, to induce a different policy on the part of the banks, alleging that expansion, or, in other words, more liberal discounts, in order that the produce of the country may be moved forward, is the only thing that will restore our commercial affairs to an equilibrium. It is said that the jealousies and rivalry between the banks, prevent them from extending their discounts, an unnecessary fear of each other being prevalent; and a more cordial policy between them is urged. Whether the movement on the part of the merchants will be of avail, or whether the banks will preserve themselves at the risk of great injury to the country, we have no means of knowing; but it is certainly evident that unless relief comes from some quarter, the prospects of trade are far from flattering.

The produce-trade during the month has not been extensive. Prices for nearly every article have receded, and, in the principle articles for export, a decrease of fully fifty per cent in the value has taken place, resulting first from the state of financial affairs above reverted to, and secondly from the fall of prices in New-York and other important markets, owing to the extensive supplies received from the Western States, and the almost entire cessation of a shipping demand for England, in consequence of the difficulty of negotiating exchange. Prices here for good Fall Wheat now range from 4s. to 4s. 6d. per bushel; for inferior 3s. 6d. to 3s. 9d. Spring wheat has not been offered to any extent, but is worth about 3s. 9d. The supplies of wheat during the last two weeks have averaged about 3000 bushels per day; while the receipts for the same weeks last year, averaged 8500 bushels per day. The amount exported from this port, of this year's crop, amounts to only 15,000 bushels, while up to the same period last year, they amounted to over 200,000 bushels. This state of affairs is alarming, especially when it is taken into consideration in connection with the lowness of the price. The same may be said of every port on the north shore of Lake Ontario.

FLOUR is very dull, the sales thus far being mainly to supply home consumption. Prices are much lower, Superfine being readily bought at \$4, Fancy at \$4.50, and Extra at \$5 per barrel. There is an utter absence of a shipping demand, and the market presents an unfavorable aspect.

In GROCERIES we have to notice another decline in Sugar, the quotation for Bright Porto-Rico now being 58s. 9d. to 60s. per cwt. Teas are firm at the old rates; while every other article remains unchanged.

TORONTO STOCK MARKET.

(CORRECTED BY F. P. STOW.)

Toronto, Oct. 12th, 1857.

DESCRIPTION.	SHARES.	PAID UP.	DIVIDEND LAST SIX MONTHS.	RATE.
Bank of Upper Canada.....	£ s. d.		4 per cent.	
Bank of Montreal.....	12 10 0		4 per cent.	
Commercial Bank.....	50 0 0		4 per cent.	
Bank of British North America.....	25 0 0		3 per cent. & bonus	
Gore Bank.....	50 0 0 (Sterling)	All.	4 per cent.	
City Bank, Montreal.....	10 0 0 (Current)		5 per cent.	
Toronto Gas Company.....	12 10 0		5 per cent.	
Hamilton Gas Company.....	10 0 0		5 per cent.	
Western Assurance Company.....		5 per cent.	None.	
British America do.....	12 10 0	15 per cent.	None.	
Provincial do.....	20 0 0	45 per cent.	None.	
Great Western R. R.....	25 0 0 (Current)	20 per cent.		
Government Debentures.....	20 10 0 (Sterling)	All.	4½ per cent.	
Municipal Loan do.....	.....	.....	{ 6 per cent. interest.	
County & Town do.....	.....	.....	{ per annum.	
	.....	.....	{ do.	
	.....	.....	{ do.	

The past week has been one of unusual excitement in money matters, and there have been no transactions in stocks on which to base quotations.

MONTREAL STOCK MARKET—PREPARED BY THE BOARD OF BROKERS.

BOARD ROOM, EXCHANGE, MONTREAL, Oct. 5th, 1897.

DESCRIPTION.	Shares.		Paid Up.	Dividend Last Six Months.	Buyers.	Sellers.
	L	s. d.				
Bank of Montreal	50	0 0	whole.	4 per cent.	None.	115 per ct.
Bank of Montreal, New Stock	50	0 0	50	4 per cent.	do.	114 do.
Bank of British North America	50	0 0	whole.	3 per cent. and bonus.	do.	None.
Commercial Bank of Canada	25	0 0	whole.	4 per cent.	do.	110 per ct.
City Bank	20	0 0	40	5 per cent.	do.	112 1/2 do.
City Bank, New Stock	20	0 0	whole.	.....	do.	97 1/2 do.
Bank of Upper Canada	12	10 0	do	4 per cent.	105	105 do.
People's Bank	12	10 0	40	4 per cent.	None.	None.
Molson's Bank	12	10 0	per cent.	4 per cent.	8s. 6d.	10s. 0d.
Montreal Mining Company's Consols	3	0 0	3 14 3	None.	None.	None.
Quebec and Lake Superior Mining Company	1	0 0	1 0 6	.....	None.	None.
Lake Huron Silver and Copper Mining Company	1	5 0	0 3 9	.....	None.	None.
Canada Mining Company	1	5 0	0 4 6	.....	None.	None.
Huron Copper Bay Mining Company	1	0 0	0 1 3	.....	6d	1s. 6l.
Champlain and St. Lawrence Railroad Company	50	0 0	whole.	None.	10 per cent.	20 per ct.
Grand Trunk Railroad Company	25	0 0	whole.	6 per cent., 6 mos.	None.	50 do.
Great Western of Canada	25	0 0	whole.	4 per cent., 6 mos.	do.	None.
Montreal Telegraph Company	10	0 0	whole.	3 per cent., 6 mos.	85 per ct.	116 per ct.
Montreal City Gas Company	10	0 0	.....	6 per cent. per annum.	None.	Par.
Government Debentures, 20 years	.....	.....	.....	7 per cent. per annum.	do.	90
Champlain and St. Lawrence Railroad Bonds	.....	.....	.....	6 per cent. per annum.	do.	None.
Montreal Exchange	.....	.....	.....	7 per cent. per annum.	85 per ct.	60 per ct.
Montreal Harbour Bonds	100	0 0	whole.	8 per cent. per annum.	None.	Par.

STOCKS.

BANK OF MONTREAL.—There is a large amount of offering; 115 per cent being asked, buyers holding off. Our quotations of this and all other stocks are purely nominal, because of the unsettled state of the money market.

DO. NEW STOCK.—Is held at 114 per cent; no demand.

BANK OF BRITISH NORTH AMERICA.—No transacti-ions.

COMMERCIAL BANK OF CANADA.—We reduce our quotations 2 per cent, at which there are sellers.

CITY BANK.—Participates in the general depression, and either new or old can be had at our table rate.

BANK OF UPPER CANADA.—Sellers at 97 1/2, without attracting purchasers.

PEOPLE'S BANK.—There are buyers at 102.

MONTREAL MINING COMPANY CONSOLS.—Eight shillings offered, no sellers at the figure.

CHAMPLAIN AND ST. LAWRENCE RAILROAD.—Railroad stocks are completely neglected.

GRAND TRUNK RAILROAD.—Do.

GREAT WESTERN OF CANADA.—Do.

MONTREAL TELEGRAPH COMPANY STOCK.—We reduce our rate to 116, being of decline of 1 1/4 per cent.

MONTREAL CITY GAS COMPANY.—Nothing to report.

GOVERNMENT DEBENTURES.—Procureable at par.

CONSOLIDATED MUNICIPAL LOAN FUND DEBENTURES.—Are offered at 90.

IN OTHER STOCKS.—Nothing doing.

EXCHANGE.—Bank, at 7 per cent at the counter; on the street at 6 per cent and under; private almost un-saleable.

General Review of the Montreal Markets.

MONTREAL, Oct. 8th, 1857.

Since the date of our last, the usual course of business has been interrupted by a severe money pressure, which, while we write, is unabated. But "the aspect of the commercial horizon," say the Montreal Argus of this morning, we are inclined to believe, brightens, and certainly the manner in which the storm has so far been weathered, has more than justified the picture we ventured to draw, when the pressure was first felt, of the stability of our mercantile community. The liberal and wise policy we ventured to express our hopes the Banks would pursue, has been maintained—with one or two exceptions, it is said—and the result has fully borne out the most favorable anticipations. Not a single mercantile house has succumbed to the pressure, and all engagements have been promptly met at maturity. Every reasonable facility has been afforded to the prosecution of the ordinary business of the country; the discounts having, we believe, by the leading Bank of the Province, and the other chartered institutions that have acted with it, been extended rather than curtailed."

The principal difficulty has arisen from the low rate of exchange in New York, and the speedy return of easier times here, will very much depend upon the course of events in the principal commercial cities in the United States.

ASHES—Pots were sold early in the week, at 46s. 1½d, but have since declined, and are to-day in moderate demand at 44s. 6d. per cwt. Pearls have also declined to quotation. Receipts of both kinds moderate.

FLOUR—The market has ruled very quietly throughout the week, and closes to-day with limited demand for all kinds at quotations. The difficulty of negotiating exchange has checked the shipping demand. The receipts are still small for the season, and consequently very little pressed on the market. "Canada" superfine of ordinary brands is dull at 27s. 3d. to 27s. 6d.; best brands are scarce. Fancy has been sold at 29s, and Extra offered at 31s. 3d. No "Oswego" in the market.

INDIAN MEAL—No sales worth noting.

OATMEAL—Small lots sell at 30s.; demand limited.

WHEAT—About 90,000 bushels Chicago Spring have been received this week, principally to fill contracts. Part of it has been shipped, and part sent to mill. No sales are reported. No Upper Canada in the market.

OATS—No sales worth reporting; the quotation is based on small lots from farmers.

PEAS—Are offered in shipping parcels at 4s. 3d. per minot.

BARLEY—No shipping demand; obtainable at 3s. 9d. per minot.

INDIAN CORN—No large sales, nor any large lots offering.

BEEF—New Prime Mess is offered in small lots at \$16 per barrel.

PORK—Mess has slightly declined, but firm at quotation. The lower qualities are scarce. Some holders asking \$22 for Prime.

BUTTER—Is in limited demand at 10d. for best shipping parcels.

For the price of Produce, we refer to the Broker's Circular, published below :

ASHES —Pot.....	Ⓕ cwt.	43	9	@	44	0
Pearl.....		41	0	@	41	6
FLOUR —Canada Fine.....	Ⓕ brl. 196 lbs.	21	3	@	22	6
Superfine No. 2.....		24	6	@	26	0
Superfine No. 1 United States.....		27	0	@	28	0
Superfine No. 1, Canadian.....		27	0	@	28	0
Fancy.....		29	0	@	30	0
Extra Super.....		30	0	@	31	3
Double Extra.....		31	3	@	32	6
Rye Flour.....		18	9	@	20	0
INDIAN MEAL	Ⓕ 196 lbs.	20	0	@	00	0

PRODUCE.

		s.	D.	s.	D.
OATMEAL	200 lbs.			None.	
GRAIN—Wheat (U. C. and U. S. White)	60 lbs.	6	6	@	6 9
U. C. Spring	do.			None.	
Red Winter		6	0	(@)	6 3
Milwaukie Club				None.	
Chicago Spring		5	0	@	5 6
BARLEY	minot.	3	6	(@)	3 9
OATS	minot.	1	10½	(@)	2 0
PEASE—White	minot.	4	0	(@)	4 3
INDIAN CORN	56 lbs.	3	6	(@)	0 0
PROVISIONS—Beef, Mess	brl.			None.	
Prime Mess				None.	
Prime				None.	
Cargo				None.	
PORK—Mess	brl.	122	6	@	0 0
Prime Mess				None.	
Prime				None.	
Prime, in bond, foreign inspected				None.	
Cargo				None.	
BUTTER—Inspected No. 1	lb.			None.	
Inspected No. 2				None.	
Uninspected		0	10	@	0 0

RECEIPTS OF PRODUCE.

	Up to Oct. 3, 1857.	Up to Oct. 4, 1856.	Up to Oct. 6, 1855.	Up to Oct. 7, 1854.
Ashes	bbl. 21645	17391	16334	16374
Flour	bbl. 418272	397123	278330	322011
Wheat	bus. 1067956	980102	403039	350556
Indian Corn	bus. 264697	399433	536711	536614
Pork	bbl. 11629	26935	29312	30798
Barley	bus. 11003	15634	10385	12391
Peas	bus. 6546	48481	14931	8905
Butter	kegs. 5773	6143	6950	7660
Lard	kegs. 1500	8101	4234	2538
Beef	bbl. 18	381	182	323
Oatmeal	bbl. 555	5831	618	197
Oats	bushels. 5257	38037	32013	11155
Copper Ore	tons. 245	235½	1141	242

EXPORTS OF PRODUCE BY SEA.

	Up to Oct. 3, 1857.	Up to Oct. 4, 1856.	Up to Oct. 6, 1855.	Up to Oct. 7, 1854.
Ashes	bbl. 20661	12795	10275	10924
Flour	bbl. 152652	146030	31898	69696
Wheat	bus. 488557	535685	-----	122600
Indian Corn	bus. 28631	144295	24629	134779
Pork	bbl. 313	1459	625	1057
Barley	bus. 4	57	-----	-----
Pease	bus. 115965	154386	4692	42775
Butter	kegs. 2346	3405	253	1024
Lard	kegs. 43	1622	25	-----
Beef	bbl. 78	632	584	912
Oatmeal	bbl. 144	4503	168	181
Oats	bus. 30	672	-----	-----
Copper Ore	tons. 250	236½	1089	250

FREIGHTS.

To London, Flour per barrel.....	Stg.	3	0	@	0	0
To Liverpool, " ".....	Stg.	3	3	@	3	6
To Clyde " ".....	Stg.	3	0	@	3	3
To London, Pot Ashes, per ton.....	Stg.	27	6	@	32	6
To Liverpool, " ".....	Stg.	27	6	@	32	6
To Clyde, " ".....	Stg.	27	6	@	32	6
To London, Grain, per quarter.....	Stg.	7	0	@	0	0
To Liverpool, " ".....	Stg.	7	6	@	8	0
To Clyde, " ".....	Stg.	7	6	@	8	0

EXCHANGE.

Bank, sixty days on London.....	Nominal.
Private, ninety days on London.....	
Bank, on demand, New-York.....	
Private, on demand, New-York.....	

Canadian Share List.

London Prices, September 15, 1857.

RAILWAYS.

20½.....	18	Buffalo and Lake Huron.....	12½	to	13½	.....	13
20½.....	8	do. do. New.....					—
100.....	100	Buff. Bt. 6 p. ct. Bds. 1872.....	88	to	92	.....	90
100.....	100	do. do. 1873.....	85	to	90	.....	—
100.....	100	do. do. 1874.....	85	to	90	.....	—
100.....	all	Grand Trunk of Canada.....	48	to	50	.....	48½
100.....	all	do. Debentures, 6 per ct.....	83	to	85	.....	83½
20½.....	all	Great Western of Canada.....	21	to	21½	.....	20½
20½.....	10½	do. do. New.....	10½	to	10¾	.....	10½
100.....	all	do. Bonds payable, 1857.....	99	to	101	.....	—
100.....	all	do. do. 1876.....	105	to	110	.....	—
100.....	all	do. without option, 1873.....	103	to	106	.....	—
20.....	2	New Brunswick & Canada.....	1½	to	1 dis.	.....	—
20.....	2	do. do. B. shares.....	2½	to	2 dis.	.....	—

MISCELLANEOUS.

50.....	40	British American Land.....	35	to	40	.....	—
100.....	32½	Canada.....	137	to	140	.....	139½
Stock.....	100	Canada 6 per ct. Jan. & July.....	108	to	110	.....	110

Tonnage of Quebec.

Statement of Arrivals and Tonnage at this port, from sea, from 1856 to 1857, inclusive, up to the 3rd October, in each year:—

1856.....	824	Vessels.	425,258	Tons
1857.....	1066	"	527,245	"
More this year.....	242	"	101,987	"

Comparative Statement of Arrivals and Tonnage from the Lower Ports in 1856 and 1857, up to the 3rd October, in each year:—

1856.....	124	Vessels,	9667	Tons
1857.....	83	"	6725	"
Less this year.....	41	"	2942	"

Return of the number of Emigrants arrived at the Port of Quebec to the 2nd Oct., 1856 and 1857 :—

Whence.	1856.	1857.	Increase.
From England	8,877	14,650	5,783
Ireland.....	1,652	2,000	348
Scotland	2,760	3,168	408
Germany	4,582	5,023	441
Norway.....	2,845	6,416	3,571
Lower Ports.....	147	24	.....
	20,863	31,281	10,541

A. C. BUCHANAN,
Chief Agent.

Government Emigration-Office,
October, 2nd, 1857.

THE PRESENT CRISIS.

The commercial storm which has been raging for the last six weeks, in the principal cities of the United States, has at last reached our borders; and in the principal cities, both of Eastern and Western Canada, the mercantile classes are now suffering all the inconveniences of a severe, if not an unnecessary money panic. That the over-issue of paper money, over-trading, stock-gambling, and extravagance, have contributed much to produce this state of affairs, is undoubtedly true, but we can discover no sufficient cause in the present condition of that country to lead us to the conclusion that the present pressure will be at all equal to the terrible crisis of 1837. The occasional tempests which convulse the commercial atmosphere, are as necessary to its purification as the storms which convulse the natural; and if, among the rotten branches thus periodically swept away, a few valuable and healthy ones are included, we may regret the circumstance of their loss, but we do not for a moment doubt the wisdom which produced it. Were it possible to maintain confidence at all times and under all circumstances, till the last shilling of the wildest speculator was expended, what fearful results would be continually developed in our midst. What misery to confiding creditors, what disgrace to the honourable calling of the merchant. Fortunately an occasional alarm—sounded it may be without sufficient cause—sets men to doubt each other, and to look to their own safety. At such a time the cautious merchant stands out in bold relief, in the proud security of his well-ordered business, while the bold speculator is arrested in a career which, if left to pursue, would ultimately result in hopeless insolvency.

That the great body of the people in the United States are in a sound and healthy condition, is undoubtedly true; and when the present crisis has put a check to over-trading and speculation, we may look for a speedy return of prosperity in that young and vigorous country.

Turning from the United States to our own country, what are the prospects for the future? During the last few years, we have been blest with abundant harvests, as well as with a large expenditure of foreign money; do we now find ourselves in the condition in which these advantages should have left us? Have we, as a people, improved our opportunities, and wisely

prepared ourselves for less prosperous times? Let us look the matter fairly in the face. Have we not continued our importations beyond the requirements of the country, and instead of lessening our indebtedness in England and elsewhere, spent much of our means in high living, in real estate, or other property not now available? Forsaking the sure returns of industry, have not too many of us preferred the uncertain results of speculation, till at this moment, notwithstanding the fertility of our soil, and our manufacturing advantages, we are large importers of many articles of produce and manufacture from the neighbouring States? Are not our first merchants crippled by the reckless competition of less scrupulous neighbours, and our factories shut by the high price of living, and of course of labour, induced by the neglect of agricultural development. Has not the desire to push trade placed our agricultural population largely in debt, and these in defiance of all sound business principles, withhold payment till it suits their convenience? Added to this have we not, by our foolish usury-laws, virtually forbidden the introduction of foreign capital, and left the Banks to supply its place by the issue of an amount of paper money, calculated, in times like these, to weaken the best managed institutions.

It is a remarkable characteristic of our nature, that whenever a difficulty occurs, we are ever ready to cast the blame anywhere rather than on ourselves; and we need not wonder that in the present emergency, the Banks have become, as usual, the objects of attack. It is a popular fallacy that hard times are caused by the action of the Banks, and that were they to discount liberally at all times and under all circumstances, no serious pressure could occur. We forget that Banks as well as individuals, however willing to extend their business, are subject to the unalterable laws of trade, and when these laws demand contraction, they cannot with safety follow a different course. It is the constant recognition of this principle that has given the Banking Institutions of Canada, the high character they every where enjoy, and has enabled them to pass in safety, through the darkest hour of commercial depression or political strife. Yet these truths, although generally admitted, do not deprive us of the benefit of many crude theories as well as valuable suggestions in times of emergency, and if in the multitude of councillors there is safety, there need be no fear for the safety of Canadian Banks. One writer, after stating that the Banks have already loaned too much, proposes as a remedy that they suspend specie payment *discount liberally, and so roll forward the tide of prosperity now so rapidly receding*. Every experienced merchant knows the result of increasing the liabilities of a customer in difficulties in order to carry him through. Are the Banks any exception of the general rule? Let us not forget that the Banks have already discounted to the utmost safe limit; and that instead of the money being employed to develop our own resources, much of it has been sent abroad to purchase articles of luxury which we did not want, or articles of necessity which should have been produced at home. Another, with greater show of reason, invokes the aid of the Banks in order to bring to market the large crops now in store all over the country, and to bring forward which not one large capitalist, it is said, is now engaged. It is doubtless desirable, nay absolutely necessary, to bring our crops to market, in order to relieve the country; but are the Banks in a condition to render the required assistance? or, if able, are they called upon to enter an arena of speculation in which private capitalists fear to tread? Had they?

six weeks ago, discounted liberally to wheat-buyers, to purchase on a falling market, would they not now have been heavy sufferers, and ready to be charged by the same class of advisers with the blindness of a policy, the result of which every clear-sighted man could easily foresee. With exchange at 98, in New York, will judicious merchants sell at that rate to purchase wheat for shipment? We much doubt it. But admit for the moment that they would do so, and the Banks agreed to discount their exchange liberally, would not a large proportion of the money go at once to liquidate our indebtedness in the United States, or to make fresh importations, and thus, in the shape of exchange, or the speedy return of the bank issues, drain their coffers of the last dollar, endangering their stability and deranging the whole business of the country.

We must not forget that the large balance of trade at present against us, cripples the Banks by forcing home their circulation for foreign drafts. With a stupidity almost amounting to insanity, we continually boast of our *increasing imports* while scarcely a thought is bestowed upon the far more important subject, *increasing exports*. With what contempt would we regard the merchant who boasted of his increasing *liabilities*, as the sure indications of his prosperity, without closely examining his increasing *assets*, yet little better has been the conduct of our political economists during the last few years. Were it not against all our received opinions of political economy, we would recommend that the duties be collected on the *exports* instead of the *imports*, as the desire to replenish the exchequer might then lead our public men to pay more attention to the development of our resources.

The sound maxim in ethics, "never do evil that good may come," is peculiarly true in respect to sound Banking. Better suffer the consequences of one error now, than the accumulated troubles which an ill-advised expansion would shortly produce.

The idea that liberal discounts and a larger issue of paper money would permanently relieve our necessities, reminds us of the man who, when in difficulties, borrows his "friend's" note, and having converted it into cash, relieves his present necessities. But the time of payment comes round, and this apparently smooth and easy operation must be repeated, and the "friend's" liability likely increased by the item of interest. To a third repetition of the operation, the friend probably demurs, and is in consequence assailed in pretty much the same manner as many parties now assail the Banks. Let us not be understood to advocate a hasty contraction of Bank accommodation,—it is to prevent this that the Banks are now acting, and will doubtless continue to act with so much caution. So far, they have done good service in allowing the loss of the decline of wheat to fall on the farmers themselves, who are the proper parties to bear it; and we need not fear when the price reaches a point which leaves a safe margin for operations, buyers will not be wanting, and the wheels of commerce will move freely without being lubricated with a rash and dangerous Bank expansion.

It has been proposed, in order to prevent the Banks from drawing the gold from each other, to settle their balances by exchange on England. This would be a beautiful operation, if, like the famous Micawber, the drawing of the bills of exchange was the last of the business; but, unfortunately a very important point has still to be attended to. The gold must be placed against that exchange in England, and, at present rates, at a heavy loss.

But suppose that by this or any other arrangement, the Banks were enabled to increase their discounts, a large proportion of the extra accommodation would, as we have already stated, soon find its way into the United States in settlement of our indebtedness there, or it may be to purchase Western wheat at a low figure, and thus be forced home for redemption long before the first shilling could be realized from their English exchange.

Another important consideration seems to be, to some extent, overlooked in the present emergency. The crop of last year, at the then high prices, was not sufficient to meet our indebtedness, and that of the present year, at present prices, would scarcely go half so far; would it, under these circumstances, be wise policy to stimulate, by a large Bank issue, a false prosperity, inducing, for a time, fresh importations, and thus landing us, at a period not remote, into difficulties far more disastrous. So far as we can see the only safe course for the Banks to pursue,—and that which they undoubtedly will pursue,—is to give all the accommodation circumstances will warrant, but to attempt no sudden expansion of the currency, which can only result, and that very speedily, in a forced contraction ten-fold more injurious to the interests of the Province than the present severe but inevitable pressure.

We write not thus to create needless alarm in the public mind, but under a firm conviction that unless more of our capital and labour is directed into channels of productive industry, the recurring panics in the neighbouring States may be succeeded by the bright sunshine of prosperity, but a dark cloud will still hang over our poor country, which all the suggestions of our political economists will not be able to dispel. When we look at the hundreds of expensive establishments in our principal thoroughfares, and see the severe struggle of their owners to sustain their position, we cannot doubt what will be, in many instances, the result; but, unfortunately, no external aid can reach them, and however much we may regret the fact, it is nevertheless true that until the producing classes more fairly balance the importing, and our agriculture and manufactures are more fully developed, no Bank accommodation can “roll forward the tide of prosperity now so rapidly receding.”

In criticising the conduct of our Bank Directors, we should not forget the serious responsibility resting upon them. Far below this ruffled surface, runs the steady current of a sound prosperity, and while a hundred enterprises are arrested, a thousand move on in their wonted course. Shall we, for any temporary relief, demand a course of procedure which may endanger the safety of those institutions which, while they have yielded fair returns to the shareholders, have already added, and are even now adding, so much to the prosperity and advancement of the country.

Y. Z.

"CANADIAN MERCHANTS' MAGAZINE" EXTRA.

TORONTO, OCTOBER 14, 1857.

Toronto Board of Trade—Special Meeting.

A special meeting of the Board of Trade was held on Monday evening, at which the President, T. Clarkson, Esq., presided. The meeting was numerously attended, and the following report and resolutions were submitted in reference to the present condition of the country:—

The Secretary, Mr. Robertson, read the report of the committee appointed to confer with the Managers and Cashiers of the several Banks. This report was as follows:—

"In compliance with the resolution passed by the Board at the last general meeting, your committee have held two meetings—the first of which was attended by five representatives of the Banks doing business here.

"Your committee being deeply impressed with the importance of the trust confided to them, endeavoured to explain the present state of the country as suffering from the monetary crisis which is now so generally felt throughout the American continent, in consequence of which they urged on the Banks the immediate adoption of some means whereby the produce of the country could be moved to market previous to the close of navigation—this being the most important measure of relief contemplated by your committee; in support of which it was shown that the circulation of the Banks would be increased without any danger from a run on them for specie, as the bills so circulated would gradually find their way back to meet the engagements of the city merchants, which would be a means of easing the Banks by decreasing the liabilities of their customers.

"Your committee respectfully suggested to the Banks the necessity of adopting some means by which they could settle the balances against each other, without the withdrawal of specie from their vaults, as has recently been the practice; and in this view your committee were supported by the unanimous opinion of those present.

"From the general tenor of the conversation at these meetings, it appeared evident that the Cashiers of the Local Institutions were desirous of affording the relief suggested. But in the absence of the Managers of the principal-named Institutions of Lower Canada, no decisive action could be taken, in consequence of which an adjourned meeting was held in the expectation of these gentlemen being present; but without the desired result. In conclusion, your Committee have reason to believe that the discussion which has taken place will not be without its use.

"Your Committee have sought the aid of the Board of Trade, of Montreal, so that a crisis may be averted, which, in its effects, would be ruinous alike to public and private credit.

"All of which is respectfully submitted."

The Report was received and adopted.

The President then stated that he had much pleasure in adding that an arrangement had been made by the Local Banks for settling their exchanges by bills of exchange on London; and that he understood these exchanges would take place monthly, which would materially ease the present pressure. He remarked that the Banks appeared desirous of assisting to get out the produce of the country before the close of navigation. On the whole, the action of the Committee was looked on favourably.

It was then moved by Mr. Armour, seconded by Mr. Lewis, that the Committee should receive a vote of thanks, and be requested to continue to act. Carried.

Several gentlemen having addressed the meeting, Mr. Heward stated that the Banks had agreed to settle their balances monthly. This statement was received with much satisfaction.

A communication from Mr. Isaac Buchanan, of Hamilton, was next read; it had reference to the present scarcity of money, enclosing a letter of his which appeared in the *Spectator* yesterday morning. The writer stated that 20 years ago the same sentiments had been uttered by him; and suggested that an interview should be had with the Inspector-General and other members of the Cabinet, in order to induce them to pass an act he had drawn up, and which he thought would cause relief in an emergency like the present.

THE FINANCIAL CRISIS.

Financial affairs in the United States continue unsettled, and numerous suspensions and failures, both of Banks and individuals, are still reported.

The following is a list of failed Banks, to date so far as advices have been received.

Addison Bank, Addison, N. Y.	Oct.	7
Bank of Kanawha, Va.	Aug.	25
Bergen County Bank, N. Y.	Sept.	1
Bank of Orleans, N. Y.	"	10
Bank of New Jersey, N. J.	"	10
Bank of the South County, R. I.	"	12
Bank of the Capitol, Ind.	"	12
Bank of Elgin, Ill.	"	12
Bank of Galena, Ill.	"	18
Bank of Napierville, Ill.	"	18
Bank of Hartford County, Conn.	"	23
Bank of Canandaigua, N. Y.	"	24
Bank of Pennsylvania, Phil'd Pa.	"	25
Bank of Lima, N. Y.	"	29
Bridgeport City Bank, Ct.	Oct.	1
Bank of Corning, N. Y.	"	1
Bank of Belleville, Ill.	"	1
Bank of Belleville, Belleville, Ill.	"	1
Bass River Bank, Mass.	"	2
Bank of Ashland, Ky.	"	3
Bank of Trenton, Tenn.	"	5
Bank of Central New York, Utica	"	5
Bank of North America, Seymour, Ct.	"	5
Bank of Nashville, Tenn.	"	5
Bank of Watertown, N. Y.	"	6
Broadway Bank, N. Y.	"	10
Central Bank, Indianapolis, Ind.	Sept.	15
Colchester Bank, Conn.	"	18
Commercial Bank, Phil'd Pa.	"	26
Charter Oak Bank, Conn.	Oct.	6
Danby Bank, Vt.	Sept.	4
Dayton Bank, Ohio	"	17
East River Bank, N. Y.	Oct.	10
Exchange Bank, Hartford, Conn.	"	6
Farmer's Bank, Wickford, R. I.	Aug.	25
Farmer's Bank of Hudson, Wis.	Sept.	19
Farmer's Bank, Elizabeth City, N. C.	"	29
Fox River Bank, Wis.	Oct.	1
Farmer's & Citizen's B'k, Williamsburg N. Y.	"	1
Farmer's Bank, Hudson, N. Y.	"	2
Grocer's Bank, N. Y.	"	10
Gerard Bank, Philadelphia, Pa.	Sept.	25
Genesee River Bank, N. Y.	Oct.	1
Hollister Bank, Buffalo, N. Y.	Sept.	4
Huguenot Bank, N. Y.	"	12
Hopkinton Bank, R. I.	"	24
Hamilton Exchange Bank, N. Y.	"	30
Hudson River Bank, Hudson, N. Y.	Oct.	2
Lee Bank, Mass.	"	6
Leonardville Bank, N. Y.	Sept.	30
Mercantile Bank, Hartford, Conn.	Oct.	6
Monticello Bank, Va.	"	3
Medina Bank, N. Y.	Sept.	24
Miami Valley Bank, Ohio	"	10
Monsum River Bank, Main	"	16
Niagara River Bank, N. Y.	"	4
O'iver Lee's Bank, Buffalo, N. Y.	"	4
Ontario Bank, N. Y.	Sept.	15
Old Saratoga Bank, N. Y.	Oct.	2
Oneida Central Bank, N. Y.	"	5
Ontario County Bank, N. Y.	Sept.	9
Philipsburg Bank, N. J.	Oct.	2
Peninsular Bank, Detroit, Mich.	"	1
Pine Plains Bank, N. Y.	"	8
Powell Bank, Newburg, N. Y.	"	3
Pratt Bank, Buffalo, N. Y.	Oct.	10
Rhode Island Central Bank, R. I.	Aug.	25
Reciprocity Bank, N. Y.	"	26
Rock River Bank, Wis.	Sept.	14
Rock Island Bank, Ill.	"	17
Sackett's Harbor Bank, N. Y.	Aug.	26
Sandford Bank, Maine	Sept.	16
Stark Bank, Vt.	Oct.	2
Shelbyville Bank, Tenn.	"	5
Trader's Bank, Ind.	Sept.	17
Thompson Bank, Conn.	Oct.	8
Tiverton Bank, R. I.	Aug.	25
Union Bank, N. J.	Sept.	29
Warwick Bank, R. I.	Aug.	25
Warren County Bank, Pa.	"	25
Western Bank, Lockport, N. Y.	Sept.	22
Windham County Bank, Conn.	Oct.	3
Western Bank, Mass.	"	5
Weare Bank, N. H.	"	5
Worthington Bank, N. Y.	"	5
Yate's County Bank, N. Y.	Sept.	21

The following New-York City Banks suspended yesterday:—Marine, Ocean, Merchants' Exchange,

New-York Exchange, North River, Irving, Citizens', Chatham, Bull's Head, St. Nicholas, and Market Banks. Also, the Bank of South Carolina, and Western Exchange Fire and Marine Insurance Co., Nebraska.

Thompson's Reporter, quotes New England Bank Notes at 2 discount; New York State at 1 to 2 discount; Canada at 2 to 8 discount.

Bank exchange on N. York, is 2½ premium and scarce Private " " 2 " " Bank " " England, 9½ In Montreal, Bank exchange on England is quoted at 7 premium.

In New York, exchange on England is almost unsaleable, and has been sold as low as 95.

So far, Canada has stood the pressure with great firmness, but owing to our extensive relations with the United States, the return of easier times here, must depend very much upon the course of events on the other side.

In any event, the present low price of produce will doubtless soon tempt buyers to visit our market, and this with the aid of the Banks, will we trust give a healthier tone to Mercantile operations. To our friends we would say, buy and sell with great caution, reduce your liabilities to the lowest possible amount, and be prepared for the worst, for the safety of the mercantile community, like that of the soldier, consisting in being prepared for any emergency.

AFFAIRS IN MONTREAL.

From John Dougall's Commercial Review of the 9th inst., we make the following extract:—

We have been making enquiries into the grounds for various charges now being brought against the Banks, and find the following very satisfactory results:—

1st. The Banks are discounting as freely as their capital and circulation will warrant, as the next monthly statement will show.

2nd. They have come to an arrangement, to settle their balance by exchange on England, a plan which will obviate the inconvenience of demanding specie, or exchange on New York.

3d. The Banks are refusing no credit, asked by responsible parties, for the purchase of produce in Canada, but, on the contrary, are facilitating, by every means in their power, this most necessary operation.

4th. So far from speculating in exchange, they are paying 3 or 4 per cent. more for it, than the same kind of bills, would sell for in New York, and thus doing all in their power to facilitate shipments of produce to Europe.

The fact is, the public have more need to turn their reprobation on panic makers, than on Banks. This class of people, among whom were two or three disreputable papers, in New York, have been instrumental in annihilating millions of exchangeable value in the United States, and throwing many thousands of working people, out of employment for the winter; and if Canada would beware of like results, she must beware of fostering or giving ear to would-be panic-makers.

The Montreal Gazette, of the 12th inst., confirms the above statements, and makes the following remarks:—

"The fact is, if people will but practice economy, believe nothing about panic and trouble which they do not know, maintain the confidence in themselves and the commercial community which the condition of the country justifies, we shall soon cease to hear the doleful stories which men delight in, in times like the present, and panic-making will go out of fashion. No doubt money is tight, and men will require to make sacrifices to get it. The farmer must sell his grain for less, and the merchant his exchange. Stocks and lands, too, must, in some cases, be parted with at a sacrifice; but there should be, and must be, no general crash, for Canada abounds in all the elements of wealth."

Monthly Averages of Canadian Banks.

Date.	Capital.	Discounts.	Specie.	Circulation.	Deposits.
1857.					
March 31,	\$16,119,187	\$34,927,218	\$2,025,715	\$11,338,376	\$8,306,435
April 30,	16,295,597	32,232,219	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	2,310,933	10,511,876	9,650,326
July 31,	17,924,667	32,243,981	2,262,167	10,760,167	8,625,924
August 31,	18,092,888	32,931,843	2,272,310	10,777,358	8,621,015